Marcus swept overboard by Chancellor’s Wall Street iceberg

Going into the briny along with Chancellor’s short-term CEO is the deal to buy LIN TV from Hicks-Muse. But Jimmy de Castro will be battening down the radio hatches.

Kennard on the Hill: Talkin’ ‘bout my authorization

Spot pacing: Looks like a merry, merry month of May

Film House not flattered by IQ’s alleged imitation

CNN Max is on the highest rung of the RADAR

If it ain’t brokered, don’t fix it? NAMB pans LPFM

Dolan joins Steinmetz atop ABC Radio Group

Soaring Citadel: Where there’s a Wilson, there’s a way

An investors-eye view of Citadel

Wagner wagers on the future of Broadcast.com

Hearst-Argyle/Pulitzer Broadcasting nuptials completed

Radio One tries to rule Richmond, readies IPO

Radio One will buy Sinclair Telecable’s Richmond superduo, which will build a 1AM, 6FM cluster. Look for more acquisitions after a $100M IPO.

Michaels phoeils phine aphter phorking over phoe phor Phoenix

Midwest finds a Wild buyer for its Peoria pair

Bloomingtont gets a Baker to cook up a Columbia superduo

Minnesota Public Radio hopes to profit from Cargill gift

Duluth duo will soon be cumin’ for Kunin

Cumulus goes over the Hill to bivouac in Ft. Smith

Ingstads corner Fargo radio cargo; FCC flags the deal

More than 100 man-years of frontline experience.

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Adults 25-54
Abducted!

It's strange how the numbers just seem to change at midnight...

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Coast to Coast with

Art Bell

Source: Fall 1998 Arbitron Metro Survey Area
No sale! Chancellor ditches Marcus and LIN

Just 10 months ago, Tom Hicks was hailing Jeff Marcus as a "world-class CEO" who would build Chancellor Media (O:AMFM) into a multi-media company. Now Marcus is history, an attempt to find a deep pockets buyer for the company has been shelved, Chancellor is trying to rebuild its relationship with Wall Street and a $1.7B deal to buy LIN Television has been killed.

What happened?

Hicks said he still believes in the multi-media concept—"We also believe in listening to the concerns of our fellow investors," he noted in a 3/15 conference call with analysts, investors and reporters.

Wall Street clearly didn’t like the LIN deal. Many investors thought Hicks, Muse, Tate & Furst (HMT&F) paid too much for the TV group and was trying to off-load it onto Chancellor. Skepticism about the LIN deal and fears that the attempt to find a buyer for Chancellor was foundering took its toll on Chancellor’s stock price. Someone had to walk the plank and Marcus was a handy target.

"Jeff Marcus has made a real contribution to Chancellor over the past year," Hicks said as he announced that the two had agreed to have the CEO step down. Hicks will remain as Chairman and also assume the CEO title. Jimmy de Castro was named Vice Chairman and President/CEO of a new Chancellor Radio and Outdoor Group, incorporating the company’s largest units. Steve Hicks, who’s headed merger-partner Capstar (N:CRB), has also been made a Vice Chairman and President/CEO of a new Chancellor Media Services Group, which includes Katz Media and the new AMFM Internet venture.

Also, Ken O’Keefe was named COO of Chancellor Radio, Geoffrey Armstrong acting CFO and William Banowsky General Counsel. Both Armstrong and Banowsky came from Capstar.

FCC reauthorization attempt begins

Almost three years ago, Congress got with the times and passed the Telecommunications Act of 1996, preempting the outdated Communications Act of 1934 and forgetting one thing in the process; they failed to “reform an out-of-touch Federal Communications Commission when we overhauled the law,” said Rep. Billy Tauzin (R-LA) in his prepared statement for the Telecom Subcommittee hearing on FCC reauthorization 3/17.

"Can an agency, created in the 1930’s, instilled with a regulatory purpose and ingrained with a regulatory mind-set, effectively oversee the ‘deregulatory’ policies engineered by Congress for a modern day marketplace?” questioned the subcommittee chairman. “The answer is no.”

Tauzin pledged his support during last week’s Congressional hearing to work with Commerce Committee Chairman Thomas Billey (R-VA) on a sweeping reform bill due this summer. They plan to look at forbearance, privatization, duplication, devolution and organization as ways of revamping both the agency’s structure and its mission so it will act

continued on page 4
Chancellor continued from page 3

to take no more fees for its services to Chancellor.

