

RADIO BUSINESS REPORT™

VOICE OF THE RADIO BROADCASTING INDUSTRY®

Again in 1997...

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Liquor games at FCC: Chong tries to stop vote, Hundt's office stalls

The gloves have come off at the FCC over whether the Commission should begin a probe into broadcast liquor ads. So far, it looks like broadcasters and advertisers are this close to winning the first round.

Chairman **Reed Hundt** had been circulating a proposed TV liquor ad inquiry for weeks and intended to bring the item up for a vote at this Thursday's open meeting (*RBR* 6/2, p. 3). Before the meeting agenda was finalized, Commissioner **Rachelle Chong** asked for it to be pulled. Earlier, Hundt had said he would honor an FCC practice that allows one Commissioner to pull an item. But at our deadline, Hundt was away, and an aide in his office told *RBR* the item was officially still on the agenda and no decision had been made to remove it. The item could be removed before the meeting.

If the item is pulled, the action could delay the issue for months, as new Commissioners coming in would have to take time to become familiar with this and other issues.

Distillers applauded Chong for her "bold and decisive move" and credited both her and **Jim Quello** for making it clear they believe the FCC's authority to ensure broadcasters serve the public interest doesn't give the Commission permission to "censor or discriminate" against one form

Fire ants kick butt at Mercurys

Ortho Antstop Fire Ant Killer's "Instant Death" radio spot is kicking award butt all over town. After winning the top prize at the ANDY Awards last month (*RBR* 5/5, p. 3), the spot walked away with the \$100,000 grand prize at the sixth annual Radio-Mercury Awards held last Wednesday (6/11) at New York's Waldorf-Astoria.

"Instant Death," with the memorable "Kick fire ant butt" tagline, was produced by Los Angeles-based Savant Productions; the copywriter was **April Winchell** of BBDO West and the Creative Director was **Mick Kuisel**. (See *RBR* 6/3/96, p. 8 to read the ad copy.)

More than 980 entries marked this year's Mercury's competition as the biggest ever.

of alcoholic beverage.

Chong said the FCC doesn't have the right "to conduct broad-ranging inquiries ultimately aimed at dictating program content...nor pursue only TV liquor ads, while allowing beer and wine ads to continue on TV."

Quello supported Chong's decision and agreed the FCC lacks jurisdiction. "No amount of hectoring from the Chairman's supposed 'bully pulpit' can change that," said Quello.

Quello and Chong defer to the Federal Trade Commission (FTC) as the regulator for the advertising industry and point to the FTC's two ongoing liquor investigations. Under FCC rules, either Quello or Chong could have asked for the liquor ad issue to be taken off the agenda. Otherwise, it

Cliff Freeman & Partners, last year's grand prize winner, managed to chalk up \$25,000 in prizes this year, taking a gold award for a Little Caesars radio spot and a silver award for "Beautiful Okinawa," a spot for Cherry Coke.

Radio also recognized living legend and #1-rated ABC Radio Network personality **Paul Harvey** with the Radio-Mercury's first ever Lifetime Achievement Award.

RBR observation: Not only did radio celebrate radio's creativity, but Event Chairman **Mel Karmazin**, always working for radio, just couldn't pass up the opportunity to publicly ask Sears' **John Costello** to triple his radio ad budget next year.

could have failed in a public vote as the Commission is deadlocked 2-2 on the issue.

Hundt's proposed inquiry reportedly asked whether the same technology to be used in TV's so-called "V-chip" could be used to block out distilled spirits ads...a B-chip (for booze chip). Sources say the draft also asked whether there should be a safe harbor for such ads (as there is for indecent programming) or whether counter ads should also run. Sources said Hundt didn't mind if he had the votes to push the issue any farther or not, because he wanted to drum up public support for the cause.

Public interest groups, the White House and the Catholic Church have been beating down Hundt's door,

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pushing for some kind of alcohol beverage probe. They wanted beer and wine included, too.

NAB and advertisers don't see a need for the probe, pointing out that most TV and radio groups aren't running liquor ads. Distillers say they have a right to air a legal product on the airwaves. The brewers want to keep advertising on the airwaves, and not be adversely affected by whatever happens. Congressional committees that regulate broadcasting don't relish the thought of having to step in and regulate a solution.

Birch goes to Des Moines

Even though it has yet to sign any clients, BirchResearch is going ahead with its plan to launch a ratings service that is "just like Arbitron's, only cheaper" (RBR 12/23/96, p. 4). Last week, President **Thom Birch** announced his company began a nine-week methodology pilot study in Des Moines (#88).

Birch said that puts him on track to sign clients in 1998 "when a lot of big contracts at Arbitron are up. There's no question we'll have a fair number of markets by the end of 1998."

The pilot study is using a split sample, with 750 P12+ receiving a radio-only diary "similar to Arbitron's" and the other 750 receiving a qualitative diary "similar to Arbitron's qualitative diary."

Why Des Moines? It has historically high response rates of about 51%, thanks to a homogenous and geographically proximate population—the metro consists of only four counties. Birch doesn't have to bother with Black or Hispanic differential survey treatments. "If people are going to make comparisons, we want to look as good as we can," said Birch.

Look for results at the September NAB Radio show and at the RAB Goals meeting later in the month.

Premiere/Jacor nuptials complete

Premiere Radio Networks became a wholly-owned subsidiary of Jacor Communications (O:JCOR), with the

final price tag on the cash and stock deal put at \$190M. Each former Premiere share was converted (6/12) into \$13.50 cash and 0.138 of a share of Jacor stock—a total value of \$18.75 per Premiere share.

*Premiere CEO **Steve Lehman**, who will remain with the merged company, was interviewed in last week's RBR, pp. 8-10.*

Clear Channel: The biggest stick in TX

Clear Channel Communications (N:CCU) is adding the tower business to its fast-growing portfolio. Clear Channel, of course, is already in the tower business through the sticks it owns for its own radio and TV stations. Now it's invested \$32.5M for a 30% stake in American Tower Communications. The Houston-based company owns and operates 600 towers on 550 sites in 30 states. It rents tower space and provides other services to broadcasters, cellular companies and other wireless communications operators.

Westwood reorganizes affiliate division

Yet more changes at Westwood One; this time the network has restructured its affiliate relations division in order to have a dedicated rep for each market.

