NEW ALIGNMENT SET FOR ST. LOUIS TV

- **CBS buy of KWK-TV approved**
- **Ch. 11 assigned to 220 Tv**

Three St. Louis television stations engaged in a chess play last week and after the moves are made this is the way the St. Louis television situation will stand:

• CBS secured FCC approval to buy ch. 4 KWK-TV for an aggregate sum approaching $4 million. The station will become KMOX-TV.

• The FCC also approved the assignment of ch. 11 to one of the three unsuccessful applicants who had lost out to CBS in the hard-fought, long comparative hearing.

• The *St. Louis Globe-Democrat* bought 25.2% of KTVI (TV) St. Louis, operating under a temporary permit on ch. 2 in that city.

The Commission approved the sale of KWK-TV to CBS for approximately $4 million. Comr. Frederick W. Ford abstained from voting, and Comr. Robert T. Bartley voted to send a McFarland letter indicating the necessity of hearing on the questions of possible combination operation with other CBS stations and whether any violation of the multiple ownership rules are involved. The ch. 4 sale involved $1.5 million for the tv license and $2.44 million for the physical properties. Radio stations KWK and WGTO Haines City, Fla., are not involved. KWK owns WGTO.

KWK-TV is owned by Robert T. Convey and associates, 28%; *St. Louis Globe-Democrat*, 23%; Elzey Roberts, 23%; KSTP Inc. (KSTP-AM-TV St. Paul, Minn.), 23% and about 20 St. Louis citizens, 3%.

CBS also owns radio and tv stations in New York, Chicago, Los Angeles; radio outlets in St. Louis, San Francisco and Boston; tv outlets in Milwaukee and Hartford, Conn.

The FCC also approved the assignment of CBS's ch. 11 grant to 220 Television Inc., one of the three unsuccessful applicants for that channel. Under the agreement among the three applicants, 220 Television gives each of the other two $200,000 in debentures. The other two applicants for St. Louis ch. 11 are St. Louis Telecasting (60% owned by St. Louis U.) and Broadcast House Inc. (former operator of ch. 36 KTSM-TV East St. Louis). All three had appealed the ch. 11 grant to CBS. This transaction, in which no consideration was involved, terminates this litigation.

Comr. Ford asbtained from voting in the ch. 11 matter.

Details of the *St. Louis Globe-Democrat's* acquisition of 25.2% interest in KTVI (TV) were spelled out in an amendment to KTVI's application for ch. 2 in St. Louis.

Ch. 2 was allocated to St. Louis in the first group of deintermixture cases. KTVI, then on ch. 36, received permission to operate on ch. 2 pending the outcome of comparative hearings for that vhf frequency. Thus far KTVI and Louisiana Purchase Co. (a group of St. Louisians) are the only applicants for ch. 2. Louisiana Purchase Co. has appealed to federal court against the Commission's grant for KTVI to operate temporarily on ch. 2.

According to the agreement between the *Globe-Democrat* and KTVI, the Newhouse newspaper will lend KTVI $360,000 and pay $31,000 for 310,000 shares of common stock. In addition the *Globe-Democrat* also will take over two mortgages now held by Harry Tenenbaum and Paul E. Peltason, president and executive vice president respectively of KTVI, amounting to $145,280.

The agreement provides that $160,000 of the $360,000 will go to Messrs. Tenenbaum and Peltason, with $200,000 going into the KTVI's capital. The $160,000, it was noted, will be considered partial payment on $795,500 due the two stockholders by the company. It was further agreed that no additional payments will be made to the two stockholders on this obligation until the level of the $279,951.91 working capital is raised. The $360,000 loan is for five years, at 4%.

As a contribution to capital, Messrs. Tenenbaum and Peltason agreed to surrender to the company 300 shares of 6% first preferred capital stock and 1,800 shares of 6% second preferred capital stock. The two stockholders also agreed to subordinate their claims to the *Globe-Democrat's* loan. The *Globe-Democrat* also received option rights to purchase 100 shares of 6% first preferred capital stock for $10,000..

The *Globe-Democrat* transaction was predicated on the Commission approving the sale of KWK-TV to CBS. The *Globe-Democrat* is a 23% owner of KWK-TV.

KTVI balance sheet as of Sept. 30 showed total assets of more than $575,450, with current assets listed at more than $142,750. Current liabilities were given as $124,800; fixed liabilities at $265,780; total indebtedness at almost $1,190,925 and deficit at almost $1,365,000.

Mr. Tenenbaum and Mr. Peltason each own 614,500 shares of common stock, 150 shares of first preferred and 900 shares of second preferred. Bernard T. Wilson owns 1,000 shares of common and the Riverside Insurance Co. owns 100 shares of first preferred.

WGN-TV Issues Rate Card No. 16

A new rate card (No. 16), retaining the basic rate structure but eliminating differences in charges for live and film or remote programs and revising time periods, has been announced by WGN-TV Chicago. It became effective Oct. 1. The Class A basic rate ($1,800) will be maintained, along with live program charges in all time categories. Class A is changed from 8-11 p.m. to 8-10 p.m. daily.

WOAI-TV, KENS-TV to Build Tower

The Texas Tall Tower Corp., a joint construction effort for the exclusive use of WOAI-TV and KENS-TV San Antonio, has been formed to erect a 1,531-ft. television tower and antenna 17 miles southeast of that city by late 1958. Permission to build the joint operation has been granted by all government agencies including the FCC and the Washington Air Space Panel. Corporation officers were selected from both WOAI-TV and KENS-TV.

EQUIPMENT-TIME BARTER OFFERED

- **Would finance station gear**
- **Payment: its unsold time**

Stations and equipment manufacturers are being offered an opportunity to do business with one another on a barter basis. The instrument: A new corporation formed last week in New York named Communications Financial Corp.

CFC is the brainchild of Richard D. Rosenblatt and Richard M. Firestone, the two principals in the film-for-time bartering organization, Time Merchants Inc. [ADVERTISERS & AGENCIES, Aug. 12]. While CFC is a separate company, Messrs. Rosenblatt and Firestone hold a "substantial interest" in the new firm, which is headed by radio-tv consultant Sol Cornberg, former NBC director of stations and plant planning and designer of the NBC-TV *Home* and *Today* studios in Manhattan.

Describing their new enterprise as a "recession baby" (even though the project has been in planning for three months), CFC officers explain that they are allowing local tv stations to modernize their plants and replace their present equipment (the latter estimated at $35-40,000 a year) at no actual cash expense to the station or its management. Equipment manufacturers, having failed to "sell" station management on color or mobile equipment, now may approach these stations with a "new optimism" based on the fact that the station is eager to buy. The "negotiable" is the station's unsold time, which is "gold" to advertisers and agencies.

The new barter arrangement works like that set up by TMI in regard to film syndication, except that instead of collecting its commission from the syndicator (10-15%), TMI collects from CFC. Advertiser X approaches TMI through its agency with a request for Y dollars worth of time in Z market. TMI, already hip-deep in barter deals and hard-pressed for time, brings the advertiser together with CFC—in fact, ar-

PRINCIPALS *of Communications Financial Corp. examine a mock-up model of the new color camera installation at CFC's executive offices in New York. L to r: Sol Cornberg, president; Richard M. Firestone, vice president; Richard D. Rosenblatt, treasurer.*