Marcus, of course, has a golden parachute—although not one nearly so generous as published elsewhere. The terms of Marcus' five-year contract were detailed in RBR (5/25/98, p. 12). His forced departure triggers a cash payment of $6.25M. Marcus is also entitled to options for 2.25M shares of stock, but since the company's stock price actually declined during his tenure, the exercise price makes those options worthless.

Marcus will continue as a director of Chancellor and is also joining the board of LIN.

No bids on the table

Since its directors put Chancellor up for sale in late January (RBR 1/25, p. 3), rumors have run rampant about who was interested in the company—NBC, Fox, AOL—and what price was being offered by the most likely buyer, Clear Channel (N:CCU)—$65, $60, $55 per share.

In the conference call, one big investor wanted to know how close the bidders had come which would have convinced Hicks to sell Chancellor instead of hunkering down to build the company up over the next few years. "We never received an offer from anyone," Hicks responded.

Still, RBR sources say there were talks with more than a dozen companies about various possibilities—mergers, joint ventures and spin-offs. Although the strategic review is over, some of those proposals could be investigated again in the future.

For now, the focus is on operations, and the operators are running the company.

"Finally, for the first time, the destiny of the company and the shareholders is with the operations of the company," de Castro told RBR in the midst of making the rounds of Wall Street and the financial media. The long-time broadcaster is clearly thrilled with his new role. "I can create such a difference."—JM

FCC continued from page 3

more like an enforcement agency rather than a regulatory agency.

Although snide remarks were kept to a minimum during the hearing, the Republican Congress and Democrat-controlled FCC clearly have different views of how much the commission's mission should be changed, from administrative and managerial reforms to a complete overhaul.

In a series of hearings to continue through the spring, FCC Chairman Bill Kennard (D) plans to support the panel in transforming the FCC to meet the challenges of an ever-changing communications industry. In doing so, he submitted as part of his testimony a report titled "A New Federal Communications Commission for the 21st Century" which he says is the first step in developing a five-year strategic plan for the FCC. In it, Kennard cites three new missions for a new FCC: 1) universal service, consumer protection and information; 2) enforcement and promotion of pro-competition goals domestically and worldwide; and 3) spectrum management.

Kennard also added that in order to make the transition to a new model FCC, the steps must include restructuring, streamlining and automation, deregulation and a strategic plan.

Most members on the panel agreed that the FCC is an outdated agency and needs to be restructured or completely overhauled. "Reauthorization should be for a period of one year or less," said Rep. John Dingell (D-MI). "There is need for accountability in an agency that is out of control."—TS

3/22/99 RBR
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We're not a direct mail house that does phone work on the side. We're specialists that will help you get results.

Recall Telemarketing utilizes the full range of direct marketing techniques, but our specialty is the toughest and most important part of the project: the telemarketing part.
**News Briefs**

**Brokers say LPFM will break band**

The National Association of Media Brokers (NAMB) is the latest industry group to publicly oppose the FCC's low-power FM proposal. "We fear that any attempt to shoehorn the AM band, said Charles Giddens, NAMB President. —JM

**Dolan upped at ABC**

Disney's (N:DIS) ABC has completed the chain of top management promotions that began when former ABC Radio president Bob Callahan was picked to become President of Broadcasting (RBR 2/22, p. 2). John Hare got the nod to run the Radio division (RBR 2/22, p. 3), leaving open his old job as head of one of the two Radio Groups. NYC Pres./GM J. M. "Mitch" Dolan has now been promoted to President, ABC Radio Station Group I, which includes the company's stations in NYC, LA, Dallas, Detroit and Washington, DC. Mark Steinmetz continues as President of Group II.

**RADAR 60 results**

Ratings from the Winter RADAR® survey of network radio audiences, released as RBR was going to press, provide the first book-to-book comparison of new and re-aligned networks at Westwood One and Premiere.—JM

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Source: AMFM Radio Networks, Statistical Research Inc.

**Film House files suit against Quin, IQ TV Group**

Citing unfair competition, infringement of proprietary commercial information and unauthorized use of trademarks and proprietary materials, TV spot producer for the radio industry, Film House, Inc., has filed suit (3/5) against competitor IQ Television Group (Tony Quin) for allegedly using its contesting ideas. Film House says its "The Birthday Game" and "The Million Dollar Birthday Game" TV campaigns were unlawfully imitated in IQ's "$1 Million Birthday Contest."

