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AMFM lifts network audiences up 10%

by Katy Bachman

The first RADAR® to include radio's newest network, Chancellor's (O:AMFM) AMFM Radio Networks, shows network audiences surged 10.4% over RADAR 56 to 24.6M (RBR 3/23, p. 4). Assuming the other networks didn't lose listeners to AMFM, AMFM's Youth and Adult nets boosted a segment of the biz besieged by stagnating audiences and sluggish revenue increases.

Only four of the 15 RADAR-rated nets were up; nine were down (see chart, p. 3). Without AMFM, network audiences might have slid by as much as 3.5%.

Even though AMFM had only 252 stations in its networks (compared with the 2,000-3,000 stations in the ABC and Westwood One nets) AMFM debuted with the #9 and #10-ranked networks. It is expected to add 74 recently-purchased SFX stations which won't show in the numbers until RADAR 59 is released in December.

Who's tops in the RADARs depends on who's doing the number-crunching. While ABC Radio Networks points to its overall strength, its hold on the top 20 network programs, and the continuing dominance of **Paul Harvey**, AMFM touts its lead with Women and Youth, and American Urban dominates Black P12+ audiences.

"Our goal was never to be number one P12+; our goal was to dominate certain demographics," said **David Kantor**, SVP/Chancellor, AMFM. "Advertisers don't buy plus numbers,

they buy specific demos."

Young adult networks surged in this RADAR, up a whopping 21.1%, compared to the Adult networks, which were up only 6%. "Network radio was losing youth," said Dr. **Tom Evans**, SVP/Research, ABC, who attributes the surge in youth audiences to ABC's Genesis, Advantage and AMFM Youth, which debuted #1 among A18-24, W18-24, W18-34.

Only two of Westwood One's seven networks were up, both adult networks. Its two youth networks (both reconfigured a year ago) had double digit decreases with NeXt down 11% and Source down 16.6%.

ABC, in most demos, had the leading Adult network, with AMFM coming in second among W25-54.

Audience first, then revenues

Network radio revenues lag national spot and local but network execs are optimistic that revenues will be healthier than what the numbers show for Q1. While Miller, Kaplan Arase & Co. is reportedly showing a slight drop in Q1 revenues, Competitive Media Reporting is showing an 8% increase compared to Q1 last year.

RBR observation: Based on information RBR obtained, Westwood One (O:WONE) looks to be suffering the most. CBS Radio Networks used to have a strong showing; last RADAR CBS' "Osgood File", was ranked #14; this time it was #25. WW1 apparently tried to fend off eroding audiences a year ago when it reconfigured three of

its networks, of which two sustained big double digit losses. Its stock isn't faring well either, dropping 32% in the first half of the year.

With Premiere entering the network arena (RBR 6/8, p. 3), it looks like the old is giving way to the new.

FCC ad inquisition underway

by Frank Saxe

Under the guise of studying whether minority ownership has been affected by consolidation, the FCC has been studying ad buying practices since last Fall but it came to light only last week. The study, conducted by the Office of Communications Business Opportunities, is expected to be released in September.

Last month, FCC Chair **Bill Kennard** (D) said he is considering opening a more formal inquiry into ad placement (RBR 6/29, p.3).

John Kamp, SVP, American Association of Advertising Agencies, questions whether the FCC has the jurisdiction to review ad buying practices. "The last time I looked, the agency that has jurisdiction is the FTC. The FCC has no business looking at such documents."

While Kamp concedes the ratings services may undercount minorities, he says the issue driving buys is efficiency, not racism. "Advertisers are always looking for the most efficient buy. Often times that leads to mass media as opposed to niche media."

This is not the first time the FCC has been involved in the issue. More than a decade ago, FCC Chair **Mark Fowler** was called before Congress to testify on the issue. Hearings were also held in 1992.

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Spot delivery systems in trouble

by Carl Marcucci

Failing to establish a strong US presence, Canadian audio distribution service company Digital Courier International (DCI) was placed in receivership (6/17) to reorganize funding and financing through a strategic partner or buyer.

DCI faced US competition from DG Systems (O:DGIT), which has more than 6,000 radio clients and Musicam Express (MX), which has 2,064. "We entered the US market in 1996 in the midst of all the consolidation buying and selling. Every second radio station that we wanted to sign up to our network was either being bought or sold," said **Al Kozak**, president/COO, DCI.

DCI may not be the only one in trouble. MX is shutting down the spot delivery service over its network and has laid off most of its sales staff. "Spot delivery over ISDN was just not making money. We had to stop the bleeding," said **Chuck Wagner**, director network development, MX.

MX is in the process of redesigning the whole system to become "MXNet." The new system will less expensively utilize satellite, ISDN, DSL and POTS lines with two-way Internet capability.

DCI's receiver, **Roger Burgon** of Grant Thornton, Ltd., was appointed by the courts to manage and negotiate on behalf of the company. When the proposals are brought forward, the court will choose the best one in the interest of the secured creditors and investors. While publicly traded on the Alberta Stock Exchange (DIC), issuing more shares was not an option for funding, as the price has plummeted over the last year. DCI is currently negotiating with about five interested parties. DCI, with 4,700 clients, plans no layoffs and is conducting business as usual.

DG Systems, the first one in the game, could be facing an uphill battle with its stock listing threatened (see related story, p. 11).

RBR observation: DGS, DCI and MX link broadcasters to wide area networks for spot and production delivery. Could the latest planning and construction of WANs within numerous groups be the biggest factor in DCI's and MXs' troubles? WANs allow the groups to link directly with spot production studios, bypassing the middleman.

RADAR 57

Persons 12+

Networks	RADAR 56		RADAR 57		Pct. Chg. (%)
	(000)	Rank	(000)	Rank	
Prime (ABC)	3,773	1	3,668	1	-2.8%
Platinum (ABC)	2,082	2	1,981	2	-4.9%
NBC (WW)	1,919	3	1,955	3	1.9%
Genesis (ABC)	1,759	6	1,863	4	5.9%
Advantage (ABC)	1,787	5	1,862	5	4.2%
CNN+ (WW)	1,714	7	1,689	6	-1.5%
Variety (WW)	1,609	8	1,628	7	1.2%
NeXt (WW)	1,804	4	1,606	8	-11.0%
AMFM Youth*	NA	NA	1,573	9	NA
AMFM Adult*	NA	NA	1,535	10	NA
Spectrum (WW)	1,505	9	1,390	11	-7.6%
CBS (WW)	1,267	10	1,157	12	-8.7%
Amer. Urban (AUR)	1,019	12	946	13	-7.2%
Source (WW)	1,132	11	944	14	-16.6%
Galaxy (ABC)	935	13	831	15	-11.1%
TOTAL	22,305		24,628		10.4%

*AMFM Adult and AMFM Youth first measured in RADAR 57.

Source: Statistical Research Inc.

CLOSED!

Jacor Communications, Inc.
has acquired the assets of
KFAM-AM in Salt Lake City, UT
from **General Broadcasting, Inc.**

John L. Pierce and Hal W. Gore
initiated this transaction with special assistance
from **John D. Bush** in the negotiations.

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► RBR News Briefs

► The FCC has upheld the revocation of six licenses and a CP to three companies owned by **Michael Rice**. In August 1994, Rice was convicted of 12 felonies involving sexual relations with five minors and is currently serving an 84-year prison term. His attorney says they plan to appeal.

► The Coalition for the Prevention of Alcohol Problems is once again calling on the FCC to look at whether alcohol advertising on TV and radio has any affect on underage drinking. Its new survey shows 70% of respondents want the feds to look for a connection. FCC Chair **Bill Kennard** (D) has said he will not open an inquiry on liquor ads (*RBR* 2/9, p.2).

