

# RADIO BUSINESS REPORT

VOICE OF THE RADIO BROADCASTING INDUSTRY®

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## Karmazin, Mays & Liggins to announce Minority Investment Fund

Look for an announcement soon that CBS (N:CBS) CEO **Mel Karmazin**, Clear Channel (N:CCU) CEO **Lowry Mays**, Radio One (O:ROIA) CEO **Alfred Liggins** and other broadcasters are launching a Minority Investment Fund with capital in the hundreds of millions of dollars. *RBR* has learned that the fund, likely to be announced the first week of November, will be managed by Chase Manhattan Bank and headed by **Reg Hollinger**, Chase's Managing Director/Global Media and Telecommunications Group. Neither he nor anyone else will say much officially about the fund, apparently because it's still unclear which other broadcasters will come on board. If broadcasters and Chase's own investment arm don't come up with all of the cash needed, other big investors may be invited to participate.

"It's got broad cooperation in the industry," said CBS Sr. VP **Marty Franks**. "Mel and Lowry have kind of played a coordinating role to get it going, but it is by no means a two-man band." He said there have been 25-30 participants in meetings to plan the investment effort.

The fund is the result of a process begun over a year ago (*RBR* 7/28/98, p. 3) at a roundtable discussion with FCC Chairman **Bill Kennard** by Karmazin, Mays, then-Jacor CEO **Randy Michaels**, then-Capstar CEO **Steve Hicks** and Sinclair (O:SBGI)

CEO **David Smith**. The broadcasters attempted to address Kennard's concerns about the declining ranks of minority station owners by proposing a venture capital fund.

According to *RBR* sources, the fund will be just one part of a four-pronged effort to promote station ownership by women and minorities: 1) A training program to help women and minorities; 2) A campaign to boost support for bringing back tax certificates; 3) Giving potential minority buyers better access to the deal stream; and 4) The Minority Investment Fund.

Who will get the fund's backing? Experience counts, so the fund manager will be looking for experienced broadcast operators who happen to be minority or female and have a sound business plan. "This is going to be an investment fund, not a charity," noted Franks.

Look for NAB to lend support to the effort, much as it did for BroadCap, an earlier broadcaster-funded investment fund for minority station buyers. "It makes good business sense and good social sense," said **John Oxendine**, who ran BroadCap and in January purchased the fund. In its three decades of existence, BroadCap has provided funding for minorities to buy 46 radio and four TV stations.

Although he's not involved, the new fund is getting a thumbs up from Rev. **Jesse Jackson**, President, Rainbow/

### Pacing powers on

Advertisers who don't act now may find their Christmas stockings empty of radio spots. December is already two-thirds sold and most folks haven't even carved their Halloween pumpkins.—JM

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

|         | 1999  | 1998  |
|---------|-------|-------|
| Oct. 15 | 88.6% | 84.1% |
| Nov.    | 83.2% | 76.8% |
| Dec.    | 64.2% | 51.6% |

PUSH Coalition, who met with Karmazin last month (*RBR* 9/27, p. 2) to talk about the CBS/Viacom merger. "We hope that this fund will create the kind of opportunity that will increase the level of minority media ownership," Jackson told *RBR*.

Jackson was quick to point out his hopes that the stations remain under minority management and control after investment. "To the extent that the funds that are going to be made available and provided in a legitimate, hands-off manner, minority opportunities will benefit greatly from this kind of capital infusion. We are pleased that leaders in the industry have sought to reinvest in the industry so to as encourage minority ownership and participation."—CM, JM, KL, KM

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## Kennard pulls back IBOC NPRM

In a surprise move halfway through the FCC's 10/20 meeting, Chairman **Bill Kennard** announced that a Notice of Proposed Rulemaking on IBOC DAB had been dropped from the agenda.

"Unfortunately, we were not able to work out some details on the digital radio item, so it will not be considered today," Kennard stated. Rather than wait until the Commission's November meeting, the chairman said he expected the NPRM to be circulated among the five commissioners and issued within a week or so.

Commission staffers insisted that there was no serious dispute among the commissioners. Rather the holdup was blamed on an issue unrelated to DAB—two final orders in a contentious telephone universal service proceeding that kept the commissioners and their staffs so busy in the days leading up to the meeting that weren't able to finish edits of the DAB NPRM.

One fallout from the postponement is yet another delay in the final deadline for reply comments in the FCC's Low-Power FM proceeding (Docket 99-25). Because of overlapping issues with IBOC DAB, the LPFM deadline is set to come 14 days after the DAB NPRM is issued (*RBR* 9/27, p. 3).—JM

## Group seeks revision to ownership rules

The Minority Media and Telecommunications Council (MMTC) has petitioned the FCC to modify its new TV duopoly and ownership attribution rules, which the Commission adopted in August and will officially go into effect 11/16 (*RBR* 8/9, p. 3). The group is asking for nine modifications to the rules, including:

- The FCC should expect sellers of failed, failing or unbuilt stations to market them to socially and economically disadvantaged small business concerns (SDBs).
- The FCC should allow the owner of any radio/television combination to sell it intact to an SDB.
- The FCC should not attribute equity/debt plus (EDP) interests, and should vest multiple ownership rights, for an EDP provider who finances an SDB's construction for an unbuilt station.
- When applicants simultaneously file to create more local duopolies than the number of duopolies permissible, the FCC should process first the applicants pledging to spin-off or finance TV station sales to SDBs.

The Minority Council is asking for these modifications as the rules presently written could "reduce minority TV ownership from 32 to no more than 17 in three years," writes the group.—TS

## LPFM wattage limits scrutinized

The FCC's proposal to end the 21-year ban on community access to the airwaves via low-power FM stations should restrict power wattage usage to 100 watts in urban areas and 250 watts in rural areas, a LPFM coalition advised the federal agency recently.

The Commission's proposed LPFM rules contemplate relaxing 2nd- and 3rd-adjacent channel protections in order to allow new stations to operate at 100 and 1,000 watt levels. Most full-power FM stations currently operate between 6,000 and 100,000 watts.

During the meeting, representatives of the Microradio Empowerment Coalition further urged FCC officials to implement 20 to 50 watt licenses to serve densely populated areas like New York City. Opponents of LPFM have complained that there is no room for 100 or 1,000 watt stations on the already jammed spectrum, and that very little new services could actually be created in urban markets, which is a primary focus of the proposal.

The Coalition's endorsement of primarily 100 watt stations also included a non-commercial stations provision (including no underwriting announcements) and a local residency and local programming requirement. While the group does not want the FCC to adopt a 1,000 watt LPFM service, it is asking that exceptions be made for only "very rural areas."—TS

## RBR News Briefs

### BMI headed to rate court

The Radio Music License Committee (RMLC), on behalf of several radio stations, filed a lawsuit last Wednesday against the music licensing agency, saying BMI's rates are still unreasonable after three years of unsuccessful negotiations and need to be decided by an independent third party.