In a response, IQ President Quin denies his Million Dollar Contest campaign infringes on any of Film House's rights. He said IQ originally sent a promotional fax to radio stations, "The $1M Birthday Contest." When Film House called and alleged it was infringing, IQ changed the name to "The Million Dollar Contest."

"What we are doing is completely different. The only similarity is that we use million dollar contests, and the mechanism in many instances is a birthday. However, I think it can be reasonably deduced that it could be in a company's interest to make the radio industry believe that they own something, especially if they want to charge large, exclusive licensing fees for it," said Quin. "We believe radio stations should be able to do anything they want with birthdays and million dollar contests. KLIS-FM in L.A. ran a million dollar birthday contest and they didn't pay anybody for it. Film House does not own the exclusive rights to million dollar contests or birthdays; nobody does."

Says Film House CEO Curt Hahn: "Obviously, Tony is correct when he says we can't own the idea of million dollar giveaways—we've never claimed it. What we claim to have a proprietary interest in is a particular contest that we have done hundreds of times for hundreds of radio stations around the world. Tony knows all about that because he worked here for six or seven years. What Tony did in February was market a promotional package identical in all important particulars to the proprietary promotional games marketed by Film House. That is the crux of the issue."

The damages requested (no dollar amount has been set yet) will hinge on how many Film House jobs or clients were lost or affected from the IQ campaign.

In addition, on the promotional fax IQ was sending to radio stations advertising the $1M Birthday Contest, Quin is said to be the the creator of the original TV birthday game (assumedly while working for Film House).—CM

**Westwood presents Brooks & Dunn**

At the recent CRS 30 in Nashville, Westwood One sponsored an intimate club performance of Arista/Nashville duo Brooks & Dunn at the Hard Rock Cafe. L to R: Arista/Nashville President Tim DuBois, Ronnie Dunn, Arista artists Lee Roy Parnell and Brad Paisley (also performed), Claire Wilson and husband/Citadel Chairman Larry Wilson, Kix Brooks and Westwood SVP Affiliate Relations Nick Kiernan.
Looking back from 1999, Larry Wilson's business plan for growing Citadel Communications (O:CITC) looks brilliant: Buy up leading stations in Western markets devastated by Docket 80-90 and hold on until times get better. At the time he was actually doing it, though, the strategy's upside was a little less obvious.

“When we went into Salt Lake City I had several of my close friends suggest that to me that I'd lost my mind,” Wilson recalled. “Today Salt Lake is a major performer for us and it's a wonderful place to be.”

Wilson knew that radio was a good business, but neither he nor anyone else could have imagined the regulatory changes which would come in the 1990s—turning radio into a great business, even in those ravaged Western markets.

“Albuquerque—consolidation has saved it,” Wilson said. “Consolidation has saved Salt Lake City and Colorado Springs.”

As one of the strong players, Citadel was in a position to buy additional stations in its markets as the FCC permitted duopolies in 1992 (and LMAs before that) and Congress cleared superduopolies in 1996. In Wilson's view, the 1996 Telcom Act allowed Citadel to acquire enough properties to compete effectively with cable, newspapers and TV in those markets.

With his 1997 buy of the Telemedia Broadcasting group for $117M, Wilson took Citadel eastward across the Mississippi River and turned the company into a national group. Today, he is shopping for medium-market radio stations from coast-to-coast. Citadel recently sold its group of 25 stations in small markets (#144 through #243) to Marathon Media for $26M (RBR 1/18, p. 16) and Wilson says he plans to stay focused on medium markets. “We really want to stay in the medium-size markets — $10M, $15M minimum radio revenue. That’s where we like to be.”

Even so, Wilson says he'll make an exception for WWKI-FM Kokomo, IN and WMDH-AM & FM New Castle-Muncie, IN—part of Citadel's pending buy of the 16-station Wicks Broadcast Group for $77M (RBR 11/30/98, p. 12). The two Country FMs are regional powerhouses, despite not being in an Arbitron-rated market. “Those are pretty unique situations,” he said, adding that they are very profitable.

What’s his acquisition profile?

“First and foremost it’s got to be a cluster that we think we can get critical mass with,” Wilson told RBR. “There have got to be enough stations available in the market that we can reach somewhere around 25% of the listeners. Then we expect that we can bill 150% of whatever our listenership is. 25-54. That’s what we really look for to be viable for us.”

