MGM TV GROUP DISSOLVES, GERBER DEPARTS

After years of turmoil due to the legal wrangling surrounding control of the company, MGM is dissolving its television division. As a result, David Gerber, chairman and chief executive officer, MGM Worldwide TV Group, will leave the company and establish an independent production outfit with outside financing. Gerber, who signed a contract extension with the company in September, is expected to leave within the month. According to sources, much of the current MGM product will remain at the studio to be distributed along with the rest of the MGM television library, but Gerber will be taking with him many of the projects in development, possibly including two summer series and two miniseries and a two-hour pilot project.

Gerber apparently grew frustrated by the limited resources available at MGM and pushed to branch out on his own. Sid Cohen, president, MGM Domestic Television Distribution is expected to remain with the company, having just signed a contract in September. Ed Gradinger, president, MGM Worldwide TV Group, is also expected to remain with the company, but possibly only as long as it takes for MGM to fully divest itself of its television production activities.


David Gerber

For the networks last season the company produced *In the Heat of the Night*, *The Young Riders* and *Nightmare Cafe*, with the latter two not picked up by ABC and NBC respectively for the fall. *In the Heat of the Night* was dropped by NBC after a four-year run but was acquired by CBS.

Projects that may move to the new Gerber production company are the two summer shows MGM is currently producing, *Grapevine* and *Freshman Dorm*, both for CBS. MGM is also set to produce two four-hour miniseries for NBC: *Hawaii* and an untitled project about a joint U.S.-Russian space operation. In addition, the company has a two-hour, back-door pilot commitment to NBC by Wes Craven. -SC

MIDDLE EAST BROADCASTING CENTRE BUYS AILING UPI FOR $3.95 MILLION

Company says it will invest $10 million-$20 million in service over next two years; losing bidder Charney plans to appeal decision

By Rich Brown

Following months of uncertainty over the future of United Press International, a Saudi Arabian media company last week agreed to purchase the bankrupt news service for $3.95 million cash.

London-based Middle East Broadcasting Centre Ltd., which transmits TV news throughout the Middle East and Europe, purchased the 85-year-old news service at auction and offered to invest $10 million to $20 million into UPI over the next two years. The closest competing bid came from New York lawyer Leon Charney, who offered to pay $3.75 million cash plus 10% of his equity in the new company.

In recent weeks, Charney had surfaced as the sole bidder for UPI. He had spent $180,000 to keep UPI operating through last Monday, when he had planned to announce whether or not he would buy the service. Meanwhile, MBC struck its surprise deal with the creditors committee, an agreement that was quickly approved by Bankruptcy Court Judge Francis G. Conrad. Charney said he planned to appeal the decision.

Also knocked out of the bidding last week was religious broadcaster Pat Robertson, who was attempting to acquire certain UPI assets for $900,000. Robertson appeared last May as a would-be white knight who gave UPI $300,000 to continue operating while he considered making a bid. He had contemplated bidding as much as $6 million for UPI, but later took back the offer when he determined it would cost $31 million over 18 months to revamp the service. The bankruptcy court on Tuesday rejected his final offer.

It was not immediately clear what plans MBC has made for UPI. A Reuters story anonymously quoted one MBC attorney as saying no changes were planned. There appeared to be some optimism among UPI's 450 full-time and 2,000 part-time staffers who, as described by Judge Conrad, had been living "in Dante's hell" for the past several months.

"They have not given me any reason to believe that they expect to make any major changes," said UPI Executive Editor Steve Geimann.

UPI has won nine Pulitzers over the years for writing and photography, and its alumni include Walter Cronkite and David Brinkley. Despite its editorial successes, the news service has been losing money for more than two decades and has been in bankruptcy since August 1991. UPI has approximately $60 million in debts and $12 million in assets.

MBC was scheduled to sign the deal on June 27. The Saudi media company becomes the second foreign owner for United Press International, which was owned by Mexican publisher Mario Vazquez-Rana from 1986 to 1988. ■