The suit claims that the radio stations use of BMI's music has declined and that the company has not adjusted its fees accordingly. According to a statement released by BMI, the company refutes RMLC's argument, stating the "industry's recent proposal to BMI would result in lower payments for the use of BMI music when the industry is using more BMI music than ever and is experiencing unprecedented revenue growth."—TS

### Dr. Laura cleaning up Top 25 markets

Premiere Radio Networks' Dr. **Laura Schlessinger** has already cleared 19 of the top 25 TV markets, even though her Paramount-produced daily hour-long show (*Radio AdBiz*, October p. AB10) isn't set to debut until 9/00. All markets but Phoenix are ABC, CBS, NBC or Fox affiliates.—CM

### NetRadio.com announces IPO

Internet-only broadcaster NetRadio.com announced 10/14 its IPO of 3.2M shares at \$11 per share, raising \$35.2M. The IPO represents a 30% stake in the company. Netradio.com is trading on Nasdaq under the symbol "NETR." The offering of common stock was underwritten by Gerard Klauer Mattison & Co. and Advest, Inc. NetRadio.com offers 120 channels of music formats and information.—CM

### Katz shuffles management

Former President of Katz Media's Sentry Radio arm **Bill Fortenbaugh** has been appointed VP of Katz Radio Group. Former Katz EVP **Bob McCurdy** takes Fortenbaugh's place at Sentry.—CM

### Motorola to build XM receivers

XM Satellite Radio (O:XMSR) announced (10/12) it will license its receiver technology to Motorola (N:MOT), allowing it to design, manufacture and market XM-equipped receivers to car makers. While XM, Fraunhofer and ST Microelectronics are designing the receiver chip set, Motorola will work to develop OEM receivers only, through its Integrated Electronics Systems Sector (IESS). Motorola's current automotive electronics packages include wireless communications, GPS and cellular, which are marketed to DaimlerChrysler, Nissan, BMW, GM, Ford and others.—CM



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## The power of radio: Joyner and CompUSA come to terms

In the studio last week (10/19) with ABC Radio Networks morning host **Tom Joyner** was CompUSA CEO **James Halpin**, there to publicly resolve a 10-week crusade that Joyner and Black Entertainment Television sidekick/commentator **Tavis Smiley** had concerning the computer retailer's lack of advertising on minority media outlets. The outcome: CompUSA will hire a black agency and all listeners that faxed CompUSA receipts (see below) will get a 10% discount on the next purchase. The live discussion was amicable and "well-intentioned," according to Halpin. "I think it was positive from both sides. I think that they were helpful to us in terms of helping us reach black consumers through black media. And while we have spent [there] historically, I think the spending goals probably should have been higher," he told *RBR*.

After all was said and done, Joyner tells *RBR* there were no regrets and hopes for positive change in the industry as an outcome: "What I hope was learned from this was that other companies like CompUSA will look at their advertising strategy and see that they are making a mistake by not going after black consumers. And then refocus their strategy to include black radio and all black media."

Joyner's crusade began when a list of advertisers that avoided black media surfaced from an unidentified agency. CompUSA was identified as one of the biggest. Soon after, Joyner issued a plea to his 5M listeners to call, fax and email CompUSA, urging increased advertising on black-oriented media.

When no response was offered, Joyner asked listeners of his 100+ affiliate stations to fax or mail in purchase receipts to prove minorities shop at CompUSA. Five large boxes were forwarded to the company's HQ across town from ABC Radio Nets' studios in Dallas.

The situation was then exacerbated with a hoax. A letter that was faxed to Joyner on CompUSA letterhead, purported to be from a marketing executive at the company that "said very terrible things about blacks... 'we don't care if we have blacks as customers... they're nobody,' and stuff like that. And so he read it on the air," ABC spokesperson **Julie Hoover** told *RBR*. "Then we were advised by CompUSA's ad agency that nobody by that name worked at CompUSA and after further checking it became clear the letter was a hoax."

Smiley apologized on the air later, saying they didn't realize it was a hoax. Nevertheless, after still no response from CompUSA, Smiley voiced in a commentary 10/13 the possibility of Joyner and himself initiating a boycott as the next step. It was then that Halpin called the show and arranged a meeting with Smiley and Joyner 10/16 to resolve their differences.

In the midst of all this, Joyner said the network threatened to pull his show off the air because CompUSA was threatening a lawsuit. "That is a fact—they did tell me that if I insisted on going on the air and talking about CompUSA, they were going to pull the plug on the show that day," Joyner told *RBR*. "I didn't have a choice—we couldn't back off. We had taken it that far, and then to come on the air and not say anything the next day... I didn't have a choice. And they said, 'Well, we need time to check out these claims, because we could be sued.' They talked to me a long time on Wednesday night and to my lawyers."

"What we had said to Tom was 'let's hold off on talking about CompUSA for a day because we need to discuss the accuracy of what's being said,'" Hoover says. Indeed, one example was a statement made that there were no black members on CompUSA's board, which isn't true.

While the possibility certainly existed, Halpin tells *RBR* no lawsuit was ever threatened by his company: "There was no threat, in fact. That was stressed on the air."

Nevertheless, CompUSA could have filed a suit if what Smiley and Joyner were saying was not truthful. "Yes— [and] we were concerned for both Tom and the Network," ABC spokesperson **Michelle Bleiberg** concluded.

ABC must have also been concerned at the hundreds of angry listeners who called and emailed to protest the show's "threatened" removal, as Joyner and Smiley had put it.—CM





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## VNU loses CMR after acquiring Nielsen

Dutch publishing and information giant VNU is meeting some roadblocks in its acquisition of Nielsen Media Research (N:NMR). The FTC is requiring the spin-off of its Competitive Media Reporting division if the deal is to be finalized. VNU and Nielsen both received 9/3 an FTC request for additional information under the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

Sources say the latest development comes as a surprise as there appears to be little overlap in the services provided by CMR and Nielsen. CMR tracks advertising expenditure of over 90K brands across 14 media whereas Nielsen is best known for its television audience measurement in North America.

Nonetheless, VNU will not be relinquishing the ad expenditure business altogether. Nielsen's Monitor Plus will be adopted instead. No word yet on the status of CMR and who will take over its business. For now, it is business as usual.

On a separate development, VNU's offer to purchase all outstanding shares of common stock of Nielsen for \$37.75 has been extended from 10/15 to 10/25.—KM

## Supreme Court dismisses Van Horne case

Broadcasters can finally utter a big sigh of relief. The long parade of courts ruling and overturning rulings on the **Keith Van Horne/Eric "Mancow" Muller/WRCX-FM/AMFM Inc.** (RBR 5/10, p.3) case of negligent hiring—holding a broadcaster liable for what its talent says on-air—has been put to rest. The case was taken all the way to the US Supreme Court, which declined to hear it without comment earlier this month. "This is a major victory for free speech in America. This is, and has always been, about trying to silence me," Mancow told RBR.

Van Horne's lawyers filed a petition 4/28 with the court seeking to overturn a ruling made 12/98 by the Illinois Supreme Court in his \$5M defamation lawsuit against Muller. The ruling had thrown out a claim that Evergreen (which owned WRCX at the time before merging with Chancellor) was negligent and reckless for hiring him because of his well-known outrageous and defamatory character.

Mancow's original comments were made in '94 on his morning show after a confrontation with former Chicago Bear and then WLUP-FM show host Van Horne in a hallway at the stations. He claimed Van Horne attacked and threatened to kill him for previous comments. Mancow's syndicated show is now based at Emmis' (O:EMMS) WKQX-FM. Van Horne's remaining defamation lawsuit against Mancow in Illinois is set for 3/15/00.—CM

## BroadcastMusic.com partners with TRN, Good Day USA; to launch BroadcastTalk.com

BroadcastMusic.com, an online entertainment network and Web streaming provider for radio stations partnered with Talk Radio Network (TRN) and Good Day USA 10/15 to contribute to a channel of live and archived talk shows in December called "BroadcastTalk.com." The three-year deal with TRN provides streaming of 20 of their top talk radio programs on BroadcastMusic.com, including former congressman **Bob Dornan**, **Lucianne Goldberg**, **Barry Farber**, **Ken** and **Rick Minyard** and **Roger Fredinburg**. "We've actually got quite a few channels we're developing—we also have NewsCastNow.com, BroadcastMovie.com, BroadcastDoctor.com, BroadcastSki.com, BroadcastTravel.com and BroadcastCook.com—each one of those is being actively developed with different content sources that currently reach people outside of the Internet. Our vision is we see the Internet as a viable broadcasting medium, and we're trying to build a comprehensive broadcasting network with individualized channels," said BroadcastMusic President/COO **John Brier**.