Sticking with radio

One thing that Citadel has not done is expand beyond superduopolies to add TV, billboards or other media in its markets—the multi-media approach being followed by Clear Channel (N:CCU), CBS (N:CBS)/Infinity (N:INF), Chancellor Media (O:AMFM), Emiss (O:EMMS), Radio One and others.

If you think that combining broadcasting and other media in a single company is a 1990s innovation, think again. Wilson was helping to do it in the 1970s as Executive VP and General Counsel to Combined Communications Corp. That company, which was sold to Gannett (N:GCI) in 1980, operated TV stations, newspapers and an outdoor advertising division.

“We originally thought it [synergy] was there. I'd say we never fully utilized it, although most of those businesses were just good businesses,” Wilson said. He still thinks radio and billboards are a good fit, although Citadel hasn't acquired any outdoor assets. “We've elected to stay pure-play radio because we like the radio business better than anything we've seen.”

Don't look for Wilson to follow Clear Channel, Emiss and others into overseas markets, either. “We see so many great things in the United States that I have zero interest in going abroad.”
Embraced by Wall Street

It seems today that Internet companies are selling IPOs before they begin generating revenues (certainly before they have positive cash flow) and even radio groups are able to go public with little operating history. Citadel, however, followed a more traditional route to Wall Street.


As recounted by Mark Leavitt, Managing Director/Group Head, Prudential Securities’ Media and Telecom Group, in a recent RBR interview (RBR 3/1, p. 11), Citadel followed the tried-and-true path of first issuing public bonds to establish a relationship with institutional investors. That established a core of investors who were already familiar with the company and were ready, willing and able buyers when Citadel was ready to offer stock as well.

"The markets, up to now, have been very, very good to us," said Wilson, noting that Citadel sold both high-yield bonds and preferred stock in 1997, followed by its common stock IPO in 1998. "It's really given us the opportunity to do some aggressive acquiring, which we could never have done if we were accessing private capital."

As the chart (page 10) shows, Citadel's stock price dipped with the rest of the market last fall, but has generally had upward momentum. Those investors who bought the IPO at $16 per share (7/1/98) now have shares worth 60-65% more.

"Just keep creating shareholder value, that's really the goal I've had since the beginning," Wilson said. After all, it's not just the Wall Street guys that he's trying to please. "This is my main—almost my only asset—and it's grown very nicely. I want to keep it growing."

The boss isn't the only one at Citadel keeping an eye on the stock price. Employee stock ownership runs deep and the stock option plan includes not only the top executives, but all GMs and some employees at the station level. "It's all based on performance," Wilson noted.

Scenes from Citadel's Salt Lake City cluster:

KFNZ-AM, KCNR-AM, KUBL-FM, KBER-FM, KENZ-FM & KBEE-FM.
Prudential Securities is proud to play a part in Citadel’s continuing growth.

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has acquired

Tele-Media Broadcasting Company

Sole Financial Advisor

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Citadel Communications Corporation

Initial Public Offering

Lead Manager

$115,000,000

Citadel Broadcasting Company

9⅞% Senior Subordinated Notes due 2008

Lead Manager

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Currently, 23% of Citadel's stock is owned by employees—11% by Wilson and 12% by others in the company.

In its latest financial report (see chart, right), Citadel posted double-digit gains for both revenues and cash flow in 1998—both actual and pro forma for pending acquisitions and divestitures. The company has been consistently improving its overall cash flow margin, which is now comfortably in the 30%+ range.

"We have a goal to get to 40%," Wilson said. "We have some markets that are in excess of 40 right now and a couple that are in the low 50s." For stations that Citadel owns now, Wilson says they should all be at that 40% mark by 2000.

**New digs in Vegas**

Citadel recently relocated its corporate headquarters to Las Vegas—not a Citadel radio market, but a place with lots of flights (and good fares) to just about anywhere in the country. "We wanted to get to a good travel hub," Wilson noted. Also, the warm weather can be a welcome winter break from his ranch in Big Fork, MT.

In addition to Wilson's office (perhaps we should say his administrative assistant’s office, since, like many radio executives, his real office is an airplane). Citadel executives ensconced in Vegas include President/COO Bob Profit, VP/CFO Donna Heffner and VP/Sales Jerry Schlegell. VP/FM Programming Scott Mahalick is also there, while his AM counterpart, Brian Jennings, is based in Oregon.