► Pacific Research & Engineering (A:PXE) has brought in **Donald Naab** as president; **Jack Williams** continues as chairman/CEO.

► Clear Channel (N:CCU) Chairman/CEO **Lowry Mays** will receive the 1998 NAB National Radio Award at the NAB Radio Show in Oct. Mays is a former NAB Radio Board and NAB Joint Chairman.

► Radio and TV stations applying for new call signs may soon be able to get them instantly from the FCC as fast as it takes to click on the Internet. The FCC last week issued a NPRM seeking comments on allowing broadcast licensees to use an online call sign reservation system. Requests now are handled on a first-come, first-serve basis via mail.

► ASCAP and BMI are confused over claims in the press that KFMB AM/FM San Diego GM **Tracy Johnson** has pulled the plug on streaming audio over Internet licensing fees. Johnson said "ASCAP fees alone would amount to \$50,000 per year." ASCAP charges a minimum of \$250/year for a blanket license, and BMI has not yet determined Internet licensing fees for radio stations.

► The US District Court in North Dakota has ordered **Roy Neset**, of Tioga, ND, to stop his pirate broadcasts. The court said it was persuaded by the reasoning in the recent Appeals Court ruling against **Stephen Dunifer**, whose Radio Free Berkeley was forced off the air last month (*RBR* 6/22, p.2).

Arbitron loses UK bid; sets sights down under

by Katy Bachman

Arbitron will have to fall back to "Plan B" of its international strategy after losing the RAJAR (Radio Joint Audience Research) bid to measure radio listening in the U.K. Arbitron found out late last week (6/25) that incumbent Research Services, Ltd. will get the four-year contract, worth about \$3.5M/year.

This is the second time Arbitron has tried and failed to get into the U.K. ratings biz. Arbitron had higher hopes this second time. It even purchased a U.K. company, Continental Research, to give it a leg up (*RBR* 12/1, p. 4).

The loss may have more impact credibility-wise than dollar-wise. *RBR* sources say that it would probably have taken three years for Arbitron to break even. Six months ago, **Jay Guyther**, VP/GM/international business development, Arbitron, expressed the importance of the contract to establishing Arbitron as an international brand. "Winning the UK contract would signal Arbitron's viability as an international research company," he said.

While "disappointed" with losing the contract, Guyther said Arbitron "has a lot more to plan A." Arbitron is set to become a RAJAR service bureau, using the respondent level data to create ancillary reports such as Fingerprint, MapMaker, mechanicals and programming applications.

There are more profits in the software business estimated at \$700K-\$900K. Tapscan, recently purchased by Arbitron, has one client now, but Guyther is confident "there is lots of room for growth."

In the meantime, Arbitron is scheduled to bid on the Australian contract, due Aug. 7 (and awarded in Nov.), where the only other bidder is the incumbent, Nielsen, a competitor Arbitron is quite familiar with from its TV days.

Arbitron still hasn't given up on TV. In the UK, Arbitron is about to begin recruiting for a test of its people meter technology in Manchester in preparation to bid on the BARB (TV) contract, up for bid in 2002.

RBR observation: Between the time Arbitron bought Continental, signaling its intention to measure UK radio, and tendering its bid in May, Arbitron President **Steve Morris** made a significant management change in February by bringing in **Peter Wesley** as VP/international to head up Arbitron's international efforts.

Pirates, IBOC headline NAB meeting

by Frank Saxe

It'll be the second time around for Cox Radio VP/COO **Richard Ferguson** as the joint board chairman of the NAB. Heading the NAB Radio Board will be **William McElveen**, president/GM, WTCB-FM/WOMG-FM/WISW-AM Columbia, SC. **William Poole**, GM, WFLS-FM/WYSK-AM/FM Fredericksburg, VA was elected vice chair after what insiders say was a "spirited race" with **Martha Dudman**, president and CEO, Dudman Communications, Ellsworth, ME. All were elected at the NAB Board of Directors meeting last week in Washington.

During the day long session focusing on radio, the three competing IBOC developers tried to convince the board their system is the best suited for radio. In the end, board members opted to leave that decision to the National Radio Systems Committee, although it did back a "rapid development" of IBOC.

The Radio Board also passed a resolution, thanking the FCC for stepping up its enforcement against pirate stations, which includes the recent shutdown of Radio Mutiny in Philadelphia.

Broadcasters received a dose of good news, courtesy of **Jim May**, EVP/Government Relations. He said it appears unlikely that Congress will adopt mandated free airtime rules, despite President **Clinton's** desires to open the airwaves to politicians. While keeping tabs on the Gore Commission, McElveen said the Radio Board will wait until the group issues its report before deciding which way to come down on its proposals.

Contemporary



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2 Hours Each Week



3 Hours/Weekends



3 Hours/Weekends



3 Hours/Weekends

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4 Hours/Weekdays
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90 Minutes
Monday Nights



2 Hours Each Week



2 Hours Each Week
Produced By
Ben Manilla Productions

smooth jazz



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alternative



90 Minutes/Sunday Nights



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Ready for more— Radio bites into ad budgets

by Frank Saxe

Despite the fact the radio is the last thing most consumers usually hear before stepping into the supermarket, few packaged good makers use radio. In 1997, nearly \$5.1B was spent advertising food products, but a meager \$236M went into radio. That is 4.6%, according to CMR, compared to 78.1% which landed on television. Even so, radio still takes more than twice that of newspaper, Sunday magazines and outdoor combined. And as radio advertising becomes more sophisticated and TV grows less efficient, some companies are testing the water. The reasons include less clutter, better reach and a change in attitude toward the medium.

Bringing Betty back

Betty Crocker was a kitchen diva on the radio in the 1930's, long before anyone knew **Martha Stewart**. Her daily cooking show on the NBC Radio Network reached eight million housewives a week until it signed-off in the 1950's, a victim of television's growing influence in America. General Mills, looking to do something different than just place spot time, recently brought Betty Crocker back.

General Mills is offering stations daily feature reports such as "Ask Betty," "The Wheaties Sports Report," and the "Nature Valley Outdoor Minute," each branded with a General Mills product name.

"Radio's audience is our audience," says **Jack Sheehan**, executive producer, General Mills Radio Productions. While the features are not intended to

drive sales or be an adjunct to advertising, there is no denying the larger goal. "We know that most people listen to the radio in the morning when they're eating breakfast. We want to be with them when they're driving home deciding what to make for dinner."

Although advertising cereal in morning drive seems like a no-brainer, very little money is spent in radio. Sheehan says this may change General Mills' attitude toward the medium—although there are many drawbacks to simply buying spot time.

"If we buy commercial time, we're just one more commercial in a sea of commercials. We want to do something that's different, that has a perceived value to our customers. It's not a question of just buying commercial time."

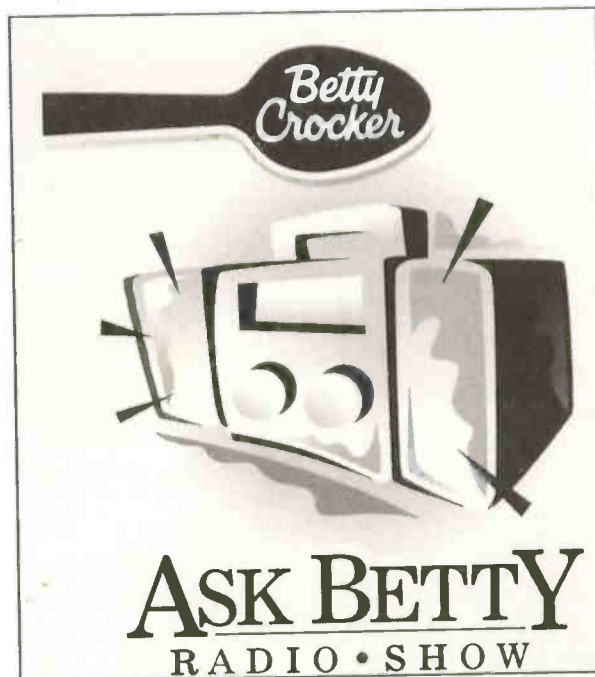
To make the shows more attractive to stations, they are offered at no cost—except air time. Realizing stations do not easily give up time, General Mills encourages affiliates to find local sponsors. There are roughly 100 stations airing the shows so far. Sheehan says their target is medium and small markets, recognizing major markets would be

very reluctant to let go of inventory.

