tion group covering the top markets, such as Chris-Craft or Tribune.

The reorganization proposal is dependent on creditor approval. Two key creditor groups are those holding roughly $670 million in bank loan debt and those holding roughly $370 million in senior notes. In total, SCI-TV has more than $1.3 billion in debt, despite a financial restructuring several years ago. The need for the current restructuring, among other things, was forced by the inability of SCI-TV to complete any of its scheduled bank principal repayments.

The proposed restructuring would reportedly cut the bank claims by roughly $100 million, while increasing their ownership in SCI from 5% to 42%. Holders of senior notes would end up with a 7% stake, while, said the report, holders of roughly $275 million in other notes would be left with nothing. The bankruptcy law allows a "pre-packaged" bankruptcy plan, such as is proposed to SCI, to be submitted to and quickly approved by the court, despite the lack of unanimous creditors' consent. ■

H&C SELLS TWO FOR $165 MILLION

By Geoffrey Foisie

H&C Communications, which came close to selling off its entire five-station TV group last year, has instead accepted an offer for two of the stations. Last week, it signed a letter of intent to sell WESH-TV Orlando, Fla., and KCCI-TV Des Moines, Iowa, to Pulitzer Publishing for $165 million. H&C bought those same two stations eight years ago for $182 million.

The cash deal would increase Pulitzer's TV holdings to nine stations, with WESH-TV by far the largest.

It is possible H&C might continue with the sale of its three remaining TV stations: KPRC-TV Houston and KSAT-TV San Antonio, and KVOA-TV Tucson, Ariz. Paul Hobby, an attorney and member of the family that owns the privately held company, said the proceeds will likely be distributed to family members: "What we are going through is what every family business goes through; the sale allows us to diversify, and that is prudent." As for selling the remaining stations, he said, "This is not a pressured situation. We have no broker or investment banker, but we obviously will entertain offers that are at a premium to the market. We don't have any problem holding and running these stations; there is no master plan to liquidate." ■

GREAT AMERICAN PROPOSES DEBT RESTRUCTURING

By Geoffrey Foisie

Great American Communications Company, parent company of six TV's, 11 FM's and six AM stations, last week filed a proposed pre-packaged bankruptcy plan with the Securities and Exchange Commission. The plan would reduce the group owner's current $625 million in debt by about 30%. It would also reduce the equity value of current shareholders to virtually nothing.

The shareholder dilution would also affect the 40% stake of GACC Chairman Carl Linder. But he would continue to control the company with newly issued stock, in exchange for forgiving GACC preferred stock held by another company he controls, American Financial Corp.

Exact details of the proposed plan are confidential and would not be public until a revised version is filed with the SEC, probably in mid-March, said GACC's chief financial officer, Gregory Thomas. The plan, which does not involve asset sales, is dependent on creditor approval. ■

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Brad Moran is president of Ramar Development Co., which purchased KXTQ(AM)-KKIK(FM) Lubbock, Tex. ("Changing Hands," Feb. 8). He also has interests in KJTV(TV) Lubbock, Tex., and KRSY-AM-FM Roswell and KASY(FM) Albuquerque, both New Mexico.