Citadel’s 108 stations in 20 markets (once all pending deals close) are divided into three regional groups, each with its own president. Central President Pete Benedetti has his office at company headquarters in Las Vegas, West President Ed Hardy is based in Portland, OR and East President Stu Stanek will soon be moving to Pittsburgh, where Citadel is opening a new regional office with an employee training center.

At the local level, each Citadel cluster has a single GM, although Wilson notes that other local executives may now have responsibilities that in pre-Telcom days were reserved for GMs. "With consolidation, everyone has had to take on more responsibility," Wilson said. "In a lot of our bigger markets we have a director of sales that all of the other sales managers report to." He also noted that some markets have an operations manager and some have a director of programming that the other PDs report to.

**Keeping it local**

Those individual station PDs have plenty of work to do. Don’t look for any “virtual” programming or satellite-fed formats at Citadel’s stations. Sure, many of the Talk stations carry syndicated hits such as Rush Limbaugh and Dr. Laura Schlessinger, but all have local programming as well. The music stations all have live morning shows and remain live and local through most dayparts.

"We don’t plan on any centralized programming," Wilson explained. "Particularly on the music stations, we have to be in the entertainment business and we have to be reaching out and touching the people in the local communities."

As an NAB Radio Board member, Wilson has heard FCC officials claim that consolidation has eliminated localism. "I think they have a very ill-conceived notion of what’s going on in America."

Not surprisingly, given his experience with the fallout from Docket 80-90, Wilson is opposed to the Commission’s low-power FM proposal, which could add many times more new stations (albeit micro-power ones) than the FCC’s previous failed attempt to boost localism, diversity and minority/female ownership.

Because it concentrates on medium markets (Providence, its largest market, is #32), Citadel’s revenues are driven primarily by local ad sales. Even so, Wilson says national spot advertising is 15-16% of Citadel’s business and growing, although local sales growth is even stronger. "It’s sort of a fight between local and national for the avails." All Citadel stations are repped by Interep’s McGavren Guild Radio.
Broadcast.com CEO sees new revenue opportunities

DowJones—Broadcast.com (O:BCST) CEO Todd Wagner said the company sees future revenue opportunities in placing commercials in its programming, in pay-per-view services and in consulting services.

Speaking at the PaineWebber Internet Conference in New York, Wagner said that by providing consulting services to corporate clients, Broadcast.com may lead them to realize how difficult it is to deliver streaming audio and video over the Internet.

Broadcast.com is a leading provider of streaming audio and video programming for consumers as well as for business customers over the Web.

The company currently generates about 62% of its revenue from business services by handling the streaming of conference calls, product launches, shareholder meetings and other events for business customers. Most of the rest of the company’s revenue comes from advertising on the programming that it provides to consumers.

Broadcast.com is leading the Internet in a transition out of a “text-based phase” to include audio and video programming, Wagner explained.

He said Broadcast.com has the unique ability among media companies to reach people during the day while they are at work, since most people have access to a PC in the office, even if they don’t have access to a television.

Wagner said Broadcast.com had 800,000 unique visitors a day in Q4. In addition, according to CFO Jack Riggs, the company added 59 new advertisers and 114 new business-service customers in Q4.

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Pulitzer Broadcasting merged into Hearst-Argyle

As RBR went to press (3/18), Pulitzer Publishing (N:PTZ) completed its split into two units—newspaper and broadcast—and merged Pulitzer Broadcasting into Hearst-Argyle Television (N:HTV). Pulitzer shareholders received slightly over 37M shares of Hearst-Argyle valued at approximately $1.15B.

Hearst-Argyle will replace Pulitzer in next week’s RBR stock chart.

The Radio Index™

While the Dow Industrials were bumping the 10K mark, radio stocks were hanging well below the record high of 129.75 set 2/3. The Radio Index™ closed 3/17 at 120.77, down 1.24 from a week earlier.
Radio One files IPO; buying four more Richmond stations

The nation's largest African-American-owned radio group is set to make its stock market debut. Cathy Hughes and Alfred Liggins filed the long-awaited prospectus for an IPO by Radio One Inc., seeking to sell $100M in stock to the public to continue the company's rapid growth.

They then announced yet another major acquisition—a $34M buy of Sinclair Telecable's four Richmond stations. That will give the company one AM and six FMs in the Virginia capital and a virtual lock on formats targeting the market's 29% Black population.

Radio One's SEC filing still has lots of details to be filled in by amendment, including the number of shares to be offered and the percentage of the company to be sold to the public. Proceeds from the IPO will be used to reduce debt and increase working capital.

