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Kennard backs microradio
by Frank Saxe

Standing before a crowd of his staunchest supporters, FCC Chairman Bill Kennard (D) strongly backed licensing microradio stations during Sept. 18 a speech to the National Association of Black Owned Broadcasters (NABOB).

Kennard announced he has asked the Mass Media Bureau (MMB) to come up with a proposal for a new low-power FM service. "We are going to do whatever we can to create more opportunity and more licenses for small and minority businesses," said Kennard. "We have an obligation to manage the spectrum in the most efficient way possible. That means using those airwaves to give as many people as possible the chance to use them."

Kennard said he is aware many broadcasters do not support microradio, but said he is confident FCC engineers will be able to come up with a workable plan, much like they did with LPTV.

"Despite the numbers that people talk about in respect to low power TV, we have not seen the success in that business that would make us eager to see a low power radio service formed in the same fashion," said James Winston, president, NABOB. Kennard's announcement drew hearty applause, but Winston said a lot more information is needed before the group could back a microradio proposal.

"If you add to an already crowded spectrum, the logical result will be more interference," said NABOBOB.

man Dennis Wharton. He said the IBOC transition could be delayed by the increased interference. "It would be best to see how the transition to digital goes first.

Adarand studies begin, ad study continues

The FCC has begun the process of justifying a racial-preference program, more than three years after the Supreme Court's 1995 Adarand decision, which ruled racial preference programs unconstitutional unless there was evidence that government intervention is the only solution.

Kennard announced last week he will start the process of studying whether discrimination is keeping minorities out of broadcasting. Researchers will look at lack of access to capital and whether the agency's own financial requirements hurt minorities. Once the information is collected, the FCC will use it to justify licensing preferences and bidding credits at broadcast auctions, said one senior MMB official.

The FCC will also propose new EEO rules by the end of the year, vowed Kennard. FCC lawyers are meeting with Justice Department officials, discussing whether to appeal the Court of Appeals' refusal to hear the FCC's appeal (RBR 9/21, p.3).

Strong pacing continues

It's a redundant, but sweet refrain—radio sales are continuing to pace well ahead of year-ago levels, according to the latest RBR/Miller Kaplan forward pacing report. October is more than three percentage points ahead of last year, which was two-thirds sold out by September 15, and November continues strong as well.

"Looking at the regions, the West seems to be putting some distance between itself and the rest of the country," noted George Nadel Riven of Miller, Kaplan, Arase & Co.

RBR/Miller Kaplan Market sell-out percentage report

<table>
<thead>
<tr>
<th>Month</th>
<th>1998</th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept.15</td>
<td>89.4%</td>
<td>85.8%</td>
</tr>
<tr>
<td>Oct.</td>
<td>69.2%</td>
<td>66.4%</td>
</tr>
<tr>
<td>Nov.</td>
<td>61.7%</td>
<td>60.4%</td>
</tr>
</tbody>
</table>

DG Systems buys DCI

by Carl Marcucci

Not long after Vancouver-based spot and short-form delivery Digital Courier International announced it had been placed in receivership (RBR 7/6, p.3), competitor DG Systems (O:DGIT), based in San Francisco, won the bid to purchase (9/23) the company for $8.9M (US). DCI's re-

Continued on page 4
Radio: Over the Air or Over the Internet?

- How much radio listening is happening on the Internet?
- What types of stations and formats stand to benefit on the Internet?
- Can the Internet be your pipeline to increased at-work listening?

Answers debut at 9AM, Friday, October 16, at the NAB Radio Show in Seattle. The Arbitron Internet Listening Study is presented in conjunction with Edison Media Research.

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2/14,
Malrite Communications Group, Inc.

WOIO, Cleveland, Ohio
WUAB-TV (LMA), Cleveland, Ohio
WXIX-TV, Cincinnati, Ohio
WFLX-TV, West Palm Beach, Florida
WNWO-TV, Toledo, Ohio
WLII-TV Puerto Rico
WSUR-TV, Puerto Rico

has been acquired by

Raycom Media, Inc.

The undersigned acted as financial advisor to
Malrite Communications Group, Inc.
In this transaction.

September 1998

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Terrestrial repeaters: How many will it take?

by Carl Marcucci

As satellite DARS proponents CD Radio (O:CDRD) and AMSC's (O:SKYC) AMRC continue preparing for 1999-2000 launches, an often overlooked cost and logistical issue remains—how many terrestrial repeaters will they need? Because of tall buildings, the satellite signals will have trouble "seeing" into urban corridors.

