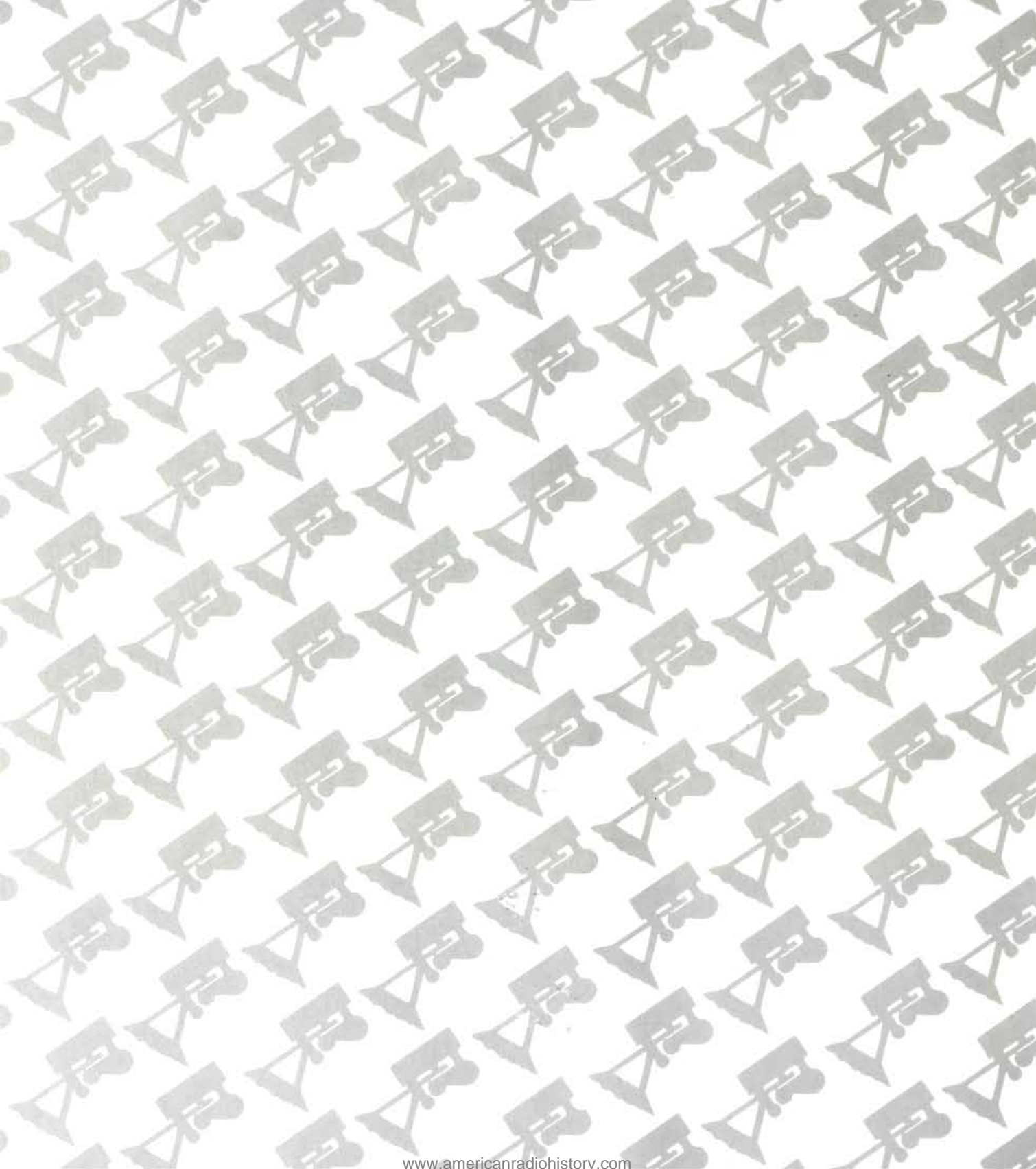
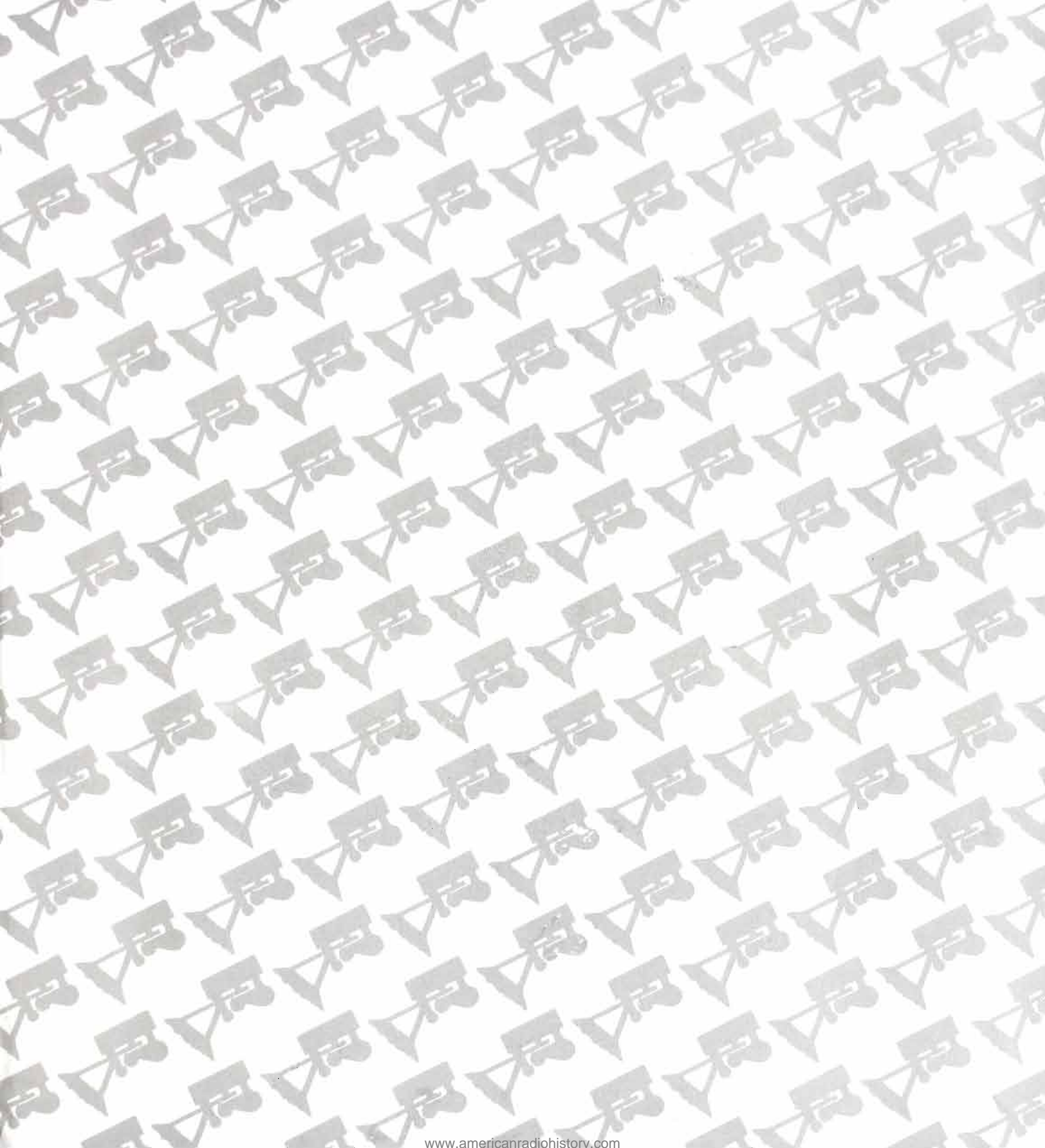




STONER
BROADCASTING
SYSTEM, INC.

1956-1981
25 YEARS







Designed By
JULIE RENZ & TRUDY PETERS

Edited By
ETHEL STEHLE

Written By
AVIS ECKEL

STONER
BROADCASTING
SYSTEM, INC.
1966-1991
25 YEARS



*Kenyon
Bob would like to
you. Always
Love*



*This book is dedicated to the
Chairman, Directors, Corporate Officers
and all Stoner Associates as a
testimonial to the important roles they
played in making 25 years of Stoner
Radio challenging, exciting,
successful and fun.*

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*Kerry
Best wishes to
you. sincerely
Joan*



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The Changing Face of Radio

Thomas H. Stoner, a native Iowan was 32 years old in 1966 when he purchased his first radio station, KSO in Des Moines, Iowa.

