

Madwell Is Shutting Down. Read the Email CEO Chris Sojka Sent to Staff.

Embattled indie ad agency Madwell will close its doors for good at 11:59 pm Eastern tonight (April 30).

In an email sent to staffers at 8:30 pm Wednesday, obtained by ADWEEK, the agency's CEO Chris Sojka said: "Madwell will be ceasing operations at 11:59 pm tonight. A small team will work to unwind various aspects of the business over the next 2 weeks, tending to the obligations they are able to. The past two pay cycles (4/15 and 4/30), as well as reimbursements, will be paid out from our final receivables. We will be covering health benefits for all Madwellians until the end of May."

The email echoes claims Sojka had previously made in litigation against his former business partners.

ADWEEK was unable to verify the veracity of those claims.

One of those former partners, David Eisenman, shared a statement with ADWEEK: "Chris's accusations simply aren't true. At this point, they seem like a last-ditch attempt to shift blame for the damage he's caused. The court records, evidence, and reporting speak for themselves. I truly feel for everyone impacted by his well-documented mismanagement and reckless decisions, and I hope they're able to recover what they're owed."

The company's former CFO did not respond to ADWEEK's request

for comment in time for publication.

Sojka's message to staff follows an email he sent Monday to Bank of America where he wrote that the agency would cease operations because "Madwell cannot survive the magnitude of the debts" it owes.

Read the text of the full email Sojka sent to staff below:

Madwellians,

I spent the morning meeting with authorities, who came to Porter at my invitation. We walked them through the results of our work reconstructing what actually occurred inside of this company at the hands of its former Chief Executive and Chief Financial Officers.

It is now clear that the fraud perpetrated against Madwell began many years ago. Between 2019 and 2023 alone, more than half of our revenue, per our own books, was hidden from myself and the government. In a practical sense this equates to over 130 million dollars.

The scale of these misdeeds, compounded by the press narrative blaming me for our financial instability (which in turn caused us to be terminated by our biggest client), have made any fundraising impossible.

As such, Madwell will be ceasing operations at 11:59 pm tonight. A small team will work to unwind various aspects of the business over the next 2 weeks, tending to the obligations they are able to. The past two pay cycles (4/15 and 4/30), as well as reimbursements, will be paid out from our final receivables. We will be covering health benefits for all Madwellians until the end of May.

Additionally, it is my hope that Bank of America (itself a fraud victim), in conjunction with our other large corporate creditors, will work with us so we can further prioritize paying down debts to the many small businesses and individuals most impacted by this theft.

You will receive further communications from People & Culture to help you navigate this process as well as the immediate next steps.

17 years ago I teamed up with a person I thought was my best friend to begin a journey that would ultimately become Madwell. I hoped we could build a place to facilitate unfettered amplification of the imagination. It took more than 1100 exceptional people like yourselves, working as a team across a multiyear relay race of the mind, to make Madwell.

In the end, I believe we reached our goal.

With a broken heart,

c.

Recommended videos

<https://www.adweek.com/agencies/madwell-is-shutting-down-read-the-email-ceo-chris-sojka-sent-to-staff/>