Besting its original estimate of 140 repeaters in the top 40 cities (RBR 2/23, p. 6), CD Radio now estimates only 98 will be needed for the top 41 cities. "We will have a three-satellite orbit when we launch the service. We're directly over North America in geosynchronous orbits, which are much closer than [AMRC's] geostationary. In the worst part of the country, there are 65 degree elevation angles, and at a lot of points, we're 90 degrees, directly overhead many cities. Those cities will need less repeaters," said Andrew Greenebaum, EVP/CFO, CD Radio, who is currently wiring San Francisco, and will begin work in Houston next month.

Three satellites allows CD Radio much fewer repeaters than AMRC, which will use two satellites (RBR 6/15, p. 3) to serve up the same number of channels—100. "We think we need 1,200 or so. The fact is we want to ensure that consumers in urban areas have the highest level of performance. We're doing helicopter testing with terrestrial repeaters in Germany and we're going to do some testing here in Washington," said Hugh Panero, CEO, AMRC.

Maybe the real question is: does one additional satellite cost more than 1,100 repeaters (many of which can be placed on existing PCS, paging, and cellular towers)? "It all comes out in the wash. However, we don't need a third satellite because we have two of the highest powered satellites on order today," said Panero.

Hurricane may impact Puerto Rico book

The Fall book began last week, and Hurricane Georges may affect Puerto Rico's survey. If Georges significantly affects diary distribution and return, Arbitron will "look at the option of modifying or withholding" the book for market #11, said Arbitron spokesman Thom Mocarsky. "The diary in the early weeks may be affected, but we're going forward with the book."

Because diarykeepers are called and books are mailed two weeks in advance, the hurricane would affect the third week of the survey. Early indications were many potential respondents were preoccupied with putting their lives back together.

When Hurricane Hugo hit South Carolina, Arbitron lopped a month off Charleston's survey. However, Hurricane Andrew did not disrupt Miami's book when it hit south Florida in 1992.—FS
Cumulus Media: Growing a big company in small markets

Who is Richard Weening and why is he buying so many radio stations? That was the question being asked last year of the newcomer who suddenly burst onto the scene, quickly buying up dozens of stations in small Arbitron markets and even unrated markets.

The industry soon learned that Weening was a Milwaukee-based entrepreneur who'd been building high-tech, new media companies. He told RBR, though, that it wasn't such a departure for him to build a new company, Cumulus Media (O:CMLS), in a 70-year-old technology.

"I fell in love with radio in 1964 when I hosted the Sunday night Classical program on my college radio station, WSJU [St. Johns University, Minnesota]," said Weening. "What attracted me to establish Cumulus over 30 years later? Two things, really.

"The Telecommunications Act of 1996 and my partner, Lew Dickey. In allowing multiple-station ownership, the Act made radio a very compelling business opportunity. Radio had always been the underdog in media with only about 7% of the local ad dollar. For the first time, radio in the form of multiple-station clusters could potentially enjoy as much cume listenership as the local daily has readers and actually compete effectively with newspapers and TV for ad dollars.

"While my background is as a CEO in book and magazine publishing, at the time, I was running a private equity investment company which specialized in new media. Lew Dickey was an experienced radio station owner/operator and consultant. He consulted a small radio company [in the Caribbean] in which I had an investment. We worked together. We liked each other. We defined the opportunity together. The rest is history."

To launch the new company, Weening and Dickey recruited former Century Communications executive Bill Bungeroth to head the operating company, Cumulus Broadcasting. Bungeroth was joined by his long-time associate, Rick Bonick, to oversee finances.

Other corporate-level executives of Cumulus include Terrence Baun, Director of Engineering; John Dickey, Director of Programming; Terrence Leahy, General Counsel; Daniel O'Donnell, Director of Corporate Finance; Jill Schmitt, Director of Facilities; and Mini Srivaths, Director of Technology. The company also lists as "key people" of the broadcasting unit Rhonda DeVoe, Director of Human Resources; Jorge Garcia, Assistant Controller for acquisitions; Michael Bavely, Assistant Controller for financial reporting; and Jennifer McKillop, Director of Marketing.

Large group, simple structure

Despite having many stations—176 at last count—Cumulus doesn't have the sort of regional management structure that has been embraced by many other mega-groups.

