

# RADIO BUSINESS REPORT™

VOICE OF THE RADIO BROADCASTING INDUSTRY®

## RADIO NEWS™

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## Media groups weigh in on cross-ownership

by Frank Saxe

While newspaper and radio may fight for the same ad dollars, when it comes to loosening cross-ownership rules, the two are fighting side-by-side. The FCC is collecting comments as part of its required biennial review, which should lead to a proposed rule making this Fall.

In comments filed with the FCC last week, the Newspaper Association of America asked the Commission to lift ownership restrictions on print and electronic media ownership. Greater Media CEO **Thomas Milewski** proposed similar changes under the auspices of diversity (see related story, below right).

The Newspaper Association of America asked the Commission to drop its ban on newspaper/broadcast cross-ownership. Calling the rules outdated and unconstitutional, NAA said the mass media marketplace of 1998 is dramatically different than that of 1975, when the rule was enacted.

"Relief from the onerous restriction not only will help preserve newspapers and broadcast stations as viable voices, but it will also spur their evolution into more diversified and innovative competitors," said **John Sturm**, president, NAA.

In April 1997, NAA filed a petition asking the FCC to repeal the cross-ownership rule, but the Commission never acted upon it (*RBR* 5/5/97, p.6).

NAB President **Eddie Fritts** agrees the time to repeal the cross-ownership rule has come, particularly with the explosive growth in the number of media outlets and the Internet. "It makes no sense to continue restricting free over-the-air broadcasters from owning newspapers in the same market," he said.

In a separate filing, the libertarian Freedom of Expression Foundation asked the Commission to repeal its one-to-a-market and cross-ownership rules. It also said the FCC lacks authority to add any further restrictions, based on its reading of the 1996 Telcom Act.

"Eliminating the stringent ownership rules would allow radio broadcasters to compete more effectively with other media, thereby ensuring quality and diversity," the group writes in its filing, adding, "The ownership rules not only stifle productivity, but also infringe upon broadcasters' First Amendment rights."

There is also support on Capitol Hill for loosening ownership rules, from Sen. **Conrad Burns** (*RBR* 7/20, p. 4) and Rep. **Billy Tauzin** (*RBR* 6/28, p.6). Rep. **Scott Klug** (R-WI) introduced a bill in February, which would repeal the newspaper cross-ownership rule (*RBR* 2/16, p.3). The bill appears dead for this session, and Klug is retiring.

### September inventory going fast

Summer radio sales are outpacing last year, according to the latest *RBR*/Miller Kaplan forward pacing report as of July 15. With September already more than half sold, Q3 is shaping up to be a strong quarter for radio revenues, presuming stations hold tight to rates. All signs point to continued strong demand for radio going into Q4. —KB

### RBR/Miller Kaplan Market sell-out percentage report

	1998	1997
July 15	84.2%	83.1%
Aug.	69.3%	66.4%
Sept.	54.4%	46.1%

### Diversity debate continues

by Frank Saxe

Diversity in ownership ranks remains a hot topic, as several plans continue to be floated on how to answer FCC Chair **Bill Kennard's** call for ideas. The latest, offered by Greater Media CEO **Thomas Milewski**, would loosen cross-ownership restrictions as a byproduct.

In a joint filing with Press Communications, Milewski proposes liberalizing the multiple ownership and cross-ownership rules, while at the same time capping how many media any one owner can hold in a market. For example, a TV station would be equivocal

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equivalent to three FMs and one AM, while a daily newspaper would equal one TV or three FMs and one AM. Large media groups would have an incentive to give up radio holdings, in order to buy TV or newspaper.

In helping minorities and women to buy new stations, Milewski says his plan would be more effective than an equity fund—an idea discussed at a group head meeting with Kennard two weeks ago (*RBR* 7/20, p.3). "You can get all the financial backing you want, but if there are no stations to buy, there's no inventory."

The filing also proposes reworking market definitions, calling the current formula a "disaster."

#### **The Paxson proposal**

Paxson Communications (A:PAX) CEO **Bud Paxson** has also made the FCC an offer to help minorities gain ownership in exchange for allowing him to own more stations. It is similar to an offer being prepared by Fox's **Rupert Murdoch** (*RBR* 7/20, p.3).

Under Paxson's proposal, companies which provide minorities funding would be allowed to own up to a third of the minority-owned company. That ownership would not count toward the FCC's 35% national audience cap. Paxson's plan would also allow the signals to overlap if the station is in a nearby ADI.

"Any way of increasing diversity in ownership is excellent, but we all have certain limitations. This is a way for us to get more stations and help others in the process," says Paxson. Under his plan, Paxson's new TV network could gain affiliates, since he'd require new owners to sign affiliate agreements by Dec. 1, 1998 and sign on by Dec. 1, 1999.

#### **Broker segregation**

While Kennard has focused attention on broadcasters, Minority Media and Telecommunications Council Executive Director **David Honig** feels the

root of the problem may lie with brokers. "The fraternity of brokers is like the country club of the 1950's. Even polo and golf are integrated."

Honig believes brokers should hire and train minorities, arguing experienced sales and general managers could easily make the switch. Otherwise, he says minority owners are left out of the loop on what is for sale. "If you sell based on who you know, you don't get deals to minorities."

The MMTC has done some brokering work for minorities, but Honig says he'll often get calls from sellers only as a last resort.

#### **DG Systems launches new service**

by Carl Marcucci

While Musicam Express and DCI are trying to stay afloat (*RBR* 7/6, p. 3), DG Systems (O:DGIT) has launched "iAudio," a new service that allows direct delivery of spots and production to digital editing workstations via the Internet. Previously, DGS customers were only able to use the network via proprietary hardware installations over ISDN lines.

The Internet has put new competitive pressures on the digital delivery biz. "Leveraging the Internet is strategic for us and critical in long term. We are responding to DCI and Musicam customers concerned that they will not be able to meet their needs in long term," said **Boda Chen**, director of product marketing, DGS. As if to offset any fears, a recent DGS announcement confirmed its radio client list had topped 6,000.

Internet delivery is nothing new. Dallas-based Radio Potato has been leveraging it for two years. "It's the most cost-effective way to do it. There are no delivery charges whatsoever. The only cost is time," said **Marshall Such**, head potato, Radio Potato.

#### **Secrecy proposal opponents gain support**

by Frank Saxe

An FCC proposal to keep secret the price paid for station sales is drawing only limited support, while its opponents are gaining. In reply comments to a streamlining rule making (MM Docket No. 98-43) filed last week, *Radio Business Report*, *Radio & Records*, Duncan's American Radio and Dataworld reiterated their warning that failure to require contracts, including purchase prices, to be filed with the FCC at time of station sale would create chaos in the marketplace and make it more difficult for minorities and women to secure funding.

Joining the publishers and database companies' coalition, were Entercom Broadcasting, Key Corporate Capital, and two brokers—Kalil & Co. and Richard A. Foreman Associates.

"Media lenders or other funding sources who are unable to have access to information about comparable sales figures may curtail their lending activity given uncertainty regarding the market value of the underlying collateral, said **Kathleen Mayher**, SVP, Key Corporate Capital, in the company's declaration.

In its reply comments, the Media Access Project also backed full disclosure in a centralized location. "The Commission should continue to collect sales contracts and should allow broadcasters to realize cost savings by submitting contracts electronically," said MAP, which also backs keeping the filings in a centralized Washington, DC location. "Allowing broadcasters to maintain files at various locations across the country will inhibit meaningful public participation in Commission proceedings." Five other public interest groups have also backed centralized record keeping, arguing the FCC itself needs the data.

