

## **Foiling Rupert Murdoch: Project Harmony Misfires**

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The case that began on September 17 concerning the control of the Murdoch family trust has been decided. It saw a dicey attempt by the one of the most ruthless newspaper and media moguls in history to limit influence and control of his publishing and broadcasting empire after his death. The relevant parties? The children, of course.

The central instrument of dispute was a trust, intended as an irrevocable instrument born from the divorce of Rupert Murdoch and his second wife Anna Torv Murdoch Mann. Anna's wish was that Rupert and the children share control over the businesses of the imperium. Any new contenders – namely those arising from Rupert's union with Wendy Deng – would also be shut out, though not financially. This meant that Prudence, Elisabeth, Lachlan and James would each have an equal voting share concerning company decisions after their father's croaking.

Power, and its exercise, instils a permanent restlessness. Rupert was unlikely to leave the trust, whatever its status, alone. Patriarchs of such character are bound to have their favourites, angling for those who advance their concerns and interests while marginalising perceived threats and inadequate helpers. Over time, Lachlan seemed to push his way through to the front as one most likely to continue the father's media vision. According to *The New York Times*, it was he who <u>ultimately pushed matters</u> to alter the trust in mid-2023 given rattling moves from Elisabeth Murdoch. At a subsequent meeting of the trust, Rupert stated that, while he loved his brood, "these companies need a designated leader and Lachlan is that leader".

The other children had also stirred the patriarch's sense of peace, much of it arising from the role played by Fox News and News Corp. James, for instance, is seen as the most "troublesome" by Lachlan, given his grumblings over the Fox-News Corp besmirching of climate change science and other unenviable causes. The result was <u>Project Harmony</u>, an attempt to cut out the other children from making decisions on the future direction of the media imperium. This change of heart was always going to be difficult to realise, given the limits imposed on any unilateral changes made by the "settlor" in Nevada law.

In June, Nevada's Probate Commissioner gave Rupert a streak of hope. Changes <u>could be</u> <u>made</u> to the trust subject to the proviso that they be done in good faith and for the sole benefit of the heirs. The father's sly contention was that granting Lachlan full control would end up advantaging *all* the children. The tribal chieftain had spoken.

This month, **Commissioner Edmund J. Gorman Jr.** made his sharp assessment: he <u>was</u> <u>far from impressed</u>.

"The effort was an attempt to stack the deck in Lachlan Murdoch's favour after Rupert Murdoch's passing so that the succession would be immutable. The play might have

worked; but an evidentiary hearing, like a showdown in a game of poker, is where gamesmanship collides with the facts and at its conclusion all the bluffs are called and the cards lie face up."

Both Rupert and Lachlan had acted in bad faith in engaging what Gorman regarded as a "carefully drafted charade" intended to favour Lachlan's position of power.

James, Elisabeth, and Prudence, keeping up appearances, <u>supplied a statement</u> to *The New York Times* welcoming the Commissioner's finding "and hope that we can move beyond this litigation to focus on strengthening and rebuilding relationships among all family members." This seems unlikely, given a few contingencies. For one thing, the commissioner's finding is to be passed on to the Probate Court, requiring a district judge to ratify or reject it. Either way, this will permit the defeated party to appeal the ruling. The lawyers on all sides are swooning.

Media vultures in search of carrion see this ruling as remarkable – probably more so than it is. A former Murdoch editor turned snow white, Eric Beecher, <u>argues</u> that the leadership of both New Corp and Fox "is now deeply uncertain as a result of the commissioner's ruling. The non-Murdoch shareholders – who own more than 80% of each company – have woken up to the news that their chairman is likely to lose when his father dies". Shareholders and markets, Beecher goes on to remind us, "hate uncertainty."

This certainly presents a problem for the Murdoch family. Whatever their disagreements, the cash incentive has always been sovereign in power. Principles have been treated as baubles and luxuries. Fox News, beastly as it is, remains a sacred cow in the profit stakes. For over 20 years, it has raked in the viewer numbers. It has an enviable primacy over others in the swill bucket of cable news, seizing some 70% of the market in November. Competitors such as CNN and MSNBC have seen their <u>audiences fall</u> since the November election.

That said, the model Fox News breathes and feeds on has an inbuilt obsolescence. Alternative avenues were cultivated by the Trump campaign in 2024, most notably through podcast formats offered by such figures as Joe Rogan. Subscription television is on a precipitous decline in the US. Lachlan's siblings may end up seeing the very outlets of Daddy Rupert they despise yet profit from atrophy over time. No one should shed a tear for that fact.

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