A 1956 Graduate of Wharton School of Finance, Stoner spent the first 10 years following his graduation activity involved with his father's outdoor advertising and real estate interests

Celebrating 25 years in radio, 1966-1991, the history of Stoner Broadcasting covers a period of major change, a history that in many ways mirrors the communications medium of the same period.

The total number of radio stations in the United States grew from 4,354 in the early sixties to 9,244 in 1989. Total revenue grew from \$3.7 billion in 1980 to \$8.4 billion in 1989.

FM stations, unknown in 1967, attracted 51% listenership in 1979 and 74% in 1990, pulling listeners from the AM stations. Music transmitted on the airwaves went from top 40 to new age, and soap operas went to television.

Small, family-owned stations were acquired by group owners, increasing demand for stations and driving prices in the late eighties to new highs.

Financing became important. Banks were anxious to loan money to broadcast groups which were actively buying and selling, taking advantage of the escalating values. Some groups took on large debt in order to speculate and/or expand, as the Federal Communications Commission (FCC) increased the number of stations a company could own and removed the time period necessary to hold a station before selling.

Radio operating costs rose with a higher percentage going into advertising, promotion and research as the large group interests competed for the available radio dollars in each market.



**Why
Radio
for
Stoner?**

Radio became a very specialized industry, with a great deal of emphasis on programming, determined by market research. Whereas in the fifties and sixties, a handful of radio stations served the general market with music, news and special interest programs, the seventies and eighties brought about a plethora of new stations, the growth spurred by development of the FM band and the new deregulatory spirit at the FCC. It became common for medium-sized markets to have format duplication and, in some cases, triplication.

Technology was accelerated. With FM replacing AM as the preferred music medium, the successful AM of the eighties relied on access to new technologies (satellite, cellular, microwave) to remain competitive by providing instant access to spoken word programming worldwide.

Recorded music, available largely on vinyl disc in the fifties and sixties, was delivered via cassette tape and digital compact disc in the eighties.

Morning drive time and its personalities were key to success as radio became the in-car companion.

Asked why he bought KSO, Stoner replied: "I was heavily committed and invested in the billboard business in the early sixties. All was going well until President Johnson came in to the office by unfortunate and unexpected means.

"They were playing 'America the Beautiful' as I arrived in the White House at the signing of

the Highway Beautification Act in 1965. I was representing the Outdoor Advertising Association of America (OAAA) which had reluctantly supported the bill. It was a very chilly reception I received from Lyndon Johnson as he gave me a pen used to sign the bill. I knew then that the years of unrestricted billboard placement were over and a period of legislative and public relations problems lay ahead. There was a clear need to diversify. I looked in several directions at once, all relating to the advertising business."

"It so happened that radio station KIOA was on the market at \$625,000 with only \$25,000 cash flow. It seemed too high to me, a much higher multiple than I was used to in the billboard business, so I passed. I was not aware at the time of the excellent signal and the established format and how important that was to the value and potential of the station."

"I learned later of KSO being on the market. The price was \$375,000, but with no cash flow, no ratings and no real format. I believed that, with the tremendous power of an unlimited billboard budget we could promote this station at least to the level of KIOA and make a profit. I thought that promotion was the key. I learned after five years of promotion that it was not the key, but that product was the key. That is to say, original and effective programming."

"KSO was more than just the first radio station. It was the source of many hard earned lessons that were of tremendous value as the company was being built and radio became its core."

Twenty Five Years

As Stoner related, Stoner Broadcasting made its first radio purchase in Des Moines in 1966 for \$375,000. During the next 25 years, the firm bought 17 stations, the purchase price going as high as \$7,000,000 for one station. Five of the stations were sold or traded for other stations, with 12 remaining in 1991. Stoner's expansion program was conservative, and the company remained financially solid, with unused credit available for acquisitions as part of a loan agreement with the Bank of New York.

In 1988, Stoner owned 15 stations, but, following sale and exchange activity in that year, the company entered 1989 with 12 stations, 8 FM and 4 AM, in eight markets, all remaining in the Stoner group into the nineties.

Radio revenue increased from \$158,000 in 1967 to \$9.1 million in 1983 and \$23.1 million in 1989, while station cash flow increased from a negative \$100,000 to a positive \$2.3 million in 1983 and \$5.8 million in 1989. The value per share of common stock rose from \$1 to \$25.54 in 1983 and \$63.39 at the close of 1989.

The number of full-time employees rose from 18 in 1967 to 85 in 1976 and 187 in 1990.

The original Des Moines station was to be the westernmost operation. All but one of the other purchases were east of the Mississippi River. The eastward expansion portended the eventual relocation of the corporate offices from Des Moines, Iowa to Annapolis, Maryland.

Stoner's nostalgia for the Iowa farmlands, reflected in the Iowa art and antiques in the corporate office, gave way to his love for sailing. His Annapolis office overlooks the Severn River and hundreds, sometimes thousands, of yachts in what is known as "The Yacht Capital." His own yacht *Mermate*, a Hinkley Bermuda 40, docked in the harbor, is often used for sailing on the Chesapeake Bay with corporate partners and Stoner associates.

As this history is being written, Stoner's interests are extending even further to the east. The company went international in 1990 with the purchase of an interest in a United Kingdom broadcast operation.



The Sixties

KSO

When KSO AM was purchased by Stoner from the Des Moines Broadcasting Company, it was one of Iowa's oldest AM broadcast stations. The station was first installed as WKAA in 1922 at the residence of Harry F. Parr, manager of the Lincoln Hotel, Cedar Rapids, Iowa. In early 1935, under Cowles ownership (Des Moines Register & Tribune newspaper interests) the station, then known as KWCR, was moved to Des Moines and the call letters changed to KSO.

The KSO transmitter building and tower were erected at 3900 N.E. Broadway in 1948 and the studio was moved there in 1974. Acquired with the building site on Broadway was an outdoor swimming pool. Unusual for a radio station, the pool was used for customer promotions and as a special benefit for employees and their families.

At the time of purchase by Stoner, KSO was a full-time 5 Kilowatt (KW) facility, with a top 40 format, operating 24 hours a day, so Stoner thought when he took it over on midnight of November 8. The operating manager promised Stoner that the morning man, who was also his brother, would be on duty the following day. However, the next morning, the morning man was on his way to Florida and there was no morning show.

In August of 1967, Glenn Bell moved from Chicago, Illinois where he had been program manager for WMAQ, to

become the General Manager of KSO.

Wanting to make an initial, positive impact in his new surroundings, Bell determined that the best promotional item he could have would be a Rolls-Royce. He acquired a 1926 model from a Chicago dealer for \$5,000. It barely ran and didn't look much better. The first month was spent getting it painted and in operating condition, and by October it was looking good and running fairly well. It was taken to a local gas station to be winterized, where anti-freeze was poured into the radiator. However, since the engine was not running the anti-freeze wasn't circulated. That night at the station, the Rolls was left outside, and a hard Iowa freeze cracked the block. A tow truck was called and the new KSO general manager gave up on the Rolls-Royce idea. It was sold back to the Chicago dealer at an undisclosed, major discount. The Rolls-Royce story is one Glenn Bell has not been allowed to forget.



Chairman Tom Stoner & President Glenn Bell

"Things were rather grim at the beginning when we purchased radio station KSO," Stoner recalled.

"What I remember most about that first month, aside from the fact that we lost \$16,000, was that the tall weeds around the KSO studio and transmitter building had not been cut for over a year. It was a wonderful place for wildlife to play. In our initial improvement effort, we decided the first thing to do was cut the weeds. Not having tremendous foresight, we did not realize that this would drive the animals inside."

"Sara Breeding, Office Manager for KSO was busily typing away. In a short while, she heard a strange little noise, and her typewriter suddenly locked up. It seemed that a small mouse,



Sara Breeding

scurrying to escape the fury of the Iowa winter without the benefit of protection from the tall weeds, had sought sanctuary in Sara's typewriter, and the "K" key had decapitated him/her! Sara rushed from the office screaming, letting everyone know she would return only when the typewriter and occupant were gone."

With the weeds gone, the mice became even more adventurous, and seemed to thrive on KSO envelopes and typewriter ribbons, according to Breeding, who did return and presently holds the distinction of being Stoner's only employee dating back to the KSO acquisition.

Another KSO memory was a disk jockey who worked weekends, bringing along his girl friends, and playing loooooong records.