In a separate filing, Berry Best Services also noted that scattering the information or privatizing data collection would lead to higher prices and less public access.

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## Competing Media

### Local ad dollars down in April; Radio's share slips to 15%

by Katy Bachman

Radio's share of the local ad pie settled back to 15.3% in April after reaching a high of 18.2% in March, based on the radio stations in the 10 markets that make up the RBR/Miller Kaplan Total Media Index. The top 25 categories listed represent 90% of the local ad dollars.

Advertising spending across all three media was down in April, from more than \$500M in March to about \$392M, a drop of nearly 22%. Radio took the biggest hit, down 34.4% compared to TV, down 21.0% and Newspapers down 16.9%.

Newspaper share increased slightly to 45.4% from 42.8%, but still wasn't as strong as February's 46.5%. TV share continues to be flat at 39.3%.

In the leading media categories, radio's share slipped slightly; Automotive to 9.8% from 11.1%; Restaurants to 11.3% from 12.3%; Department Stores to 10.8% from

11.6%, and Communications/Cellular from 27.5% in March to 17.4%.

Television spent nearly half as much on advertising in April, but radio still gets the largest share of dollars by far at 79.5%. It is the only category in which radio breaks a 50% share. Other strong categories for radio in April were Medical/Dental/Health Insurance at 31.4%, Beverages at 43.2%, Entertainment/Lottery at 47.4%. Radio got a larger share of Auto Parts/Services dollars, up to 28.3% from 25.0% in March.

Dominating the local market ad share, Newspapers increased their hold on Department Store dollars, up to 79.0% from 76.7%. Newspapers also grabbed 50.0% of Grocery Store dollars, 84.5% of Hotels/Resorts/Tours, and 58.0% of Computers/Office Equipment.

Categories spending big shares in TV include Restaurants at 47.0%, Foods at 52.9%, Financial Services at 55.8%, and Drug Stores/Products at 56.9%.

### RBR/Miller Kaplan Total Media Index April 1998 (Expenditures in 000)

Category	Newspaper	TV	Radio	Total Media	Radio % of Total
Automotive	45,659	44,901	9,796	100,356	9.8%
Restaurants	14,803	16,712	4,020	35,535	11.3%
Department Stores	28,466	3,664	3,889	36,019	10.8%
Foods	6,463	10,020	2,464	18,947	13.0%
Communications/Cellular	10,112	8,922	3,999	23,033	17.4%
Furniture	5,892	5,371	1,910	13,173	14.5%
Financial Services	6,360	9,840	1,436	17,636	8.1%
Movies/Theater/Concerts	3,705	4,667	1,551	9,923	15.6%
Grocery Stores	6,965	4,055	2,919	13,939	20.9%
Appliances & Electronics	7,506	3,610	1,162	12,278	9.5%
Hotels/Resorts/Tours	9,441	2,037	1,193	12,671	9.4%
Drug Stores/Products	5,416	8,752	1,205	15,373	7.8%
Computers/Office Equipment	4,401	1,780	1,412	7,593	18.6%
Other Retail	5,355	3,044	2,894	11,293	25.6%
Medical/Dental/Health Insurance	3,040	2,909	2,717	8,666	31.4%
Auto Parts/Service	1,989	3,515	2,170	7,674	28.3%
Music Stores/CDs/Videos	528	1,963	802	3,293	24.4%
Transportation	3,945	1,787	940	6,672	14.1%
Entertainment-Other/Lottery	1,022	1,734	2,480	5,236	47.4%
Home Improvement	4,459	4,005	1,654	10,118	16.3%
Professional Services	607	3,711	1,520	5,838	26.0%
Beverages	240	3,918	3,161	7,319	43.2%
Television	668	184	3,311	4,163	79.5%
Personal Fitness & Weight Centers	350	1,874	397	2,621	15.1%
Publications	695	980	830	2,505	33.1%
<b>TOTAL</b>	<b>178,087</b>	<b>153,955</b>	<b>59,832</b>	<b>391,874</b>	<b>15.3%</b>

\*Based on Media Market X-Ray composite data for 10 markets (Atlanta, Dallas, Hartford, Minneapolis-St. Paul, Pittsburgh, Portland, OR, Providence, Sacramento, San Diego, Seattle). Newspaper and television data compiled by Competitive Media Reporting and radio data compiled by Miller, Kaplan, Arase & Co., CPAs. For further information contact George Nadel Rivin at (818) 769-2010.

## RBR News Briefs

► The FCC has rejected **Randy Michael's** Citicasters' request to deny The Calvary Chapel of Twin Falls, Idaho a new FM translator. Citicasters alleges the translator would cause interference with KIOZ-FM. But the FCC said Citicasters didn't prove there would be interference, in part, because the station is not yet on the air.

► The House Appropriations Committee has tacked an amendment sponsored by Rep. **Harold Rogers** (R-KY) onto the FY99 budget bill, which requires the Census Bureau to buy more Urban and Hispanic media—including radio. It also requires that the Bureau report to the House Committee every three months on which ethnic media outlets are being bought.

► The FCC has rejected pirate **Hippolito Cuevas'** petition, asking for a stay of enforcement against his unlicensed La Nueva Radio Musical, which has been transmitting at 104.5 MHz in New Haven, CT. The FCC also rejected his request to grant him a low power FM license.

► Dalet Digital Media Systems has opened a new sales and technical support office in Washington, DC. Dalet has also released "TeamNews," a new software package for newsrooms.

► Harris Corporation (N:HRS) announced (7/21) a major restructuring move that involves cutting its work force by 2,300, mostly in Harris' Semiconductor sector and Lanier Office Systems division. The cuts come close, but do not affect Harris' Broadcast Division.

► Satellite DARS company CD Radio (O:CDRD) has entered two more channel agreements with existing radio networks. London-based World Radio Network, with listeners in 50 countries, will get two channels: one for news and public affairs from around the world and another channel featuring news and business affairs. SUSALUD, a Spanish language network featuring health, psychology and human relations programming has also signed for one channel.

► Five manufacturers are set for European roll-outs of Eureka-147 DAB car stereo receivers beginning 8/1 thru the end of the summer: Grundig, Kenwood, Blaupunkt, Clarion and Pioneer plan initial distribution in the UK, Germany, Sweden and France.

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## NBC merger minded

by Frank Saxe

The crystal ball includes a merger for NBC-TV, according to NBC Entertainment President **Warren Littlefield** at the Television Critics Association annual Summer meeting in Pasadena July 18. "It seems today that, more than anything, size does matter," said Littlefield, who revealed many "exciting" options have been explored. Although NBC (N:GE) will be the only broadcast network to show a profit this year, Littlefield said the traditional network advertising model is no longer being embraced.

NBC Chairman **Robert Wright** and **Jack Welch**, CEO of General Electric, NBC's parent company, have been strong supporters of the merger idea. "Bob and Jack have been very consistent in saying we need partners," said Littlefield—who believes GE won't sell NBC outright, although one plan involves selling a minority stake in NBC through a stock offering. News Corp. (N:NWS) has plans to do the same with Fox Broadcasting.

Two weeks ago, NBC confirmed it was in merger discussions with **Barry Diller's** USA Networks (O:USAI) until Seagram's (N:VO) **Edgar Bronfman**, a 45% stockholder, balked at the idea. NBC has also held merger talks in the past with Sony, Viacom and Liberty Media.