As SVP of the Affiliate Relations Division, **Nick Kiernan** will manage an affiliate sales force of about 35 reps organized into five district teams headed by five regional directors. **Lynn McIntosh** will oversee the Northeast; **Bob Leeder** in the Southeast; **Dino Masi** in the North Central Region; **Mary McCarthy** in the South Central Region; and **Erie Younker** in the Western Region.

With the exception of **Robert Bartolomeo**, Director, Affiliate Sales for *Imus in the Morning*, and **Liz Laud**, VP/Affiliate Relations Music and Special Event Programming, Westwood reps handle the more than 165 Westwood and CBS programs for an affiliate station.

Television Business Report

Paxson & Bloomberg team-up

Michael Bloomberg and **Bud Paxson** have signed a deal to have Bloomberg Television air weekdays 6 am-6 pm once Paxson Communications (A:PXN) takes over programming of New York's Ch. 31 on June 30, replacing the current business programming produced by Dow Jones & Co. Paxson has a deal pending to buy the station from Dow Jones and ITT for \$257.5M (RBR 5/19, p. 5). Call letters will change from WBIS to WPXN when the Paxson LMA begins June 30. Paxson will continue the station's Fox Sports programming evenings and weekends.

TV ad revs post strong Q1

Network TV revenues had a good first quarter, up 9.1% to \$3.7B from \$3.4B, according to a TVB analysis of Competitive Media Reporting data.

Murdoch buys Family

Pat Robertson's International Family Entertainment (N:FAM), producer of cable's The Family Channel, is being sold to Fox Kids Worldwide for \$35 per share and \$200M in debt assumption—a total of \$1.9B. Fox Kids is a joint venture of **Rupert Murdoch's** News Corp. (N:NWS), kiddie TV producer Saban Entertainment, and the Fox-TV affiliate station owners, including major groups such as Clear Channel (N:CCU) and Sinclair (O:SBGI).

RBR observation: The new organization may be good for stations, but it could be brutal for reps who must track more than 165 programs, not to mention the numerous features and events Westwood offers regularly, bringing the total to 250. While reps will be motivated to clear programming in markets where Westwood programs aren't currently airing, it's hard to imagine that the best-performing shows won't get the most sales attention.

Then Westwood has to move all that inventory! That in itself will be quite the logistical challenge.

RIAA prosecutes music archive sites

RIAA has filed suits in New York and Texas, with a temporary restraining order filed in California, to stop unlicensed music sites from offering hundreds of full-length singles for downloading. "We had to subpoena the local providers to get the name of the actual operators, then the court will serve the defendant directly," said **Alexandra Walsh**, Director of Media Services at RIAA. "We're looking for injunctions to remove the sites only at this point," she said. None of the violators were radio stations.

BP trims Country playlist; cites listener unfamiliarity

The latest sign Country listening is leveling off—Broadcast Programming is cutting its Country playlist 25%. BP Country consultant **L.J. Smith** says many listeners are unfamiliar with the booming number of new artists in the format. BP believes playing more familiar songs in the rotation will keep them listening longer to its 250 client stations.

"Our goal is to create a better sense of familiarity—it's not a resistance to new artists or new music, but to keep songs around longer. If we make a commitment to offer something, we're going to play it often enough for our listeners to become familiar with it," said **Ken Moultrie**, another Country consultant at BP.

Michael O'Malley, partner Albright, Hill & O'Malley, says, "...Country grows most when we have strong music from both core and truly developed/developing mid-line

ABC-TV ad "concept" takes pot shots at radio

Nothing like biting the hand that feeds you, even if radio is an appetizer compared to Disney's massive buffet. Concepts for ABC-TV's new "edgy" ad campaign by TBWA Chiat Day to promote the TV net's new fall line-up take pot shots at just about every medium, including one ad for radio that might have aired on radio stations via network and national spot schedules beginning this month. (See ad copy, below right).

ABC said last week the radio spot copy, which was first printed in the May 19 issue of *Ad Age*, won't be airing on radio. "It's just one of 500 different image concepts that had been pitched," said **Alan Cohen**, EVP, Marketing, ABC-TV Networks. "ABC loves radio and is going to use it. We'll be spending more money in radio to promote the fall season."

But before ABC said the ad was mere concept, **Ed Shane** of Shane Media Services, called the ad an "assault" in a June 6 letter to his clients. The spots "will play next to the commercials you've fought hard to sell by telling your advertisers that radio is a viable, 'full' medium," wrote Shane.

Concept or not, the radio spot originally had strong in-house backing, and was a favorite of **Jim Vescera**, SVP, advertising and promotion, ABC, according to an *RBR* source.

RBR also hears that radio broadcasters aren't the only ones concerned about ABC-TV's campaign. At the recent ABC affiliates meeting in Orlando, where ABC enthusiastically trotted out the campaign, many affiliates were worried about some of the copy in other ads, such as: "Books are overrated," and "Kids don't watch enough TV."

RBR observation: It boggles the mind that ABC-TV touted the controversial radio ad to the press, allowing a negative message about radio to be sent to the radio industry, not to mention the rest of Disney, ABC and the radio community.

ABC-TV radio spot concept

Radio is half a medium. Oh sure, you get great sound and it's in stereo and all that, but what are you looking at? The back of a bus? An old lady in a station wagon? Yeah, that's real stimulating.

artists. While superstars are critically important, the format can't survive on them alone." O' Malley's strategy for adding newer artists:

- 1) Make sure there are plenty of core artists in the mix, sandwiching newcomers in between.
- 2) Help listeners recognize new artists by linking a past hit to their latest song.
- 3) Use only names your listeners will be familiar with in promos.

Stock market through the roof!

As the Dow Jones Industrial Average soared to record high after record high last week, radio stocks also moved to lofty heights. As *RBR* went to press Thursday, Clear Channel was at \$58.125, Evergreen \$42, Chancellor \$37.25, Jacor \$36.875, ARS \$39, Cox Radio \$23.75, Heffel \$49 and SFX \$34.25.

RBR's weekly stock chart appears on page 13.

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Radio

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From the Publishers of Radio Business Report Inc., 14 Years

Volume 1, Issue 2 June 1997

ProgramNews

AdNews

AdPerspective

AdMarket



National advertisers go to Arbitron

Several blue chip radio advertisers from companies such as Coca-Cola and Anheuser Busch met recently (April 28-29) at Arbitron's Columbia, MD headquarters. Pictured (above) are (from left to right) John Garza, Advertising Manager, Pacific Bell; Bob Byrne, SVP/Corporate Marketing, Wells Fargo & Co.; Wes Kelley, Media Analyst, Albertson's.