There is also something in it for General Mills' marketers. It costs less money to run its radio operation than it takes to place newspaper FSI's for one Sunday—and only two percent of coupons are ever redeemed.

Oil vintner slickly uses radio

Olive oil is among the oldest products imaginable. After all, Cleopatra bathed with it long before we put it on our pasta. So, to launch a "new" oil is quite a challenge. But later this year, radio will help Bertolli unveil its new Gentile al Palato Extra Virgin in a more traditional radio campaign approach. Bertolli will



spend \$5M in the next year on this new product alone, with 30-40% of that going to local radio.

"We'll spend \$8-10M in 1998 and that's more than all other olive companies combined in the last five years," says **William Monroe**, president/CEO, Bertolli. "It's small as far as a category is concerned, but it is significant considering we represent about 90% of all category spending." According to CMR, the olive oil category totalled \$70.8M in 1997, with just \$1.5M going to radio.

The media plan is still in the works, but print ads in epicurean magazines will break in August. A September radio launch is planned with buys in eight or nine markets on both coasts. In the past, key markets have included New York, San Francisco, Philadelphia, Chicago, Hartford, New Haven, Florida and southern California. Cable cooking networks will also see placement.

"Olive oil users are a different type of consumer," says Monroe. "They have higher disposable income and they have higher levels of education." So Bertolli targets stations with that demo, skewing Female 35-54.

"Radio can bring some glamour and romance and the use of the tonality can do something very exciting for a new product."

**—Norma Friend,
Gianettino and Meredith's**

While he may be the CEO, Monroe is also well versed in media mixing. "For the olive oil audience, it is much easier to rationalize going into epicurean magazines. TV is the most difficult because it is too shotgun. To identify olive oil users we use select cable and radio. Radio is a very good medium for us."

"What's good about radio is that you can target more efficiently," agrees **Norma Friend**, svp, **Gianettino and Meredith**, Short Hills, NJ. "Olive oil has only an 18% household penetration and radio will target more efficiently for that."

With so few food and packaged products using radio, particularly local radio, Bertolli will get some showcase appeal for its launch. "Radio can bring some glamour and romance and the use of the tonality can do something very exciting for a new product," says Friend. She points



William Monroe, President & CEO, Bertolli USA, Inc. announces the introduction of the company's new olive oil, which will be advertised on radio starting this Fall.

out, that radio also gives them sixty seconds to explain how their product is different—a time luxury TV would not provide.

Promotions are usually part of their campaigns, and Bertolli has done baking contests, weekend getaways and other high-brow stunts in the past. They'll likely look for them again, although they say they won't buy a station for a promotion alone.

In the meantime, they are among the radio exceptions. "There is a love affair that everyone has for TV," admits Friend. "For certain brands, television is still the first place to go, especially for established brands it is the most efficient way to get to the public. But when you're not that big, you have to look at other things. With radio we're able to do more and make more noise. We do stand out."

General Mills Radio Spending

Chex	\$1.07M
Honey Nut Cheerios	\$556K
Cheerios	\$301K
Total Cereal	\$293K
Kix	\$9K
TOTAL	\$12M

Source: Competitive Media Reporting, Jan-Dec '97

by Frank Saxe

Voice Now can be heard

Page Net's Voice Now portable voice mail had a 300% increase in calls to a toll free number the first day the Chicago campaign launched thanks to radio.

Focus, Dallas used comedic man-on-the-street interview-style spots to reach their demo. "It helped me convey a lot of the benefits, which were a little difficult to work into regular conversation," said **Molly McLaren-Davidson**, senior writer.

Page Net started with an awareness campaign using print and two :30's and then kicked in with a harder sell, retail campaign. The com-

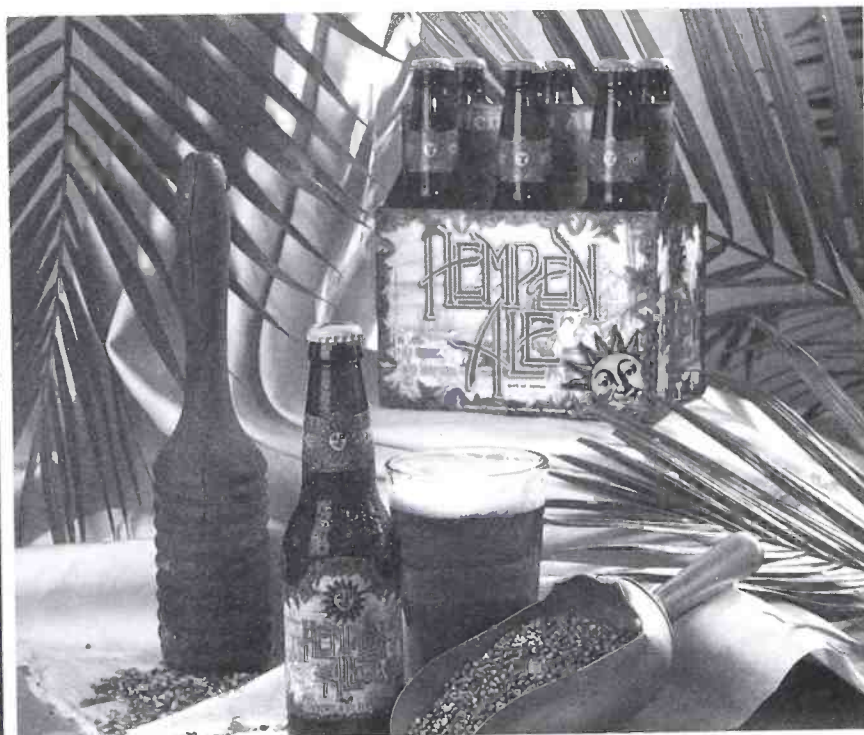
pany originally wanted testimonial spots, but McLaren-Davidson thought it would be tough to keep the minute-long spots compelling. Humor seemed like the answer. "It has better entertainment value which will keep listeners through to the end. In radio, you have sixty seconds to set it up. Still, humor is risky because sometimes it's not funny." The ads, cut at **World Wide Wadio**, feature a woman planning ahead for kids she is yet to have, while another plays off the fact pay phones are like cops—they're never around when you need one.

Drink, don't inhale

Mocking strange laws across the country, a hemp-laden beer is using radio to push its product. Frederick Brewing Company launched a new campaign last month for Hempen Ale and Hempen Gold, two beers made with hemp seeds.

The tagline is "Hempen Ale and Hempen Gold: It's Perfectly legal." Their agency,

The Campbell Group, Baltimore, discovered several hundred actual laws on the books, including an Illinois law that prohibits giving lighted tobacco products to domesticated animals, and California's law against setting a mousetrap without a hunting license. Besides radio, print and POP is also in the works.