## Emmis closes on USA TVs

Emmis Communications (N:EMMS) is now officially in the TV business. **Barry Diller's** USA Networks Inc. (O:USAI) has completed its \$307M sale of all four of its SF Broadcasting TV stations to Emmis, a deal announced in the Spring (RBR 4/6, p.20). SF Broadcasting is a 50/50 partnership between USA and **Rupert Murdoch's** News Corp. (N:NWS). The four VHF stations are in Honolulu, Green Bay, Mobile and New Orleans. Emmis CEO **Jeff Smulyan** has hired former Fox TV group president **Greg Nathanson** to run Emmis' TV group. —FS

## Can Lehman wake the sleeping infomercial giant?

by Katy Bachman

While at least two other infomercial companies, Kent & Spiegel and Inphomation Communications, have gone belly-up (RBR 2/9, p. 2), National Media (N:NM) got a \$30M booster shot from a new group of investors led by Premiere CEO **Steve Lehman** (RBR 7/20, p. 4).

NM, which markets more than 125 products domestically and internationally, has had a tough time of it, losing money quarter after quarter. It recently reported a net loss of \$56.8M or \$2.31/share for FY ended March 31, 1998. Some of that loss—\$14.5M—NM attributes to its acquisition of Positive Response TV in May 1996. In addition, revenues declined to \$278.5M from \$358.2M.

Lehman, who will become chairman, must seem like a knight in shining armor to National Media which saw its deal with ValueVision fall apart in early June. NM had been looking to trim the fat from its global expenses at the same time, seeking ways to leverage its business on the Internet (National Media sells its products on its web site quantumtv.com) and in other retail sectors.

"They needed management and a better plan and we think they got one," said

Jacor CEO **Randy Michaels** about why his company is throwing \$10M into the National Media pot. "Lehman has some interesting ideas of how to synergize the unsold [network radio] inventory with an infomercial company. We're always looking for NTR [non-traditional revenue]."

Direct response on radio is nothing new. When **Bud Paxson** used the radio to unload all those extra can openers in 1977, an entire home shopping industry was born.

That doesn't mean products that sell well through TV infomercials are a natural fit for radio. For one thing, TV infomercial products tend to be gadgets and gizmos that need demonstration. For another, "the price points are different; most radio direct response is in the \$150-\$200 range," said **Mark Lipsky**, president/CEO, Radio Direct Response, pointing out that in radio direct response, stations often share in the revenue.

In TV infomercials, time is bought outright. However, TV and cable time is not as cheap as it was 10 years ago when infomercial companies took to the airwaves in earnest. "Media rates have continued to go up and audiences continue to degrade. Companies are paying four times more money to reach 25-35% fewer eyeballs," said **Steve Dworman**, Editor/Publisher of West-Los Angeles-based Infomercial Marketing Report.

## MATTER OF RECORD

*On July 20th, 1998*

**Granite Broadcasting Corp.**

*completed its acquisition of*

**KOFY-TV, Channel 20**

*the WB affiliate in San Francisco, from*

**Pacific FM, Inc.**

*Ben LaRue of H.B. La Rue Media Brokers,*

*Beverly Hills, was the exclusive broker in this privately negotiated transaction, representing Granite.*

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with charts supplied by

# Stocks went into Q2 holding pattern for Q3 takeoff

By Jack Messmer

With 20-20 hindsight, we can state that the second quarter of 1998 was an excellent time to invest in the stock market. That was especially true for the radio industry's active consolidators and the 30 blue chips that make up the Dow Jones Industrial Average.

Coming off of record highs for most stocks in Q1, the market went into a holding pattern as analysts debated whether or not the Asian financial crisis would have a large impact on US companies, or merely amount to a ripple. Those fears seemed to evaporate this month as the analysts were able to focus on Q2 earnings reports, which they generally expect to show decent growth. Now, as the actual reports are coming in, they're mostly on-target or, in many cases, better than expected—and the bulls have resumed their stampede, taking the Dow Industrials and other indices to another series of record highs.

Among the big stocks in the S&P 500, Clear Channel Communications (N:CCU) has been one of the standouts. The company that's already made both CEO **Lowry Mays** and co-founder **Red McCombs** billionaires rose an additional \$20 per share in Q2, on top of its \$18 Q1 gain. And that was before it really kicked into high gear this month and surged to record high after record high as it crossed the \$120 level (see p. 11 for recent details). Clear Channel announced a two-for-one stock split which will take place tomorrow (7/28).

Both Chancellor Media (O:AMFM) and Jacor Communications (O:JCOR) also followed up on strong Q2 showings by hitting record highs this month. Both are viewed as cash flow growth leaders. Chancellor is also being rewarded for aggressive acquisitions and speculators are

## Q2 radio stock performance by category

	6/30/98	YTD	Pct.
Radio Companies	Close	Gain/Loss	Gain/Loss
Alliance Bcg.	0.750	0.500	200.00%
Chancellor	49.656	12.344	33.08%
Jacor	59.000	5.875	11.06%
Cox Radio	43.250	3.000	7.45%
Emmis Bcg.	47.812	2.187	4.79%
Triathlon	10.750	0.250	2.38%
Big City Radio	8.125	0.000	0.00%
Heftel Bcg.	44.750	-2.000	-4.28%
Saga Commun.	14.000	-3.000	-17.65%
Childrens Bcg.	3.000	-1.062	-26.14%

### Radio IPOs

Capstar	25.125	6.125	32.24%
Cumulus	14.562	0.562	4.01%
Regent Pfd.	6.000	0.000	0.00%

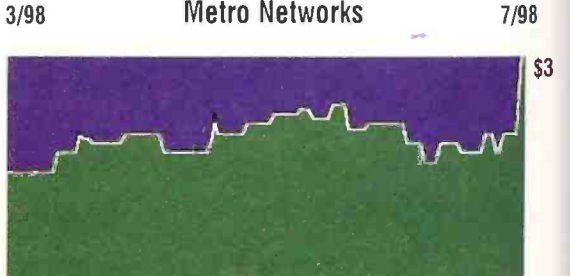
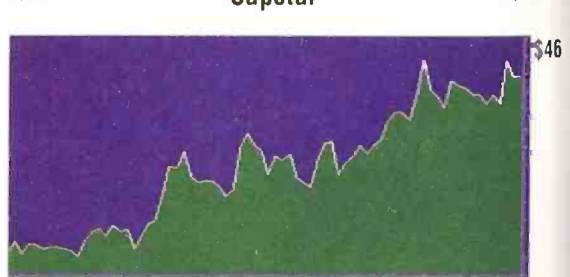
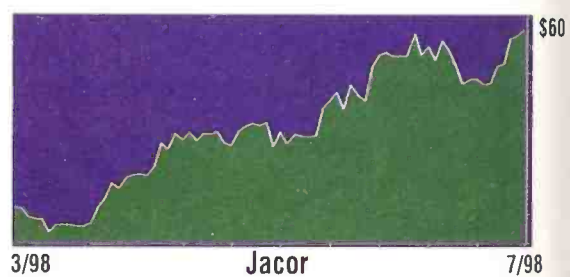
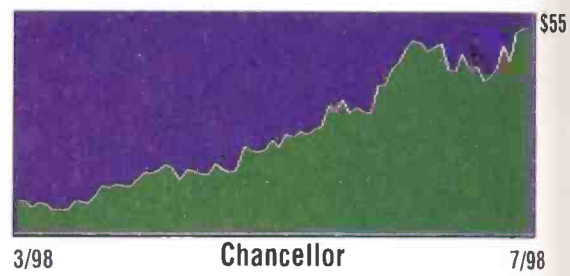
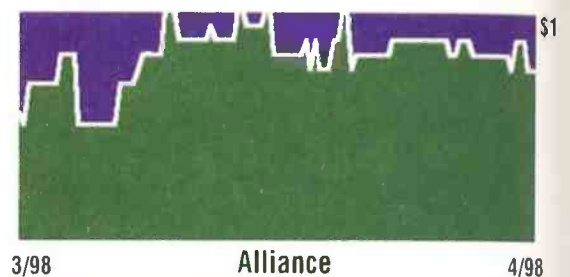
	6/30/98	YTD	Pct.
Radio Networks	Close	Gain/Loss	Gain/Loss
Metro Networks	43.125	10.375	31.68%
Westwood One	25.218	-11.907	-32.07%