The Advertiser Leadership Conference is the first event Arbitron has organized for national advertisers to discuss radio, ratings and other radio issues. Attendees also got an up close look at the radio survey process.

Arthur Frommer On Travel
 OnLine Today with David Lawrence
 The O'Leary-Kamber Report
 The Alan Colmes Show
 The Financial Advisor with Charles DeRose
 On the House with The Carey Brothers
 The Techno-File
 Awakenings with Maya Angelou
 Left to Right
 The Barry Farber Show
 The Victoria Jones Show
 Dick Clark's Rock Roll & Remember
 The Difference
 Lucy Grant's Cookin' Country Music Revue
 Custom Country Music Revue
 Nascar Country
 Legends of Jazz with Ramsey Lewis
 Right Turn Radio
 American Music Awards Special
 Academy of Country Music Awards
 Sunrise
 Dick Clark's US Music Survey
 The Elliot Report
 News From Nashville
 The Morning Show Fax
 Annual Country Specials
 Backtrax USA
 The Rock and Roll Hall of Fame and
 Museum's Psychedelic Era 1965-1969
 Dr. Dave's Comedy Drops
 The Apollo Comedy Minute
 Dr. Will Miller
 Country Comedy Jamboree
 Headline Songs
 The Comedy Central Minute
 The Daily Show with Craig Kilborn
 Comedy Plus on Demand
 The Last Laugh
 Major League Sports Comedy
 Characters on Demand
 Laugh Attack

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You **ENTERTAIN** them



You make them **LAUGH**



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AdNews

\$11.3M in radio avails!

More and more stations are posting last-minute avails on the Real-time Open Media Exchange (ROME) at BuyMedia's web site, www.buymedia.com. As of June 4, 663 stations had unsold inventory posted for national buyers to choose from—\$11.3M in total avails.

Are the agencies buying? "We're placing multiple buys

every day," said **Mike Jackson**, Pres., BuyMedia Inc.

ROME was profiled in RBR's 4/28 issue, page 6.

Alcohol, tobacco ads under attack

So far, there's been more hot air than action inside the beltway from political posturing against advertising by makers of cigarettes, liquor, beer and wine.

Lame-duck FCC Chairman **Reed Hundt** is still pressing for

hearings on TV liquor ads. He's supported by Commissioner **Susan Ness**, but Commissioners **Jim Quello** and **Rachelle Chong** say the issue should be left to the Federal Trade Commission. Congressional hearings also appear unlikely.

NAB just wants the issue to go away, noting that few broadcasters—and virtually no major groups—are accepting hard liquor ads. Broadcasters fear that any move against liquor could also result in restrictions on lu-

crative beer and wine advertising.

Meanwhile, negotiations on a settlement of major lawsuits against tobacco companies appear to have bogged down. Cigarette ads have been banned on radio and TV for decades, but settlement terms could extend that ban to outdoor, with new restrictions on print. If a settlement is reached, some terms are likely to require Congressional approval, which is far from assured.

AdStats

I AM, I said: A look at the senior band

It may be the oldest broadcast medium, but nonetheless AM radio continues to enjoy robust health. It remains a strong option for advertisers looking to reach upscale, mature audiences.

- ❖ 40+% of the populations tune in weekly
- ❖ Listeners stay with AM radio 12 1/2 hours weekly
- ❖ AM radio accounts for 1/4 of total listening
- ❖ 54% of AM listeners are in the 25-54 demo

AM radio is the bastion of the News-Talk format. As the Boomer generation ages, it is expected that more and more of them will seek out Information and Talk programming, which should assure the continued success of AM broadcasting.

AM Hot Spots

Persons 12+

Adults 25-54

Market	AM Share (%)	Market	AM Share (%)
Milwaukee	30.5	Memphis	27.4
Sacramento	30.1	Sacramento	24.7
Chicago	29.8	San Francisco	24.0
Buffalo	29.7	Los Angeles	23.2
San Francisco	29.3	Chicago	23.0
Memphis	29.0	Milwaukee	22.7
Pittsburgh	28.8	Dallas	21.9
Seattle	27.1	Louisville	20.1
Boston	27.0	Denver	19.9
Louisville	26.9	Miami	19.9

Source: Katz Media Group

AdMarket

Portland OR (24)

PARC place: Portland radiocasters enjoyed 18% revenue growth in 1996, which placed it among the top three hottest radio markets. All major advertiser categories registered gains. So far, ARS is the only owner to have built a superduopoly, but watch out: The AM-FM-FM duopoly which has been bought by **Rupert Murdoch's** News Corp. is on the block.

Portland's Top 10 Radio Advertiser Categories

Category	\$(millions)
Automotive	14.2
Television	5.9
Grocery	5.1
Utilities/Communications	4.9
Political	4.7
Retail	3.9
Beverages	3.8
Restaurants	3.8
Entertainment	2.6
Records/CDs/Music	1.7

Source: Portland Area Radio Council

Duopoly Dimensions

	Owners	Stns	Pct.
Superduopolies	1	6	23.1
Duopolies	3	10	38.5
Combos	3	6	23.1
Standalones	4	4	15.4
Total Cons.	4	16	61.5

Revenue Estimates

Medium	\$(millions)
Radio	91.3
TV	161.2
Newspaper	152.3

Rating by format

Format	Stns	%AvSh	Index
News-Talk-Sports	5	20.6	+8.7
Country	4	16.6	-5.8
AC	2	12.6	-3.1
Classic Rock-70s	3	10.7	+4.7
CHR	1	9.4	+0.2
Alternative	2	7.6	+4.1
Oldies	1	5.5	-1.0
Rock	1	5.0	-2.1
NAC	1	4.4	+3.3
Standards	1	3.6	-0.7
Religion	2	2.9	+0.4
Urban	1	0.6	-5.8
Spanish	1	0.5	-2.1

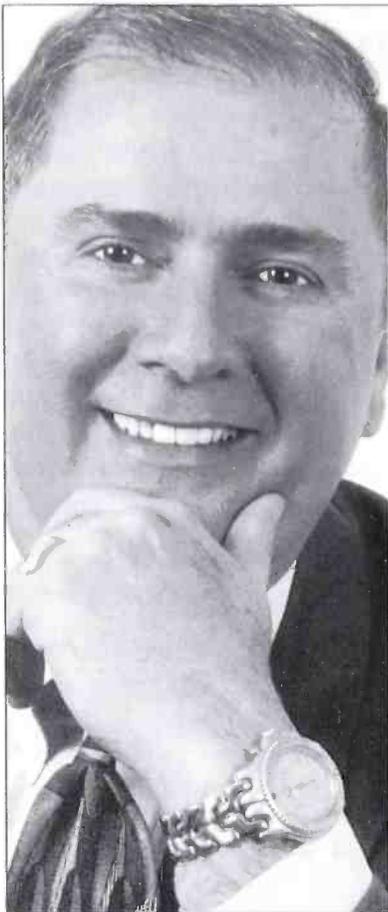
(%AvSh adjusts each format's 12+ total for below-the-line and lost listening; index shows how each format's share compares to the national average for that format).