"The building block of the company is a station group, or cluster, of perhaps six or seven stations within a market," said Weening. "The cluster is run by a Market Manager who reports directly to Bill Bungeroth. Bill is assisted in supporting Markets Managers by regionally-focused executives we call Directors of Sales, who each serve about ten markets. Market and individual station performance is tracked daily through our computer network so we all know where everything is at all times."

Those regional Directors of Sales for the current station lineup are: Peter Remington, Southeast (11 markets in Alabama, Florida, Georgia, Maryland, North Carolina, South Carolina and Tennessee); Bruce Biette, Northeast (two markets in Maine); David Noll, Southwest (eight markets in Colorado, Kansas, Louisiana and Texas); and Greg Sher and Kevin Lein, Midwest (14 markets in Iowa, Illinois, Michigan, Minnesota, North Dakota, Ohio and Wisconsin). Offshore, Cumulus also includes stations on eight islands in the eastern Caribbean—the Gem Radio Network that Weening had controlled prior to forming Cumulus.

"Purchasing decisions for capitol equipment and major services, including research and programming, are made centrally and executed or implemented locally," Weening explained. Cumulus is negotiating with vendors for group-wide arrangements and already has several such deals in place: Harris-Allied for equipment; Stratford for research; Royal and Sun Alliance for property and casualty insurance; Humana for health insurance; Hertz for car rentals; Principal for the company's 401(k) plan; AIG for liability and broadcast defamation insurance; BSMG for media relations; Lucent for telecommunications hardware; and Compaq for computer equipment. "We are negotiating arrangements on various software applications and other services," he noted. Many local operations employ digital audio systems, but Cumulus has not yet settled on one vendor for company-wide use.

continued on page 8
Cumulus Media Chairman Richard Weening (seated) and Vice Chairman Lew Dickey Jr.

Cumulus Broadcasting President Bill Bugeroth (seated) and Dir. of Programming John Dickey

**CONTINUED FROM PAGE 7**

Cumulus has a company-wide computer network, using the Internet as its backbone, which is primarily used for tracking business performance, inventory management and exchanging information within the company. Although the network has the capability of exchanging programming elements, that is not a primary focus.

"While we are very technology driven, we are not comfortable with the concept of virtual programming," Weening said. "We do some of it in our Gem Radio Network business in the Caribbean, but we do not feel it is suitable for our markets here."

"Our strategy is to offer more live programming, not less," added Lew Dickey. "Our local on-air personalities are important generators of revenue and audience share—two things which we are always looking for more of."

**Fast-track acquisitions**

Having begun with zero radio stations in 1997, Cumulus has now spent nearly $500M on acquisitions in 35 markets, which shows no sign of slowing down. Weening and Dickey are seeking to create superduopolies in each of their markets.

"We look for the maximum number allowed under the Telecom Act and we strive for the best distribution in the market," Weening said. "We know we can create the software, but we must have the hardware to compete. With respect to revenue, we are looking for at least $3M."

By focusing on small markets, Cumulus is often the only big radio group in its markets. In a few cases, though, the company does compete head-on with other major groups, such as Jacor (O:JCOR) and Clear Channel (N:CCU).

"We compete with other major groups in seven markets," Weening noted. "We have the number one position in revenue share in six of them. Of course, they are all tough competitors, but our experience is that having two or three major groups in a market tends to increase radio's share of the total media market—meaning radio, as a vehicle for advertisers, becomes more competitive."

Cumulus has assembled most of its superduopolies through purchases from multiple owners, rather than acquiring existing clusters, so many of its operations have only recently
Peering through the clouds to value Cumulus

How did Wall Street's big institutional investors decide how much to pay for the stock that Cumulus Media (O:CMLS) sold in its recent (RBR 7/6, p. 13) IPO? We can get an idea of their thinking from an analysis of the stock's prospects written by Tim Wallace of Lehman Bros., lead underwriter for the $106.4M offering.

As we noted in reporting the Cumulus IPO filing (RBR 4/6, p. 19), the year-old company had so many acquisitions pending that its actual revenues for 1997, $9.2M, were less than 10% of its pro forma figure, $106.2M. Its broadcast cash flow figures ($2M actual, $27.7M pro forma) were almost irrelevant because the company had yet to consolidate stations in its vast array of markets.