### Radio Net IPOs

NBG Radio NetS	3.000	1.000	50.00%
Triangle	0.040	-0.085	-68.00%

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RADIO NETWORK





wondering whether a bidding war for **Sam Zell's** Jacor may be in the offing between Chancellor's **Tom Hicks** and CBS' (N: CBS) **Mel Karmazin**.

After a slow start, Capstar's (N: CRB) IPO caught the attention of investors and shot up 32% as Q2 closed. Cumulus (O: CMLS) also made its Wall Street debut in Q2, but Citadel (O: CITC) waited until day one of Q3 for its IPO to begin trading.

### Towering over other investments

If you've been hitting yourself in the forehead because you didn't go out and buy up a bunch of towers a couple of years ago, the pain just got worse in Q2. OmniAmerica (O: SCTR) is up 190% YTD for those who were lucky enough to buy stock in the former Specialty Teleconstructors, newly-independent American Tower (N: AMT) is up 168% YTD (adjusted for the spin-off from ARS) and Westower (A: WTW) rose a bit more to a 117% YTD gain. Soon to join RBR's stock chart is Crown Castle, which has an IPO pending (RBR 7/13, p. 14).

### Wall Street in holding pattern

*Wall Street Journal*—After a torrid first quarter, deepening gloom over Asia put the lid on the broad market in the second. Slackened Asian demand for basic commodities hurt stocks from steel to semiconductors. But US consumer demand boomed, meaning that retailers like The Gap, whose main business is at home, soared.

That left the overall stock market with a split personality. And it meant that big-stock indexes such as the Dow Jones Industrial Average and the Standard & Poor's 500-stock index moved sideways on the quarter. The Dow Jones Industrial Average rose only 1.73% from its close March 31.

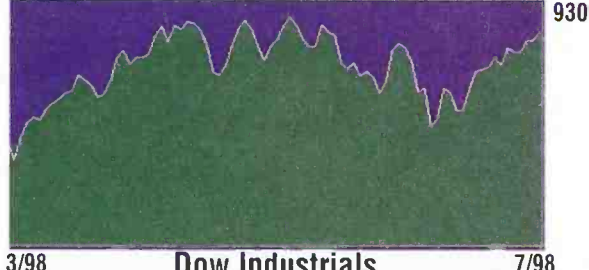
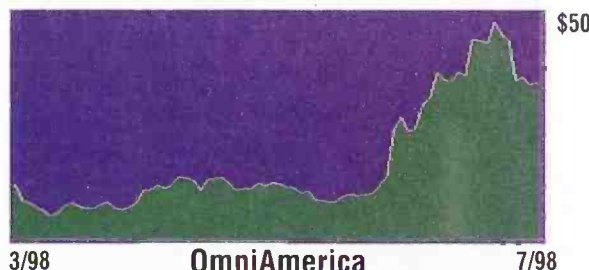
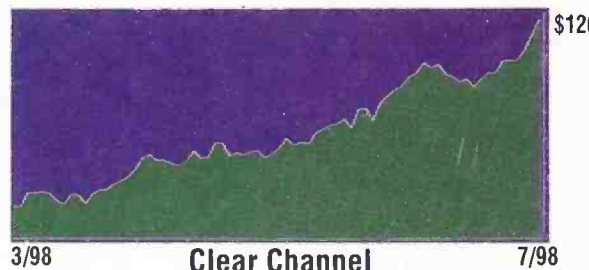
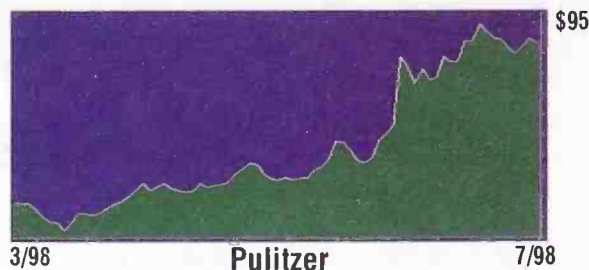
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	6/30/98	YTD	Pct.
Media Companies	Close	Gain/Loss	Gain/Loss
Pulitzer	89.250	26.438	42.09%
Clear Channel	109.125	29.688	37.37%
Granite	11.875	2.813	31.04%
Ackerley	21.125	4.188	24.72%
Sinclair	28.750	5.438	23.32%
New York Times	79.250	13.125	19.85%
Tribune	68.812	6.562	10.54%
CBS Corp.	31.750	2.313	7.86%
Disney	105.250	6.250	6.31%
Gaylord	32.250	0.313	0.98%
Belo Corp.	24.375	-3.688	-13.14%
News Comm.	1.000	-0.437	-30.41%

	6/30/98	YTD	Pct.
Radio-related Companies	Close	Gain/Loss	Gain/Loss
SportsLine USA	36.562	25.812	240.11%
OmniAmerica	37.000	24.250	190.20%
RealNetworks	37.312	23.437	168.92%
American Tower	24.937	15.624	167.77%
Westower	25.500	13.750	117.02%
WinStar Comm.	42.937	18.000	72.18%
Jones Intercable	25.000	7.563	43.37%
DG Systems	3.500	1.000	40.00%
Ceridian	58.750	12.938	28.24%
Pacific R&E	4.125	0.750	22.22%
Fisher	71.000	11.000	18.33%
Otter Tail Power	37.062	-0.813	-2.15%
Harris Corp.	44.687	-1.188	-2.59%
Jeff-Pilot	57.937	-19.938	-25.60%
TM Century	0.437	-0.188	-30.08%

	6/30/98	YTD	Pct.
Satellite DAB	Close	Gain/Loss	Gain/Loss
CD Radio	38.500	21.563	127.31%
AMSC	9.750	2.750	39.29%

	6/30/98	YTD	Pct.
Stock Indices	Close	Gain/Loss	Gain/Loss
The Radio Index™	110.440	10.440	10.44%
Dow Industrials	8952.020	1043.770	13.20%
Nasdaq composite	1894.740	324.370	20.66%
S&P 500	1133.840	163.410	16.84%



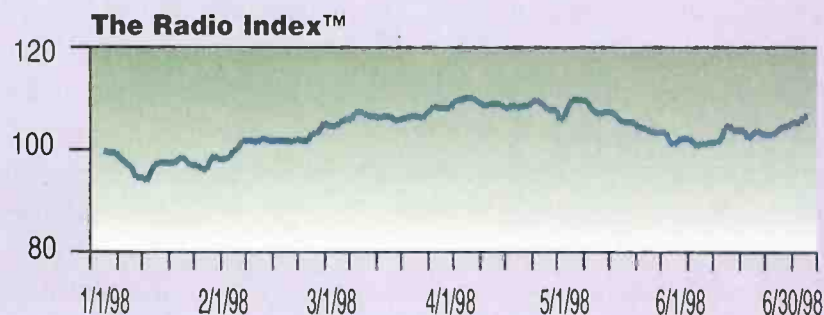
## Radio stocks up YTD

RBR and the Wall Street Journal Radio Network debuted The Radio Index™ last month (RBR 6/1, p. 11). The index, the first to accurately track the collective stock market performance of the public companies which focus on the operation of US radio stations and/or networks, is calculated daily by Dow Jones Indexes.