Top owners

Owner	AMs	FMs	12+sh
*Jacor	2	2	24.3
**ARS	1	5	20.6
*News Corp.	1	2	10.2
Alexander	1	1	8.8
*Entercom	1	2	8.2
Fisher	1	1	8.0

(* = duopoly, ** = superduopoly; chart based on assumption that all announced deals will close)

Sources: RBR database, Arbitron, BIA



Savvy agency "blows 'em away" with Scarborough

"If you want to blow your prospective clients away while making new business presentations, you should subscribe to Scarborough. The amount of information that's available about your specific clients and their products is incredible.

"We're a full-service agency. We plan all of our clients' advertising, including all aspects of ad design across print, direct mail, radio and television, as well as purchasing and placing all the media. Prior to Scarborough, it was a painstaking task to do the media research. The addition of Scarborough allows us to more easily select the right radio stations. None of this could be possible without the extensive information that we pull from Scarborough.

"In the last ten years, Scarborough has been one of the single smartest things I've done."

*Bill Kolovani, Proprietor
BK Advertising, Lebanon, PA*



Keen marketing minds choose Scarborough

"At The Media Edge, we're constantly looking for ways to leverage information to make the best possible marketing and media decisions for our clients.

"In one case, a consumer service client wanted to establish a presence at retail. Using Scarborough data, we were able to guide them toward retail chains shopped by target prospects representing the greatest revenue potential for their category. By focusing on those chains, the client was able to develop packaged offerings tailored to the shoppers of those chains. Scarborough also provided guidance in constructing a plan for efficiently reaching the target prospects through media and local market events.

"Scarborough isn't just a media study; it is an information resource that helps us guide our clients toward making effective and efficient use of their marketing and media dollars."

*Joe Abruzzo, Director of Marketing/Media Research
The Media Edge, New York, NY*

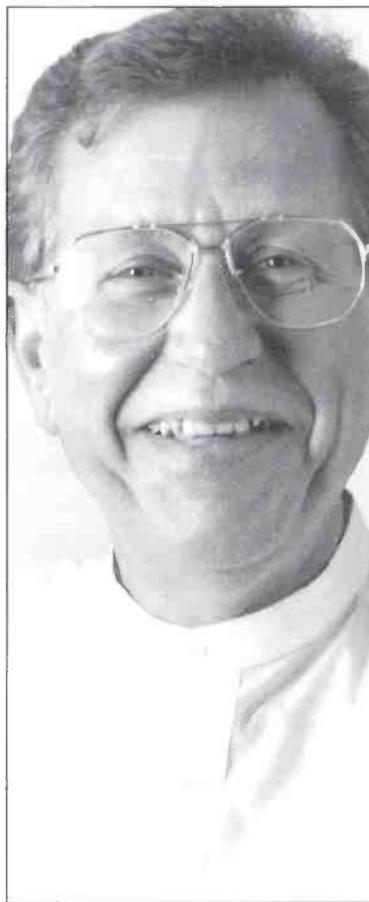


Scarborough puts radio promotion in motion

"Our convenience store client believed that their primary target was older males, because they were heavy gasoline users. But, when we looked at other Scarborough categories, such as heavy convenience store shoppers and buyers of 20-oz. bottles of soda, we came up with a different target - younger males. So we changed the buy to include Alternative Music radio stations. Our strategy became heavily focused on traffic building through radio promotions.

"The promotions generated more traffic for less money than ever before. Amazing! Scarborough's data sold the client on something they'd never considered. Now they're talking to us about picking up all the dealers in our area."

*Terri Reilly, Vice President/Media Director
MZD, Indianapolis, IN*



Scarborough helps cable shine through

"A prospective client, a Caribbean tourism agency, expressed concern that sales in Baltimore were very slow. They needed to find a cost-efficient way to reach their marketing target - Adults 35-64 with a minimum household income of \$50,000 - and raise sales in this market.

"Using Scarborough, I examined the area county by county, focusing on demographic and income criteria. Only one county clearly stood out as a viable place to reach these affluent adults.

"Knowing I had one geography to focus my dollars on, I knew I needed a targeted medium like cable. TV would not be efficient, since 90 percent of the people it would reach could not afford the trip. Using Scarborough, I looked at cable programming - including specific shows as well as networks - and put together a six-week, very-high-frequency, fixed-position cable campaign.

"Sales went through the roof! It won me the account, which translated to \$2.5 million in placement!"

*Bob Keeton, Owner
Keenote Advertising, Inc., Tampa, FL*

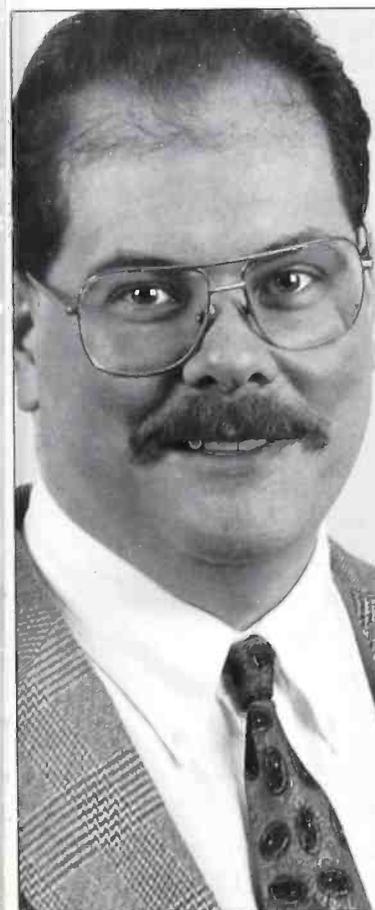


St. Louis ad agency wins multimillion-dollar account

"We compete with other agencies. One way we differentiate ourselves is through the list of resources we can offer, and Scarborough is high on that list.