The Seventies

The KSO station became profitable only after switching from its contemporary music format to a country music format in 1974. By the end of the decade, KSO was a country powerhouse, thanks to such popular on-air talents as Jarrett Day, John Leslie and, later, the top-rated morning team of "Tom and Jerry" - Tom Collins and Dennis "Jerry" James. Thousands of loyal country fans enjoyed the talents of Ernest Tubb, Ricky Skaggs, Crystal Gayle, Hank Williams, Jr., Dolly Parton, Reba McEntire, and other well-known country artists at annual concerts in the Veterans Auditorium sponsored by KSO and loyal advertisers. Crystal Gayle performed for only \$600. One of her numbers "Don't it Make my Brown Eyes Blue", helped elevate her to country music fame.

WSAZ WGNT

In May of 1970, WSAZ AM (WGNT under Stoner), Huntington, West Virginia, was purchased from Capital Cities Broadcasting Corporation (the company that now owns ABC), becoming Stoner's second broadcast property.

Negotiations for WSAZ took place over lunch in the brownstone in mid-Manhattan that housed the Capital Cities offices. It was a memorable occasion with Capital Cities Board Chairman Thomas Murphy and Lowell Thomas, a Capital Cities' founder and owner and well-known journalist and radio news

commentator, present. Stoner, Bell, and Marvin Winick, Des Moines legal counsel, represented Stoner Broadcasting interests.

The negotiation ended with the group drinking coffee from fancy coffee mugs, but the price did not budge from \$900,000. Stoner did not get the WSAZ call letters as hoped - they were retained for the Capital Cities television station.

WSAZ, which had been operating since 1923 and was identified in the early years with the unofficial slogan, "Worst Station from A to Z", became a

successful adult middle-of-the-road (MOR) station under the management of John B. Frankhouser, Jr., Gary Voss and, in 1974, Toufie Kassab. The offices and studio of the "Giant of the Tri-State" were moved to Fifth Avenue and later to the Coal Exchange Building in Huntington.

Stoner's first FM broadcast station was KFMG FM, purchased from Iowa Fine Music Broadcasters Inc., Des Moines, for \$110,000 in the summer of 1971. Stoner originally thought he could buy the station for \$25,000,



Marvin Winick

**KFMG
KGGO**



Gary Voss

but a competitor became interested, and the price went up. The station's original construction permit had been granted by the FCC in 1961

After the owners went bankrupt in 1963, the

station sold in 1964 for \$250 to Iowa Fine Music. Later that year KFMG went on the FM airwaves with a "good music" format.

When Stoner purchased it, KFMG was a progressive rock station. The disc jockeys and program director could play any type music and were at liberty to say and do almost anything they wished. The morning following the purchase, Program Director Ron Sorensen, adhering to new programming controls, announced to his "loyal" audience that he was going to sign the station off the air. And he did – right in the middle of morning drive time, while urging his listeners to write the FCC and report what he considered to be Stoner Broadcasting's unreasonable intentions.

Hearing this while driving, Glenn Bell who had become General Manager of KFMG along with KSO, made a U-turn and almost wrecked his car. When he arrived at the KFMG studios he found not only the station off the air, but all the staff gone home and himself locked out.

Subsequent to the KFMG purchase, a group was formed protesting the change of format and an appeal was lodged with the FCC. Marvin Winick, Stoner legal counsel from Des Moines, recalls that the final FCC order stated that the commission was against "free form" format and "free form" anything else as well.

KFMG FM was switched to a top 40 music format and began 50% duplication of the KSO AM program schedule, moving its studio in with KSO at 3900 N.E. Broadway. In late 1972, the FCC authorized the move of its transmitter to the same location, and KFMG began broadcasting from its new site atop the 310 foot AM antenna, with the power increased to 100 KW.

There was a special gathering at the station to toast the big event, with Stoner throwing the switch and local celebrities in hardhats enjoying champagne. Bell left the ceremony to drive downtown to listen to the great new sound. He was shocked to find he couldn't even hear the station. He called Ed Carney, the engineer, to say, "Ed, I can't even hear the station! Is there any possibility you left the old transmitter turned on?" He had guessed correctly. The old 3 KW transmitter on top of the Brown Hotel was left on and a big hole was generated in the signal in the center of Des Moines, creating "electronic blanking", in broadcast terms. Another "embarrassing moment".

Larry Laverne became General Manager of the Des Moines stations in 1974. He was followed by Guy Fowler in 1975 and Perry



St. John in 1978. KFMG became KGGO in 1975, and the FM format was changed, first to progressive rock and, in 1980, to album-oriented rock (AOR).

**WNBF
WQYT**

Stoner assumed ownership of WNBF AM and FM, Binghamton, New York, in December of 1972. The property was purchased from Triangle Publications, Inc., for \$1,100,000. James N. Shaheen was the first General Manager of the Binghamton stations under Stoner ownership.

Studios and offices for the Binghamton stations were moved from the neglected Sheraton Hotel to a new building at Chenango and Henry Streets, which turned out to be right in the heart of the red light district. As the staff left for home in the evening, the hookers would be parading up and down the street in front of the station. Later, adding insult to injury, the state of New York opened an OTB (off track betting) office next door. In addition to hookers, there were drunks and winos lying around the station entrance waiting for race results on their portable radios. When the lease expired in 1983, the stations moved to their present location at Court House Square, where the only diversion, according to Manager Roger Conklin, was a Halloween witch that crossed Court Street on a wire, a Boscovs store promotion.

The WNBF AM call letters and middle of the road (MOR) music and talk format were continued. However, in 1973, call letters for WNBF FM were changed to WQYT. The FM

format became beautiful music. Voss moved in 1975 from Huntington, where he was General Manager, to manage the Binghamton stations.

In 1974, WKRX FM 106, Louisville, Kentucky, the sixth Stoner station, was purchased from Keith Reising for \$750,000. Winick recalls some difficulty at the closing: "We had considerable problems getting this agreement signed and obtaining the proper documentation, and, at the closing, the documentation was not available to us. "We closed the purchase, but put substantially all of the purchase price in an escrow account with our local attorney in Louisville with the requirement that the documents had to be delivered to us within a certain period of time, or the escrow would be forfeited."

"Although the documents were not delivered within the time called for by the escrow agreement, the seller did eventually receive all of his funds when the papers were delivered."

The beautiful music format was continued, but the call letters were changed to WVEZ. Bruce Dodge became sales manager on November 1, and was promoted to general manager on January 15, 1975.

**WKRX
WVEZ**



Bruce Dodge

**The
Birth
of
Stoner
Broad-
casting
System**

Stoner relates events leading to the decision to become an "all broadcasting" company:

"In an effort to diversify, we went all the way. We applied for a cable franchise in Mason City, Iowa. We applied for and received a construction certificate for KSO TV in Des Moines. We purchased and built successful correspondence schools in Dallas and Washington, D.C. In the midst of this, we had purchased radio stations WGNT AM in Huntington, WNBF AM/FM in Binghamton, and KGGO FM in Des Moines. These acquisitions, plus the five billboard plants, became so diverse that it became impossible to manage these operations effectively. It was time to consolidate.

"At a meeting held by top managers at The Lake of the Ozarks, Missouri, in 1973, we reached the conclusion that the greatest potential with the least risk came from the emerging new technology of FM radio broadcasting. Iowa had a very restrictive law in cable and was very slow to develop. UHF television was years away from developing. The billboard medium was flat due to legislative and public relations problems. The correspondence schools were facing a hard look by the Federal Trade Commission. FM looked like a very good direction. It also appeared that we needed to build a core business large enough to attract and hold the talent to make it successful. So, we went for it and shed all the rest."

The important decision to become an all-broadcast company became reality in

December of 1975. Stoner System, Inc. had sold its remaining outdoor advertising properties in Cedar Rapids and Des Moines, Iowa and Toledo, Ohio and its correspondence schools in Dallas, Texas and Washington, D.C. The company's goal was to expand into mid-sized markets, becoming a sizable radio broadcasting company.

Now the owner of six radio properties, Stoner System, Inc. became Stoner Broadcasting System, Inc., remaining an Iowa corporation, with WNBF AM and FM becoming its subsidiary, Stoner Broadcasting System of New York, Inc. Stoner continued as chairman of the board and in the role of overseeing acquisitions. Glenn K. Bell was named President and he, with the remainder of the corporate staff, would oversee operations. Avis Eckel, who had served as Corporate Secretary since 1973 and Secretary-Treasurer beginning in November of 1974 (succeeding Joseph Rodenberg), continued in this capacity. All station general managers were given the additional title of vice president. A reception was held for the new president at the Des Moines Club.

Stoner, continuing his long-time interest in Iowa politics, managed re-election campaigns for Iowa's popular Republican Governor Robert D. Ray in 1972 and 1974 and, in 1975, became Iowa GOP Chairman and member of the Republican National Committee.