"Good Day USA," hosted by **Doug Stephan** has 3.3M weekly listeners in the US, the eighth most listened-to talk radio show, according to *Talkers* Magazine. The new net brings BroadcastMusic.com's audience to 60M weekly.—CM

## TV networks & affiliates face new world

Forget about the good old days when TV networks were virtual money machines for their owners. "Those days are long over," CBS (N:CBS) Television President Les Moonves told investors, bankers and broadcasters 10/19 at the opening of a Kagan Seminars Inc. session in New York. As CBS and its competitors battle to increase thin (and in some cases nonexistent) profit margins, Moonves said one key is to create new revenue streams. He noted that CBS has begun making money off of such things as videotapes and music CDs from network TV shows. Moonves noted that CBS is now the owner or at least an investor in one half of its prime time schedule. That means the network can no longer be held hostage for exorbitant price increases to renew hit shows, something Moonves says CBS won't agree to even for those shows it doesn't have a stake in.

Even with better attention to costs and revenues, Moonves said networks will not become major profit centers, but should be "looked at as an 'assist man' helping other parts of the company."

Meanwhile, both Moonves and the affiliate group owners at the seminar said that the relationship between TV networks and their affiliate stations is changing. Whether that means cutting or eliminating the compensations networks pay to affiliates or having affiliates help pay for major programming purchases, such as was seen in the last round of NFL football rights bidding, Moonves insisted that CBS wants "evolution not revolution—we value our affiliates and we need them to prosper."

"We assumed seven or eight years ago that network compensation was going to zero," said Hearst-Argyle (N:HTV) Chairman **Bob Marbut**. Most group owner panelists agreed with that view, although Gray Communications (N:GCS) COO Bob Prather said he wouldn't be too quick to throw in the towel.

Grumbling was heard among attendees that both CBS and Disney's (N:DIS) have already been trying to eliminate network compensation completely whenever a station is sold, regardless of how many years are remaining on their network contract. The networks don't always win, but at the very least such negotiations over compensation hold up sale closings.—JM

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## Radio stocks soared in lackluster Q3 stock market

By Jack Messmer

Radio stocks were the place to be in the third quarter of 1999. As more and more Wall Street traders became aware of the fact that radio ad sales growth was pacing well ahead of other major media—and that the anticipated Q4 jump from Y2K advertising had begun a quarter early—they bid radio stocks higher as the rest of the market was largely in a holding pattern.

The Radio Index™, compiled daily by Dow Jones Indexes for RBR and The Wall Street Journal Radio Network, had been up 29.70% at the end of Q2—better than the broader market indices published here each quarter, but not spectacularly so. By the end of Q3 The Radio Index was up 44.26% for the year—nearly double the rate of the strongest broad market index, the Nasdaq composite, which was up 25.26%. The gain for radio stocks was three and a half times the year-to-date gain for the Dow Jones Industrial Average and 10 times that of the Standard and Poor's 500—both of which declined during the quarter.

One stock disappeared from The Radio Index during Q3 as Metro Networks completed its merger into Westwood One (N:WON). That helped to add nearly \$10 to WW1's stock price and made its YTD gain nearly 48%. That was good news for everyone involved: WW1 CEO **Joel Hollander**, former Metro Networks CEO and now WW1 director **David Saperstein** and the head of WW1's major investor, CBS (N:CBS), **Mel Karmazin**.

Cumulus Media (O:CMLS) came on strong in Q3 to surpass Hispanic Broadcasting (O:HBCCA) as the year's big gainer among pure radio compa-

### Q3 radio stock performance by category

| Radio Companies | 9/30/99 Close | YTD Net Chg | YTD Pct Chg |
|-----------------|---------------|-------------|-------------|
| Cumulus         | 32.688        | 16.063      | 96.62%      |
| Hispanic Bcg.   | 76.125        | 26.875      | 54.57%      |
| Cox Radio       | 59.500        | 17.250      | 40.83%      |
| Citadel         | 34.125        | 8.250       | 31.88%      |
| AMFM Inc.       | 60.875        | 13.000      | 27.15%      |
| Regent Pfd.     | 7.875         | 0.875       | 12.50%      |
| Saga Commun.    | 23.000        | 2.500       | 12.20%      |
| Infinity        | 29.313        | 1.938       | 7.08%       |
| Big City Radio  | 3.750         | -0.313      | -7.69%      |
| Alliance Bcg.   | 0.563         | -0.437      | -43.70%     |

| Radio IPOs | 9/30/99 Close | YTD Net Chg | YTD Pct Chg |
|------------|---------------|-------------|-------------|
| Radio One  | 41.500        | 17.500      | 72.92%      |
| Entercom   | 36.000        | 13.500      | 60.00%      |

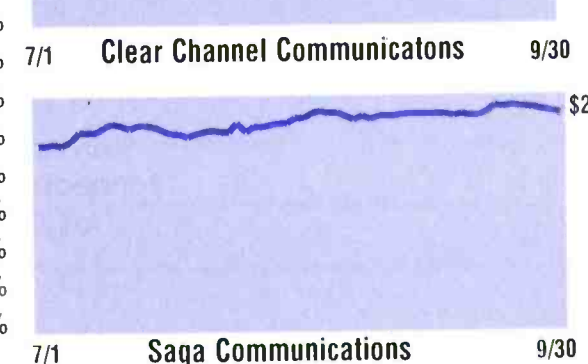
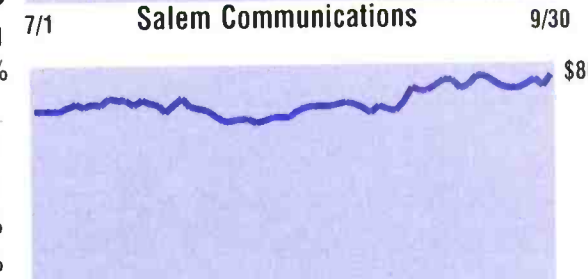
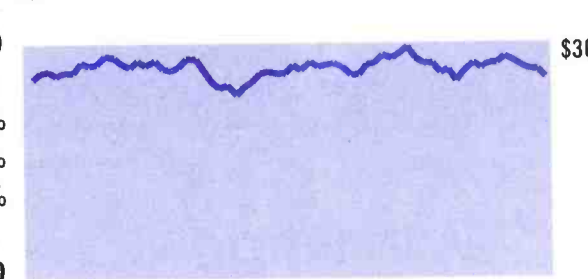
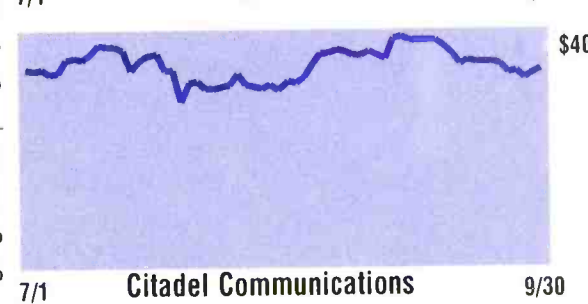
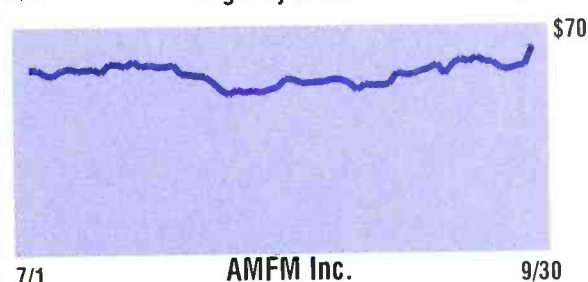
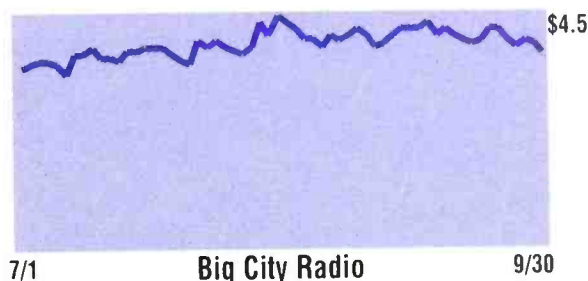
| Radio Networks     | 9/30/99 Close | YTD Net Chg | YTD Pct Chg |
|--------------------|---------------|-------------|-------------|
| Triangle           | 0.065         | 0.033       | 103.13%     |
| Westwood One       | 45.125        | 14.625      | 47.95%      |
| NBG Radio Networks | 3.000         | 0.875       | 41.18%      |