"One example was in pitching the multi-million-dollar Brooks Fiber Communications account. Using Scarborough, we were able to show Brooks, a St. Louis-based telecommunications company, market dynamics on the local level. We demonstrated how each market differs in relation to demographics, lifestyles and business segments. By having access to this type of information, we were able to make more sound strategic decisions."

*Diana Van Leuven, Marketing Research
The Glennon Company, St. Louis, MO*



Radio and outdoor: a perfect media mix

"Where Scarborough has been a big help is in doing regional media planning. It helps us to delineate the counties better and to pinpoint media usage.

"One example was a regional Ohio HMO client. With Scarborough, we could tell that radio listenership was strong in their region for the younger target demos they were trying to reach. It even enabled us - believe it or not - to find out what highways these people traveled on the most. We were able to do a radio schedule and outdoor schedule around this information. People saw the boards and responded - people responded to the radio, too. Scarborough allowed us to really refine our schedule...to really become more targeted. It was great! It gave the client more justification for using media and for using us."

*Tom Martin, Media Director
Ira Thomas Associates, Youngstown, OH*

Ad agencies win with Scarborough

In the advertising world, agencies are expected to understand their clients' businesses as well as their clients do. They analyze the industries, help define the customers, and develop plans to increase sales and improve customer satisfaction.

Competition lurks around every corner — for stations, agencies and clients alike. Scarborough helps you stay ahead of the competition by providing a highly targeted analysis that lets you create an effective campaign. It defines clients' customers like no other information source.

Scarborough can make stations, agencies and advertisers all winners. To find out how, call your Arbitron representative today at (212) 887-1300.

ARBITRON

ProgramNews

New Oldies net in the wings

A new 24-hour music format called "Rock & Roldies" is planning to be on the air with affiliates by July 1. Newly-formed Dallas-based First Broadcasting Networks plans to develop seven or eight additional 24-hour formats, according to **Don Hibbitts**, director of Affiliate Sales.

Jones rolls out Rock Classics

Jones Satellite Networks is launching in July "Rock Classics," its 11th 24-hour format.



Powter starts the insanity on radio

Susan Powter of "Stop the Insanity" fame, is getting her own syndicated daily radio show with the newly-formed NetStar Entertainment Group. "The Susan Powter Show" will originate from Los Angeles and air 9A-Noon.

HGTV to grow on radio

Niche cable network, Home & Garden Television (HGTV) is planning a radio addition called (surprise) Home & Garden Radio Network. Owner E.W. Scripps Co. (NYSE:SSP) plans a Q1 1998 launch with 20 hours of weekend programming. HGTV, which also has a magazine, went up in 1994 and currently penetrates more than 31M cable households.

Mike Siegel syndicates with Talk America

Mike Siegel, best known for leading a campaign to stop Congressional pay raises in 1989, is going into national

syndication with Talk America Radio Networks. "Talk Provoking" debuted last month and airs weeknights 12A-5A ET on more than 75 radio stations.



Dr. Toni Grant building affiliate base

Since Dr. **Toni Grant** returned to the airwaves two months ago on KTZN-AM Los Angeles, more than 30 affiliates have signed. Syndicated by Radio Shows, Ltd., "The Dr. Toni Grant Program" airs weekdays 3P-6P ET.

Talk America launches new morning show

Talk America Radio Networks recently launched (5/29) on more than 75 radio stations "America, Good Morning," a magazine-format morning show hosted by **Tony Trupiano**. Airing live 5A-9A ET, the weekday "family oriented" show features headlines every 15 minutes, along with sports updates, listener birthday greetings, medical advice, and more.

United Stations reps "The Techno File"

United Stations has picked up exclusive representation for "The Techno-File," a one minute hi-tech update hosted by **Lazlow Jones**. The show currently airs on 100 radio stations across several formats. Along with "The Techno File," United Stations reps other shows including "BackTrax," "NASCAR Country," and "On the House."

Westwood debuts Health Minute

On the air in mid-May, Westwood One's new "Health Minute," is a one-minute daily feature produced by Time, Inc.'s *Health Magazine*. In addition to the stand alone daily feature, Health Minute will also be heard once a week on Westwood's "America in the Morning" morning show.

Sportsfan Radio cuts content deals for radio shows

Sportsfan Radio has cut two deals which will allow the radio net to enhance its programming. Through a joint programming deal with *The Daily Racing Form*, the "Bible of Horse Racing" will co-sponsor and provide editorial content for as many as 10 "On-Track" racing specials each year as well as provide editorial content for SportsFan Online. A second deal with Conde Nast's Street & Smith's Publications Group gives SportsFan the right to use content from Street & Smith's *Pro Football* and *College Football* annual yearbooks in radio shows and online. Sportsfan claims more than 550 affiliates.



Can Grease go home again?

It's a homecoming of sorts for **Doug "The Greaseman" Tracht**. Last month, Grease's morning show began originating from CBS-owned Classic Rocker, WARW-FM Washington, DC. He'll be up against another DC-grown personality, **Howard Stern**, on another CBS owned station, WJFK-FM. In addition to WARW, The Greaseman can be heard on WBNK-FM Christianburg, VA and WTLK-FM Jacksonville, FL.

Radio America unveils new program lineup

After signing **Doug Stephan**, Radio America has announced its new 24-hour program schedule. "Good Day USA with **Doug Stephan**" airs 5A-9A ET, followed by a second program hosted by Stephan. Stephan's show airs on 150 radio stations.

AAHS teams with online celebrity

Children's Broadcasting Corp., who's AAHS World Radio 24-hour kiddie net airs on 30 radio sta-



Mancow adding affiliates

Howard Stern nemesis, **Mancow Muller**, has added six affiliates since taking "Mancow's Morning Madhouse" into syndication three months ago. Syndicated by the Free Speech Radio Network, the 6A-10A show originates from WRCX-FM Chicago.

tions, is collaborating with Celebrity Sightings, a web site fan club for teen celebrities, in launching a bi-weekly celebrity-oriented talk show this summer. The two companies will also jointly develop advertising and promotion campaigns across both media.