The Stoner Colossal Self-Improvement Plan was introduced to 94 Stoner employees at the beginning of 1978. They were

**Stoner
Colossal**



**Self
Improvement
Plan**

challenged by President Bell to quit smoking, lose weight or accomplish some other personal goal. There were 12 winners of \$100 each. An early casualty was Chairman Stoner who concluded a deal so big he said he had to smoke a cigar. Bell, Jarrett Day (KSO) and Dick Brabant (WVEZ) quit smoking and Carroll Kessell, 34-year veteran at WGNT took a four week vacation. Sara Breeding, Bernie Fonte (WNBF) and Cal Crane (KGGO) lost a total of 100 pounds. Ed Williamson (WVEZ) continued his real estate course and Sam Armstrong (Corporate) earned her third class radio license. Roger Conklin (WNBF) ran 100 miles.

KHAK

On September 15, 1978, KHAK AM/FM, Cedar Rapids, Iowa, was purchased from Communications Properties, Inc. for \$675,000. The stations became available following death of the owners in a plane crash

in Alaska, leaving the estate beneficiaries in a situation where they had to sell one property. Philip Kelley, President, represented the sellers.

Calvin Crane was transferred from KGGO in Des Moines to become General Manager of "the Hawk Stations", known for their excellent coverage of Iowa football and basketball. The country music format was continued. In 1979, studios were moved to 100 First Avenue, N.E. The station tower height was extended to 483 feet, and power was increased to a full 100 KW, significantly increasing KHAK's coverage.

The Rydos Cup was established in 1979 in memory of George Rydos, top sales producer at WNBF in Binghamton, who died of cancer in September of that year. The award is given every year to top sales person at each Binghamton station and has also been given at many other Stoner stations.

**Rydos
Cup**



The Eighties

WVEZ FM, Louisville, was exchanged for WBIR AM/FM, Knoxville, Tennessee in January of 1980. The transaction, which was a favorable one for Stoner, included cash payment from Multimedia, Inc. of Greenville, South Carolina, of \$1,500,000.

**WBIR
WIMZ**

Winick's recollection of the exchange follows:

"I still remember meeting with Tom and Glenn and the purchaser in Chicago. On the way in, Tom said he wanted to receive "X" dollars in cash plus two stations in Knoxville, and if he gave any indication to the buyers that he would reduce what he wanted the sales price to be, we were to stop the meeting and take him out of the room. As it happened, when Tom came up with his suggested sales price, they accepted it without a whimper."

WBIR AM/FM soon became WIMZ AM and FM. The progressive rock format was continued. The property acquired by Stoner included an 1,800-foot FM tower on Zachary Ridge and an AM tower on Concord Avenue in downtown Knoxville. The offices and studio were moved to 901 Summit Hill, Knoxville. Bruce Dodge became general manager, moving from Louisville, Kentucky, where he had held the same position with WVEZ.

Tom Stoner, again picking up on his political interest, ran a hard, campaign for the United States Senate in early 1980. He lost

in the primary to Charles Grassley, who was well known among rural Iowans as a congressman, and who went on to win in the general election and continues to represent Iowa in the U.S. Senate.

Avis Eckel, who was promoted to Vice President Finance in December of 1979, decided that the time was right in the early eighties to enter the emerging computer world. Manual consolidation of station monthly balance sheets and profit and loss statements was becoming impossible with the limited corporate staff. The diary and strip systems being used for scheduling program logs were no longer efficient or feasible as the workload increased with the station revenue improvement.



Avis Eckel

Following careful study of many new systems on the market, Eckel selected Computer Concepts of Wichita, Kansas, for its sales order, billing, accounts receivable and program traffic system which President Greg Dean had designed exclusively for radio. The first system was installed at the Des Moines stations at a cost for hardware and software of around \$45,000. As other stations were added, costs decreased. In time, the massive Wang hardware was replaced with smaller personal computers, but the software



program was continued, Computer Concepts being one of the few original companies to succeed and continue in business.

A corporate accounting system was also purchased, and all station general ledgers were converted to computer and consolidated at the corporate office. Chairman Stoner and some of Stoner management were not convinced that the company was ready for the big step to computers, but when the bugs were out and the system was running smoothly, it was received as a positive move. Station office managers became "Business Managers" and were given an expanded role in assisting general management.

As a part of the new system, cash was also centralized and sent daily to the corporate account along with payroll which was deposited directly to each employee's account. This was an innovative move in 1980 and was not entirely popular. Letters poured in to Eckel from almost every employee at WGNT. A few of the comments: "To be blunt, the automatic deposit deal stinks!" "The new system takes the human factor out of our pay days." "I must let you know my extreme disgust concerning this matter. This method of pay is an extreme inconvenience for me." The system is still in use in the company and, after early trials, has become well accepted and has been proven efficient.

ESOP Established

Stoner Broadcasting established an Employees' Stock Ownership Plan in 1980 for the purpose of sharing ownership of the

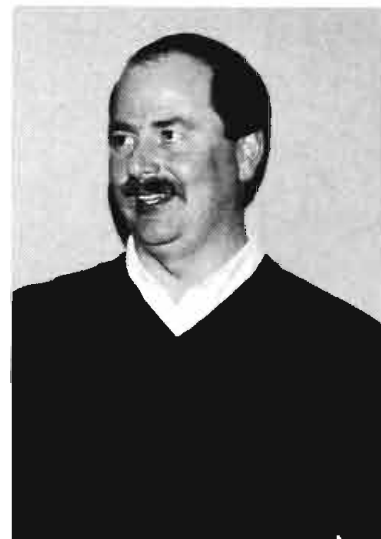
company with loyal, long-term employees. The ESOP was funded entirely with company contributions. Trustees were Bell and Eckel, with Eckel also serving as administrator.

WADV FM of Buffalo, New York was purchased by Stoner from Daniel J. Lesniak, President of Adver-Cast Inc. on April 21, 1981, for \$1,900,000. Within a week, Daniel Lesniak, the station's founder and owner from 1961 until the Stoner acquisition, died of a heart attack. Dan had done his regular and very popular Saturday night polka show for the new owners the evening prior to his death. His collection of Polish records was reputed to be "the largest outside Warsaw."

WADV became WYRK, power was raised from 29 KW to 50 KW, and studio and office were moved to 500 Rand Building. Al Fetch was transferred from Cedar Rapids, Iowa to become general manager in the larger market.

The new manager supervised an immediate format change from pop and jazz to country music, but then really had to face the music. One of the 400 letters received by Manager Fetch was from a dentist whose suggestion to Fetch was: "Never find yourself in my dental chair." Many of the listeners would have preferred having their teeth pulled rather than have their favorite

**WADV
WYRK**



Al Fetch

station change to country music. One caller labeled the move "a sneak attack ... something like Pearl Harbor."

A year after Stoner took over, the Buffalo News reported very favorably the doubled audience of western New Yorkers. WYRK's popularity was attributed in part to the commercial made especially for the station, in which a man and woman meet in an elevator and then are quickly transported to riding horses on the range to the sound of country music. After being tested on WYRK, the commercial became syndicated and was used successfully by other country stations.

Phillip Laughlin (better known as Peter McLane) joined the corporate staff in May, 1981 as National Program Director. This was a new position created by Stoner, responding to the need to be current and competitive in the struggle for format positioning and dominance. Peter came from WCCO FM, Minneapolis, Minnesota, where he had been Station Manager. Prior to that, he had been with KIOA/KMGK, Des Moines and KEJZ AM/FM, Dallas/Fort Worth, Texas, as Operations Manager.

In the year 1983, Stoner Broadcasting focused on pricing of its spot advertising as the key to return on investment (ROI). The first (and last) Stoner Broadcasting System Pork & Beans Management Conference was held at the Airport Hilton Inn in Des Moines, Iowa (leading hog producing state) on January 17 and 18. Captain Hog Stoner, wearing his

best pig hat, pointed out increased ESOP benefits. Voluptuous Miss Piggy (Avis Eckel) implored all to reach 30% ROI by 1985.

It didn't take that long, however. Stoner management took the ROI message back to each local station, and objectives and progress were monitored

throughout the year with impressive increases in advertising rates. Six months later, at the end of June, 1983, the "Miss Piggy" report registered an overall average increase in rates of 40% over 1982, with a corresponding increase in revenue of 34%.