25-54: Still the dominant demo

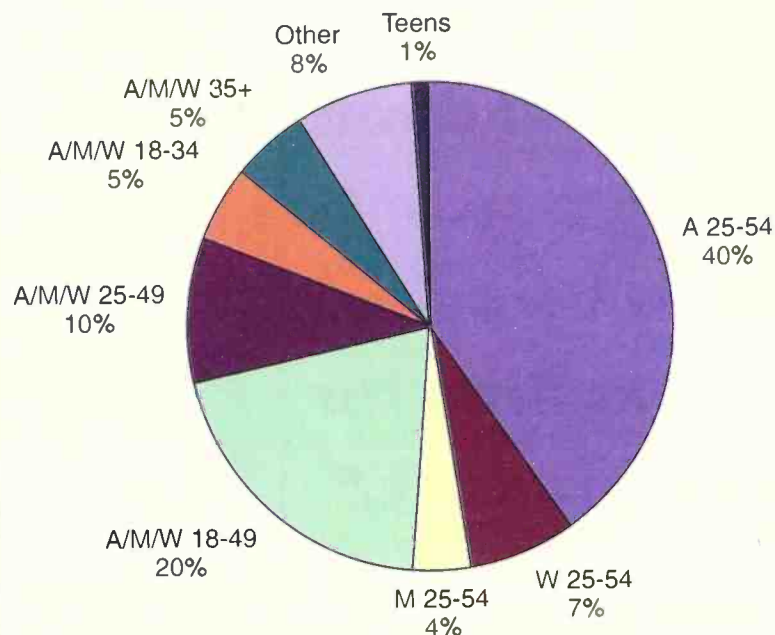
The share of national spot radio ad dollars by demo in the top 50 radio metros for 1997 shows that the percentage of dollars aimed at those aged 25-54 on average fell 2% from 1996. That is the fourth consecutive decline in a row. Within the top 10 metros, the share fell by only one percent. However, in both the top 10 and top 50 metros, the 1997 percentage of dollars allocated to 25-54 demo was 52%.

Denver, Phoenix and Pittsburgh showed the highest percentage of dollars allocated to 25-54 demos, while New Orleans, Norfolk and Indianapolis came in the lowest. 16 of the top 25 metros saw a decline in the 25-54 demo.

Other key findings include, female demos captured twice the amount of dollars of male skewing formats and less than 5% went to 35-plus demos, a decrease over 1996.

The study was done for RBR's AdBiz by Interep Research Director **Michele Skettino**, using Competitive Media Reporting data.

Allocation of dollars by demo top 50 metros



Source: Competitive Media Reporting

Actor, comedienne and WOR-AM talk show host **Joan Rivers** wowed the crowd, as she hosted the 1998 Radio-Mercury Awards show last month in New York. That had some in the crowd worried Rivers would declare another of her infamous fashion emergencies. But she gave the thumbs up to at least one presenter, saying, "Honey, that color is you!"



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SyndicationNews

by Carl Marcucci

NBG signs former MTV VJ

"**Nina Blackwood's** Totally 80s" is scheduled to launch with The NBG Radio Network (O: NSBD) 8/15 as a three hour weekly feature, with optional five-minute daily vignettes. Blackwood was one of MTV's first VJs and anchored the "Rock Report" on TV's "Entertainment Tonight." In addition to focusing on music from the 80's, Blackwood will feature before and after interviews with the artists she originally interviewed on MTV.



Dallas Turner to host JRN's "Nashville Nights"

Syndicated live from her 7P-Midnight slot on WSIX-FM Nashville, **Dallas Turner** will host Jones Radio Network's Country program, "Nashville Nights." Turner's scheduled co-hosts include **Faith Hill, Travis Tritt, Terri Clark** and **Sammy Kershaw**. Debuting 7/20, the M-F show will be carried 7P-Midnight in all time zones to an estimated 50 affiliates.



Med show finds ad niche

Ad support is what counts for niche programming, like Premiere Radio Networks' "The Group Room," a syndicated radio cancer talk show. It has signed Pharmacia & Upjohn as a sponsor, joining Bristol-Myers Squibb and Ortho Biotech.

"With Pharmacia & Upjohn's sponsorship, we will be able to further develop the quality the quality and breadth of our programs," said **Selma Schimmel**, the show's host.

"The Group Room" airs Sundays 4-6 PM ET, in 12 markets, including New York, Los Angeles, Washington, Dallas and Houston.

ZBS develops new syndication opportunity

It all started November '94—at ZBS president **Michael Zwerling's** KSCO-AM in Monterey. **Dr. Joel Wallach** bought time for his program "Dead Doctors Don't Lie," an infomercial which made money from selling vitamin and mineral supplements. After the ratings climbed on this dismal Sunday morning 7-8A time slot, Zwerling and Wallach knew they were on to something.

In Sept. '97, Zwerling's ZBS syndication concept began. Dr. Wallach signs up members of the listening audience to sell the products as private distributors, who become part of the show's ad inventory. Affiliates of the show also become distributors (and share in aggregate local-market distributor revenues), along with the vitamin manufacturer, which Wallach owns, and ZBS. Local slots are also available for traditional spot sales.

"Our station makes more revenue from that one hour than the total ad revenue of all 23 other hours combined including **Rush, Dr. Laura** and **Art Bell**," claims Zwerling. Under the model, KSCO was pulling in \$10,000 after only four months, increasing exponentially ever since.

Now with 95+ affils, the daily show is fed 3-4P ET, with week-ends coming soon.

Talk Productions launches first show

Dallas-based Talk Productions has syndicated "The Underground Shopper," (6-8P ET Sat.) from WBAP-AM Ft. Worth for a daily two-minute vignette to launch 7/13. Hosted by **Sue Goldstein** (author of the yearly Underground Shopper paperback since 1972), the barter program launching on 124 affiliates features bargain hunting, smart shopping tips and info on values. Goldstein's three-year running program will continue in Dallas.



New cable net to put radio on TV

by Katy Bachman

Taking cues from **Don Imus** and **Howard Stern**, Santa Monica-based RadioTV Network (RTV) wants to put radio shows on TV. With plans to launch to 3M HHs by the end of the year, the satellite-delivered cable net has signed deals with two radio personalities: **Mancow Muller** of "Mancow's Morning Madhouse," which will soon originate from Emmis' WKQX-FM Chicago (*RBR* 6/29, p. 4) and **Jim Quinn** of WRRK-FM Pittsburgh.

Before the 24-hour net launches, RTV will debut "Quinn in the Morning...@Night," Aug. 1 on WNPA-TV, UPN 19 Pittsburgh, a TV station owned by Venture Technologies Group, RTV's parent company.

Founded by **Tom Coleman** and **Lawrence Rogow**, president, Venture Technologies Group and founder of home shopping cable net Valuevision, RTV is concentrating on signing up radio personalities first before it begins in late Q3 to seek distribution from cable systems and MSOs. It has retained radio consultant **Jeff Pollack** of The Pollack Media Group.

"We're not going to take them out of their element," said Rogow. "It's radio with pictures. The cameras are small and sophisticated." Nevertheless, RTV won't air all of the radio shows, only 60-90 minutes cutting out local news, traffic, and local radio spots. "We'll just have the 'best of,'" Rogow said.

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Radio at its best

More talk than action: Cross-selling still just a good idea

by Frank Saxe

Radio groups have several media in their nest these days, from cable to outdoor to the Internet. Despite a lot of lip service about cross-media sales and marketing, little is being done to date despite raves from the advertising world.

"The idea of one stop shopping, as a result of consolidation and cross-ownership, is an intriguing," says **Allen Banks**, executive media director, **Saatchi & Saatchi North America**. The rub, says Banks, is the reluctance to combine sales forces. "The question is whether they will have all those kinds of synergies the companies tend to be decentralized. There's a lot more talk than action."