| Radio Network IPO | 9/30/99 Close | YTD Net Chg | YTD Pct Chg |
|-------------------|---------------|-------------|-------------|
| Launch Media      | 12.000        | -10.000     | -45.45%     |

| Media Companies | 9/30/99 Close | YTD Net Chg | YTD Pct Chg |
|-----------------|---------------|-------------|-------------|
| Emmis           | 66.063        | 22.688      | 52.31%      |
| Tribune         | 49.750        | 16.750      | 50.76%      |
| Clear Channel   | 79.875        | 25.375      | 46.56%      |
| CBS Corp.       | 46.250        | 13.438      | 40.95%      |
| New York Times  | 37.500        | 2.813       | 8.11%       |
| Gaylord         | 29.500        | -0.625      | -2.07%      |
| Belo Corp.      | 19.125        | -0.813      | -4.08%      |
| Disney          | 26.000        | -4.000      | -13.33%     |
| Ackerley        | 12.313        | -5.937      | -32.53%     |
| Hearst-Argyle   | 21.500        | -11.500     | -34.85%     |
| Sinclair        | 9.063         | -10.500     | -53.67%     |

THE WALL STREET JOURNAL

RADIO NETWORK





nies. **Richard Weening, Lew Dickey Jr.** and their big money backer, the pension fund for Wisconsin state employees, saw their shares shoot up \$11 for the quarter and \$16 YTD. Not bad for a company which specializes in markets so small that most Wall Street traders have never even heard one of the company's radio stations.

Both radio companies which did IPOs early in the year are still up strongly from their offering prices, despite falling back a bit in Q3. Both Radio One (O:ROIA) and Entercom (N:ETM) had been up 90% or more three months ago.

Although there were no radio IPOs during Q3, XM Satellite Radio (O:XMSR) completed its stock offering as Q4 began. Radio Unica is the most recent company to go public (see page 12).

Two more companies are in line to take the IPO plunge before the year's end: Spanish Broadcasting System and Interep National Radio Sales.

Tiny Triangle Broadcasting (O:GAAY), despite being up more than 100% YTD, finished Q3 down dra-

| Radio-related Companies | 9/30/99 Close | YTD Net Chg | YTD Pct Chg |
|-------------------------|---------------|-------------|-------------|
| RealNetworks            | 104.563       | 68.688      | 191.46%     |
| TM Century              | 0.875         | 0.563       | 180.00%     |
| SportsLine USA          | 29.563        | 14.001      | 89.96%      |
| Pinnacle Holdings       | 26.125        | 12.125      | 86.61%      |
| FTM Media               | 9.125         | 3.625       | 65.91%      |
| Otter Tail Power        | 42.500        | 2.625       | 6.58%       |
| WinStar Comm.           | 39.063        | 0.063       | 0.16%       |
| Fisher                  | 59.500        | -6.500      | -9.85%      |
| Jeff-Pilot              | 63.188        | -11.812     | -15.75%     |
| Crown Castle            | 18.719        | -4.781      | -20.34%     |
| Harris Corp.            | 27.625        | -9.000      | -24.57%     |
| Ceridian                | 24.875        | -10.031     | -28.74%     |
| Am. Tower               | 19.563        | -10.000     | -33.82%     |
| DG Systems              | 3.375         | -2.188      | -39.33%     |
| SpectraSite Hldgs.      | 11.875        | -17.690     | -59.83%     |

| Satellite Radio Companies | 9/30/99 Close | YTD Net Chg | YTD Pct Chg |
|---------------------------|---------------|-------------|-------------|
| AMSC                      | 17.500        | 12.250      | 233.33%     |
| CD Radio                  | 25.500        | -8.750      | -25.55%     |

| Major Stock Market Indices | 9/30/99 Close | YTD Net Chg | YTD Pct Chg |
|----------------------------|---------------|-------------|-------------|
| The Radio Index™           | 174.070       | 53.410      | 44.26%      |
| Dow Industrials            | 10336.950     | 1155.520    | 12.59%      |
| Nasdaq comp.               | 2746.520      | 553.830     | 25.26%      |
| S&P 500                    | 1282.720      | 53.490      | 4.35%       |

matically from its 666% gain as of the end of Q2. The penny stock company is in the process of branching out from being a radio network for gays and lesbians to being an Internet company and a TV producer while merging with another penny stock company after each tried to buy the other out.

Meanwhile, NBG Radio Networks (O:NSBD) is moving steadily toward escaping the penny stock label as its stock price heads toward the magic number of \$5. That's still some distance away, but a reasonable goal for 2000.

Although Launch Media (O:LAUN) is regarded in most quarters as an Internet stock, we list it as a radio network stock because it gets the overwhelming majority of its revenues from the Launch Radio Networks, the former SW Networks. Launch shareholders, including Sony (N:SNE), which took stock rather than cash for SW, have to be disappointed in the stock price, which has fallen 45% since the IPO.

*Quarterly Stocks continued on p. 10*



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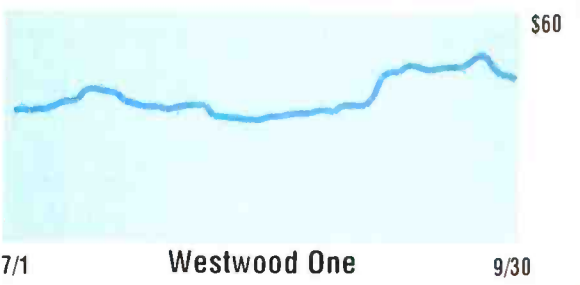
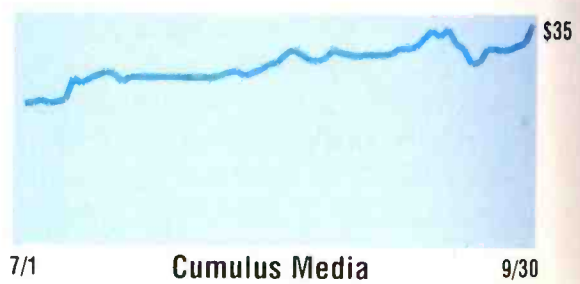
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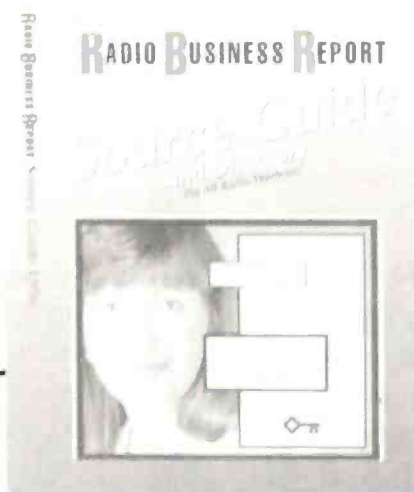


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### Radio saves media giants

If you look at the media stocks tracked by RBR you'll see a clear pattern—the greater the company's radio component, the better it did in Q3. Emmis (O:EMMS), Clear Channel (N:CCU) and CBS Corp. (N:CBS) all get more cash flow from radio than any other source. The sole exception to the trend was Tribune Co. (N:TRB), which has only a small radio group. It has been gaining on the strength of its TV stations, since the WB Network has bucked the TV industry's trend and

posted strong growth.