"Top Hog" award went to Al Fetch at WYRK as top producer. The "Pork Belly" award went to Rick Wilson. KHAK, "Tickled Pink" to Kitty Boccock, WGNT, "Swizzle Pigs" to Claudia Johnston, KGGO, "Miss Piggy Lap" to Toufie Kassab, WGNT, "Loin Ranger" to Bruce Dodge, WIMZ. "On the 'Hocks" went to Perry St. John, KSO/KGGO, "Calvin Swine" to Roger Conklin, WNBF, "Oink Oink" to Suzanne McDonald, WHWK, "Blue Ribbon" to Kerry Murray, KHAK, "Pork & Beans" to Truman Noe, WGNT, and "Big Squealer" to Mary Quass, KHAK. Stoner employees did indeed bring home the bacon in 1983.

Mary Quass, who was selling for KHAK at the time of its purchase by Stoner, was



Peter McLane

National Program Director

R.O.I. Meeting

transferred to Des Moines to become Sales Manager of KSO. Later in 1982 she returned to Cedar Rapids as General Manager. Quass recalls late 1981 when, to combat a format competitor, KHAK AM went commercial free and drove KCDR AM out of the format within 30 days.

KGGO in Des Moines began broadcasting from its new 1,000-foot FM tower south of Altoona, Iowa in 1985. The Moffitt and Morgan team, joy boys of rock 'n roll, had pushed it to the top as it became the No. 1 rock station in the USA by metro share in 1986.

Stoner Culture

In 1985, the Stoner company, following a trend in corporate America, believed it would be helpful to identify the "Stoner Style" and develop a Stoner Broadcasting culture.



Mary Quass

Mary Quass contributed a great deal to the development of the Stoner culture. "People are our most important asset," she wrote. "We promote within, recognize good performance, are part of the audience's lives, develop pride, give fair compensation, and encourage personal development." Quass developed a culture program evolving from the Stoner Style that set the standard for the company and earned her the nickname, "Culture Queen".

Stoner employees became Stoner "ASSOCIATES" as part of the new culture and were encouraged to find better ways of doing things. Associates became "butterfly players", alighting in whatever place their talents could be utilized, not waiting to be asked. The President's Circle Ring Program, "Better Way", and Honorable Mention awards emanated from the Stoner culture.



Kitty Stoner

Kitty Stoner, wife of Tom Stoner, initiated the Stoner "Wellness" program with a pilot project run in Binghamton. Each Stoner associate has since become eligible for \$100 to be used annually for his or her own choice of fitness or betterment. All stations are enlisted in Employee Assistance Programs, and each station has its own culture king or queen.



Ken Lee



Tom Stoner, Ray Davidson and Glenn Bell

Ray Davidson of WIMZ, Knoxville, received the first President's Circle Ring for the top sales person position in the company in 1983.

From '83 through '89, twenty-nine rings were awarded. Recipients were named to the lifetime membership club, recognized for loyalty, spirit, personal integrity, and outstanding contributions to the station, company and community. Davidson has received the award three times and Basil Storrs, also of WIMZ has received it twice.

Additionally, Better Way and Honorable Mention awards have been given annually, since 1983. The '87 awards were presented on the Song of Norway cruise ship in the Caribbean, and the '88 awards in the Waterford Castle in Ireland. The trips were included as additional awards.

"Fun" is also a part of the Stoner culture. Associates plan and participate in many special events for their radio audiences and advertisers. Stoner associates are talented in

the art of spoon hanging, and have been seen wearing red clown noses.

A masseuse was an added benefit providing much-needed relaxation following an arduous "Flying Wedge" meeting hosted by KHAK at Grant Wood's in Stone City, near Cedar Rapids, Iowa.

The Flying Wedge, so-named by the Chairman of the Board, who was also in attendance at Stone City, consisted of the President, Corporate Financial Officer and Program Director. The team would visit stations, sometimes on short notice, and discuss the station's operating plan with its associates, in addition to holding its monthly corporate management meeting.



Avis Eckel

On February 1, 1983, Stoner complemented WGNT AM in Huntington, West Virginia, with WAMX FM in Ashland, Kentucky, purchased from Richard Martin, Stereo 94, Inc. for \$1,750,000. Representing the seller as legal counsel was Eric L. Bernthal. "Ric" as he is called, so impressed Stoner management that he soon became Stoner Broadcasting's FCC legal counsel in Washington, D.C. Ric tells the story this way:

WAMX



Eric Bernthal

"Before I represented Stoner, I represented a fellow who sold one of the Stoner stations to the company. We tried to organize the closing properly so that things would go smoothly, but the lawyer for Stoner was a real, well, nit-picker. Everything

had to be read and re-read."

"At one exasperating moment, he insisted that the legal description of the station's real estate be checked word-for-word, on the deed." (Deeds are gobbledygook even for lawyers; the "metes and bounds" go on, single spaced for several pages.)

"I was frustrated because the title company had obviously checked this before agreeing to insure the property, but knew I couldn't talk the lawyer out of it. So everyone sat and waited, while this lawyer laboriously read off every word of the deed ("220 feet to stake by the fence by the road, then left 100 feet to the corner...") and his dutiful associate checked each word for accuracy."

"In my boredom, I suddenly noticed that - unbeknownst to the lawyer - his associate was actually holding a photocopy of the very document being read by the lawyer."

"I kept it to myself, enjoying watching the two of them meticulously review the identical

piece of paper for accuracy. With consummate care and precision, they wended their way through it, line by line, and ultimately proved that, yes, a photocopy reads the same as an original."

"Maybe you had to be there...."

Touffie Kassab, General Manager of WGNT, also became responsible for WAMX. Offices and studio were relocated in Huntington and the format switched, first to AOR, and later to contemporary hit radio (CHR). In 1985, Rick Wilson, formerly of Des Moines and Cedar Rapids, became General Manager. The FM power output was doubled to 100 KW and the antenna height increased to 463 feet. The station remained licensed to Ashland, Kentucky.

WCMF FM, a successful AOR station in Rochester, New York, was purchased from Sconnix Group Broadcasting, Inc. on August 1 of 1983 for \$5,100,000. Peter Coughlin, who had been Sales Manager, became General Manager. In 1984, the FCC granted a construction permit to raise the station's power to 50 KW, remaining



Peter Coughlin

WCMF

at the antenna height of 457 feet.

The studio and office were located in an old garage in a rundown section of town. The floor was covered with a very dirty orange and brown shag rug which tended to pulse and move if one watched it closely. Two cats were employed to keep the rodent population down. When studios were relocated to 259 Monroe Avenue, the associate count was reduced by two. Personnel records do not show where the cats were transferred.

An important player in the continued success of WCMF under Stoner ownership was "Brother Wease", whose real name is Alan Levin. The Wease started with Stoner as a night-time disk jockey and has since become Rochester and WCMF's best-known morning personality.

The Wease, who earned a Purple Heart as a paratrooper in Viet Nam, has been described as "an energy machine wrapped in tattoos, Hawaiian shirts and red sneakers", which he wore with tuxedo for his wedding to Sandy Marsh. The recession for Alan and Sandy's non-traditional wedding was Bruce Springsteen's "Trapped". To quote the WCMF celebrity: "It's great to get paid for

playing rock 'n roll."

In 1989, Suzanne McDonald moved from Des Moines, where she had been Sales Manager, to become General Manager of WCMF in Rochester, contributing new management strength to the most successful station in the Stoner chain and one of the most successful in the country.

The Rochester Rocker turned 20 that year with a big celebration having reached an audience rating of 17.4 in the spring Arbitron, the highest 12+ listener (listener age classification) of any AOR in the top 100 markets.

Stan Main, Program Director since 1986, is quoted in the AOR program publication: "More than anything else, the key to 'CMF's success is the staff. I talk to people all the time who have such a hard time motivating their staffs, but my guys are always ready and full of ideas. It's an incredible group of very gifted people who happen to be happy in Rochester – otherwise they'd be in major markets throughout the country. We're lucky."

Chairman Stoner moved his home and office to Annapolis, Maryland, in early 1984. He wanted to be able to keep in close touch with the FCC's changing regulations affecting broadcasting, to fulfill a longtime dream of establishing the Conflict Clinic, a conflict



Suzanne McDonald



Brother Wease





Stan Main

resolution center, and – perhaps as important – to sail on Chesapeake Bay. For his new offices, he took some reminders of Iowa, watercolors by Frank Miller, well-known cartoonist with the Des Moines Register.

WHWK
WQYT

On January 2, 1984, big billboards in Binghamton, New York announced the arrival of WHWK 98, as WQYT became a stereo contemporary country FM. Kitty Bocock moved from Huntington, where she had been Sales Manager, to become General Manager of WNBF and WHWK. Roger Conklin was named Sales Manager of WNBF AM and Suzanne McDonald became Sales Manager of WHWK FM.

