

Radio Business Report™

Voice Of The Radio Broadcasting Industry®

November 26, 2001

Volume 18, Issue 48



DiMassimo Brand Advertising's Doug Ray discusses buying in the upfront with XM
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AMERICAN URBAN RADIO NETWORKS
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Cumulus' latest acquisitions: 2 deals, 21 stations, \$304.2M



Lew Dickey Jr.

Cumulus Media (O:CMLS) has two deals to grow its station portfolio and move into more urbanized markets. First, Cumulus will buy **Frank Osborn's** and **Frank Washington's** Aurora Communications for \$220.2M. The deal will give Cumulus 18 stations in the affluent suburbs of New York City in New York and Connecticut. In the second deal, Cumulus will buy three Nashville stations from DBBC LLC for \$84M.

Aurora CEO Osborn, who will be joining the Cumulus Board of Directors following the completion of the transaction, said, "We believe this transaction is highly beneficial to both the stockholders of Aurora and the operations of the stations. Station management will remain unchanged with **Vince Cremona** continuing to oversee day-to-day operations of the stations. At the same time, the stations will have access to the resources and capital of a larger company. We look forward to working with the Cumulus team to contribute to a company at the forefront of the broadcasting industry."

Also last Monday (11/19), Cumulus announced a deal to buy three radio stations in Nashville for \$84M from DBBC LLC, a company owned by Cumulus CEO **Lew Dickey Jr.** and his three brothers, **John, David** and **Michael. John Dickey** is Executive Vice President of Cumulus.

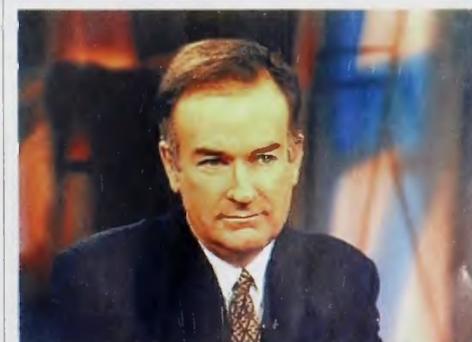
"The transactions we are announcing today represent another important milestone in the development of this Company. We are adding a total of 21 stations across six markets, and approximately \$44 million of gross revenue on a trailing twelve month basis that will increase our pro forma EBITDA by approximately 40%," said Cumulus CEO Lew Dickey Jr. "Furthermore, we are adding great assets and talented people to our company, and positioning Cumulus for future growth."

For more details of these two transactions, see page 6.—JM

Bill O'Reilly to sign with ABC or Westwood?

Not long after ABC Radio Networks signed Fox News Channel's **Sean Hannity** to a radio syndication deal in September (now on 65 affiliates), the next personality from that network may well be **Bill O'Reilly**, host of "The O'Reilly Factor."

The two nets currently in contention for the deal are ABCRN and Westwood One, to go up against **Rush Limbaugh's** time slot. While *The Drudge Report* says O'Reilly approached the nets with the syndication idea first, the final deal maker could be whether it is signed via O'Reilly or Fox News. Fox News likely has final sign-off on any radio deal and will probably own the show. Westwood One already syndicates Fox News Radio.



From an *RBR* source: "It's Westwood, but I don't think they have a deal. They're negotiating a deal, but from what I understand, they've [angered] Fox because they are not working it through Fox. ABC may be in the hunt, working with the Fox Network. Westwood is trying to work a separate deal directly through O'Reilly."

Another source also confirms the deal is more likely to be signed with Westwood: "Westwood is offering him a two-hour daily talk show. ABC is offering just to try him out on the weekends. That's the bottom line."

The deal will not be announced this week, but "Within 30 days," said the source.

RBRobservation: O'Reilly is a huge star for Fox News. He may be one of the few choices to compete with Rush. If Westwood signs him, look for the current 12-2 PM talent to be bumped at Infinity Talk stations. O'Reilly would also benefit ABCRN if Clear Channel does follow through with reported plans to pull Rush off of ABC Radio affiliates as the contracts run out and move him over to Clear Channel stations where possible.—CM

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Daschle looks to fill empty FCC seat

The Democratic seat on the Federal Communications Commission which has remained empty since the departure of **Gloria Tristani** has come to the attention of Senate Majority Leader **Tom Daschle** (D-SD). He is recommending his own legislative aide **Jonathan Adelstein** to President **George W. Bush** as a candidate to finish out her term, which expires in June 2003.

The 39-year old Adelstein has worked in the Senate for 14 years, the last six of which have been spent with Daschle. Like Daschle, he is a native of South Dakota.

"Jonathan's expertise in telecommunications issues and his commitment to seeing rural America share in the telecommunications revolution make him the perfect candidate for this job at this time," said Daschle.