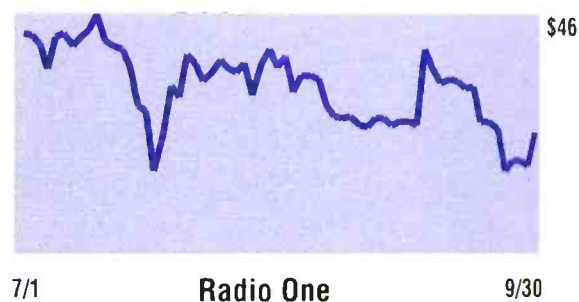
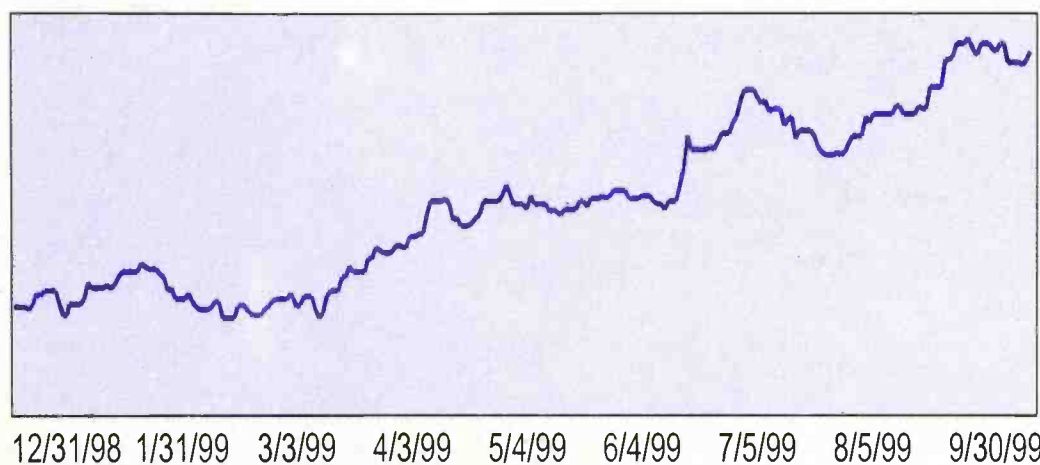
Consider this. Suppose **Michael Eisner** had decided not to invest in big steel-hulled ships to get Disney (N:DIS) into the cruise line business and instead had used that money to buy a nice radio group to expand ABC Radio. Would Disney's stock be in better shape today? It sure couldn't have hurt.

A contrarian might want to look at buying Hearst-Argyle Television (N:HTV) stock, which has really been beaten up on Wall Street this year. The Hearst family has continued to expand its holdings in the company,

indicating that the insiders have confidence in the company, even if many on Wall Street don't.

TM Century (O:TMCI) was up 180% YTD as the company acknowledged that it was in takeover talks. So far though, no deal has been announced. Otherwise, the big gainers among radio-related companies were the Internet stocks, RealNetworks (O:RNWK), SportsLine USA (O:SPLN), and FTM Media (O:FTMM). Also, Pinnacle Holdings (O:BIGT) continued to outpace other tower companies, apparently on the strength of repeated takeover rumors.

### The Radio Index™ first half 1999



### Stocks finish quarter with impressive rally

Wall Street Journal—Quarter's end brought a one-day bounce for stocks and bonds, leaving investors to debate whether they can hope for a more lasting rebound in the year's final quarter.

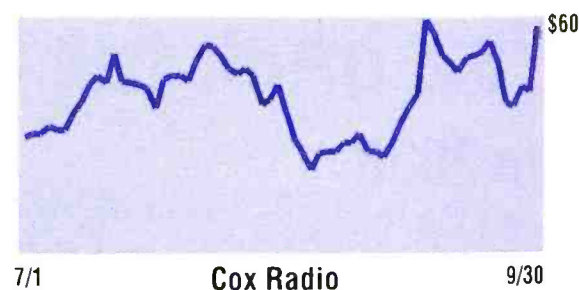
Amid heavy buying by large professional investors that wanted to avoid showing unspent cash on their books, the Dow Jones Industrial Average rose 123.47 points, or 1.21%, to 10,336.95, the blue-chip index's biggest gain in almost four weeks.

With the latest economic news seeming to militate against a Federal Reserve interest-rate increase, investors also turned more optimistic about the market's future. Most major indices gained, although technology stocks tended to lag behind.

"It was the end of the quarter, so there was a lot of portfolio rebalancing," said **John Peluso**, head of block trading at Lehman Brothers. Perhaps more significant, he said, was a rebound by bank and financial stocks that appeared to start before the brunt of the rebalancing process hit. "That gave a better tone to the tape and that's what gave legs to the market," Peluso said.

"The concern is still with how the Fed is going to interpret everything," said **Dan Mathisson**, head stock trader at D.E. Shaw Securities.

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# BROADCAST INVESTMENTS™

October 20—RBR Stock Index 1999

| Company        | Mkt:Symbol | 10/13 Close | 10/20 Close | Net Chg | Pct Chg | 10/20 Vol | Company          | Mkt:Symbol | 10/13 Close | 10/20 Close | Net Chg | Pct Chg | 10/20 Vol |
|----------------|------------|-------------|-------------|---------|---------|-----------|------------------|------------|-------------|-------------|---------|---------|-----------|
| Ackerley       | N:AK       | 13.313      | 13.938      | 0.625   | 4.69%   | 69800     | Hispanic Bcg.    | O:HBCCA    | 80.813      | 77.000      | -3.813  | -4.72%  | 227600    |
| Alliance Bcg.  | O:RADO     | 0.469       | 0.438       | -0.031  | -6.61%  | 0         | Infinity         | N:INF      | 30.750      | 33.063      | 2.313   | 7.52%   | 1782200   |
| Am. Tower      | N:AMT      | 18.813      | 18.500      | -0.313  | -1.66%  | 477500    | Jeff-Pilot       | N:JP       | 62.938      | 68.438      | 5.500   | 8.74%   | 469300    |
| AMFM Inc.      | N:AFM      | 66.063      | 64.625      | -1.438  | -2.18%  | 870300    | Launch Media     | O:LAUN     | 10.563      | 10.375      | -0.188  | -1.78%  | 44000     |
| Belo Corp.     | N:BLC      | 18.500      | 18.375      | -0.125  | -0.68%  | 319600    | NBG Radio Nets   | O:NSBD     | 2.875       | 2.375       | -0.500  | -17.39% | 50200     |
| Big City Radio | A:YFM      | 3.750       | 3.438       | -0.312  | -8.32%  | 6200      | New York Times   | N:NYT      | 41.000      | 40.313      | -0.687  | -1.68%  | 519500    |
| CBS Corp.      | N:CBS      | 45.375      | 43.875      | -1.500  | -3.31%  | 1625400   | Otter Tail Power | O:OTTR     | 41.000      | 41.125      | 0.125   | 0.30%   | 9100      |
| CD Radio       | O:CDRD     | 28.500      | 26.250      | -2.250  | -7.89%  | 107900    | Pinnacle Hldgs.  | O:BIGT     | 24.375      | 23.063      | -1.312  | -5.38%  | 268800    |
| Ceridian       | N:CEN      | 20.063      | 20.000      | -0.063  | -0.31%  | 1046600   | Radio One        | O:ROIA     | 48.500      | 45.125      | -3.375  | -6.96%  | 7000      |
| Citadel        | O:CITC     | 37.125      | 41.313      | 4.188   | 11.28%  | 266600    | RealNetworks     | O:RNWK     | 99.750      | 100.313     | 0.563   | 0.56%   | 3127900   |
| Clear Channel  | N:CCU      | 75.125      | 74.063      | -1.062  | -1.41%  | 1024900   | Regent Pfd.      | O:RGCI     | 8.750       | 8.375       | -0.375  | -4.29%  | 0         |
| Cox Radio      | N:CXR      | 60.500      | 61.438      | 0.938   | 1.55%   | 21500     | Saga Commun.     | A:SGA      | 21.875      | 21.313      | -0.562  | -2.57%  | 8400      |
| Crown Castle   | O:TWRS     | 16.813      | 18.063      | 1.250   | 7.43%   | 549700    | Salem Comm.      | O:SALM     | 27.063      | 27.125      | 0.062   | 0.23%   | 200       |
| Cumulus        | O:CMLS     | 30.000      | 34.500      | 4.500   | 15.00%  | 74500     | Sinclair         | O:SBGI     | 10.563      | 10.313      | -0.250  | -2.37%  | 875300    |
| DG Systems     | O:DGIT     | 4.625       | 3.375       | -1.250  | -27.03% | 161600    | SpectraSite      | O:SITE     | 10.750      | 8.625       | -2.125  | -19.77% | 233000    |
| Disney         | N:DIS      | 24.563      | 24.750      | 0.187   | 0.76%   | 5809400   | SportsLine USA   | O:SPLN     | 27.125      | 26.125      | -1.000  | -3.69%  | 265600    |
| Emmis          | O:EMMS     | 60.125      | 56.313      | -3.812  | -6.34%  | 69900     | TM Century       | O:TMCI     | 0.688       | 0.688       | 0.000   | 0.00%   | 500       |
| Entercom       | N:ETM      | 43.750      | 43.000      | -0.750  | -1.71%  | 74100     | Triangle         | O:GAAY     | 0.060       | 0.045       | -0.015  | -25.00% | 673700    |
| Fisher         | O:FSCI     | 59.500      | 56.500      | -3.000  | -5.04%  | 3400      | Tribune          | N:TRB      | 50.938      | 52.500      | 1.562   | 3.07%   | 402800    |
| FTM Media      | O:FTMM     | 9.125       | 8.938       | -0.187  | -2.05%  | 2000      | WarpRadio.com    | O:WRPR     | 2.875       | 3.125       | 0.250   | 8.70%   | 100       |
| Gaylord        | N:GET      | 30.063      | 29.875      | -0.188  | -0.63%  | 6900      | Westwood One     | N:WON      | 42.250      | 43.188      | 0.938   | 2.22%   | 395700    |
| Harris Corp.   | N:HRS      | 26.063      | 24.313      | -1.750  | -6.71%  | 485400    | WinStar Comm.    | O:WCII     | 39.875      | 40.875      | 1.000   | 2.51%   | 536200    |
| Hearst-Argyle  | N:HTV      | 25.125      | 23.500      | -1.625  | -6.47%  | 16000     | XM Satellite     | O:XMSR     | 16.563      | 14.250      | -2.313  | -13.96% | 110000    |