Meanwhile, Voss returned to Huntington-Ashland as General Manager, having left Stoner Broadcasting earlier to manage his own station in the Wisconsin Dells.

The first Stoner Business Managers' Financial Management Conference was held in New York City, in conjunction with the annual Broadcast Financial Management Convention in May, 1984. Chairman Stoner welcomed the group and Greg Dean of Computer Concepts introduced them to upgrades in the computer billing and traffic system which the station had been using since 1980. The group met for its second conference in Los

Angeles in April of 1986. The theme was "CULTURE - COMMUNICATION - COST."

December 13, 1984 was a sad day for the Stoner Broadcasting family. Johann, "Johnnie" Howell, popular programming traffic director of KSO/KGGO, was killed in an automobile accident on the Des Moines interstate, on his way home from a station event.

Stoner Broadcasting System, Inc. was named 1984 Radio Broadcasting Group of the Year by

American Radio, Jim Duncan's nationwide audience ratings organization. The average quarter-hour audience for the Stoner Group (now 12 properties)

had grown from 63rd among all radio station owners in 1981 to 35th. The group's stations were attracting 1.2 million listeners every 15 minutes.

The Stoner audience was increased on March 3, 1985, when WDAO AM and WAVI FM, Dayton, Ohio, were added to the Stoner group. The purchase was made from H.K. Crowl, WAVI Broadcasting Corporation, for \$4,500,000. H.K., better known as "Bud" died of a heart attack on January 26, 1985 at the age of 70, while in the process of selling



Tom Stoner purchases WWSN/WDAO

**WWSN/
WDAO**

WDAO/WAVI. He had owned WDAO since 1954 and WAVI FM since it went on the air in 1964.

In March of 1985, the FCC approved call letter changes in Dayton. WDAO FM became WWSN FM and a new adult contemporary hits and oldies program debuted. The black contemporary format was moved to WDAO AM. Alan D. Gray of Dayton, became general manager of WWSN and Jim Johnson was appointed station manager of WDAO. The station operates at 50 KW from an antenna located on a 420 foot tower property adjoining the city cemetery. The offices and

studios remained in the 1400 Cincinnati Street location in Dayton until 1989 when they relocated to 101 Pine St.

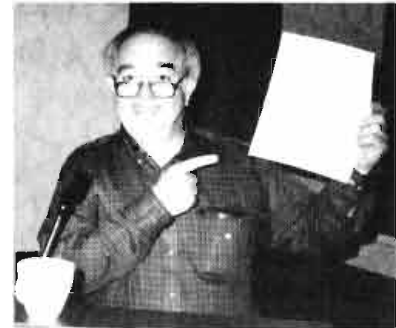


Alan Gray

One of Stoner's interesting, though disappointing, experiments in radio occurred with WDAO, which was a daytimer. To provide 24 hours of service, programming of the Dayton AM black station was carried on the side band of WWSN FM. In order to provide reception for the listeners, \$10,000 worth of side band receivers were purchased and distributed to sponsors, free of charge, to give

listeners as contest prizes. Listeners were also allowed to buy the radios at a discount price of \$50 (they were bought for \$80). While the experiment attracted national attention, it didn't attract any listener interest and, at the end of a year, the station still couldn't get rid of the receivers. They were finally given away and the experiment abandoned.

National Program Director Peter McLane summoned all program directors to Annapolis in September of 1985 for the first Stoner Broadcasting Program Seminar, recognizing the continuing importance of programming to success in the industry, with formats becoming more and more specialized.



Peter McLane

Kitty Bocoock became General Manager of WYRK in Buffalo in 1985, and Roger Conklin was elevated to General Manager of the Binghamton stations. Bill Parker, Mr. Radio



Kitty Bocoock



Bill Parker



Don Hewitt

to the people in Binghamton, celebrated thirty-five years in radio, having joined Stoner's AM program staff when the Binghamton stations were purchased in 1972.

Stoner Broadcasting celebrated its twentieth anniversary in 1986 with its awards ceremony in St. Augustine, Florida. Stoner made a special presentation to Donald J. Hewitt, President of The Stoner McCray System, Inc., Des Moines, Iowa. Hewitt was recognized for having represented Stoner real estate interests for twenty years and for outstanding service and attention to land, buildings and facilities for the benefit of Stoner Broadcasting.

**Stoner
Corporate
Offices
Move to
Annapolis**

Corporate offices were relocated from Des Moines to the City Marina Building in Annapolis in August of 1986, with Bell and



The Corporate Offices, Annapolis, MD

Eckel moving from central Iowa, Sandra Kopecky from Cedar Rapids, Iowa and Cheryl Graham from Dayton, Ohio. Kopecky was named Corporate Business Manager and



Geneva Walker

Graham became the Controller. Geneva Walker and Judy Fausch decided to remain in Iowa, where Fausch established her own business and Walker later rejoined the company in the KSO/KGGO offices. Peter McLane stayed in Des Moines, where he continued as National

Program Director. Included in the move were the antique radio collection and antique furniture Stoner had collected in Iowa.

Stoner and his assistant, Ethel Stehle of Annapolis, also moved to the offices in the City Marina Building, overlooking the Severn River which offers the best spot in Annapolis for viewing the annual Naval Academy "Blue Angels" exhibition and the December "Parade of Boats" show. Stehle also serves as Corporate Secretary, Editor of the TRANSMITTER, the Stoner associate newsletter, and Administrator of the Stoner System Charitable Foundation.



Ethel Stehle

**WB
WQ
WM**

On April 1, 1986, Stoner acquired WB
FM, New Orleans, Louisiana, from Gerock Swanson, Swanson Broadcasting, Inc., at a cost of \$7,000,000. Offices and studio remained on the 34th floor of the building at 1001 Howard Avenue overlooking the Superdome.



Tom Stoner and Gerock Swanson

The night before the closing of WB, it was learned that an AM station in the wilds of Louisiana was calling itself WBIU and also using the "Bayou Radio" slogan which Stoner was expecting to receive as part of the new property. Negotiations had been going smoothly but, at this point, the deal was stopped dead in its tracks. Stoner attorneys worked feverishly to find out whether the sacred call letters and slogans were at risk.

The closing was accomplished late in the day, but attorneys still pursued the effort to get the little AM interloper to stop using such similar call signs. After months of pressure, the AM station was finally ready to cry uncle and gave up WBIU and "Bayou" forever. Says Bernthal: "That's when I learned that we had decided to change our own call letters to WQXY. As Oliver Wendell Holmes once said, 'Never mind'."

Just why did Stoner give up those prized

WB call letters and the Bayou slogan? Stoner Broadcasting put more money into music, market, and audience research of its new station in New Orleans than it had for all other stations combined. With the benefit of two consultants, it was determined that WB should leave the easy listening format, which had a 10 audience share, and change to country music, using the new call letters WQXY (KWX in Dixie).

After two years, with a 2 audience share and continuing losses, the New Orleans format and call letters were changed once again, as it became WMZ with a hot A/C format.

In early 1989, the transmitter and antenna were moved to a new 1,089-foot tower built by Lodestar Tower Company in New Orleans. Stoner has an ownership interest in the tower, which is shared with several other New Orleans broadcasters.

In 1987, Bruce Dodge was named General Manager of the New Orleans station, moving from Knoxville. In Stoner tradition, Program Director Kerry Lambert was promoted to General Manager of WIMZ in Knoxville. Jeanne Ferrill was named Station Manager of WIMZ, adding to her Business Manager responsibility.

The story is told that, while living in Knoxville, Bruce, "The Dodger", learned he



Bruce Dodge and Kerry Lambert

had high blood pressure and the doctor recommended that he get a fish tank so he could relax while watching the fish. Bruce took a fish tank to his office and several to his home. As time went on, his fish and fish tanks got bigger and bigger until the tank in his office grew to 500 gallons.

When he moved to New Orleans, Bruce was tired of fish tanks, and especially tired of cleaning fish tanks, so he left the one in his office for Kerry Lambert who inherited his chair. Kerry took care of Bruce's fish for five years until Dave Dziabis was transferred from Rochester in 1990 to become Sales Manager of WIMZ. When Dave walked into his office, he noted the 500 gallon tank and asked, "What shall I do with this?" Kerry responded: "I don't know. You'll have to ask Bruce Dodge."

**ESOP
Ownership
Reaches
Ten
Percent**

Chairman Stoner sent very special "Happy New Year 1987" greetings to all ESOP participants in the form of a mailgram announcing that the plan ownership had reached 10% of the total common stock of Stoner Broadcasting System, Inc.