The Radio Index began with a value of 100 based on the closing prices of the 12 original component stocks on 12/31/97. Three IPOs have been added and the index now includes Big City Radio, Capstar Broadcasting, CBS Corp., Chancellor Media, Citadel Communications, Clear Channel Communications, Cox Radio, Cumulus Media, Emmis Broadcasting, Heftel Broadcasting, Jacor

Communications, Metro Networks, Saga Communications, Triathlon Broadcasting and Westwood One.

The chart below shows the YTD performance of The Radio Index.



by Frank Saxe

## Hearst-Argyle switches exchanges

Hearst-Argyle Televison, Inc. completed filing and approval requirements to list on the New York Stock Exchange last week. Its last day on the Nasdaq market was July 21, with NYSE trading beginning the next day under the symbol "HTV."

"We believe NYSE's auction-based market will enhance the efficiency of trading in our stock," said **Bob Marbut**,

CEO, Hearst-Argyle Television, adding, "The NYSE will offer our shareholders increased liquidity and reduced volatility."

Hearst-Argyle owns or manages 15 TV stations, and manages WBAL-AM & WIYY-FM Baltimore. In May, it announced it is buying Pulitzer Publishing's 9 TV and 5 radio stations for \$1.85B (RBR 6/1, p.12).

## S&P downgrades Paxson

Standard & Poor's has lowered its rating on Paxson Communications Corp. (A:PAX) senior subordinated debt to triple C-plus from single B-minus. At the same time, the company's corporate credit rating was lowered to single B from single B-plus. S&P says Paxson's outlook is stable.

The ratings downgrades reflect what S&P says is Paxson's already high financial risk of launching its Pax Net TV network "amidst a very competitive market crowded with three other start-



up networks." Paxson is in the process of aggressively transforming its infomercial stations into affiliates of its family-oriented network. Pax Net will have 88 UHF affiliates covering 73% of US households.

Paxson expects to incur negative earnings during the network start-up phase, and S&P analysts are worried it may be some time before it stops using red ink. "Without its more stable radio operations and with its lower cost infomercial business providing a lesser proportion of revenues, future profitability will depend heavily on entertainment programming success and developing advertising," said an S&P release.

## Q2 Earnings

- Clear Channel (N:CCU) reported Q2 was the most successful quarter in company history. After tax cash flow increased 111% to \$111.1M, compared to \$52.7M in 1997. Gross revenues also rose 70% to \$361M, operating revenues rose 86% to \$154.5M. CEO **Lowry Mays** credits the strong performance with the addition of new stations and the merger of its outdoor unit with Universal Outdoor.

- Walt Disney Co. (N:DIS) closed the books on a disappointing quarter with net income for the quarter decreased 2% to \$415M, down from \$425M in 1997. Operating cash flow fell 6% to \$923M. Revenues, however, were up 5% to \$5.2B. The broadcast unit's operating income rose 14% to \$384M, and revenues from ABC-TV and radio jumped 7% to \$1.7B.

- Real Networks (O:RNWK) posted stronger than expected earnings for Q2. Its revenues were \$15.1M, up 115% from 1997. Growing ad revenue is credited. The audio-streaming

company lost \$2.1M during the quarter, compared to \$2.7M loss a year ago. That's better than analysts had predicted.

- Pulitzer Publishing Co. (N:PTZ) reported Q2 net income increased 15.3% to \$22.7M, compared to \$19.7M in Q2 1997. Operating cash flow increased 2.2% to \$15.2M for the quarter, while the cash flow for the Broadcasting Segment jumped 13.7% to \$34.9M, compared to \$30.7M in 1997. The broadcasting gain was driven by a 9.6% increase in national and local ad revenue, particularly in political advertising.

Overall results include nine TV and five radio stations, which Pulitzer sold to Hearst-Argyle Television in May for \$1.85B (RBR 6/1, p.12).

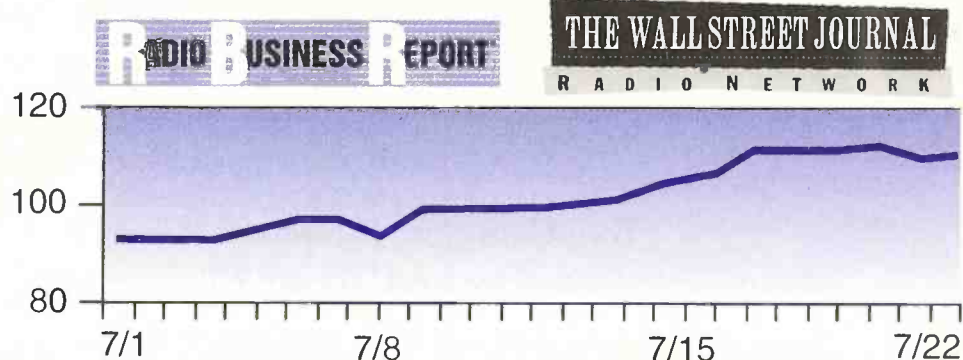
- The New York Times Company (N:NYT) reported Q2 net income increased 16.8% to \$78.2M, up from \$66.9M in 1997. Revenues rose 3.8% to \$749.2M, led by the Newspaper Group's 7.1% gain in ad revenue.