But there is action being taken as well. Just last week, Disney's ESPN Radio, ESPN-TV and ABC Sports signed a \$120M four year, multimedia deal with AT&T. **Steve Graham**, VP/communications, AT&T, said the telcom giant can gain leverage through such buys, which he says will become more commonplace for AT&T.

Among those also taking baby steps is CBS, in part because CEO **Mel Karmazin** ran the network's radio division before adding its television group to his purview. "It's not as far along as you'd think," says **Dick Silipigni**, EVP/sales, Westwood One—CBS' network radio and syndication arm. "There are a lot of ideas about working together and combining programs that are part of CBS." That could include next season's NFL games or **Howard Stern**, who is prepping a TV show for a Fall launch.

Silipigni says CBS radio and TV salespeople have called on clients together. "We sell it separately, each sells their own portion of the program." Because there is such a wide array of programs to sell, Silipigni says don't expect one salesperson to do the job of two anytime soon.

Of course, cross-media selling is nothing new. Gannett tried it more than a decade ago with its newspapers, including *USA Today*, TV and radio group. Why it never took off then, say many ad agency executives, is that each of the media's sales people were looking out for themselves—a natural reaction after fighting for their share for years. Now, companies like Disney, Fox and Time Warner are trying to make it work again.

What may seem like a time-saver may turn into a huge headache worries **Dot DiLorenzo**, EVP/planning, **Western International**. "From a strategy point of view it can be more work putting together a plan with that many different creative components. It's a production nightmare and it doesn't mean you can afford to produce TV, radio and outdoor spots."

Howard Nass, executive director of local broadcast, **TN Media**, agrees. "It can take more time because coordination is tough." Still, Nass says each time they do a cross-media plan, it becomes easier. "Soon you're going to have a local market specialist who will do all media together," adds Nass.

While Banks believes brand-building becomes much easier with cross-market coordination, there could also be a downside. "They have all the power, and costs could escalate," worries Banks.

Other ad agencies view it with some suspicion. DiLorenzo says she is often presented with out-of-target stations or formats simply it's what a media

giant owns. "It's a nice idea, but all of a sudden I'm looking at different markets, as opposed to what my client needs."

More money for radio?

Whether or not all this cross-selling will bring more money to radio remains unclear. While it does get radio AE's through doors which were always closed to it, others worry it could devalue the medium.

Nass is among those who believe the trend will open budgets to radio. "Radio is an added-value media. TV people just sell spots, but radio [AEs] build value and promotions behind their spots."

But others are sounding the alarm for radio. "It could hurt radio too," says DiLorenzo. She says there is always the possibility that radio could be tossed in as a value-added for a big TV buy; that would drive down rates and devalue the radio product.

"That is the reason why we want to go in with TV to report and present network radio and explain how strong and effective it is," says Silipigni. "By being there, it gets us away from being an add-on."

Jean Poole, EVP/director of media services, **J. Walter Thompson**, also feels a dose of self-esteem will help more than cross-selling. "Radio will make more money through ideas, not through tagging along with other cross-media opportunities."

"What will bring more money to radio is that it is more effectively used than it is now. If all the new owners now have the critical mass that they've been seeking, that allows them to be smarter in the marketplace, then they'll get more money," says Banks, adding, "One-stop-shopping is not going to get more money alone. That will just make it easier to get the money, but they'll just be stealing share."



"It's going to be reality."

Dot DiLorenzo,
Western
International.



"It's the wave of the future."

Howard Nass,
TN Media



"There's a lot more talk than action."

Allen Banks,
Saatchi &
Saatchi NA

BROADCAST INVESTMENTS™

June 30—RBR Stock Index 1998

Company	Mkt:Symbol	6/24 Close	6/30 Close	Net Chg	Pct Chg	6/30 Vol (00)	Company	Mkt:Symbol	6/24 Close	6/30 Close	Net Chg	Pct Chg	6/30 Vol (00)
Ackerley	N:AK	20.375	21.125	0.750	3.68%	63	Jacor	O:JCOR	59.875	59.000	-0.875	-1.46%	6669
Alliance Bcg.	O:RADO	0.750	0.750	0.000	0.00%	0	Jeff-Pilot	N:JP	57.812	57.937	0.125	0.22%	3059
Am. Tower	N:AMT	22.937	24.937	2.000	8.72%	5663	Jones Intercable	O:JOINA	26.125	25.000	-1.125	-4.31%	586
AMSC	O:SKYC	12.062	9.750	-2.312	-19.17%	851	Metro Networks	O:MTNT	42.000	43.125	1.125	2.68%	1549
Belo Corp.	N:BLC	22.687	24.375	1.688	7.44%	5052	NBG Radio Nets	O:NSBD	1.375	3.000	1.625	118.18%	10
Big City Radio	A:YFM	8.250	8.125	-0.125	-1.52%	61	New York Times	N:NYT	75.937	79.250	3.313	4.36%	2924
Capstar	N:CRB	22.000	25.125	3.125	14.20%	7108	News Comm.	O:NCOME	1.000	1.000	0.000	0.00%	50
CBS Corp.	N:CBS	31.750	31.750	0.000	0.00%	15432	OmniaAmerica	O:SCTR	38.250	37.000	-1.250	-3.27%	1130
CD Radio	O:CDRD	37.000	38.500	1.500	4.05%	4974	Otter Tail Power	O:OTTR	37.000	37.062	0.062	0.17%	280
Ceridian	N:CEN	57.750	58.750	1.000	1.73%	3076	Pacific R&E	A:PXE	4.125	4.125	0.000	0.00%	26
Chancellor	O:AMFM	50.000	49.656	-0.344	-0.69%	9433	Pulitzer	N:PTZ	86.437	89.250	2.813	3.25%	727
Childrens Bcg.	O:AAHS	3.000	3.000	0.000	0.00%	549	RealNetworks	O:RNWK	36.187	37.312	1.125	3.11%	5978
Clear Channel	N:CCU	104.062	109.125	5.063	4.87%	4007	Regent Pfd.	O:RGCIIP	6.000	6.000	0.000	0.00%	5
Cox Radio	N:CXR	43.375	43.250	-0.125	-0.29%	220	Saga Commun.	A:SGA	14.125	14.000	-0.125	-0.88%	646
Cumulus	O:CMLS	14.000	14.562	0.562	4.01%	3496	Sinclair	O:SBGI	27.312	28.750	1.438	5.27%	4540
DG Systems	O:DGIT	3.750	3.500	-0.250	-6.67%	185	SportsLine USA	O:SPLN	36.500	36.562	0.062	0.17%	10099
Disney	N:DIS	112.687	105.250	-7.437	-6.60%	72759	TM Century	O:TMCI	0.437	0.437	0.000	0.00%	0
Emmis	O:EMMS	48.250	47.812	-0.438	-0.91%	2184	Triangle	O:TBCS	0.050	0.040	-0.010	-20.00%	1062
Fisher	O:FSCI	71.750	71.000	-0.750	-1.05%	0	Triathlon	O:TBCOA	10.500	10.750	0.250	2.38%	88
Gaylord	N:GET	32.437	32.250	-0.187	-0.58%	1145	Tribune	N:TRB	66.312	68.812	2.500	3.77%	4834
Granite	O:GBTVK	10.625	11.875	1.250	11.76%	2354	Westover	A:WTW	25.625	25.500	-0.125	-0.49%	255
Harris Corp.	N:HRS	41.187	44.687	3.500	8.50%	3562	Westwood One	O:WONE	24.937	25.218	0.281	1.13%	232
HefTel Bcg.	O:HBCCA	38.625	44.750	6.125	15.86%	9563	WinStar Comm.	O:WCII	43.250	42.937	-0.313	-0.72%	8431

DG Systems fights delisting

DG Systems (O:DGIT) is fighting a decision to delist its stock from the Nasdaq National Market System. Nasdaq notified DG Systems that it was being dropped because the company doesn't meet the market's minimum capitalization requirements. DG Systems is disputing that conclusion—insisting that Nasdaq should also count the company's preferred shares, which are not listed but are convertible into the listed common stock. DG Systems' shares will continue to trade on Nasdaq pending a hearing, which is expected in August.