Flush with cash from its IPO and related bond placements, Cumulus has now closed many of its deals, although it's continuing to acquire additional stations. Here's what Wallace and his associate, Robert Ruland, are expecting to see as Cumulus implements its strategy of consolidating small market stations:

"We are forecasting dramatic cash flow growth over the next two years as management implements sophisticated sales, marketing, and programming strategies on newly acquired and significantly undermanaged stations. We estimate pro forma EBITDA [broadcast cash flow minus central office overhead] growth of 40% this year and 23% in 1999, making Cumulus one of the fastest growing radio companies in our universe."

Wallace sees Cumulus' pro forma broadcast cash flow growing 36% this year and 23% next year, compared to averages of 22% and 19% for the four other radio groups used for comparison—Clear Channel (N:CCU), Cox (N:CXR), Emmis (O:EMMS) and Heftel (O:HBCCA).

The Lehman Bros. analyst notes that Cumulus is trading at a significant discount to the two other recent IPOs, Capstar (N:CRB) and Citadel (O:CITC). That is due at least in part, Wallace says, to the two having a longer operating history than Cumulus. "However, we think that with each quarter Cumulus reports, this difference diminishes and so will the discount," he wrote.

Noting the continuing consolidation of the radio industry and the trend of big broadcasters looking to move into smaller markets, Wallace calculated a take out price estimate. At 17 times Wallace's 1999 broadcast cash flow estimate of $52M, Cumulus would sell for $28 per share. He also notes that the price would be $30 if the company beats that cash flow estimate by just 5%.

Here's what Wallace is forecasting for the next couple of years:

<table>
<thead>
<tr>
<th>Cumulus Media forecast</th>
<th>1998*</th>
<th>1999**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$129M</td>
<td>$141M</td>
</tr>
<tr>
<td>Broadcast cash flow</td>
<td>$43M</td>
<td>$52M</td>
</tr>
<tr>
<td>After-tax cash flow per share</td>
<td>12c</td>
<td>59c</td>
</tr>
</tbody>
</table>

*pro forma estimate
**estimate

Source: Lehman Bros. research dated 7/21/98
Clear Channel boosts European outdoor

In a move to expand its outdoor advertising operations in Europe, Clear Channel Communications (N:CCU) acquired France’s Sirocco S.A. for 495 million French Francs (approximately $87M).

“This transaction is the result of management’s ongoing search for value on a global scale,” said Clear Channel CEO Lowry Mays.

Sirocco has 22,000 street furniture panels (a popular form of outdoor advertising in Europe), which will add greatly to the 4,000 or so that Clear Channel already owns in France.

According to London’s Financial Times, Sirocco concentrates on cities of 50,000 people or less. Its management had been wanting to expand that strategy into Belgium, Italy, Spain and Germany, but didn’t have access to enough cash. Now, with Clear Channel’s backing, that expansion appears likely.

Emmis Q2 a record

Emmis Communications (O:EMMS) reported record financial results for its fiscal Q2, which ended 8/31. Net broadcast revenues rose 42% to $48.2M and the addition of Texas Monthly boosted publication revenues (net of expenses) by 404% to $1.2M. Broadcast cash flow rose 27% to $23.6M. After-tax cash flow gained 31% to 92¢ per share.

On a same station basis, net revenues increased 13%.

Radio stocks stage recovery

Radio stocks posted strong gains last Wednesday (9/23) as Federal Reserve Board Chairman Alan Greenspan hinted that an interest rate cut might come at tomorrow’s (9/29) Fed meeting. Both Chancellor Media (O:AMFM) and Jacor (O:JCOR) gained $5 for the day, Heftel (O:HBCCA) $4.625 and Clear Channel (N:CCU) $4.563.

Big City Radio (A:YFM) recovered from penny stock territory, closing at $5 for the first time since Sept. 4.

The Radio Index (See p. 13) is composed of the following radio stocks:

- Chancellor Media (O:AMFM)
- CBS Corp. (N:CBS)
- Jacor Communications (O:JCOR)
- Clear Channel (N:CCU)
- Capstar (N:CRB)
- Cox Radio (N:CXR)
- Heftel Broadcasting (O:HBCCA)
- Emmis Communications (O:EMMS)
- Cumulus Media (O:CMLS)
- Citadel Communications (O:CITC)
- Saga Communications (A:SGA)
- Triad Broadcasting (O:TBCOA)
- Big City Radio (A:YFM)
- Westwood One (O:WONE)
- Metro Networks (O:MTNT)

Disney set to Go on net

Disney (N:DIS) and Infoseek Corp. (O:SEEK) plan to offer the public a preview release of their new Internet portal before the year is out. The new portal, Go Network (www.go.com) will combine Infoseek’s Internet search engine with access to Disney content, including material from ABC News, ESPN and Disney content for kids.