"NAB strongly supports the nomination of Jonathan Adelstein to the Federal Communications Commission," said NAB President **Eddie Fritts**. "Jonathan's commitment to public service and his firm grasp of broadcasting and telecommunications issues will serve him well at the Commission. We expect a speedy confirmation and look forward to working with Jonathan at the FCC."—DS

RBR observation: It looks like this is a done deal, since Daschle and Bush have been on much better terms since 9/11.—JM

Arbitron looks into the post-9/11 radio landscape

A new Arbitron (N:ARB) study shows that consumers think radio did an excellent job responding to the events of 9/11. Further, over one third of respondents said they are listening to radio now more than they did before, and almost half of Black and Hispanic listeners say that they have increased their listening since 9/11. Most are tuning in to the same favorite station, possibly due to news product being added to hundreds of music-intensive stations.

Most report that they have not altered spending in any way, other than admitting to a bias toward advertisers who have actively supported relief efforts.

The study was based on a telephone survey of 1,500 listeners conducted between 10/19 and 11/5, and is available at the Arbitron website.

An overwhelming number of Americans feel it is a patriotic act to support the economy. 91% are making everyday purchases as planned. They are not in any way opposed to contests on the radio. As for the holidays, while only 8% expect to increase expenditures, fully 72% expect to maintain their past level. Only 20% anticipate cutting back.

CHR alert: Younger audiences are more impressed by acts of charity by advertisers. 45% of the 12-17 age cell said they would be more likely to patronize an advertiser which is contributing to relief funds, compared to 35% 55+.

There is also a warning to watch the copy. While nobody is against humor, nearly half of all respon-

dents feel that the definition of funny has changed since 9/11.

91% thought radio did a good job reporting the crisis. A resounding 95% said that radio delivered when it counted.—DS, CM

Dues and don't at the RAB

Don't worry about dues this year if you are an Radio Advertiser Member. Says President/CEO **Gary Fries**, "There is little doubt the radio industry faces some difficult economic challenges in the year ahead. It will take the combined efforts of all of us to meet these challenges and once again have radio lead the pacing in revenues. To assist in attaining that goal, RAB will NOT ask for dues recertification for the year 2002."

The RAB does plan to keep all of its services up and running throughout the year.—DS

Radio One Networks now Waitt Radio Networks

Colorado-based format provider Radio One Networks has been bought (11/19) by Omaha-based broadcaster Waitt Advertising (70 radio stations, outdoor advertising and TV stations). CEO **Cliff Gardiner** remains with the company in a management position, all services stay the same. Waitt Media Networks has 125 affiliates who use the company's Rock Alternative, Mainstream and Classic Country, Oldies and Hot AC formats with voice-tracked localization that includes current time of day.—CM

Hiwire gets \$9.5M

Hiwire announced 11/16 it has closed on \$9.5M in funding, via New Enterprise Associates, Zone Ventures, Grey Ventures and Clear Channel Communications. The funding will allow the targeted ad insertion and sales provider to expand its sales team, support new media partners and improve technology. Clear Channel is using Hiwire for its stations that stream to avoid AFTRA spots as well as generate targeted online ad buys. To date, Hiwire has raised a total of \$18M.—CM

Winstar network buyers to merge

Two months after announcing a joint deal to buy the former Winstar Radio Networks—now Excelsior Radio Networks—for \$6.25M, Franklin Capital Corp. (A:FKL) and Change Technology Partners (O:CTPI) have announced a deal to merge. The combined company will be owned 80% by CTPI's shareholders and 20% by FKL's shareholders.

"The merged company plans to use its combined assets to develop and acquire additional businesses in radio and related media fields," the companies said in their joint announcement. The new company will have cash and other assets estimated at \$20M.

A new addition to CTPI's board of directors is **Michael Levitt**, who recently left Hicks, Muse, Tate & Furst and had been a director representing Hicks, Muse on the board of Clear Channel (N:CCU) and, before that, Chancellor Broadcasting.

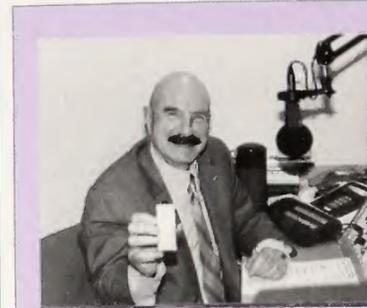
FKL Chairman **Stephen Brown**



vary, but the complete failure rate is low. Limbaugh is currently under contract with Premiere Radio Networks through 2009.—CM

Rush loses all hearing

Rush Limbaugh announced on his show (11/19) that 100% of his hearing is gone and that he will likely undergo cochlear implant surgery before the end of the year. Limbaugh announced last month he was going deaf and had been undergoing antibiotic treatment for Autoimmune Inner Ear Disease (RBR 10/15, cover). The treatments apparently didn't work. After the surgery, Rush said it will take four to six weeks for the implant to work at its normal level if successful. Results



Westwood One renews Liddy

Westwood One (N:WON) daytime Talker **G. Gordon Liddy** will remain a Westwood One daytime Talker. His show, which airs on over 150 stations M/F, 10A-2P, will remain on the network's roster. Terms of the deal, which

RBR reported last month (RBR 10/29, p.2) were not disclosed.