Young Broadcasting on the block

Dow Jones—Young Broadcasting Inc. (O:YBTVA) shares rose nearly 40% (6/29) after the company said it hired Lazard Freres & Co. to explore strategic alternatives, including a merger or sale of the company. Young owns 12 TV stations and the national TV rep firm Adam Young Inc.

Victor Miller, an analyst with Bear Stearns & Co, estimated that Young might fetch \$1.7B to \$1.9B.

CBS selling two units for \$1.188B

Wall St. Journal—CBS Corp. (N:CBS), jettisoning the last remnants of the old industrial Westinghouse, signed a definitive agreement to sell two businesses to a joint venture formed by Morrison Knudsen Corp. (N:MK) and British Nuclear Fuels Ltd.

Under the agreement, the winning consortium is paying \$238M in cash and assuming some \$950M in liabilities and other obligations—mostly continuing costs associated with a dozen legal settlements linked to the nuclear business.

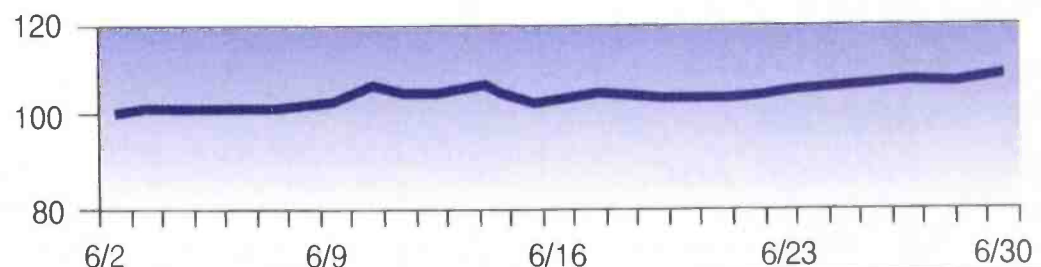
CBS apparently passed up a far richer offer put forward by a consortium made up of San Francisco-based Bechtel Group Inc.; Framatome SA, the French-owned nuclear energy company; and the New York investment boutique Evercore Partners. People familiar with the matter say the US-French group let it be known that it would pay about \$1.6B in cash and assumed liabilities.

CBS officials wouldn't comment on the nature of any other offers. However, CBS chairman and CEO **Michael H. Jordan** said: "From a value and certainty standpoint, we felt [Morrison Knudsen-British Nuclear Fuels] was the best bid."

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The Radio Index™

Radio stocks showed strength as the first half of 1998 ended, with The Radio Index™ up more than 10% for the year-to-date, but still trailing the Dow Jones Industrial Average, which gained 13%. The Radio Index™ closed Tuesday, June 30 at 110.44, up 3.45 from a week earlier.



RADIO BUSINESS REPORT

THE WALL STREET JOURNAL

RADIO NETWORK

by Jack Messmer

SBS first into new Arbitron market #11

With Arbitron set to begin measurement of Puerto Rico in the Summer 1998 survey (*RBR* 4/27, p. 6), **Raul Alarcon's** Spanish Broadcasting System has become the first major US radio group to jump into the new #11 market. SBS is paying \$8.25M for WDOY-FM Fajardo, a Spanish CHR in the San Juan end of the island territory. The seller is Pan Caribbean Broadcasting Corp., headed by President **Richard Friedman**. Pan Caribbean will hold onto WMDD-AM.

BIA lists 15 viable FM competitors in the San Juan area, with WDOY mid-pack for billings in the \$80M market.

RBR observation: SBS is first in, but can Heftel (O:HBCCA) be far behind? Arbitron's move into the Caribbean island was driven by ad agency demand, so there must be money to be made.

Most US radio groups won't be anxious to enter a market where the only way to be a big player is to take on a new language, but there might be opportunities for Puerto Rican operators to tap into Wall Street by taking on a publicly-traded investor. Also, we note that Beasley Broadcast Group already has one Spanish station in its portfolio, WTEL-AM Philadelphia.

Moody's rates Interep, CD Radio

Moody's Investors Service assigned a B3 rating (16th out of 21 ratings) to a proposed \$75M issue of 10-year senior subordinated notes to be issued by Interep National Radio Sales and a B1 (14th) to a \$35M six-year guaranteed secured credit facility. It's the first time Moody's has issued a credit rating for the radio rep firm.

"The ratings incorporate the high leverage the company has incurred principally to buy out equity and rep contracts," said Moody's. The ratings firm also noted Interep's dependence on a single client, CBS (N:CBS), for 28% of its total commissions, even before adding in the recent ARS acquisition, and that the rep firm's five largest radio group clients accounted for 42% of 1997 revenues.

On the positive side, Moody's said: "Interep has a consistent history of steadily increasing revenues and EBITDA over the past five years."

Moody's sees risk in satellite

The debt-rating agency assigned a Caa1 (17th of 21) rating to a \$297M issue of 15% senior secured discount notes due in 2007 to be issued by CD Radio (O:CDRD) to continue funding of its proposed satellite radio system, scheduled for launch late next year. Moody's also assigned a caa (speculative grade) ranking to a \$184M issue of 10.5% Series C convertible preferred stock due 2012.

"The ratings reflect the substantial uncertainties regarding the company's ability to develop sufficient demand for satellite-based radio at price points necessary to service its debt load," Moody's said.

On the plus side, Moody's noted that the satellite DAB wannabe has achieved several critical milestones, including a series of programmer deals and Loral's (N:LOR) involvement as both the satellite builder and a CD Radio investor.

RBR observation: Rather than repeat our misgivings about this business, we'll defer to Chancellor Media (O:AMFM) CEO **Jeff Marcus**, who was asked about satellite DAB at the Nationsbanc Montgomery Securities confab in New York (*RBR* 6/29, p. 12): "I don't understand CD Radio very well. It's already been tried in the cable industry." Marcus went on to recount how excited he had been as a cable executive to roll out pay audio, only to find that he and his own family had the same ho-hum reaction as his subscribers. "I'm not surprised that Moody's has come out very negatively on it."

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Small market group files \$8.25M IPO

How deep does Wall Street's infatuation with the radio industry run? We may find out with an IPO filed by Northern Radio Network Corp. The company, which was known until recently as Ives Broadcasting Inc., plans to sell 1.5M shares of stock at around \$5 each, or \$7.5M. If the full green shoe of 150,000 shares is exercised, the IPO will total \$8.25M. Northern Radio has applied to trade on the Nasdaq SmallCap Stock Market as "NRAD."

"The company is one of the leading consolidators of radio stations in small-sized markets in Michigan," according to the SEC filing. Northern Radio says its management has "an acquisition strategy that it believes allows the company to develop radio station clusters at reasonable prices." The company plans to concentrate on small market acquisitions, but may in the future move into medium-sized markets as well.

Northern Radio is currently 100% owned by Dr. **Robert M. Currier**. He'll receive \$1.5M of the IPO proceeds and retain a 50.7% controlling interest. The remaining proceeds from the stock sale will be used: 1) to acquire LMA-partner WCLS-FM Oscoda MI for \$312,000; 2) to provide \$4M for future acquisitions; 3) to pay off \$125,000 in debt; 4) \$200,000 to hire additional sales and management personnel; and 5) \$228,003 for working capital and general corporate purposes. That's a total of \$6,365,003 after offering costs for the IPO (plus an additional \$675,000 if the full over-allotment is exercised).