Disney is confidently predicting that Go Network will “have the third largest unduplicated reach on the Internet, in terms of unique visitors, at launch,” ranking behind only Yahoo! (O:YHOO) and AOL (N:AOL). That would require beating the current #3 and #4, Microsoft (O:MSFT) and Netscape (O:NSCP), from the get go.

A transaction already in progress will result in Disney owning approximately 43% of Infoseek, with warrants to acquire a majority interest.
Clinton video boosts Broadcast.com

Dow Jones—Broadcast.com Inc. (O:BCST) shares rose after the release of President Bill Clinton’s videotaped grand jury testimony on the Internet focused investors on the company’s business of streaming audio and video on-line.

Broadcast.com, which aggregates and broadcasts streaming media programming on the Web, said that it set a record by supporting an estimated 50,000 simultaneous users on Monday (9/21). The company provided live audio and video streaming of Clinton’s grand jury testimony on the Internet on its own site and provided broadcast solutions for CNN.com, MSNBC.com and CourtTV Online.

“They’ve built a very solid network, and they were put to the test,” said William Blair analyst Abhishek Gami. “Most people who went to their site got good service.”

The analyst noted that the company’s network operates very efficiently. For instance, Broadcast.com uses multicasting technology, which enables one-to-many—rather than one-to-one—streaming, and caching technology, which allows servers in different places to store popular files to offload traffic from a central server.
CBS files Infinity spin-off, but details lacking

Expectations that Mel Karmazin would try to jazz-up the spin-off of CBS Corp.'s (N: CBS) radio/outdoor operation with a major acquisition have proved unfounded. The IPO filing for Infinity Broadcasting Corp. calls only for a separation of CBS' "out-of-home" media operations into a new company, with CBS continuing to be Infinity's controlling shareholder.

"The company characterizes its business as out-of-home because more than two-thirds of radio listening, and virtually all viewing of outdoor advertising, takes place in automobiles, transit systems, on the street and other locations outside the consumer's home," the SEC filing explained.

Although CBS said it would sell about 20% of Infinity to the public (RBR 8/13, p. 12), the IPO filing left virtually all financial details of the sale blank, to be filled in by amendment. The SEC filing covers only $10M in stock to be sold, but that's likely to be changed to a few billion when the amendment is filed. Even with its overwhelming equity ownership, CBS is creating two classes of stock in Infinity. The Class B stock, all of which will be owned by CBS, will have five times the voting power of the Class A stock to be sold to the public.

The filing says that for the 12 months which ended June 30, the operations being spun-off as Infinity had pro forma revenues of $1.952B and EBITDA (cash flow minus corporate overhead) of $757M.

Most of the proceeds from the stock sale will be used to repay a $2.5B loan from CBS, leaving Infinity with approximately $725M in long-term debt.

Underwriter: Merrill Lynch & Co.

RBR observation: At a 15X multiple (which would be rather low) of trailing EBITDA, Infinity would have been valued at $11.3B as of June 30—$15.1B at a 20X multiple. Subtract the debt and CBS' 80% equity, and it appears the public stock sale would be in a range of $2.1B-$2.9B, plus a growth factor for the months that will have passed by the time the IPO is priced. Thus, it appears the IPO will raise a bit more than $3B, leaving Mel with $500M or more in ready cash for acquisitions before he'll have to take on any additional debt.

Familiar names heading Infinity

Once the Infinity spin-off takes place, Mel Karmazin will be in the rare (if not unprecedented) position of simultaneously serving as president of three public companies. In addition to continuing as President & COO of CBS and President & CEO of Westwood One (O: WONE), he'll be Chairman, President & CEO of Infinity.

The other executives who'll head Infinity are also familiar names in their industries. Farid Suleman will be Infinity's Exec. VP & CFO, while continuing as Sr. VP/Finance of CBS and Exec. VP & CFO of WW1. Current CBS Radio President Dan Mason will become President, Infinity Radio Group, while continuing as a VP of CBS Corp. William Apfelbaum won't even need new business cards—he'll still be President & CEO of TDI.

Through an intercompany agreement, CBS will provide Infinity a wide range of services, including legal, human resources, investor relations, finance and other corporate services. Karmazin and Suleman will continue to be employees of CBS, rather than Infinity, with Infinity paying CBS for their services. That's similar to the deal the two already have with WW1.