"Better Marketing" was the theme of the Stoner management meeting in Annapolis in early 1987. A jungle atmosphere was provided, symbolic of the competitive marketplace, and management was challenged that, in order to survive and accomplish 1987 goals, Stoner stations would need to get a lion's share of the business. The mighty Stoner lion (Peter McLane) roared, and the message was bellowed into the sales jungle of each

market. In accepting the sales challenge, each manager took with him a coconut marked with the 1% sales increase goal for the new year.



Peter McLane as the Stoner Lion

Following lengthy negotiations, within **August 24, 1987** twelve hours on August 24, 1987, the group of nine FM and six AM Stoner stations was sold and unsold to M.L. Media Partners of New York. Stoner associates were first shocked to learn of the pending sale - and then overjoyed - at the surprise announcement by Chairman Stoner in Annapolis on August 25 that he had changed his mind and would remain in the broadcast business.

The following year, 1988, was an eventful one. WAMX AM/FM in Huntington and Ashland were sold to Tom Wolf of Ashland for \$1,900.00. WDAO AM in Dayton was sold to Station Manager Jim Johnson, President of the new Johnson Communications, for \$725,000. Following the sale, Stoner Broadcasting gave a \$310,000 note, a

portion of the proceeds, to the Dayton Boys' and Girls' Club.

**WCII
WDJX**

In a major move, on September 28, 1988, KHAK AM/FM, Cedar Rapids, was exchanged for WCII AM and WDJX FM, and Stoner Broadcasting was once again broadcasting in the Louisville, Kentucky market. The call letters then became WDJX AM/FM. The cost of the Louisville stations was \$5,500,000.

The new owner of KHAK was Mary Quass who became President of Quass Broadcasting Company, fulfilling her goal to become a radio owner, and giving Stoner Broadcasting the second opportunity to sell to "one of its own."

The Louisville stations acquired from Great Trails Broadcasting Corporation in exchange for KHAK AM/FM became WDJX AM/FM, continuing the CHR format, which was simulcast on the AM. Bill Wells moved from Des Moines to become General Manager,



Jim Johnson



Bill Wells

and Peter McLane, formerly the corporate national Program Director, became General Manager of KSO/KGGO. Cheryl Graham moved from Annapolis to Louisville as Business Manager and Deborah Parenti-Mann moved from Dayton to become Sales Manager. Kelly Donovan joined Stoner Broadcasting as the new Corporate Controller.

Following the exchange of Louisville and Cedar Rapids, Stoner Broadcasting was the owner of 8 FM and 4 AM radio stations. Total 1988 revenue was \$24,368,000. Stock value, as determined by the annual ESOP appraisal, had risen from \$17.96 in 1981 to \$60.83 at the close of 1988. As a result of the contributions of approximately \$1,500,000 from the company, participants owned shares valued at more than \$3,000,000. Distributions had been made to all participants who were with WDAO, WAMX and KHAK at the time of their divestiture.

Fred Flanzer, better known as "Smokey Rivers", joined the corporate staff in Annapolis as National Program Director on November 1, 1988, coming from WMIJ in Birmingham,



Deborah Parenti-Mann



Cheryl Graham



Smokey Rivers

Alabama. In addition to Birmingham, Rivers had programmed format and/or market dominant radio stations in Albuquerque, New Mexico; Nashville, Tennessee; Washington, D.C. and San Francisco, California.

Champagne corks were popping at WDJX, Stoner's newest acquisition in Louisville, when Arbitron ratings in the 1989 spring survey showed they had topped WHAS AM, long-time No. 2 ranking Louisville powerhouse (WAMZ FM remaining in its long-standing No. 1 position). In addition to being dominant among teen-age listeners, WDJX's CHR programming was also No. 1 with 18- to 34-year olds. "The dramatic DJX surge has the radio community buzzing," wrote Tom Dorsey, Louisville Courier-Journal TV/Radio critic. The Louisville stations were becoming another Stoner turnaround success.

Ric Frances was promoted from Sales Manager to General Manager of WQXY in New Orleans in mid 1989, as Bruce Dodge packed his bags and golf clubs once more and moved to Dayton to become General Manager of WWSN. Alan Gray had become the new owner of WYMJ, a Dayton competitor, and

was leaving to become its manager. Bob Sabin, who joined Stoner as Huntington Business Manager in 1987, had moved to Dayton to become Business Manager of the Dayton stations.

Meanwhile, in Des Moines, KSO, voted the No. 1 country station in the USA in the early and mid eighties, succumbed to the growing strength and quality of FM radio by the late eighties. Even the installation of the AM stereo transmitter didn't help. Ratings crumbled, despite every effort by Program Director Jarrett Day and others. The Tom and Jerry team was split and transferred to Buffalo and Binghamton and, on September 1, 1989, the oldest radio station in the chain was given a decent burial, having gone the way of other AMs. Only its ghost remains as KGGO AM, a simulcast of the AOR programming.



Stacy McRae

The ESOP 100% Club was established in 1989, with nineteen totally vested participants becoming charter members. T-shirts designed by Stacy McRae in the corporate office were presented to them, along with certificates. Membership increased to forty-one at the close of 1989, when the rules were changed, shortening

**ESOP
100%
Club**



Original ESOP 100% Club

the period of time required to qualify for full vesting.

Charitable Activities

Stoner Broadcasting has contributed annually to the Stoner System Charitable Foundation which was founded in 1964 to benefit charitable and educational programs. A major beneficiary has been United Way, with contributions being made in each Stoner market. Cash donations to all recipients totaled more than \$175,000 in the eighties.

Stoner associates have also combined their time and talent with available station and air time to sponsor local charitable events, helping to raise many more thousands of dollars for community service programs.

The examples are endless:

1. Aid for those left homeless by Hurricane Hugo - WNBF/WHWK
2. San Francisco earthquake disaster relief - The Tall Guys, WWSN
3. "Rock 'n Roll Up Your Sleeves" American Red Cross blood drives - KGGO

4. Hands Across Knoxville - WIMZ helped raise \$30,000 for the hungry
5. Community Thanksgiving dinner - WYRK, first place award, the New York State Broadcasters
6. Semi-trailer truck with cans of food for Kentucky needy - Pete and Todd, WDXJ
7. Campaign against drunk driving - WYRK, first place
8. St. Jude's Children's Research Hospital Radiothon - WMXZ
9. Brother Wease Muscular Dystrophy Radiothon, WCMF - raises over \$10,000 annually

Stoner history would not be complete without mention of the crazy things that radio people do to attract an audience and/or accomplish some special community service goal.

Stoner Crazyness

John Leslie (WNBF) traveled to the forbidden reaches of Mount Everest near Katmandu, Nepal in search of the Abominable Snowman in 1986.

It took Phil Williams (WIMZ) five days to sit in each of 90,000 seats of the University of Tennessee Neyland Stadium, as he challenged 4,000 people to participate in the St. Jude's Walkathon. The result was 4,500 walkers and \$150,000 in donations (1986).

"Commander " Dave Ball (WIMZ) was buried alive to promote recycling and improve awareness of environmental issues (1989).

On Valentine's Day 1990, Brother Wease and a local judge performed a mass wedding



Numerous Nuptials

ceremony for almost 100 couples, all of whom had proposed to each other live on WCMF in the weeks prior to the event. Listeners donated items such as cakes, signs, etc., needed to stage the mass wedding, which was held in Mapledale Party House.

Leslie caused a near riot in Binghamton when he sold ten thousand pounds of fresh shrimp from the back of a truck. His program was broadcast live from the shrimp boat for several days prior to the sale as the boat traveled to Binghamton from Florida. More than ten thousand people jammed the parking lot of the Vestal Plaza and refused to leave even after the shrimp was gone.

During summer months, WCMF's morning show broadcasts live and invites listeners to perform outrageous acts for a major prize. In 1990, acts performed for the jet ski prize included:

1. Cow chip bowling where listeners slid down a tarp into a pile of moist cow chips;
2. Goldfish swallowing;
3. Setting a world record for the most women in a hot tub with the Wease.

Another Leslie event was the "World's Largest Garage Sale" at the Broome County

Veterans Memorial Arena in 1982. In excess of twelve thousand people paid twenty-five cents admission to buy other peoples' junk. The event still holds the record for one-day attendance at the seventeen-year-old facility.

WNBF's John Leslie visited with officials at the Russian Embassy in Washington D.C., seeking approval for live broadcasting from Binghamton's sister city, Borovichi, U.S.S.R. The result was 32 broadcasts from the Soviet Union on WNBF.