Besides Currier, who continues to practice medicine as an ophthalmologist, Northern Radio's top executives are **Mark Thomas**, president and COO, **Michael Bradford**, chief engineer, and **William Wine**, CFO.

The company's current station lineup (all in Michigan) includes WHSB-FM Alpena, WHAK-AM & FM Rogers City, WHST-FM Tawas City and WBMI-FM West Branch. None are in an Arbitron-rated metro. According to the SEC filing, all business, accounting, traffic, production, billing and management are handled at headquarters in Alpena. The company attributed a decline in Q1 revenues to unseasonable weather and management attention to the new WCLS LMA.

No underwriters are yet listed. Gen Ex Capital is consulting Northern Radio.

Northern Radio Network Corp.

Financial results

Category	Q1 1998	Gain/Loss	Full yr. 1997	Gain/Loss
Revenues	\$341,764	-7%	\$1,809,238	+14%
Operating expenses	\$236,948	+4%	\$1,169,424	+4%
Broadcast cash flow*	\$104,816	-24%	\$639,814	+38%

*calculated by RBR

Source: Northern Radio Network Corp. SEC Form SB-2, filed 6/24/98

Cumulus disappoints in Wall Street debut

Cumulus Media (O:CMLS) got its IPO priced (6/26), but had to settle for \$14 per share—below the projected range of \$15-\$17 (RBR 6/8, p. 14). The size of the offering was boosted by a couple of hundred thousand shares, so that nearly 7.6M shares were sold to the public (the underwriters still have a 193K share green shoe available). The stock sale raised \$106.4M and, after underwriting costs, \$83.7M went into

company coffers and \$15.2M to the State of Wisconsin Investment Board, Cumulus' primary financial backer, which sold 1.17M shares.

At the same time as the IPO, Cumulus sold a \$285M two-tranche private placement. A \$160M issue of ten-year senior subordinated notes was priced at par with a yield of 10.375%. A \$125M issue of 11-year Series A cumulative exchangeable redeemable preferred stock was priced at par with a dividend of 13.75%. Underwriters: Lehman Bros.; Bear, Stearns & Co.; BT Alex. Brown

At deadline: Citadel IPO takes flight

Citadel Communications (O:CITC) began Q3 as a public company, selling its IPO (RBR 5/4, p. 12) at \$16 per share, within the expected range of \$15-\$17. The stock then shot up as high as \$20 in the first day of trading. The stock closed Wednesday at \$19.875.

Citadel boosted its offering from the 6.25M shares anticipated just a few weeks ago (RBR 6/15, p. 12) to 6.88M, making the total value \$110M. Underwriters: Prudential Securities; Donaldson, Lufkin & Jenrette; Goldman, Sachs & Co.; Nationsbank Montgomery Securities

SOLD!

WMIH (AM), Cleveland, Ohio from Divine Mercy Communications, Ltd. to ABC, Inc., for \$3,900,000.

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The Fast Read
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TRANSACTION DIGEST

by Jack Messmer & Dave Seyler

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.

\$105,000,000—* KTAR-AM, KMVP-AM & KKLT-FM Phoenix, **WLKY-AM** Louisville and **WXII-AM** Greensboro/Winston-Salem (Eden NC), 100% stock sale of Pulitzer Broadcasting Co. (Michael Pulitzer, CEO), a subsidiary of Pulitzer Publishing Co. (N:PTZ), to Hearst-Argyle Television Inc. (O:HATV, Bob Marbut, Chairman/co-CEO, John Conomikes, President/co-CEO). *RBR* estimates the radio value of the total consideration of \$1.85B, including 11 TV stations and one TV CP, to be \$105M. Existing **duopoly** in Phoenix. Notes: Hearst-Argyle is seeking **waivers** of the FCC's TV duopoly rule to permit temporary (six months) ownership of **WGAL-TV** (Ch. 8, NBC) Lancaster PA, which has a Grade A overlap with **WBAL-TV** (Ch. 11, NBC) Baltimore; to permit conditional (pending TV rule review outcome) ownership of **WESH-TV** (Ch. 2, NBC) Daytona Beach, which has a Grade B overlap with **WWWB-TV** (Ch. 32, WB) Lakeland FL; to permit conditional (pending TV rule review outcome) ownership of **WLKY-TV** Louisville, which has a Grade B overlap with **WLWT-TV** (Ch. 5, NBC) Cincinnati; and to permit conditional (pending TV rule review outcome) ownership of **KCCI-TV** (Ch. 8, CBS) Des Moines, which has a Grade B overlap with **KETV-TV** (Ch. 7, ABC) Omaha. Hearst-Argyle is also seeking **waivers** of the one-to-a-market rule (like those already held by Pulitzer) to own **WXII-AM** in the same market as **WXII-TV** (Ch. 12, NBC) Winston-Salem and **WLKY-AM** in the same market as **WLKY-TV** (Ch. 32, CBS) Louisville. *Broker*: Huntleigh Securities and Goldman, Sachs & Co. for Pulitzer; CS First Boston for Hearst-Argyle

\$85,000,000—* WGY-AM, WRVE-FM & WHRL-FM Albany-Schenectady-Troy (Schenectady-Albany NY), **WHP-AM, WWKL-AM & FM, WRVW-FM, WKBO-FM & WRBT-FM** Harrisburg PA, **WRNY-AM, WUTQ-AM, WADR-AM, WSKS-FM, WOUR-FM & WRFM-FM** Utica-Rome (Rome-Utica-Remsen NY), **WNTJ-AM & WMTZ-FM** Johnstown PA, and **WRAK-AM, WRKK-AM, WKSJ-FM & WMYL-FM** Williamsport (Williamsport-Hughesville-Salladasburg PA), 100% stock transfer of Dame Media Inc. from J. Albert Dame and

others to Clear Channel Communications Inc. (N:CCU, Lowry Mays, CEO). Stock swap, less the value of Dame's outstanding debt assumed by Clear Channel. At Dame's option, the number of Clear Channel shares to be received can be based on the \$93 per share price of Clear Channel at the time of the contract signing or a ten-day average price just prior to closing (or any combination of the two). Thus, at the recent price of \$105, Dame could chose to receive Clear Channel stock now worth more than \$95M. Transfers existing **duopoly** in Williamsport and **superduopoly** in Utica-Rome; creates **superduopoly** in Albany market with **WTMM-AM, WQBK-FM, WXCR-FM & WQBJ-FM** (Note: No more than two AMs and four FM overlaps at any point); creates **superduopoly** in Harrisburg with **WLAN-AM & FM** from adjacent Lancaster PA market (Note: No more than three AMs and four FM overlaps at any point). Clear Channel is requesting **waivers** of the one-to-a-market rule due to its ownership of **WXXA-TV** (Ch. 23, Fox) Albany and **WHP-TV** (Ch. 21, CBS) Harrisburg. *Broker*: BT Alex. Brown

\$21,000,000—KBLA-AM Los Angeles (Santa Monica) from Sinclair Radio of Los Angeles Licensee Inc., a subsidiary of Sinclair Broadcast Group (O:SBGI) (David D., J. Duncan, Frederick G. & Robert E. Smith et al) to Radio Unica Corp. (Joaquin F. Blaya, Herbert M. Levin, Warburg, Pincus Ventures L.P. et al). \$2.1M escrow, balance in cash at closing. Station has been LMA'd to Radio Korea USA since 8/1/97. *Broker*: Ted Hepburn & Co., Serafin Bros.