Along with the IPO, Radio One plans to sell $50M in new preferred stock. Those proceeds will be used to redeem the company's existing preferred stock and to reduce its bank debt.

Until now, all of Radio One's voting stock has been held by the company's founder, Hughes, and her son, Liggins. They'll still have voting control after the IPO, since they will own all of the Class B stock, which will have ten times the voting power of the Class A stock being sold to the public.

Radio One's financial backers—Alta Subordinated Debt Partners III LP, Alliance Enterprise Corp., BancBoston Investments, Medallion Capital, Fulcrum Venture Capital, Symcor Capital and Allied Capital—will exercise various options, warrants and conversions to become shareholders, as will CFO Scott David and Bob Sinclair of Sinclair Telecable.

Royster and COO Mary Catherine Sneed. The company adopted a stock option plan this month to compensate other employees in the future.

Pro forma for all announced acquisitions (there's also a letter of intent to buy an unidentified East Coast station), Radio One's SEC filing said it would have had 1998 net revenues of $73.3M and broadcast cash flow of $31.2M. The filing also disclosed for the first time that the company's investment in PNE Media (RBR2/15, p. 13), an outdoor advertising company, was $1M.

Here's what Radio One cited as key selling points in the introduction to its prospectus:

- "Net broadcast revenue grew at a compound annual rate of 60.2% from an actual $23.7M in 1996 to $60.8M in 1998, pro forma for completed transactions."
- "Broadcast cash flow grew at a compound annual rate of 66.0% from an actual $9.8M in 1996 to $27.0M in 1998, pro forma for completed transactions."
- "After-tax cash flow grew at a compound annual rate of 206.2% from an actual $0.8M in 1996 to $7.5M in 1998, pro forma for completed transactions."

The lead underwriter for the IPO is CS First Boston. Other underwriters are NationsBanc Montgomery Securities, Bear, Stears & Co. and Prudential Securities. The sale of the Sinclair Telecable stations was brokered by Peter Handy of Star Media Group.

RBR published an extensive profile of Radio One in our 2/22 issue. p. 8-10.

RBR observation: Alfred Liggins told us in that profile that his five-year goal is to build Radio One into a $4B company. That's a long way from the company his mother launched with a $900K buy of WOL-AM Washington, DC in 1980. We have been impressed repeatedly by their drive, tenacity and savvy station buying. Cathy Hughes seems to have a knack for buying stations just before prices shoot upward and for seeing the potential in a troubled operation—valuable traits she appears to have passed on to her son.
Randy cashes Buck out of Phoenix

Randy Michaels has doubled Jacor's (O:JCOR) holdings in Phoenix from two FMs to four with a deal to buy KNIX-FM & KESZ-FM for $142M. KNIX is owned by Country star Buck Owens and his family and has long been managed by son Michael Owens. Owens Broadcasting established a partnership in 1997 with MAC America, OwensMAC, which owns and manages KESZ. The price is divided $84M for KNIX and $58M for KESZ. Broker: Bruce Houston & Dick Blackburn, Blackburn & Co.

Midwest spins combo

Midwest Television has a buyer for its Peoria combo, WMBD-AM & WPGB-FM, which it put on the auction block in December (RBR 12/7/98, p. 13). After the station was shopped to a few existing groups, Midwest owner August Meyer Jr. agreed to sell the combo to two long-time employees—Exec. VP Jack Everette and GM Mike Wild. Their JMP Media LLC, which they hope to build into a group, will pay $10.75M for the combo. An announcement is expected soon of a deal to sell Midwest’s three Illinois TV stations for around $100M, completing the planned sell-off which will leave the company with KFMB-AM, FM & TV San Diego. Broker: Larry Patrick, Patrick Communications.

Bloomington blooms in Columbia

Ken Maness’ Bloomington Broadcasting has picked up a third FM in the Columbia, SC market. It’ll pay $3.2M for Frank Baker’s WLXC-FM, a Class A licensed to Lexington, SC. An LMA began the first of the month.