## Hispanic Broadcasting files shelf registration

Dow Jones—Hispanic Broadcasting Corp. (O: HBCCA) filed a shelf registration for \$1.5B of equity and debt securities.

In a filing last Monday with the Securities and Exchange Commission, the Dallas-based owner of radio stations that focus on Latino communities with Spanish language programming, registered Class A common shares, preferred shares, debt securities, junior subordinated debt securities, warrants, stock purchase contracts, stock purchase units and guarantees.

The shelf also covers preferred securities being offered by HBC Capital Trusts I and II.

Proceeds from any sale of securities will be used for general purposes, including repayment of borrowings, working capital, capital expenditures, stock repurchase programs and acquisitions.

No underwriters were named in the filing.

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by Dave Seyler & Jack Messmer

## Spin-offs tantalize Kagan attendees

Group owners, brokers and financial sources were all salivating over the coming spin-offs from the pending merger of Clear Channel (N:CCU) and AMFM Inc. (N:AFM) at last week's New York conference on radio acquisitions and finance staged by Kagan Seminars Inc.

"It's crucial that we get a lot bigger," said Citadel Communications (O:CITC) CEO **Larry Wilson**, noting that he had been quick to respond to the fax that Clear Channel sent out to potential buyers seeking expressions of interest in the various markets where the mega-group will have to make divestitures.

Wilson and others noted, though, that the buyers likely to benefit most from the divestitures will be those controlled by minorities, such as Radio One (O:ROIA), whose CEO,

**Alfred Liggins**, missed his scheduled appearance on the Kagan panel due to illness. Meanwhile, Chase Manhattan Bank, CBS (N:CBS) and Clear Channel were rushing to get a new minority venture capital fund up and running in time to fund some of those spin-off deals (see page 2).

### Has consolidation nearly run its course?

Panelists were split on whether the Clear Channel-AMFM spin-offs—some 125 stations—will be the last major phase of the radio industry consolidation that began with the 1996 Telecommunications Act.

"Is it over within a year? Probably," said Wilson. However, he noted that Citadel's focus is on the medium markets and that there could still be more deal making be-

yond that in smaller markets. In Wilson's view, there are only 50-60 markets in the top 200 with attractive properties available for consolidation.

Taking a different view was Morgan Stanley Dean Witter analyst **Frank Bodenchak**, who thinks there will be at least one more major wave of mergers to consolidate radio's top ranks. If the end result is going to be 25 big operators, Bodenchak foresees another \$18B in transactions. However, if that field is compressed down to 15 major groups, another \$35B in deals may lie ahead.

### Expanding margins and share

With deregulation now three years old, groups are now proving to Wall Street that the benefits of consolidation are real. Noting that CBS CEO **Mel Karmazin** has been telling investors that 70% cash flow margins are in radio's future, Cumulus Media (O:CMLS) Executive **Richard Weening** agreed "there's no reason why we can't do 70% margins." Weening noted that radio CPMs remain much lower than other media. "There's a lot of room upward in our price."

While it may not be surprising to hear such talk from Karmazin, is it really possible for Weening to produce those heady margins with Cumulus' clusters in Arbitron's smaller markets? Perhaps so, when you consider the margin figures quoted by **Bob Sherman**, whose Roberts Radio consists of eight markets—six of them unrated. When the company began in 1996 its cash flow margin was 18%. That shot up to 30% the next year and has grown to where Sherman is expecting 41% this year and budgeting for 44-45% in 2000. Those are margins which would have been unimaginable for small market radio prior to superduopolies.

### What could go wrong?

No one is predicting anything but strong growth in 2000, with a big boost from millennium and political

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advertising. If the US economy hits a recession in 2001 or thereafter, the group heads insisted that they will still be able to grow—not by the double digit rates enjoyed today, but still by 7-8% annually, which is likely to outpace other investment options.

"I think it's inevitable that we'll have [a recession]. When we have one, I want my money in radio," noted Wilson.

What about the threat from CD Radio (O:CDRD) and XM Satellite Radio (O:XMSR)? Panelists insisted that the national satellite services won't impact local ad revenues. "A lot of users of that service are still going to listen to radio part of the time," said Bodenachak. Even if the two satellite services each succeed in reaching 3% market penetration, a total of 6%, the analyst said "it's not going to be a big deal" for radio.

Further down the road, CS First Boston analyst **Harry DeMott** warned that broadband wireless to bring the Internet to cars has the long-term potential to damage the industry, "unless the radio guys jump on it now."

That may explain why the Internet is currently getting so much attention from many radio groups.—JM

### Radio Unica stock soars after IPO

Investors may be worried about the course of interest rates and stock prices, but they apparently still see radio as a winner. Despite the recent weakness in the overall market, **Joaquin Blaya's** Radio Unica (O:UNCA) sold a \$190M IPO 10/18 at \$16 per share, the top end of its anticipated range. Also, the size of the offering was increased from 5.7M to 6.84M shares. That was just the beginning. When trading began 10/19, Radio Unica opened at \$23 per share and closed out its first day of Nasdaq trading at \$27.437.