## July 22—RBR Stock Index 1998

Company	Mkt:Symbol	7/15 Close	7/22 Close	Net Chg	Pct Chg	7/22 Vol (00)	Company	Mkt:Symbol	7/15 Close	7/22 Close	Net Chg	Pct Chg	7/22 Vol (00)
Ackerley	N:AK	22.875	22.125	-0.750	-3.28%	66	Heftel Bcg.	O:HBCCA	39.812	40.000	0.188	0.47%	3663
Alliance Bcg.	O:RADO	0.750	0.781	0.031	4.13%	301	Jacor	O:JCOR	64.437	63.500	-0.937	-1.45%	2618
Am. Tower	N:AMT	26.937	27.750	0.813	3.02%	6301	Jeff-Pilot	N:JP	58.750	58.187	-0.563	-0.96%	1037
AMSC	O:SKYC	10.312	9.437	-0.875	-8.49%	784	Jones Intercable	O:JOINA	28.375	27.375	-1.000	-3.52%	1639
Belo Corp.	N:BLC	18.000	22.937	4.937	27.43%	1409	Metro Networks	O:MTNT	43.500	44.750	1.250	2.87%	280
Big City Radio	A:YFM	24.000	8.750	-15.250	-63.54%	823	NBG Radio Nets	O:NSBD	3.875	6.500	2.625	67.74%	288
Broadcast.com	O:BCST	—	68.125	—	—	5721	New York Times	N:NYT	39.562	34.125	-5.437	-13.74%	7520
Capstar	N:CRB	24.187	25.000	0.813	3.36%	669	News Comm.	O:NCOME	1.125	1.125	0.000	0.00%	35
CBS Corp.	N:CBS	34.562	34.250	-0.312	-0.90%	21065	OmniAmerica	O:SCTR	40.000	42.750	2.750	6.88%	883
CD Radio	O:CDRD	35.500	33.500	-2.000	-5.63%	1202	Otter Tail Power	O:OTTR	37.000	36.375	-0.625	-1.69%	113
Ceridian	N:CEN	60.437	61.562	1.125	1.86%	1973	Pacific R&E	A:PXE	3.937	3.625	-0.312	-7.92%	50
Chancellor	O:AMFM	55.250	56.687	1.437	2.60%	4793	Pulitzer	N:PTZ	87.750	86.750	-1.000	-1.14%	1455
Childrens Bcg.	O:AAHS	3.000	3.000	0.000	0.00%	147	RealNetworks	O:RNWK	39.125	44.250	5.125	13.10%	4073
Citadel	O:CITC	20.375	21.375	1.000	4.91%	930	Regent Pfd.	O:RGCI	6.875	8.500	1.625	23.64%	0
Clear Channel	N:CCU	118.000	118.500	0.500	0.42%	2785	Saga Commun.	A:SGA	17.812	17.000	-0.812	-4.56%	23
Cox Radio	N:CXR	45.000	45.750	0.750	1.67%	15	Sinclair	O:SBGI	28.625	26.000	-2.625	-9.17%	4911
Cumulus	O:CMLS	14.875	15.000	0.125	0.84%	426	SportsLine USA	O:SPLN	31.250	33.500	2.250	7.20%	17443
DG Systems	O:DGIT	2.812	3.250	0.438	15.58%	1658	TM Century	O:TMCI	0.312	0.312	0.000	0.00%	0
Disney	N:DIS	39.375	37.125	-2.250	-5.71%	83354	Triangle	O:TBCS	0.020	0.050	0.030	150.00%	100
Emmis	O:EMMS	47.562	45.687	-1.875	-3.94%	718	Triathlon	O:TBCOA	11.125	12.437	1.312	11.79%	436
Fisher	O:FSCI	72.625	72.250	-0.375	-0.52%	1	Tribune	N:TRB	73.500	69.875	-3.625	-4.93%	2565
Gaylord	N:GET	33.437	31.000	-2.437	-7.29%	1669	Westover	A:WTW	31.000	35.125	4.125	13.31%	388
Granite	O:GBTVK	13.000	12.500	-0.500	-3.85%	1595	Westwood One	O:WONE	24.562	26.875	2.313	9.42%	500
Harris Corp.	N:HRS	42.312	41.687	-0.625	-1.48%	2822	WinStar Comm.	O:WCII	40.000	37.187	-2.813	-7.03%	5894

### The Radio Index™

In a week that saw Broadcast.com set IPO records and heard **Alan Greenspan** warn a sharp drop in the stock market is inevitable, The Radio Index™ closed Wednesday, July 22 at 117.99, up 2.03 from a week earlier.



The Broadcast Group's operating profit for Q2 rose 14.3% to \$13.6M, on revenues of \$41.0M. Operating profit increased 18.8% to \$20.9M, primarily because of stronger ad revenue. The New York Times Co. owns WQEW-AM and WQXR-FM New York.

- Tribune Co. (N:TRB) reported record Q2 earnings, with net income growing 33% to \$147.6M, compared to \$111.0M in 1997. Revenues grew 9% to \$785.6M. Operating Q2 profit also rose 6% to \$100M.

Tribune's radio revenues fell 20% in Q2 on earnings that were down 27% compared to the previous year. That led to a 29% drop in operating profit for the radio division. Tribune reported an additional \$85.2M in income from the sale of WQCD-FM New York, which was swapped to Emmis Broadcasting for two TV stations (*RBR* 2/9, p. 14). The overall Broadcasting and Entertainment division saw increases, largely due to record growth in its TV group.

- Brill Media Co. reported revenues of \$10.6M in the quarter that ended May 31, compared to \$7.5M in 1997. The company says the increase was primarily due to acquisitions and the development of its new radio stations and newspapers. Brill also reported a net loss of \$1.2M for the latest quarter, up from a \$795K deficit in the same quarter a year ago. Brill blames its wider loss on higher interest rates and charges from recent financing. Brill operates 15 small market radio stations.

- Arbitron's parent company, Ceridian Corp. (N:CEN), reported Q2 net earnings of \$31.3M, on revenue of \$284.1M, up from \$261.8M in 1997. Operating profit rose 22% over 1997 to \$149.1M. During the latest quarter, Arbitron bought most of Tapscan's assets, gaining new software and new markets. Tapscan has a presence in Europe and Asia. Arbitron provides ratings to 2,800 US radio stations.

by Jack Messmer

## Broadcast.com into the stratosphere

**Mark Cuban** went to Wall Street seeking \$30M in new equity for Broadcast.com (the former AudioNet), but came away with \$45M. By the time the Internet audio and video streaming company's IPO was priced, the original \$11-\$13 range was left in the dust. Buyers of the stock had to pony up \$18 per share, but it's unlikely that any of them are complaining.

### KABOOM!!!!!!!!!!!!!!

Broadcast.com (O:BCST) exploded as Nasdaq trading began (7/17). The stock opened at \$68 (no, that's not a typo), and traded all day in a range from the mid-60s to mid-70s. (See page 11 for more trading details in RBR's weekly stock chart.)

Had you been lucky enough to have gotten 100 shares at the IPO price of \$18 on Thursday evening (7/16), a total of \$1,800, you could have sold

them at the opening bell the next day at \$6,800—a 277% profit (before subtracting trading costs) in just a few hours.

As noted when the IPO was filed (RBR 5/25, p. 13), Broadcast.com employees hold options to purchase 2.15M shares of stock at prices ranging from \$1.07 to \$10.43 per share. A lot of new millionaires have plenty to celebrate, along with the big investors who were lucky enough to get into the company when it was still AudioNet—Motorola (N:MOT), the biggest backer; Intel (O:INTC); Jacor (O:JCOR) and Hicks, Muse, Tate & Furst, to name a few.

Chairman Cuban's stake is now worth over \$200M and CEO **Todd Wagner's** well over \$100M.

**RBR observation:** Not bad for a couple of guys who had a hunch back in 1995 that there might be a busi-

ness in consolidating audio from a bunch of radio stations at a single Internet site for streaming to web-surfers around the world.

Whether or not the stock stays in the stratosphere remains uncertain. Like other Internet stocks, Broadcast.com has yet to realize a profit, reportedly losing more than \$6.5M on revenues of nearly \$7M last year, and \$12.5M in the three years its been in business. A lot of things have to happen for Broadcast.com to turn a profit, including improvements in the technology that make accessing its aggregated content as simple as tuning in the radio. It will also have to fight off imitators—there's nothing unique to prevent anyone else from doing the same thing. What's also baffling is that so many radio stations—about 350—so readily contribute their content for a share of ad revenues. They certainly will not see a lick of the \$1B generated by the IPO.

As *New York* magazine's **James Surowiecki** wrote in a story about Internet stocks this month: "If you're planning on buying Internet stocks right about now, just take half of your investment dollars and set them on fire. You'll get roughly the same results, but with a lot less anxiety."

### Hey, Hillary, wanna buy a radio station?

Heck, the First Lady will need something to do when her husband retires in a couple of years—and we doubt that her former colleagues at the Rose Law Firm in Little Rock will welcome her back with open arms. **Jim McDougal** isn't around any more, but her old buddy **Web Hubbell** has recently demonstrated some money-raising skills, so maybe they could assemble an investor group to buy KRNN-AM, which Citadel Communications (O:CITC) has put on the block to clear a spot in its Little Rock superduopoly.