RBR observation: A couple of details in this deal should put a damper on speculation that Karmazin is preparing to sell off CBS TV assets and return to being strictly a radio guy. First, he's going to continue to par-
In addition to all 161 radio stations, CBS Corp.'s spin-off to create Infinity Broadcasting Corp. (N:INF, IPO pending) will also include CBS' outdoor advertising division, TDI Worldwide Inc. The nation's fourth largest outdoor company (RBR 9/7, p. 2) came to CBS as part of the Infinity merger in 1996, just a few months after Infinity purchased TDI for $300M. In addition to signage in 13 US markets, all of which are also CBS/Infinity radio markets, TDI has advertising displays in Great Britain (double- and single-deck buses and the London subway) and Ireland (bus, rail, bridges and billboards). Here's a market-by-market look (by Arbitron rank) at TDI's US operations:

<table>
<thead>
<tr>
<th>#</th>
<th>Market</th>
<th>AM/FM radio</th>
<th>Outdoor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>New York</td>
<td>3/3</td>
<td>bus, commuter rail, phone kiosks, billboards, walls, trestles, in-station displays, &quot;spectacular signage&quot;</td>
</tr>
<tr>
<td>2</td>
<td>Los Angeles</td>
<td>3/5</td>
<td>bus, phone kiosks, beach panels, campus kiosks</td>
</tr>
<tr>
<td>3</td>
<td>Chicago</td>
<td>3/5</td>
<td>bus, bus shelters, rail, bridge, bulletins (small billboards)</td>
</tr>
<tr>
<td>4</td>
<td>San Francisco</td>
<td>3/4</td>
<td>bus, cable cars, commuter rail</td>
</tr>
<tr>
<td>5</td>
<td>Philadelphia</td>
<td>3/2</td>
<td>commuter rail</td>
</tr>
<tr>
<td>6</td>
<td>Dallas-Fort Worth</td>
<td>3/5</td>
<td>bus</td>
</tr>
<tr>
<td>7</td>
<td>Washington</td>
<td>1/4</td>
<td>bus, commuter rail</td>
</tr>
<tr>
<td>8</td>
<td>Atlanta</td>
<td>1/2</td>
<td>bus, commuter rail, billboards</td>
</tr>
<tr>
<td>9</td>
<td>Seattle-Tacoma</td>
<td>1/4</td>
<td>us</td>
</tr>
<tr>
<td>10</td>
<td>Minneapolis-St. Paul</td>
<td>2/2</td>
<td>bus</td>
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<td>bus</td>
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<td>bus</td>
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<tr>
<td>13</td>
<td>San Jose</td>
<td>0/2</td>
<td>bus</td>
</tr>
</tbody>
</table>

Source: Infinity Broadcasting Corp. SEC Form S1, 9/18/98

The shareholders—a likely scenario for a TV sell-off—its super-voting Class B stock will become ordinary Class A stock. Karmazin would become the largest shareholder, but wouldn’t have voting control of Infinity.

RBR's deal digest

Chancellor Media (O:AMFM) is adding to its Phoenix superduopoly with a $90M buy of Fred Weber's KFYI-AM & KKFR-FM... Alfredo Alonso's Mega Broadcasting is buying WNFT-AM Boston from CBS (N:CBS) for $5M. Broker: Norman Fischer & Associates... Jacor (O:JCOR) is adding another California desert signal with a $3M buy of Saddleback's KBET-AM. Broker: Jorgenson Broadcast Brokerage... Jacor is also adding to its Chilicothe, OH AM with a $4M buy of Dave and Annette Smith's WCHI-AM & WFCB-FM... CD Radio (O:CDRD) has completed syndication of a $115M credit facility with Bank of America, Chase Manhattan, Credit Lyonnaise and Bank of Nova Scotia.

The Radio Index™

Stock prices soared in anticipation of interest rate cuts, taking radio stocks back near where they began the year. The Radio Index™ closed Wednesday (9/23) at 94.98, posting a gain of 5.19 for the week.
The deals listed below were taken from recent FCC filings. **RBR**'s Transaction Digest reports on all deals that involve assignment of a station license (FCC Form 314) and substantial transfers of control of a licensee via a stock sale (FCC Form 315), but not internal corporate restructurings (FCC Form 316). All deals are listed in descending order of sales price.