\$10,425,000—* KMAJ AM-FM, KDVV-FM, KTOP-AM Tokeka KS from Midland Broadcasters Inc. (Frederick P. Reynolds Jr.) to Cumulus Licensing Corp. (William Bungereoth, Richard Bonick Jr.), a subsidiary of Cumulus Media L.L.C. (O:CMLS) (Richard Weening, Lewis Dickey Jr.). \$521,150 escrow, balance in cash at closing (\$25K allocated to non-compete). Existing **duopoly**. *Broker*: Jerry Dennon, Montcalm

\$6,020,000—* WMIQ-AM & WIMK-FM Iron Mountain MI, **WZNL-FM** Norway MI, **WUPK-FM** Marquette MI, **WIHC-FM** Newberry MI, and **WKNW-AM & WYSS-FM** Sault Sainte Marie MI from Zephyr Broadcasting Inc., Cambrian Broadcasting Co. and Algoma Broadcasting Co. (Timothy Martz), parts of the Martz Communications Group, to Marathon Media of Michigan LP, a subsidiary of American Cities Broadcasting LLC (Aaron P. Shainis, Bruce Buzil). \$300K escrow, balance in cash at closing. Existing **duopolies** of Iron Mountain & Norway stations and of the

Sault Sainte Marie & Newberry stations. Broker: Dick Foreman, Richard A. Foreman & Associates

\$4,000,000—* KSRN-FM & KHWG-FM Reno (Reno NV-Kings Beach CA) from Comstock Communications Inc. (Vernon Miller, Robert Carroll) and Hilltop Church (Vernon Miller & five others) to Boyd Broadcasting Company LLC (John Robert Boyd, Robert Boyd, Nedra Boyd, Robert Carroll). \$100K escrow, which shall be released to Hilltop Church at closing, additional \$2.8M note to Miller, \$100K note to Carroll, 25% stake in buyer (valued at \$1M) to Carroll. Note: The contract allocates the purchase price \$2.5M to KSRN and \$1.5M to KHWG. Existing **duopoly**. LMA since June 1.

\$3,600,000—* KJOY-FM Stockton CA from Joseph Gamble Stations Inc. (Joel Gamble, VP) to Silverado Broadcasting Co. (Ronald Miller). \$600K escrow to transfer at closing, \$3M note. **Superduopoly** with KWNN-FM & KWLN-FM.

\$3,500,000—* KQXI-AM, KAYK-AM Denver (Arvada CO) from Radio Property Ventures (Burt Kaufman) to ABC Inc. (Robert Callahan, pres), a subsidiary of The Walt Disney Company (N:DIS). \$300K escrow, balance in cash at closing. Existing **duopoly**. LMA since 5/5. KAYK operates in the expanded AM band at 1690 kHz. Both stations will simulcast the Radio Disney Children's format. Broker: William Moir (seller), Media Venture Partners (buyer)

\$3,250,000—* WYMB-AM & WHLZ-FM Florence SC (Manning SC) from Clarendon County Broadcasting Co. Inc. (Betty T. Roper) to Cumulus Licensing Corp. (William Bungeroth, Richard Bonick Jr.), a subsidiary of Cumulus Media L.L.C. (O:CMLS) (Richard Weening, Lewis Dickey Jr.). \$162.5K escrow, balance in cash at closing (\$50K allocated to post-closing agreement, which includes a non-compete). Forms two **duopolies**, with WMXT-FM in the Florence market and with WSYN-FM in the adjoining Myrtle Beach market. Broker: Gary Whittle Agency

\$2,975,000—* KLWN-AM & KLZR-FM Kansas City (Lawrence KS) from Lawrence Broadcasters Inc. (Henry M. Booth) to Zimmer Radio of Mid-Missouri Inc., a subsidiary of Zimmer Broadcasting Co. Inc. (Jerome, John, James, Donald, David & Thomas Zimmer). \$150K escrow, \$1.85M cash at closing, \$975K note. Stations also serve the Topeka KS market. Broker: Media Services Group

\$2,750,000—* KMLD-FM, KTRS-FM & KYOD-FM Casper WY from Hart Sign Inc. and Hart Media (Bill C. Hart) to Mountain States Radio Inc. (Victor, Van, Lori & Kimberli Michael), part of the Michael Radio Group. \$150K escrow, balance in cash at closing. Existing **superduopoly**, plus new overlap of KTRS with Michael's application for a new FM in Midwest WY. Broker: Jody McCoy, McCoy Broadcast Brokerage

\$2,700,000—* WRBP-FM Youngstown (Hubbard OH) from Stop 26 Riverbend Inc. (Percy Squire, Frank Halfacre, Robert Douglas, Adrian Roe) to Citicasters Co. (Randy Michaels), a subsidiary of Jacor Communications Inc. (O:JCOR). Buyer loaned seller \$775K. Unpaid amount of loan will be credited towards purchase of WRBP, remainder due in cash at closing. Connoisseur Communications is said to have relinquished right of first refusal to buy WRBP which it acquired from Sharon Broadcasting Co. **Duopoly** with WKBN AM-FM, WNIO-AM. Jacor's WNCD-FM is part of Youngstown market but does not overlap WRBP. Seller retains rights to station's call letters. Broker: Jorgenson Broadcast Brokerage

\$1,300,000—WKCU-AM & WXRZ-FM Corinth MS from The Progressive Broadcasting Co. (James D., James H., Terry F. & John P. Anderson) to NMSC Inc. (M. Thurston Little). \$50K escrow (additional \$50K escrow deposits required if not closed by 10/31/98 and 1/31/99), balance in cash at closing. Note: According to his filing, Little pleaded guilty to a felony antitrust charge in US District Court in 1990 related to bids submitted on a military contract. He was sentenced to a 10-month prison term and fined \$10K. The application includes letters of recommendation to the FCC from civic, religious and business leaders in the Corinth area.

\$1,200,000—* WHBN AM-FM Lexington (Harrodsburg KY) from Rodney A. Burbridge to Mortenson Broadcasting Co. (Jack Mortenson). \$650K cash which seller will use to finalize its prior purchase of stations from Fort Harrod Broadcasting Corp., \$50K fee to seller, \$500K cash at closing. **Superduopoly** with WCGW-AM, WNVL-AM, WJMM-FM. LMA since 5/14.

\$1,050,000—WNXP-FM Mobile (Bay Minette AL) from Bay Delta Media Inc. (James H. Faulkner Sr.) to .COM+ Inc. (Kenneth S. Johnson, Charles Timothy Camp). \$400K cash at closing, \$650K note. Buyer assumes seller's JSA and first refusal agreements with Clear Channel Communications. The JSA began 10/24/94 between seller and Capitol Broadcasting Co. L.L.C. and was subsequently assumed by Clear Channel.

\$1,047,000—WOYL-AM & WRJS-FM Oil City PA from Fidelity Communications Inc. (Kenneth C. Spitzer, Samuel Shapiro) to Thomas J. Sauber. \$405K cash at closing (\$35K held in escrow, \$10K held in post-closing escrow for adjustments), \$450K note, \$132K non-compete, up to \$60K in advertising time for seller after closing. Broker: Ray H. Rosenblum

Correction: WLTT-FM Shallotte NC was inadvertently listed as part of the Fayetteville NC market (*RBR* 6/22, p. 16). It should have been attributed to Wilmington NC.

JOURNAL BROADCAST GROUP

has acquired

KIXD-FM

Tucson, Arizona

from

DESERT WEST AIR RANCHERS

The undersigned acted as exclusive broker in this transaction and assisted in the negotiations.



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