

Captain Midnight became a sensation and a folk hero of sorts in some home satellite circles when, on April 27 at 12:32 a.m., he overpowered the HBO's transmission of "Falcon and the Snowman" on Hughes Communications' Galaxy I satellite for approximately four-and-a-half minutes, superimposing color bars and a message protesting the scrambling of cable programming.

HBO began scrambling the satellite feed of HBO and Cinemax on Jan. 15 and, at the same time, began charging dish owners \$12.95 a month to subscribe to one of the services and \$19.95 a month, to both. Showtime/The Movie Channel began scrambling and charging for reception on May 27.

MacDougall was suspected, but not accused, of with disrupting the same HBO feed on another occasion, Smith said. The second incident, which had previously gone unreported, occurred April 20, he said. The disruption, a pre-emption of HBO's programming by color bars only, started at 12:49 a.m. NYT and lasted for approximately three minutes, he said. The FCC didn't learn about the first incident until after the second, and the first incident may have been a test.

Most of the press conference was devoted to Smith's explanation of how the FCC tracked down Captain Midnight.

According to Smith, the FCC's principal clues came from videotapes of the April 27 incident. Electronic analysis revealed that the interfering signal came from a large, commercial uplink with a dish at least seven meters in diameters and a transmitter with at least 2 kw of power, he said. The FCC was also able to ascertain from the tapes that the message was produced by a Microgen MG-100 character generator manufactured by Quanta Corp.

Armed with the information, FCC investigators went to an FCC database and found that only 580 of the 2,000 licensed uplinks in the country had large enough dishes to be the source of the interference. In surveying the 580, they found fewer than a dozen that had the two other things they were looking for—2 kw of power and the Quanta character generator. Investigations began early this month.

The Central Florida Teleport soon became the principal target of the investigation. It was, it turned out, the only facility that had the necessary equipment—a 9.2-meter dish coupled to a 3.3 kw transmitter—available at the right time. The teleport's scheduled programming on April 20 and April 27 ended just before the disruptions began. And the operator on both nights was MacDougall.

After the investigators notified MacDougall that he was an object of their investigations and began subpoenaing friends and associates two weeks ago, MacDougall hired a lawyer and turned himself in.

According to Smith, the FCC's investigation was aided by a "visitor in Florida from Wisconsin." The person overheard another individual—not MacDougall—speaking on a public telephone about the Captain Midnight affair, he said. The person reported what he heard to the FCC along with a description of the individual making the call and the license plate number of the car he or she drove away in, Smith said. The information helped investigators zero in on MacDougall, he said. □

## SICC sells TV's for \$301.5 million

**Spanish outlets purchased by joint venture of Hallmark Cards and First Chicago Venture Capital**

Ownership of the largest Spanish-language station group will soon be based in the Midwest, as Spanish International Communications Corp. last week signed a definitive agreement to sell its five television stations and five low-power TV stations for \$301.5 million to First Chicago Venture Capital and Kansas City, Mo.-based Hallmark Cards. The TV stations are: KFTV(TV) Hanford, Calif.; KMEX-TV Los Angeles; WLTV(TV) Miami; WXTV(TV) Paterson, N.J., and KWEX-TV San Antonio, Tex. The low-power stations are in Bakersfield, Calif.; Denver; Hartford, Conn.; Philadelphia, and Austin, Tex.

Both buyers, who will each own 50% of the yet-to-be-named new company, characterized the \$301.5-million purchase as an investment and said they had no intention of directly running the Spanish-language media outlets. Their task of persuading current management to stay will be made more difficult by terms of the FCC-SICC settlement agreement, which said that current management may not obtain any ownership in the stations for at least two years.

One member of the current management, as well as an owner, director and senior vice president of SICC, Daniel Villanueva, said he would make a decision about whether to stay after he had talked to the new owners. But he downplayed any possible concern that the new owners might not be responsible to the Spanish community: "I don't understand why everyone is now worried about who owns the station. Every other major Hispanic media outlet in Los Angeles is already owned by a non-Hispanic. And the two largest Spanish-language radio groups in the country, Tichenor and Lotus, are owned by non-Hispanics. I guess all this concern is a tribute to the job we have been doing. More than ownership, I look to the product, to the level of commitment, and the financial strength to fulfill that commitment."

Villanueva, for the past 15 years, has been general manager of KMEX-TV. He said that owners with deeper pockets might be able to take some of the pressure off that station,



Hockaday

which he said has provided over 70% of SICC's total profit: "We have been acutely aware that we have a global responsibility... There are things that this station should be doing but we have to be concerned with the other stations in the group."

The sale of the 10 stations was mandated by a settlement one month ago between SICC and the FCC, which found that the group was controlled by Mexican broadcaster, Emilio Azcarraga, violating rules against foreign control of U.S. broadcasting stations. Also contributing to the sale was a suit filed by minority shareholders alleging that programming decisions made by SICC management were benefiting Azcarraga's Spanish International Network (SIN), to the detriment of the group's profit.

Although any ownership ties between SIN and SICC will presumably be ended once the sale is completed, there is at least a little irony that the new station owners have already reached an affiliation agreement with SIN, reportedly not too different from the agreement previously in place. Irvine Hockaday, Hallmark's president and chief executive officer—promoted to that post on Jan. 1—said: "We do not plan to get into the programming business."

"The cutoff date for the initial phase of the auction [for the stations] ended on June 30,

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