Radio Unica owns AM stations in most of the country's largest Hispanic markets. Along with its affiliates, the Spanish Talk network says it covers 80% of the US Hispanic population. Underwriters: Salomon Smith Barney, Bear Stearns & Co., Donaldson, Lufkin & Jenrette, CIBC World Markets

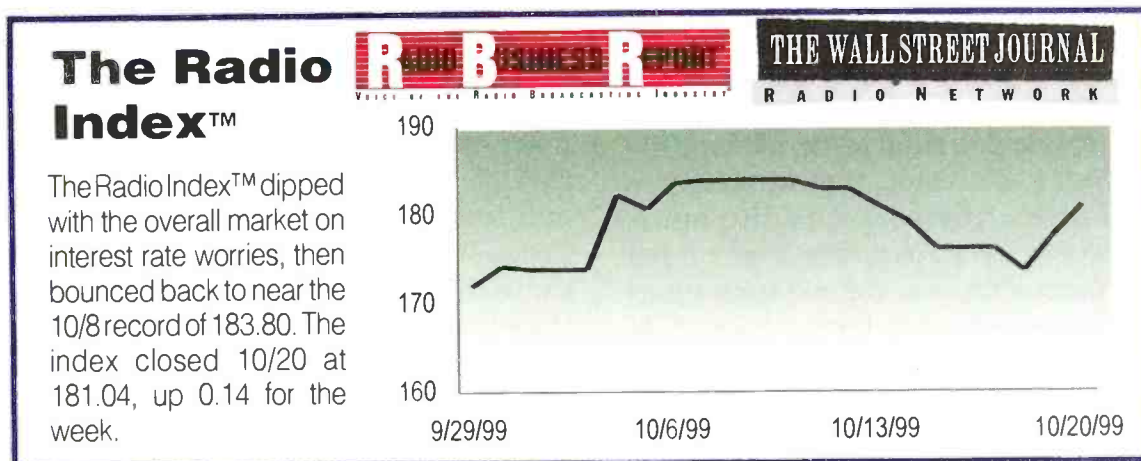
**RBR observation:** This IPO is incredibly bullish for radio stocks. Radio Unica is the first radio group since Children's Broadcasting Corp. in 1990 to go public while still posting negative cash flow. Spanish media is hot and Wall Street obviously believes that Radio Unica is going to be able to cash in on the fast-growing ad market targeting Hispanics.

Next up in the IPO line is **Raul Alarcon's** Spanish Broadcasting System. The larger and more successful Hispanic radio group should get a nice boost from Wall Street's embrace of Radio Unica.—JM

### KACE case: HBC picks up two FMs as Cox exits Los Angeles

**McHenry Tichenor's** Hispanic Broadcasting Corporation (O:HBBCA) is expanding its Los Angeles operation with the addition of KACE-FM and KRTO-FM, which it is buying from Cox Radio (N:CXR). These are the two stations left over after Cox's monumental swap with AMFM (N:AFM) last month (*RBR* 9/6/99, p. 12). Cox will receive approximately \$75M in return for the two licenses.

HBC already has an enormously powerful old-fashioned duopoly



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(1AM/2FM) which features the #1 and #2 stations 12+ in the market in the just released Summer 1999 Arbitron survey (KSCA-FM and KLVE-FM, respectively). HBC is currently second among owners in the market in total 12+ share, although the pending Clear Channel/AMFM merger will drop it to third place.

KACE/KRTO will continue to simulcast, although the current Urban Oldies format will be jettisoned. A Spanish-language format is expected to be in place before the year is out.

**RBR observation:** As it stands now, these stations do not take a very big bite out of the LA pie. Neither has full-market coverage, and between them they have been unable to crack the one-share threshold. But in this case the upside potential is significant. According to Tichenor, they are situated so as to reach the ears of 4M Hispanics. We will be very surprised if we do not see them climb up the Arbitron chart as the new Hispanic format takes hold over the next year.—DS

### 'FOG-bound no more, Barnstable expands in Tidewater

Whoever was whispering about a deal which would send WCMS AM-FM to Barnstable (*RBR* 8/30, p. 18) was right. The two stations, owned by **Marjorie Crump's** Radio Norfolk, are being sold for \$15.5M.

Joining WFOG-FM and WGH AM-FM, they will give Barnstable the market's third major superduopoly behind Clear Channel and Entercom both chronologically and in terms of total 12+ Arbitron ratings. The Country combo will combine with WGH-FM in the format, allowing Barnstable to corner that segment of the Norfolk radio audience.

Barnstable is a recent entrant to the Norfolk market. It bought its current cluster from Sinclair for \$23.72M after an earlier deal sending the stations to Petracom fell through (*RBR* 4/12, p. 6). **Broker:** Kalil & Co. Inc.—DS

### Saga taps the Spencer dispenser

Saga Communications (A:SGA) is adding to its Iowa portfolio with the purchase of a standing duopoly. KICD AM-FM and KIGL-FM Spencer IA are

coming from **William R. Sanders'** Iowa Great Lakes Broadcasting for \$6.4M cash. Spencer, in the northeast part of Iowa, will constitute an outpost for Saga. It is not particularly close to any yellow areas on the map, nor is it on Arbitron's list of rated markets, nor is it particularly close to Saga's other Iowa properties, which include a superduopoly in Des Moines, over 100 miles to the southeast of Spencer, and Saga's Yankton SD combo, which draws rating in Sioux City IA, which is 75 miles southwest of Spencer.—DS

### Stockton CA: AMFM engaged in Carson-ogenic activities

Most of the talk about AMFM (N:AFM) prior to its sale to Clear Channel (N:CCU) involved shedding stations, and indeed some were shed (its Tri-Cities WA cluster, for example). But there were also some acquisitions on the stove, and this one will build an old-fashioned AM-FM combo in Stockton CA.

AMFM is spending \$5.14M to pick up KQOD-FM, which will pair with KJAX-AM. Stockton is sandwiched between the Sacramento and Modesto markets, and KQOD also has some overlap with AMFM stations in each.

The seller is Carson Group Inc. Carson also has a deal to sell its Stockton AM, KWG, which is going to Immaculate Heart Radio (*RBR* 9/27, p. 15). **Broker:** Media Venture Partners (seller)

### Florence-Muscle Shoals debut will be a super affair

Arbitron is setting up shop in the northwest corner of Alabama for the Fall 1999 survey, and Cumulus Media (O:CMLS) will have a 2AM/3FM superduopoly for it to measure. The small-market specialist is paying \$5M to acquire **Elton Darby's** Tusculumbia AL combo, WVNA AM-FM.

Cumulus already has WLAY AM-FM and WKGL-FM in the market, which it acquired from D. Mitchell Self Broadcasting for \$6.3M late last year (*RBR* 11/16/98, p. 12). As near as we can tell, this will be the market's only superduopoly. **Broker:** Don Sailors & Associates (buyer)—DS

### Crystal clear deal on Florida's Gold Coast

**Jim Hilliard's** West Palm Beach duopoly, which operates under the name James Crystal Enterprises, is upgrading to superduopoly status via a stock deal which will add South Florida Radio's WLVJ-AM to its lineup. Payments totaling \$3,945,500 will purchase 100% of the stock of partners **Carl J. Auel, Robert A. Jones** and **Scott L. Smith.**—DS

### Honolulu happening: Emerald City continues to grow

**Paul Robinson's** Emerald City Radio Partners is adding to its new radiogroup with the acquisition of KUMU AM-FM from **Jeff Coelho's** Pacific West Broadcasting Corp. The combo, which caters to the older demographic, is by far the strongest unconsolidated operation in Honolulu, and is fetching \$3.365M.

Emerald City began building last December with the purchase of four stations in two small Hawaii markets (*RBR* 12/21/98). In August, it announced a deal to buy WAVF-FM in Charleston SC (*RBR* 8/16/98, p. 12). The KUMU deal takes its total station investments over \$10M.—DS

### More Honolulu: I KAIM, I saw, I consolidated

*RBR* speculated on the possibility of a Honolulu holy war upon reporting the \$1.7M purchase by Salem Communications (O:SALM) of AM duopoly KHNR/KGU from Chagal Hawaii (*RBR* 9/20, p. 12). We can now report that the war will not happen, as the other potential warrior, **Billy Graham's** Christian Broadcasting Association, is also selling to Salem.