Citadel is paying \$5M for **George Beasley's** KAAY-AM. The stand-alone 50kw station has been a nice

Tom Gammon, President of  
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**CLOSED**

## DOJ delay kills merger

A last minute decision by the Justice Department to review a proposed \$15M merger between Cape Fear Radio and Sea-Comm, Inc. has killed the deal, reached nearly a year ago (RBR 8/18/97, p. 16). Both companies own stations in Wilmington, NC. Cape Fear owns WGNI-FM and WMNX-FM, with Sea-Comm reigning over WSFM-FM and WKXB-FM.

After resolving an EEO issue filed by the Rainbow Coalition during Sea-Comm's last license renewal, all seemed like a go leading up to the June 26 closing date. Then DOJ struck, and with no idea how long their investigation could take, the two companies parted ways.

"We've been sitting in neutral for a year," said Sea-Comm GM **Paul Knight**. "We need to get back into radio so we parted company with Cape Fear. There is no hostile feeling between the two. We just couldn't give DOJ any longer."

Sea-Comm's two stations aren't for sale either, according to Knight, since the owners have been soured by the "turmoil" the regulatory review can cause.

### DOJ OKs Chancellor deal

The Justice Department has signed off on Chancellor Media's (O:AMFM) \$610M acquisition of Martin Media (RBR 6/29, p. 12). DOJ lawyers took an extra close look, because 42% of Martin's billboards are in markets where Chancellor owns radio stations—including San Diego, Riverside-San Bernardino, Washington DC, Cincinnati and Pittsburgh. Chancellor CEO **Jeff Marcus** says we can expect billboard deals with Hicks, Muse-mates LIN TV and Capstar Broadcasting (N:CRB), which has radio overlaps in six Martin Media markets.—FS

little cash machine with its Religious format.

Citadel isn't saying yet whether it will stick with the low-overhead approach of selling blocks of time to various preachers, or flip KRNN's Sports/Talk programming to the stronger signal. Broker: **Michael Bergner**, Bergner & Co.

### Emmis Hungary for ratings

"Goulash for everyone!" That's what Emmis Communications (O:EMMS) CEO **Jeff Smulyan** may be saying. Emmis' new Hungarian nationwide radio station, Slager Radio, has achieved the number one position in the May 1998 nationwide ratings after just four months on the air.

Slager Radio, which programs Oldies, has an average weekly rating of 4.4%, placing it ahead of all other Hungarian public and privately owned stations.

Emmis International is the majority investor in Slager Radio, which won a seven year national radio license in a Hungarian government privatization last year.

The ratings survey, conducted by Szonda Ipsos, covers a one week time period in May, when 1,715 surveys were conducted.

### RBR's deal digest

ABC is laying out \$5.85M for KCWW-AM Phoenix, soon to be the latest Radio Disney affiliate. **Buck Owens** is selling the station that has been broadcasting Country on its 50 kw signal. This will bring the total number of Mousekaffiliates up to 29 stations in 27 markets. Broker: **Elliot Evers** and **Charles Giddens** of Media Venture Partners for ABC; **Dick Blackburn** of Blackburn & Co. for Owens... Esquire Communications is buying WRRO-AM Warren, OH from Star Communications Inc. for \$1.7M. It will form a duopoly with Esquire's WGFT-AM in the Youngstown market. Broker: **William R. Rice** Co... Regent Communications (O:RGCI) CEO **Terry Jacobs** is building their High Desert duopoly, with the purchase of KAVC-FM Lancaster, CA from Salem Communications for \$1.6M. Regent already owns KTPI-FM and KVOY-AM. Broker: **Peter Handy**, Star Media Group... **John** and **Cathe Fox** are retiring and selling WWLS-AM Oklahoma City to Caribou Communications Co. for an undisclosed sum. Caribou has four FMs in the market, including Sports KNTL-FM. Broker: Kalil & Co... **Louis Vitale's** Mariner Broadcasting has set sale for Thomaston, ME with the purchase of Classical WAVX-FM from **Jon LeVeen's** Northern Lights Broadcasting. Mariner already owns two other Classical stations in the Pine Tree State, so a trimulcast is likely. Broker: **Kevin Cox**, Media Services Group

# SOLD!

KOXI/KAYK (AM), Denver, Colorado from Radio Property Ventures to ABC, Inc., for \$3,500,000.

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# TRANSACTION DIGEST

by Jack Messmer & Dave Seyler

The deals listed below were taken from recent FCC filings. *RBR's Transaction Digest* reports on all deals that involve assignment of a station license (FCC Form 314) and substantial transfers of control of a licensee via a stock sale (FCC Form 315), but not internal corporate restructurings (FCC Form 316). All deals are listed in descending order of sales price.

**\$8,250,000—\* WDOY-FM** San Juan (Fajardo PR) from Pan Caribbean Broadcasting Corp. (Richard Friedman) to Spanish Broadcasting System of Puerto Rico Inc., a subsidiary of Spanish Broadcasting System (Raul Alarcon Jr.). \$412.5K escrow, balance in cash at closing. Note: Seller will retain WMDD-AM.

**\$2,922,500—\* WZZP-FM** Atlantic City from Radio-Vision Communications II (Joseph M. Jacobs) to Spring Broadcasting of New Jersey LLC, a subsidiary of Spring Broadcasting LLC (Broadcasting Partners Holdings LP, MidMark Capital LP, William C. Sherard, TZG Investment Limited). \$300K escrow (and \$430K letter of credit), balance in cash at closing. **Duopoly** with WFPG-AM & FM, plus LMA of WKOE-FM. LMA since 2/20/97.

**\$2,250,000—\* WGPC AM-FM** Albany GA from Albany Broadcasting Co. (Milt George) to Cumulus Licensing Corp. (William Bungeroth, Richard Bonick Jr.), a subsidiary of Cumulus Media LLC (O:CMLS) (Richard Weening, Lewis Dickey Jr.). \$112.5K escrow, balance in cash at closing. \$50K allocated to post-closing agreement which includes a non-compete. **Superduopoly** with WALG-AM, WKAK-FM, WEGC-FM, WJAD-FM. LMA since 5/26. **Broker:** John Lauer, Force Communications

**\$1,500,000—\* KIQO-FM** San Luis Obispo (Atascadero CA) from Garry and Virginia Brill to American General Media of Texas Inc. (Anthony & L. Rogers Brandon). \$37.5K escrow, balance in cash at closing. **Superduopoly** with KKAL-AM, KDDB-FM & KZOZ-FM. **Broker:** Gammon Media Brokers

**\$900,000—\* WTLT-AM** Charlotte from Christ Covenant Presbyterian Church (Paul Stack) to Hibernia of Charlotte LLC, a subsidiary of PEP AM Management LLC (Marcos A. Rodriguez, Timothy P. Mayhew). \$45K escrow, balance in cash at closing.

Ends LMA begun 4/6/94 with WHVN Inc., a subsidiary of GHB Radio Group, which must waive its right of first refusal to buy station for this transaction to proceed. ABC Radio Network will hold option to purchase station from Hibernia. **Broker:** Biernacki Brokerage

**\$500,000—\* KZTS-AM** Seattle-Tacoma (Tacoma WA) from Legend of Seattle LLC (Larry & Susan Patrick, Douglas Wolf) to Inspiration Media Inc., a subsidiary of Salem Communications (Edward Atsinger III, Stuart & Nancy Epperson). \$50K escrow, balance in cash at closing. **Superduopoly** with KGNW-AM, KLFE-AM & KKOL-AM.