The broadcast team, which was headed by Leslie and Tom Stoner, attracted much attention as they arrived in Borovichi, 250 miles north of Moscow. It was said to be the first time Americans had ever been in the city and the first time radio broadcasts had been permitted anywhere in the world from a closed city in the Soviet Union.

Leslie's visits culminated with the September 27, 1987 *WORLDTALK* program, Stoner Broadcasting's first international venture. John Leslie and a co-host fielded questions from Russian and American listeners, calling by phone from their homes, visiting about subjects of mutual interest through interpreters who translated their questions simultaneously.

The September 27 *WORLDTALK*

**Stoner
Radio
and
Glasnost**



John Leslie

audience was tuned in to three Stoner stations in New York: WYRK, Buffalo; WCMF, Rochester; and WNBF, Binghamton; and all stations in the Soviet Union through Gostelradio.



Genvady Gasparian, Moscow radio rep., tours Stoner stations with Tom Stoner

The second **WORLD TALK** broadcast aired April 24, 1988 and was tuned to 100 radio stations in the U.S. and all of the Soviet Union. It was believed to be the largest radio audience in history.

For the pilot **WORLD TALK** program, Stoner Broadcasting System became a finalist in the 1987 Scripps-Howard Foundation national competition for journalism excellence in all radio divisions. The program was also named winner of the "Best of the Best" promotion in the medium market contest category at the National Association of Broadcasters annual convention in Las Vegas in 1988.

In 1989, Stoner Broadcasting was honored by the national Employee Stock Ownership Association with one of the two awards for communications excellence among companies with under 200 employees. Avis Eckel accepted the award on behalf of the company at the ESOP Convention in Washington, D.C. Recognition was given to the video explaining the ESOP program to participants and the "Be a Shark" program which communicated

financial goals throughout the company in 1988.

During the eighties, Stoner developed a strong track record in the professional sales arena, counting 34 CRMC's (Certified Radio Marketing Consultant) within the organization by the end of the decade and was one of the few broadcast companies to boast a CRMC corporate president. CRMC is a title given by



Tom Stoner visits WCMF, Rochester

the Radio Advertising Bureau to radio people who have been in the radio business for at least three years, in sales two years, and passed a test administered by a major CPA firm.

As 1989 came to a close, ESOP stock value rose to a new high of \$63.39, with station cash revenue totaling a record \$24.3 million and station cash flow a record \$5.8 million. The company is No. 31 in size among all groups in the United States, based on average quarter hour listening.

**Award
Winning
ESOP**

The Nineties

The nineties began with an economic slowdown nationally, with radio and other mass media affected by advertising cutbacks and higher expenses.

Stoner Becomes International

"By luck or by adversity, those broadcasters who didn't participate in the big leveraged buyouts at the end of the eighties are going to be the survivors," Stoner believes. "The time it took us to fix the New Orleans acquisition may be looked upon as a positive, as it kept us from acquiring additional stations and becoming over-leveraged."



Programming Staff, Metro Radio Group

Chairman Stoner's faith in the future of radio was made evident in his moves to take advantage of expected globalization of business. Following numerous trips to the United Kingdom and exchanges of information between Stoner broadcasters and British broadcasters, Stoner Broadcasting System, Inc. became international in mid-1990 with the purchase of approximately 10% of the outstanding shares of Metro Radio Group, plc.

Metro is a publicly traded United Kingdom corporation headquartered in Newcastle-upon-Tyne, and the principal business is local radio service in the Tyne, Wear and Cleveland areas of Great Britain through its three independent stations, Great North Radio AM, METRO FM, and TFM. The purchase price was approximately \$2,500,000.

Stoner Broadcasting also participated in Metro Radio Group's acquisition of the outstanding shares of Yorkshire Radio Network in the United Kingdom. The Yorkshire Network consists of four stations, and increases the number of radio stations owned by Metro Radio to a complement of seven stations. The expanded Metro Radio group serves a population of more than 6.2 million adults, creating the largest commercial radio network outside London.



Tom Stoner and Avis Eckel

Chairman Stoner announced Avis Eckel's retirement as Chief Financial Officer at a management meeting in Annapolis on March 28, 1990. He stated that Eckel, who had been with the company since 1967, would continue as a consultant through 1990. Stoner

Avis Eckel Retires

announced that William King had been selected to join the Stoner Corporate staff as Chief Financial Officer, effective mid-1990. King, who lives in Annapolis, had been with the



Bill King, CFO

Price Waterhouse CPA firm for eight years where his most recent title was Senior Tax Manager.

In September 1991 Stoner Broadcasting entered into a joint venture with EZ Communications of Fairfax, VA. Under the terms of a Local Marketing Agreement (LMA), Stoner maintains oversight of its programming ensuring that FCC regulations and public affairs responsibilities are met. EZ's station, WEZB and Stoner's WMXZ's sales forces become a team and account executives can now sell the two stations in combination. Pamela Sharp-Brown, former Business Manager at WMXZ, became Station Manger under this new agreement.

The Stoner Broadcasting System has come to be identified with the Gramophone, or phonograph, a symbol of radio's beginning years. It was established through the creative efforts of Robert Hullihan, an early employee of The Stoner System, and a member of the original board of directors. Hullihan became a reporter and columnist for the Des Moines Register. Stoner associates continue to recognize the phonograph as the Stoner logo of the nineties.

Radio's Future

Founder and Chairman Tom Stoner, just back from a trip to Europe, U.S.S.R., and the United Kingdom, shared his thoughts on

the Stoner radio, and on the future of radio in general.

"The future of radio is definitely very bright. It has a new technical innovation in digital broadcasting which will bring even greater fidelity to the listener. This should continue the significant amount of time that Americans spend with their radios."

"A new Europe is offering new frequencies for commercial broadcasting. The staid old government monopolies are being challenged by this 'Born in America' medium. The internationalization of music and performers is making this occur at a very fast rate."

"With the continued internationalization of consumer product sales, media must follow to promote this global marketplace. McDonald's in Moscow, Dijon mustard in Dayton and Mars bars in Newcastle are all part of the growing single world market. Niche programming and aggressive marketing honed by the highly competitive American marketplace can do extremely well in this newly developing environment."

"Our company must and will expand its size and reach, and develop skills to capitalize on these changes. We will become tightly focused on our listeners' and our advertisers' interests. We will increase the population area that we cover in the United States and Canada. We will continue to expand our ownership in the European Economic Community. We will take the growing skill levels of our talented people to increase the listenership and advertising sponsorship of the stations in which we have an interest.

"The future has never been brighter"

Stoner Stations Activities



Their Communities



Stoner Stations Active in Their Communities



Stoner Corporate Meetings - Fun & Informative



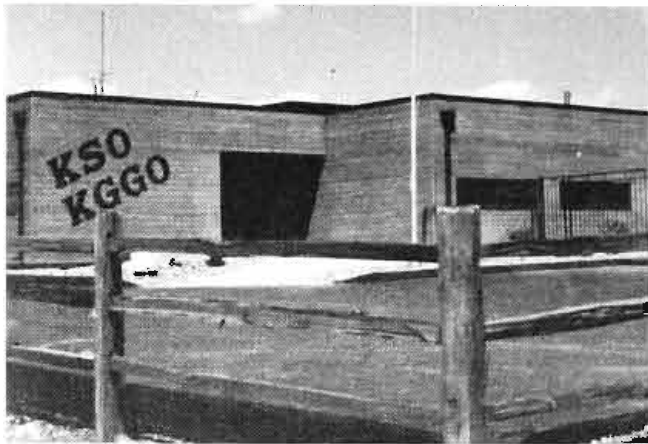
Stoner Staff Through The Years



Award Winning Stoner Employees



Stoner Offices and Studios



Stoner Stations- "On The Road"



STONER BROADCASTING SYSTEM, INC.

Officers - 1991

Thomas H. Stoner

Chairman of the Board and Chief Executive Officer
410 Severn Avenue, Suite 413, Annapolis, MD 21403

Glenn K. Bell

President and Chief Operating Officer
410 Severn Avenue, Suite 309, Annapolis, MD 21403

William E. King

Vice President / Chief Financial Officer
410 Severn Avenue, Suite 309, Annapolis, MD 21403

Ethel G. Stehle

Corporate Secretary
410 Severn Avenue, Suite 413, Annapolis, MD 21403

Vice President / General Managers - 1991

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Roger Conklin, Sr., WBNF/WHWK

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STONER BROADCASTING SYSTEM, INC.

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