Salem, by far the nation's largest commercial Religious group, will pay \$1.8M for KAIM AM-FM to create a 3AM/1FM superduopoly.

**RBR observation:** The Chagal stations currently carry Sports and News-Talk formats. Now that the KAIM combo is covering the Religious format front, we will be willing to bet that at least one of the Chagal stations will remain secular via the installation of Salem's conservative Talk format.—DS

At deadline, Salem announced additional deals to acquire KJQI-FM San Francisco for \$8M and WABS-AM Washington, DC for \$4.1M.



**\$425,000—\* KBCH-AM & KCRF-FM** Lincoln City OR from Oceanlake Broadcasting Corp. (Hal D. Fowler) to Yaquina Bay Communications Inc. (David J. Miller). \$75K down payment, \$350K note. **Superduopoly** with KNPT-AM, LYTE-FM, KBGX-FM CP, all in Newport OR.

**\$375,000—\* WZZY-FM** Winchester IN from Picon of Winchester Inc. (Michael Schillhahn) to Rodgers Broadcasting Corp. (David A. Rodgers). \$18K escrow, \$75K non-compete, balance in cash at closing. **Duopoly** with WFMG-FM Richmond IN. **Broker:** Roehling Broadcast Services Ltd. (buyer)

**\$270,000—WLIR-AM** Spring Valley NY from Tsooris Corp. (Eugene Gugig) to Alexander Broadcasting Inc. (Alexander Medakovich). \$27.5K escrow, \$40K non-compete, balance in cash at closing. LMA since 8/4.

**\$185,000—KEAS AM-FM** Eastland TX from WDS Broadcasting (various members of the Staggs family) to Partnership Broadcasting Inc. (D.B. Bacon, Charles W. Statler). \$5K earnest money, balance in cash at closing.

**\$135,000—\* WSKL-FM** Veedersburg IN from Veedersburg Radio (Keith Reising) to Zona Communications Inc. (Rhea A. Weatherford). Five-year note. **Duopoly** with WKZS-FM.

**\$125,000—FM CP Chama NM** from KNXX Inc. (Don Davis) to On Top Broadcasting LLC (Scott Flurry, Daniel Healey). Promissory note. Payment begin when station signs on.

**\$77,000—WCOK-AM** Sparta NC from Sparta-Independence Radio Corp. (Katherine S. Hefner) to Mountain Empire Broadcasting Inc. (Robert K. Andrews, Pauline Baldwin). Refiling to make corrections to document dated 3/10/97.

**\$70,000—WPVA-FM CP** Waynesboro VA from Positive Alternative Radio Inc. (Vernon H. Baker) to CSN International (Charles W. Smith, Jeffrey W. Smith, John A. Laudadio, Michael R. Kestler). \$10K escrow, balance in cash at closing (\$70K is seller's to-date expense in processing CP).

**\$65,000—WGIA-AM** Blackshear GA from Christian Media Network Inc. (Joe F. Chalk) to Yates Broadcasting Inc. (David & Marci Yates). \$6.5K escrow, \$13.5K cash at closing, \$45K note.

**\$51,000—KCWA-FM** St. Louis (Arnold MO) from Arnold Educational Broadcasting Foundation to Missouri River Christian Broadcasting Inc. (J.C. Goggan, pres.). \$1K earnest deposit, \$5K cash at closing, \$25K payable by 6/30/01. Noncommercial station.

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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.

**\$11,860,000—\* WIRL-AM/WSWT-FM**

Peoria from Community Service Radio Inc. (James D. Glassman) to JMP Broadcasting LLC (Jack B. Everette, Michael R. Wild et al). \$550K escrow, \$10.31M cash at closing, assumption of \$1M note from Lombard Acquisition Trust, which is purchasing the stock of WIRL/WSWT prior to resale to JMP. **Duopoly** with WMBD-AM, WPBG-FM. LMA since 8/31.

**\$9,500,000—\* KOOJ-FM**

Baton Rouge (New Iberia LA) from KTBT Radio Broadcasting Co., a subsidiary of Powell Broadcasting Co. Inc. (John M. Spain, mgng dir) to Citadel Broadcasting Co. (0:CITC) (Lawrence R. Wilson et al). \$475K letter of credit, cash. **Superduopoly** with WIBR-AM, WXOK-AM, WEMX-FM, WCAC-FM, KQXL-FM and also overlaps one AM and two FMs in the Lafayette LA market. LMA since August. Broker: Bergner & Co. (buyer)

**\$6,501,000—\* WODJ-FM**

Grand Rapids (Greenville MI) from Goodrich Radio LLC (Robert E. Goodrich) to Michigan Media Inc., a subsidiary of Bloomington Broadcasting Corp. (Kenneth H. Maness et al). \$260K escrow, \$1K non-compete, balance in cash at closing. **Superduopoly** with WKLQ-FM, WLAV-FM, WBBL-AM. LMA since 8/2. Broker: Media Venture Partners (seller)

**\$2,700,000—\* WBTJ-FM**

Youngstown (Hubbard OH) from Stop 26 Riverbend Inc. (Percy Squire, Frank Halfacre, Robert Douglas, Adrian Roe) to Citicasters Co., a subsidiary of Clear Channel Communications (N:CCU) (Lowry Mays et al). \$775K note, three loans filed as amendments to original contract totaling \$950K, balance in cash at closing. **Superduopoly** with WKBN-AM, WKST-AM, WNIO-AM, WKST-FM, WKBN-FM. Forms two distinct markets (4 AM/2 FM and 3 AM/3 FM. 81 stations in market. LMA since 6/30/98. Broker: Jorgenson Broadcast Brokerage

**\$2,500,000—\* WWCM-AM**

Ann Arbor (Ypsilanti MI). 100% of the stock of Word Broadcasters Inc. from Daniel D. Poole & Louis H. Velker (each 50% to 0%) to Ave Maria Foundation (Thomas S. Monaghan). \$10K deposit, \$190K escrow, balance in cash at closing. **Duopoly** overlap with WCAR-AM Detroit, in which Monaghan has a 29.05% interest. Broker: Bergner & Co. (buyer)

**\$1,500,000—WHAT-AM**

Philadelphia & WCXJ-AM Pittsburgh (Braddock PA). 55% interest from East Coast Communications Inc. (W. Cody Anderson, 100% to 45%) to Urban Radio of Pennsylvania, made up of Inner City Broadcasting Corp., 55% (Pierre Sutton, pres) and KBT Communications Inc., 45% (W. Cody Anderson).

**\$1,300,000—\* KNUQ-FM**

Maui (Paauilo HI) from DCP Broadcasting Corp. of Maui (Christopher Dahl) to Visionary Related Entertainment II Inc. (John Detz Jr.). \$100K escrow, \$400K cash at closing, \$800K note. **Superduopoly** with KAOI AM-FM, KDLX-FM.

**\$1,300,000—KKLO-AM**

Kansas City (Leavenworth KS) from Chara Communications Inc. (William A. Neeck) to New Life Evangelistic Center Inc. (Lawrence W. Rice Jr., pres et al). \$65K escrow, balance in cash at closing.

**\$675,000—KKEY-FM**

Harrisburg AR & KNEA-AM Jonesboro AR from John J. Shields to Studio Four LLC (Dean & Angela Tyrer, Mindy & David Worlow). \$25K earnest money, \$237K cash at closing, \$125K one-year note, \$288K long-term note. Jonesboro AR is scheduled to begin receiving Arbitron ratings during the Fall 1999 survey.

**\$430,000—KBTW-FM**

CP Lenwood CA from Rita Bonilla to Lazer Broadcasting Corp. (Alfredo Plascencia). \$260K escrow, \$170K note.

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