**$95,000,000—** **WRMR-AM & WDKF-FM** Cleveland from Independent Group LP (Thomas J. Embrescia) to Chancellor Media Radio Licenses LLC (Tom Hicks, Jeff Marcus), a subsidiary of Chancellor Media (O:AMFM). $4.75M letter of credit as escrow, $95M in cash at closing. **Superduopoly** with WJMO-AM, WZJM-FM, WQAL-FM & WAZK-FM.

**$93,750,000—** **WZAK-FM** Cleveland from Zapis Communications Corp. (Xenophon Zapis) to Chancellor Media Radio Licenses LLC (Tom Hicks, Jeff Marcus), a subsidiary of Chancellor Media (O:AMFM). $4,687,500 letter of credit as escrow, $93.75M in cash at closing. **Superduopoly** with WJMO-AM, WMRM-AM, WZJM-FM, WQAL-FM & WAZK-FM. **Broker:** Star Media Group.

**$82,000,000—** **WEEI-AM & WRKO-AM** Boston from CBS Radio License Inc. (Mel Karmazin), a subsidiary of CBS Corp. (N:CBS), to Entercom Boston License LLC (Joe Field), a subsidiary of Entercom Communications Corp. (N:ETM, IPO pending). $82M cash. **Superduopoly** with WQAL-FM & WEGQ-FM in Boston market and WWTM-AM in Worcester market. LMA upon antitrust approval.

**$75,000,000—** **WYUU-FM & WLLD-FM** Tampa (Safety Harbor-Holmes Beach FL) from ECI License Company LP (Joe Field), a subsidiary of Entercom Communications Corp. (N:ETM, IPO pending), to CBS Radio License Inc. (Mel Karmazin), a subsidiary of CBS Corp. (N:CBS). $75M cash. **Superduopoly** with WQYK-AM & FM. LMA upon antitrust approval.

**$58,000,000—** **WAAF-FM & WEGQ-FM** Boston (Worcester-Lawrence MA) and WWTM-AM Worcester from ARS Acquisition II Inc. and CBS Radio License Inc. (Mel Karmazin), subsidiaries of CBS Corp. (N:CBS), to Entercom Boston License LLC (Joe Field), a subsidiary of Entercom Communications Corp. (N:ETM, IPO pending): $58M cash. **Superduopoly** with WEEI-AM & WRKO-AM. LMA upon antitrust approval.

**$51,250,000—** **WQAL-FM** Cleveland. 100% stock sale of Win Communications Inc. from ML Media Partners LP, controlled by Merrill Lynch (N:MER), to Chancellor Media Corp. of Los Angeles (Tom Hicks, Jeff Marcus), a subsidiary of Chancellor Media (O:AMFM). $2,562,500 letter of credit as escrow, $51.25M in cash at closing. **Superduopoly** with WMRM-AM, WJMO-AM, WZJM-FM, WAZK-FM, & WQAL-FM.

**$35,000,000—** **WJMO-AM & WZJMF-FM** Cleveland (Cleveland Heights OH). 100% stock sale of Zebra Broadcasting Corp. from Young Ones Inc (Leon X. Zapis, Maria Zapis Wyrner, Donna Zapis Thomas, Renee Zapis Seybert) to Chancellor Media Corp. of Los Angeles (Tom Hicks, Jeff Marcus), a subsidiary of Chancellor Media (O:AMFM). $1.75M letter of credit as escrow, $35M in cash at closing. **Superduopoly** with WMRM-AM, WAZK-FM, WQAL-FM & WDKF-FM. **Broker:** Star Media Group.

**$8,000,000—** **WZLE-FM** Cleveland (Lorain OH) from Victory Radio Inc. (Vernon R. & Marcella Baldwin) to Citicasters Co. (Randy Michaels), a subsidiary of Jacor Communications (O:JCOR). $400K escrow, balance in cash at closing. **Superduopoly** with WTAM-AM, WMMS-FM, WJMO-AM, WQAL-FM & WMVX-FM.

**$4,600,000—** **KLAD-AM & FM & KAAQ-FM** Klamath Falls (Bandon OR) from B&B Broadcasting Inc. (Robert Barron, George Broadbin) to Northwest Broadcasters Inc. (Michael Williams O'Shea, Ivan E. Braiker). $230K escrow, balance in cash at closing. **Existing duopoly** Broker: Elliot Evers, Media Venture Partners.

**$3,300,000—** **KBBQ-AM, KRSE-FM & KARY-FM** Yakima (Yakima-Grandview WA) from Northwest Broadcast Representatives Inc. to New Northwest Broadcasters Inc. (Michael Williams O'Shea, Ivan E. Braiker). $165K escrow, balance in cash at closing. **Existing duopoly** Broker: Elliot Evers, Media Venture Partners.