**\$403,935—\* FM CP** Cape Girardeau MO (Scott City MO, 93.9 MHz) from Viands Enterprises Inc. (William L. Viands) to Zimmer Radio of Mid-Missouri Inc. (James R., John P., Donald W. & James L. Zimmer). Cash. **Superduopoly** with KZIM-AM, KGIR-AM, KCGQ-FM, KEZS-FM.

**\$236,000—\* WIOL-AM** Knoxville from Dick Broadcasting Co. Inc. (James A. Dick) to Rev. J.B. Mull & Elizabeth Mull d/b/a/ Seymour Communications. \$10K escrow, \$190K cash at closing, \$36K note. **Combo** with WJBZ-FM. Seller retains WIVK-FM, WNOX AM-FM and WXVO-FM, plus an LMA of WOKI-FM.

**\$180,000—\* KBNU-FM** Uvalde TX from Horizon Broadcasting Inc. (John R. Furr) to Amy Meredith. \$9K escrow, balance in cash at closing. Meredith is also buying KBLT-FM Leakey TX from seller (see below).

**\$160,000—\* KXYZ-AM** Houston, stock sale of 50.1% voting/20% equity interest of Blaya Inc. from Joaquin F. Blaya to Radio Unica Corp. (Warburg, Pincus Ventures LP, Joaquin F. Blaya, Herbert M. Levin, Andrew Goldman), resulting in 100% ownership. \$160K cash.

**\$157,000—\* WPES-AM** Richmond (Ashland VA) from Calvary Communications Inc. (Michael W. Heflin) to Fifth Estate Communications L.L.C. (William Lee Roberts, Ivor Massey, Addison Thompson). \$1K deposit, \$84K cash at closing, assumption of two notes totalling \$72K.

**\$150,000—\* WNVL-AM** Lexington (Nicholasville KY) from Benedictus Broadcasting Co. (James E. Cloud) to Mortenson Broadcasting Co. (Jack M. Mortenson).

\$15K escrow, balance in cash at closing. **Duopoly** with WCGW-AM, WJMM-FM. LMA since 4/28.

**\$150,000—KVBC-FM** Las Vegas. 50% of the stock of Compass Communications Co. from Gerald S. Rourke (50% to 0%) to Gerald R. Proctor (50% to 100%). Cash.

**\$135,000—KSRX-AM** El Dorado KS from Raymond Burkhart dba Elijah Communications to Reunion Broadcasting L.L.C. (D. Stanley Tacker). \$12.5K escrow, \$10K consulting agreement, balance in cash at closing.

**\$110,000—\* KMEM-AM** Hastings NE from Three Eagles of Columbus Inc. (Rolland C. Johnson et al) to KHAS Broadcasting Inc. (Wayne A. Specht, Gene R., Judith L. and Jill A. Hull). Full amount placed in escrow to be paid at closing. **Duopoly** with KHAS-AM. LMA since 6/1.

**\$100,000—KOHO-AM** Honolulu. 58.34% interest in station from Cosmopolitan Broadcasting Corp. (Harumi Oshita) to DA KINE Broadcasting Corp. (Robert Birr, Ita Littman). Debt assumption. LMA since 2/1.

**\$80,000—\* KQTN-FM** Lordsburg NM from Loretta L. Farrier to LuRunn Broadcasting System L.L.C. (Phillip H. Runnels, The Lujan Family L.P.) \$5K escrow, \$20K cash at closing, \$55K note. **Duopoly** with KNFT AM-FM Bayard NM, coming in separate transaction. LMA until closing. Station is silent. Seller must resume broadcast by 7/28/98 and will also attempt upgrade from 20 kw to 50 kw at buyer's expense. This deal is tied to the successful closing of purchase of KNFT AM-FM and KSCQ-FM Silver City NM.

**\$60,000—WHTL-FM** Whitehall WI from WHTL Radio Inc. (Charles Lemon) to The WHTL Group L.L.C. (Todd A. Harrington, Willard G. Kitchen, Marguerite I. Jacqman). \$5K escrow, balance in cash at closing.

**\$60,000—\* WKEX-AM** Blacksburg-Christiansburg VA (Blacksburg) from Robert R. Smith Jr. to Base Communications Inc. (Edward A., Vernon H. & Virginia L. Baker). Debt assumption, balance in cash at closing. **Superduopoly** with WPIN-AM Dublin VA and WKNV-AM CP Fairlawn VA.

**\$60,000—KRWB-AM** Roseau MN from Robert M. Obie to KNDK Inc. (Bert & Lyle Johnson, Robert Simmons). \$5K to Obie for the FCC license and \$55K to Warren and Viola Evans for other station assets which they acquired as partial payment of a loan. Note: This deal does not include Obie's expired CP for KRWB-FM.

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**\$54,400—KGZH-FM** Boise (Nyssa OR) from Mason Broadcasting Inc. (Robert Mason) to First Western Inc. (G.W. Gilbert). \$24.9K cash to Broadcasting Inc. (which held original purchase option), \$19.5K debt assumption, \$5K note to seller.

**\$48,900—KBLF-AM** Red Bluff CA from Night Hawk Communications Inc. (Craig Crawford) to Tom Huth. \$5K cash, \$43.9K debt assumption. LMA since 6/1.

**\$42,000—KGFF-AM** Shawnee OK from Huston Communications Inc. (Verdine Geri Huston) to Sanders-Cantrell Partnership (Danny Guy Sanders, Steven Michael Cantrell). \$1K down payment, \$41K debt payments. This deal was originally struck 10/8/96 by inexperienced owners and local attorneys, and when consummated 12/1/96, the FCC was not notified. This is an attempt to redress the situation.

**\$30,000—WMKB-FM** Elmira-Corning (Ridgebury PA) from Lighthouse Media Inc. (Robert L. & Jane N. Rundall, James R. Pierce) to DuBois Area Broadcasting Inc. (Dan, Debbie, Charles & Joyce Brownlee). Cash. \$22.5K allotted to non-compete.

**\$26,248—KBCE-FM** Alexandria LA (Boyce LA). 20.75% of stock of Trinity Broadcasting Corp. from John Keller, escrow

agent for Reverend Robert Allen (20.75% to 0%) to Dorothy M. Randolph (37.5% to 58.25%). Cash.

**\$20,000—KBLT-FM** Leakey TX from Horizon Broadcasting Inc. (John R. Furr) to Amy Meredith. \$1K escrow, balance in cash at closing. Meredith is also buying KBNU-FM Uvalde TX from seller (see above).

**N/A—WBAM-FM** Montgomery. 60.87% of stock of Deep South Broadcasting Co. from the Estate of Frances U. Brennan Fielder, deceased, transferred in equal shares to her seven children (Richard Grey Brennan, Cindy Brennan Fukunaga, William J. Brennan Jr., Robert G. Brennan, Frances Elaine Brennan, Barbara Brennan Royal, Susan Brennan Smith).

**N/A—KJCH-FM** Stockton and **KYCC-FM** Merced (Livingston CA) from Stockton Christian Life College Inc. (Kenneth F. Haney, pres) to Your Christian Companion Network Inc. (Daniel Segraves, chmn). No consideration. Non-commercial stations.

**N/A—KGCR-FM** Goodland KS from Grace Communications Inc. (Allen Quenzer, pres) to The Praise Network Inc. (Herbert P. Roszhart, pres et al). Donation. The Praise Network runs non-commercial FMs in Nebraska and Kansas.

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