Songtek reading two new shows

Songtek/CDA/IP Radio Network has announced two new syndicated shows. "Small Town Saturday Night," to premier this July, is a two-hour weekly show that will focus on both new and current Country artists. "Jolene's Kitchen," also a two-hour weekly, will start off as a 30-minute feature in "Small Town Saturday Night" before it is released this fall on its own.

SW Classical building momentum

After signing on two additional affiliates in Kansas City and Albuquerque, SW's 24-hour SW Classical format can now claim it is carried on one-quarter of all commercial Classical stations in the U.S. SW Classical, on the air since August 1995, has 11 affiliates out of a total of some 40 commercial Classical radio stations.

Why radio consolidation is a win-win

by Karen Agresti*

Multiple station ownership is one of the best things to happen to the radio business. As consolidation matures, we at Hill, Holliday see new opportunities to provide our clients with more efficient and effective ways to reach prospective customers using radio.

Five years ago, most radio stations were losing money. They were paying incredible overhead for talent, research, and equipment. Duopolies allow for economies of scale. That means stations can put more money back into programming, promotion, research, and all the things that help my clients have a better environment in which to advertise.

In addition, mergers and consolidations eliminated a lot of the weak non-broadcast companies who wanted to dabble in the business. Now the major broadcast groups, who really know what they are doing, are running the business.

As the manager of 10 buyers, I am greatly concerned with the cost of doing business. With an average of 10 to 15 viable stations in a market, it takes an incredible amount of manpower to negotiate a buy: 15 phone calls, 15 avails, 15 return phone calls, promotions, invoice matching, and more. Radio is probably the most expensive buy to do when you compare the overhead and time that is needed with billings produced. This is especially true if the client is very promotions-oriented.

I would prefer to be doing business with three or four salespeople in a market. This would greatly reduce the overhead time to negotiate a buy. Also, a salesperson who has four stations, but fewer shops to call on, would be more attentive to the needs

of my clients. Since I would represent more of the station group's income, the radio account executive would really have to work hard to make sure they got my billing, since it would greatly impact their income. Radio account execs would have to become more knowledgeable about my clients and their business, and they would have to be much more service-driven.

Imagine going to a client and giving him one big group promotion that runs on four or five stations in a market. This is a heck of a lot more impressive than several small ideas bunched together. We've done two group promotions that are worth noting, both with radio groups—American Radio Systems and Jacor—that understand what consoli-

One big group promotion that runs on four or five stations in a market is more impressive than several small ideas bunched together.

dation means.

The first one was for the Massachusetts State Lottery using American Radio Systems' four Boston stations. Radio listeners used their non-winning lottery tickets to enter a contest for a trip to Hollywood. Because listeners entered through their favorite station, each station tweaked the promotion differently, making it more compelling for the station, its formats and listeners.

The Lottery loved it because it was market-wide, reaching more than 28% of the population.

For Lotus, we worked with the Jacor Cincinnati stations on a promotion designed to drive people to retailers for Lotus' "Demo Days." Each station in the Jacor group pushed a different retail location. Listeners that showed up for the special demo of the new Lotus software received a three-month

subscription to the *Wall Street Journal*. The client thought the promotion was very cool; they reached their target consumer and, at the same time, promoted all the retail stores that carried Lotus products.

We've also done promotions that combine media (radio and TV) with [CBS-owned] WBZ radio and WBZ-TV Boston.

Going to a client and saying a campaign can cut across all media is much more compelling.

The day that radio groups begin to force combos, or to raise rates out of control, is the day that most major agencies will walk from radio. Retailers will go back to newspapers and corporate clients will go back to TV and magazines.

Radio is often a tough sell for agencies to their clients. There are very few clients that get up in the morning and say, "I want to buy radio." If radio outprices itself, it won't be recommended by the agencies. If radio's strength as a medium is targetability, then why should agencies buy all the stations in a group if the agency can't be selective in station, format, and demos?

* Karen Agresti is the Senior Vice President/Associate Media Director, Hill, Holliday. Boston-based Hill, Holliday has more than \$400M in billings, \$35M in radio. Its clients include Budget Rent-a-Car, the *Wall Street Journal*, and Fidelity Investments.

Note: A shorter version of this article appeared online in Radio-Media.



Karen Agresti of Hill, Holliday

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BROADCAST INVESTMENTS

June 11—RBR Stock Index 1997

Company	Mkt:Symbol	6/4 Close	6/11 Close	Net Chg	Pct Chg	6/11 Vol (00)	Company	Mkt:Symbol	6/4 Close	6/11 Close	Net Chg	Pct Chg	6/11 Vol (00)
Ackerley	A:AK	12.500	13.250	0.750	6.00%	73	Jeff-Pilot	N:JP	62.875	64.250	1.375	2.19%	1569
Alliance Bcg.	O:RADO	3.000	2.750	-0.250	-8.33%	19	Jones Intercable	O:JOINA	11.125	13.000	1.875	16.85%	672
Am. Radio Sys.	N:AFM	38.625	38.375	-0.250	-0.65%	1621	Katz Media Group	A:KTZ	5.625	5.375	-0.250	-4.44%	18
Ceridian	N:CEN	36.250	39.750	3.500	9.66%	2096	Metro Networks	O:MTNT	25.375	25.125	-0.250	-0.99%	55
Chancellor	O:CBCA	34.000	36.375	2.375	6.99%	3155	New York Times	A:NYTA	46.375	48.125	1.750	3.77%	3656
Childrens Bcg.	O:AAHS	3.437	5.000	1.563	45.48%	1552	Pacific R&E	A:PXE	2.125	2.000	-0.125	-5.88%	18
Clear Channel	N:CCU	52.375	58.500	6.125	11.69%	4580	Paxson Commun.	A:PXN	10.187	11.375	1.188	11.66%	4348
Cox Radio	N:CXR	22.750	23.125	0.375	1.65%	766	Premiere Radio	O:PRNI	18.125	18.375	0.250	1.38%	334
DG Systems	O:DGIT	4.750	4.500	-0.250	-5.26%	167	Premiere Cl. A	O:PRNIA	18.250	18.375	0.125	0.68%	375
Disney	N:DIS	79.875	81.375	1.500	1.88%	13349	Pulitzer	N:PTZ	49.750	51.375	1.625	3.27%	347
Emmis Bcg.	O:EMMS	37.750	38.000	0.250	0.66%	1187	Saga Commun.	A:SGA	18.375	19.250	0.875	4.76%	61
Evergreen	O:EVGM	38.375	41.000	2.625	6.84%	10514	SFX Bcg.	O:SFXBA	34.500	34.000	-0.500	-1.45%	591
Faircom	O:FXCM	0.313	0.281	-0.032	-10.08%	100	Sinclair	O:SBGI	24.750	27.250	2.500	10.10%	488
Fisher	O:FSCI	125.000	131.000	6.000	4.80%	0	TM Century	O:TMCI	0.468	0.562	0.094	20.09%	30
Gannett	N:GCI	93.250	96.000	2.750	2.95%	3222	Triathlon	O:TBCOA	6.750	6.687	-0.063	-0.93%	76
Gaylord	N:GET	22.000	22.125	0.125	0.57%	2407	Tribune	N:TRB	42.750	46.000	3.250	7.60%	4407
Granite	O:GBTVK	10.875	11.000	0.125	1.15%	538	Viacom Cl. A	A:VIA	30.500	33.812	3.312	10.86%	1363
Heftel Bcg.	O:HBCCA	48.750	47.375	-1.375	-2.82%	65	Viacom Cl. B	A:VIAB	30.187	33.750	3.563	11.80%	6829
Heritage Media	N:HTG	18.500	19.125	0.625	3.38%	979	Westinghouse	N:WX	20.125	21.875	1.750	8.70%	37743
Jacor	O:JCOR	37.000	38.250	1.250	3.38%	9905	Westwood One	O:WONE	28.500	30.000	1.500	5.26%	1963