$2,100,000—KGRC-FM & KZZK-FM Quincy IL-Hannibal MO (Hannibal-New London MO) from Taylor Broadcasting Co. (Michelle Taylor) to STARadio Corp. (Howard & Michele Doss, C. Derek & Lisa Parrish, Jack W. & Sydney Whiteley & others). $100K escrow, balance in cash at closing. Superduopoly with WTAD-AM, WQCY-FM & WMOS-FM Quincy IL. Note: 16 stations in market.

$1,482,400—* KXRB-AM, KSOO-AM, KKLS-FM, KMXC-FM, KIKN-FM & KYBB-FM Sioux Falls (Sioux Falls-Salem-Canton SD) and KROC-AM & FM & KYBA-FM Rochester (Rochester-Stewartville MN), 37.52% stock sale of Southern Minnesota Broadcasting Co. from Gail Ann Gentling and Cynthia Lynn Gentling to Gregory D. Gentling Jr. (63.38% thereafter). $500K cash and two notes for $25K each. Note: The remaining 36.62% is owned by Anthony & Steven Gentling. If the balance in cash at closing, $194K note. Superduopoly.


$300,000—KFIC-AM Fresno from Headliner Radio Inc. (Ron W. Ostlund) to Valley Broadcasting Inc. (Mike Munoz, Antonio Rabago). $135K paid into escrow under LMA/option agreement dated 2/24/94, additional $165K in cash at closing. Note: The buyer will also pay $84.5K in back rent at closing.

$296,530—WATG-FM Trion GA from Tri-State Broadcasting Co. (William B. Farrar) to TTA Broadcasting Inc. (Randy Davis, Jim Bojo, Erle J. Newton). $40K in cash at closing, plus series of monthly payments and $82K under a non-compete agreement. Total payment ranging from $171,530 to $296,530 under a complex formula. Combo with WGTA-AM Summerville GA and WLAG-AM Rome GA.

$285,000—* WNCQ-FM & WYSX-FM Morristown-Ogdensburg NY from Border Broadcasting Inc. (Jeffrey D. Shapiro) to Cartier Communications Inc. (Timothy D. Martz), part of the Martz Communications Group. $285K cash. Existing duopoly.

$200,000—KVWG-AM & FM Pearsall TX from Pearsall Broadcasters Inc. (Noelia S. Herbst) to Pearsall Radio Works Ltd. (John W. Barger). $5K escrow. At closing, the buyer will pay either $15K in additional cash, or $15K cash and a $180K note. Superduopoly.

$200,000—KRNN-AM Little Rock (North Little Rock AR) from Citadel License Inc. (Larry Wilson), a subsidiary of Citadel Communications (O:CITC), to Equity Broadcasting Corp., a subsidiary of Arkansas Media LLC (Larry E. Morton, Gregory W. Fess, Max Hooper, Neal Ardman). $10K escrow, balance in cash at closing. Note: The buyer LMA's KDRE-FM & KSIZ-FM in the Little Rock market.

$100,000—WEBG-AM Johnstown (Loretto PA) from Allegheny Broadcasting Corp. (James A. Mistick Jr.) to Jesus Is Lord Ministries International (Michael Yeager, Donald Sites, Eugene Paul, Floyd Mackey). $10K non-refundable deposit, balance in cash at closing. Broker: Gordon Moul. $100,000—WBHL-FM Huntsville (Florence AL), transfer of all seats on the board of directors of Tri-State Inspirational Broadcasting Corp. from Dennis Jones et al. to Aaron Clemmons and his designees. $10K earnest money, balance in cash at closing, all paid to International Bible College.

$70,000—WBFC-AM Stanton KY from Parks Broadcasting Co. Inc. (Walter H. Parks) to James Harold Combs. $70K cash. $56,000—* KAPV-FM Elma WA, 51% stock sale of Marrow Inc. from Skip Marrow to Gregory J. Smith (100% thereafter). $56K cash. Duopoly with KBKW-AM & KAYO-FM Aberdeen WA.

Kelly Callan, Fred Kalil, Frank Higney, Dick Beesemyer, Tom Zlaket and Frank Kalil will be at the SHERATON SEATTLE HOTEL for the N.A.B.

Please phone for a confidential appointment

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**AT 1:00PM**

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