Fargo radio: All Ingstad, all the time

Otter Tail Power Co. (O:OTTR) is getting out of radio with a deal to sell its Fargo superduopoly (and we do mean super!) to James Ingstad for $24M. One problem: Jim and brother Tom Ingstad collectively own five stations and LMA a sixth in Fargo—all managed by their 50/50 owned Results Radio. In order to buy the six Otter Tail stations, including billing monster KFGO-AM, Jim told the FCC he’ll either divest his interest in all six stations owned or LMA’d by Results Radio, or keep WDAY-FM and all of the Otter Tail stations except KVOX-AM & FM. The FCC red-flagged the deal as soon as it came in and invited public comments on “the issue of concentration and its effect on competition and diversity in the broadcast markets at issue.” The $24M deal also includes Otter Tail’s combo in Morris, MN, which does not have any contour overlap with the Fargo stations.

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

$24,000,000—— KFGO-AM & FM, KVOX-AM & FM, KPHT-FM & KFGX-FM Fargo (Fargo-Kindred ND-Moorhead-Detroit Lakes MN) and KMRS-AM & KKOK-FM Morris MN from KFGO Inc. and Western Minnesota Broadcasting Company, subsidiaries of Varistar Corp. (Lauris Molbert, pres., Richard Voight, VP/Radio), subsidiaries of Otter Tail Power Co. (O.OTTR) to James Ingstad Broadcasting Inc. (James Ingstad). $500K escrow, balance in cash at closing. **Superduopoly** with KQWB-AM & FM, WDAY-FM & KFXP-FM, plus LMA of KTLA-FM. Note: James Ingstad has pledged to divert himself of attributable interests in enough stations in the Fargo market to comply with the FCC's ownership limits.

$5,700,000—— WEDA-FM Birmingham (Homewood AL), 100% stock sale of Homewood Radio Co. LLC from Homewood Partners Inc. and WEDA Ltd. (Laurie Arthur) to Cox Radio Inc. (N.CXR, Bob Neil, pres.). $1.01M non-refundable payment to exercise option, cancellation of $650K in loans, additional $5.05M in cash at closing. **Superduopoly** with WAGG-AM, WEIZN-AM, WBHJ-FM, WBBK-FM, WZKZ-FM & WOFL-FM. LMA in place.


$1,800,000—— WRSW-AM & FM Warsaw IN from WRSW Broadcasting Inc. (Martha Lane Williams Hartle, Michael Williams) to GBC Media LLC, a subsidiary of The Brethren Missionary Herald Company (James Bustraan Sr., Exec. Dir.). *Daisy-chain duopolies* with WLZQ-FM South Whitley IN and WLNB-FM Ligonier IN. $15K escrow, balance in cash at closing. **Broker**: Star Media Group.

Although The Brethren Missionary Herald Company is a non-profit corp., the licensee will be a for-profit subsidiary. **Broker**: Roehling Broadcast Services

$1,550,000—— KREC-FM Brian Head UT from Brian Head Broadcasting Co. (Pete Woff III) to Gulf Coast Broadcasting Company Inc. (Lee Hagan, Richard F. Shively, Richard D. Shively, Janine Mumford, Nancy Brown). $150K escrow, balance in cash at closing. Note: No contour overlap with WCSN-FM Orange Beach AL-Pensacola FL. **Broker**: Sunbelt Business Brokers

$1,500,000—— WJKH-AM & WPGG-FM Evergreen AL from Gulf Coast Broadcasting Co. (Pete Wolff III) to Gulf Coast Broadcasting Company Inc. (Lee Hagan, Richard F. Shively, Janine Mumford, Nancy Brown). $150K escrow, balance in cash at closing. Note: No contour overlap with WJCN-FM Orange Beach AL-Pensacola FL. **Broker**: Sunbelt Business Brokers

$850,000—— WNRI-AM Providence (Woonsocket RI) from American Independent Radio Inc. (Robert Bouchard) to Wilford Farm Inc. (Keaning Willcox). $85K escrow, additional $765K in cash at closing. **Duopoly** with WOON-AM.

$710,000—— KNCY-AM & FM Nebraska City-Auburn NE from Sunrise Broadcasting of Nebraska Inc. (Jeorge G. Klebe) to Radio 2000 INC (Frank Copsidas Jr.). $25K downpayment, balance in cash at closing. **Broker**: Bergner & Co.

$600,000—— KALK-AM Mount Pleasant TX from Mount Pleasant Radio Inc. (John Biddinger) to Sunburst Media LP (John Borders, Don Turner, Media/Communications Partners III LP). $600K cash. **Superduopoly** with KZQX-FM Mount Pleasant TX & KYKK-FM Longview TX. LMA since 4/1/98. Note: No contour overlap with Sunburst's other stations in the Tyler-Longview market.
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