TM Century sells UDS

TM Century (O:TMCI) has sold its Ultimate Digital Studio (UDS) division to the US subsidiary of Germany's On Air Digital. Terms weren't disclosed, but TM Century took a \$148,000 write down for UDS' assets and operating losses for its fiscal Q2 ended March 31.

"The sale of the UDS makes an important step toward the return of profitability of the company," said **Neil Sargent**, President, TM Century. "Cash flow from operations rebounded over the prior quarter and revenues increased 4% compared to the same quarter of the prior year."

For Q2, TM Century reported revenues up 5% to \$1.8M. Its net loss, including the UDS write down, ballooned 199% to \$269,000.

Capstar snares \$300M

Steve Hicks' Capstar Broadcasting Partners raised \$300M on Wall Street (6/10) in two private placements: \$200M in senior subordinated 10-year notes at a yield of 9.31%; and \$100M in senior exchangeable 12-year PIK preferred stock with a 12% dividend. Underwriter: BT Securities

6/16/97 RBR

Blue Chip Broadcasting, Ltd.

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by Jack Messmer

"AAHS" O&Os sold for \$72.5M; Buyer mum on plans

Children's Broadcasting Corp. (O:AAHS) and its "Aahs World Radio" network are getting a new lease on life—but the \$72.5M lifeline will leave the company without any of its owned and operated radio stations that provide over 70% of total revenues.

A mysterious newcomer to the radio industry, Global Broadcasting Company, has signed a letter of intent to pay \$72.5M for the 14 O&Os. The New York-based company is headed by **Greg Deieso**, a former BMW executive, and **Greg Baldinger**, and they aren't saying what they plan to do with the stations. *RBR* sources say the two have ties to the National Hockey League and are planning some sort of sports network.

The NHL confirmed that Global has produced its Stanley Cup finals since 1993.

"The sale of our AM properties will allow us to develop ancillary audio streams for Aahs programming and to continue to serve our existing network of radio station affiliates, while significantly reducing our costs of operation," said **Chris Dahl**, CEO, Children's Broadcasting in a press release. "In the meantime, the company will pursue to its conclusion the ABC/Disney litigation while exploring other options."

Dahl did not return repeated calls from *RBR* seeking further information. A company spokeswoman said the sale was expected to close by September or October, but wouldn't comment further.

"We have confidence that they are going to be able to perform on this deal," **Lance Riley**, General Counsel, Children's Broadcasting, said of Glo-

bal. He told *RBR* that the letter of intent, dated June 4, provided for 28 days to negotiate a definitive contract.

ABC Radio Networks, owned by Disney (N:DIS), was in a joint venture with Children's Broadcasting to develop affiliates and national advertising from November 1995 through October 1996. After terminating the deal, ABC launched "Radio Disney" in four test markets and is now preparing for a national roll-out. Children's Broadcasting sued Disney and ABC in federal court in Minnesota, accusing its former partners of misappropriating confidential information and trade secrets. Disney denied the allegations and the case has not yet gone to trial.

17.9 X 1996 revenues

According to Children's Broadcasting's 10-K filed with the SEC, total revenues from O&O and LMA'd stations rose \$13,000 in 1996 to \$4,048,000. Revenues from the company's four Religious stations accounted for 38% of 1996 station revenues.

Yes, this \$72.5M deal is 17.9 times 1996 revenues! Although that calculation doesn't include Children's Broadcasting's most recent station acquisitions, they wouldn't reduce the multiple by much. Revenues for the O&Os were up 10% for the first quarter of 1997, but the group continued to produce negative cash flow.

Meanwhile, 1996 network revenues were \$1,594,000, up 51% from 1995. Expenses, however, also rose sharply, including \$400,000 in costs related to the company's litigation with Disney. Children's Broadcasting has been issuing new stock to its attorneys to pay those legal bills. Network revenues fell 42% in the first quarter of 1997, which the company attributed to having to rebuild its sales operation after the split with Disney.

Overall, Children's Broadcasting registered a net loss of \$9,868,000 in 1996, an increase of 62% from its 1995 loss. Its Q1 1997 net loss grew 48% to \$2.78M. **Broker: Peter Handy and Paul Leonard**, Star Media Group

Charles W. Banta, President of
Mercury Radio Communications, L.P.

has completed the sale of

**WWDB-FM
Philadelphia, Pennsylvania**

to

George Beasley, Chairman and CEO of
Beasley Broadcast Group

for

\$65,000,000

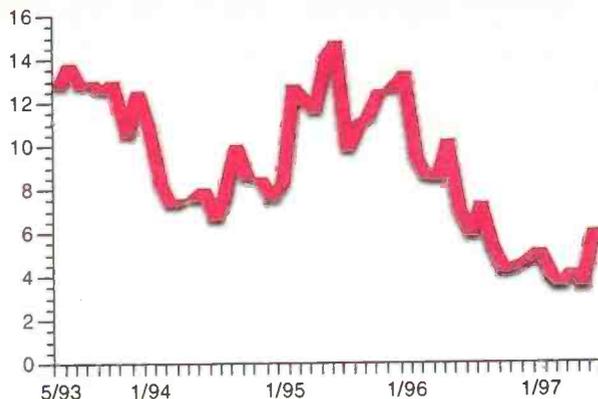
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Kiddie net stock soars on station sell-off

Children's Broadcasting Corp. (O:AAHS) shot up 62.1% to \$6.00—the day's largest Nasdaq percentage gainer—after announcing (6/6) that it would sell its O&O station group for \$72.5M. RBR's chart (right) shows the stock's performance since the company's 1993 IPO.



RBR observation: There are still a lot of hurdles to clear before any cash changes hands. This deal is only at the letter of intent stage. It has yet to get to a definitive contract, with money placed into escrow. Then it has to have

approval from the FCC and Children's Broadcasting shareholders.

If and when \$72.5M is exchanged for these stations, Children's Broadcasting can pay off its \$16M in debt, plus commissions and other fees related to this deal, and be left with over \$50M cash in the bank, a network that's still operating in the red, and a costly lawsuit that it may or may not win. In theory, this deal is worth nearly \$8 per share to Children's Broadcasting shareholders—but there's no assurance those shareholders will ever see any of that cash. The company's announcement says it intends to use the proceeds for growing the network and pursuing the Disney lawsuit.

Cox tops in San Antonio

Believe it or not, Clear Channel (N:CCU) is no longer the top-billing radio operator in its hometown, San Antonio. That distinction belongs to Cox Radio (N:CXR) which is paying \$30M plus non-competes to Rusk Corp. for KLUP-AM, KISS-FM & KSMG-FM. Cox already owns KKYX-AM, KCYY-FM & KCJZ-FM in Arbitron market #34.

Citadel goes super in Providence

Larry Wilson's Citadel Communications is creating a superduopoly in its largest market—Providence—even before closing on its \$114M buy of the Tele-Media group. Citadel will buy WDGE-FM and WDFG-FM for \$8.5M from Phillip Urso's Bear Broadcasting. That will leave Bear with its two Providence AMs.

The Class A Alternative duo, positioned southeast and southwest of the city, will team up with WPRO-AM & FM, WLKW-AM & WWLI-FM, which are included in the Tele-Media deal.

The station lineup

Here's a look, by Arbitron market, at the Children's Broadcasting stations being sold to Global:

Rank/Market

Station, Frequency	Format	
1. New York WJDM, 1660 kHz	AAHS	
2. Los Angeles KPLS, 830 kHz	AAHS	
5. Philadelphia WPWA, 1590 kHz	AAHS	
6. Detroit WCAR, 1090 kHz	AAHS	
7. Dallas-Ft. Worth KAHS, 1360 kHz	AAHS	
9. Houston-Galveston KTEK, 1110 kHz	Religious	
16. Minneapolis-St. Paul WWTC, 1280 kHz	AAHS	
	KYCR, 1570 kHz	Religious
18. Phoenix KIDR, 740 kHz	AAHS	
23. Denver-Boulder KKYD, 1340 kHz	AAHS	
27. Kansas City KCNW, 1380 kHz	Religious	
29. Milwaukee-Racine WZER, 540 kHz	Religious	

Unrated markets

Sandwich, IL (adj. to Chicago metro) WAUR, 930 kHz	AAHS
Muskogee, OK (near Tulsa metro) KMUS, 1360 kHz	AAHS

CLOSED!

KFAB/KGOR (FM), Omaha, Nebraska from American Radio Systems Corporation, Steve Dodge, Chairman/CEO to Triathlon Broadcasting Co., Norman Feuer, President/CEO for \$38,000,000.

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TRANSACTION DIGEST

by Jack Messmer & Dave Seyler

The deals listed below were taken from FCC filings made public during the week from Wednesday, June 4 through Tuesday, June 10. 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.

\$60,000,000—KFRG-FM & KXFG-FM Riverside-San Bernardino (San Bernardino-Sun City CA) from Amaturio Group of California Ltd. (Joseph Amaturio) to American Radio Systems License Corp. (Steve Dodge), a subsidiary of American Radio Systems (N:AFM). \$6M escrow, balance in cash at closing. Note: Although both stations are in the same Arbitron market, their city-grade signal contours do not overlap.

\$8,734,380—* WJAC-AM, WKYE-FM & WVSC-AM & FM Johnstown (Johnstown-Somerset PA), **WALY-FM** Altoona (Bellwood PA) and **WWPA-AM & WVRT-FM** Williamsport (Williamsport-Jersey Shore PA), sale of stock in Winston Radio Corp. and Williamsport Radio Corp. from Michael F. Brosig Sr., William R.

Horner & James Boxler et al. to Forever Broadcasting LLC (Carol B. O'Leary, Donald J. Alt, Kerby E. Confer). \$150K escrow, \$3,410,580 (less escrow) in cash at closing, assumed debt not to exceed \$4.725M. The buyer has also offered to purchase all preferred stock for \$598,800, but the holders are not required to sell. **Superduopoly** in Altoona market with WFBG-AM, WFGY-FM & WHPA-FM. Existing double **duopoly** in Johnstown market, however some of the stations being acquired also have contour overlaps with Forever's Altoona stations. No more than four FMs or two AMs overlap at any point. Note: 50 stations in market.

\$8,250,000—* KROD-AM, KLAQ-FM & KSII-FM El Paso from New Wave Communications LP (Jon Ferrari, Charles Cohn & others) to New Wave Broadcasting LP, whose General Partner is Ferrari Broadcasting Inc. and whose Limited Partners are CMNY Capital II LP, Jon Ferrari, Charles Cohn, Kirk Warshaw and Brad Dubow. \$8.25M in cash at closing. If any of these stations are sold within 12 months after closing, New Wave Communications LP is to receive all proceeds in excess of \$4.5M for KLAQ, \$3M for KSII and \$750K for KROD.

Cumulus Media, L.L.C.

William Bungeroth, President/CEO; Richard Bonick, Vice President/CFO

has contracted to acquire

**WRXR-FM
WUUS-FM**

**WKEL-FM
WGUS-AM**

Augusta, Georgia

for

\$15,500,000

from

Wilks Broadcast Acquisitions, Inc.

Jeffrey S. Wilks, President; Donald L. Wilks, Vice President

We are pleased to have served as exclusive broker in this transaction.

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