"September 11 changed Talk radio, along with the rest of American," said Liddy. "The American people have grown up and have turned to grown-up radio. My agreement with Westwood One is the best of my career and I am delighted."—DS

and CTPI Chairman **Michael Gleason** will serve as co-Chairmen of the merged company. CTPI, which had previously been focused on Internet investments, recently fired its CEO, so FKL executives—CEO **William Avery** and his management team—will clearly be running the combined company.—JM

Gentner sells stock, changes name

Gentner (O:GTNR) sold \$22.2M in new equity in private placements of stock—slightly more than 1.3M shares at \$17 each (a discount of about \$2 from the trading price)—to a few institutions and wealthy individuals. The company is also changing its name. Effective with the New Year, it will be known as ClearOne Communications and its Nasdaq stock symbol will change to CLRO. The name change was approved at the 11/15 annual shareholders' meeting.

Gentner said the cash from its private placements will be used for general corporate purposes and possibly acquisitions. The stock placements were arranged by Wedbush Morgan Securities.

RBR observation: You probably are familiar with Gentner because it manufactures telephone interface products for radio stations, but its fastest growing business is teleconferencing. It manufactures audio and video teleconferencing equipment and also provides teleconferencing services to business clients. That business was growing rapidly before 9/11 and got an additional surge as more and more companies began doing more teleconferencing to cut down on air travel.—JM

Kelly Music Research offers barter

"Unfortunately, many radio stations are projecting significantly lower cash revenue figures for 2002 and higher levels of unsold inventory," says Kelly Music Research CEO/President **Tom Kelly**. "Bartering some of their unsold spots for music research will help radio stations keep their on-air product in sync with the listeners while reserving valuable cash."

Kelly claims that this is the first time ever that local callout and music testing services have been offered on a barter basis. Kelly is prepared to negotiate straight barter deals or combinations of cash and barter. Market size and audience composition will have a bearing on pricing.

RBR observation: Is barter compensation becoming a trend among the vendors and service providers to the radio industry? Kelly's announcement follows that of jingle producer TM Century, which announced it would begin accepting barter deals earlier this month (RBR 11/12, p.2).—DS

Santa shakes up CCU San Diego stations

Santa Claus is coming to town, and he's bumping one Clear Channel (N:CCU) station up the dial and another entirely off. Oldies KJQY-FM will be moving from 94.1 MHz to 95.7 with a new identity—"The New Kool 95.7," and will feature hits of the 60s and 70s. Moving off of the 95.7 MHz to make room will be Classic Hits KMSX-FM. Taking over on 94.1 will be Santa Claus himself. He will rein there 24/7 from Thanksgiving through Christmas.

Radio Business Report is here to help

With the recent announcements of company layoffs and downsizing, Radio Business Report stands ready to help you. If you're a radio station or group looking to fill a key position, RBR is offering a new service—and it's absolutely free.

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Our publications are read by the best people in radio—even a few who've found themselves "between positions." One of them may be just the pro you're looking for.

RBR observation: Clear Channel seems to be splitting the difference between KJQY and KMSX with its "New Kool" station. We tend to think of Oldies as covering the 50s and 60s, and Classic Hits as 70s and 80s. Kool's 60s-70s mix dovetails between the two. By the way, no word what will happen on 94.1 once Santa returns to the North Pole.—DS

New Spanish 24/7 format breaks Campos

Out of the ashes of the old Z-Spanish Radio Network has sprung OM Media Networks Inc., which is offering a new 24/7 Regional Mexican Hot Hit format network called "Mexicana Musical." OM, which stands for Otro Mundo, is headed by former Z-Spanish programming exec **Salvador Homero Campos** (President). VP Affiliate Relations **Jose Reynoso** is looking for subscribers.—DS

Langer Broadcasting Network launches

Alex Langer, who owns three AM stations in the Boston-Worcester area, is now also Chairman/CEO of Langer Broadcasting Network, which features a variety of Talk-oriented programs. In part due to an alliance with the Cable Radio Network, the new net says its programming is available in 26M homes. It has also partnered with USA Radio Network to syndicate its offerings. Among its topics are shopping, cooking, sports and outdoors/fishing.—DS

"The Sean Hannity Show" now has 65+ affiliates

Since ABC Radio Networks took the popular WABC-AM program from New York into national syndication 9/10, "The **Sean Hannity Show**" has signed more than 65 affiliates—22 in the top 50 U.S. markets and 44 in the top 100 U.S. markets, including: Los Angeles on KABC-AM, San Francisco on KSFO-AM, Dallas on WBAP-AM, Seattle on KVI-AM, Tampa on WWBA-AM, Washington D.C. on WMAL-AM, Atlanta on WSB-AM, and Denver on KNUS-AM.

"It's great to be speaking with so many people," said Hannity. "We're bringing the national radio audience straight talk, interesting guests and a well-rounded perspective on the events of the day. It has been so rewarding to talk with listeners throughout the country on a number of far-reaching issues."

Hannity also co-hosts the popular debate show, "Hannity & Colmes" on FOX News Channel.—CM

AP adds audio affils

More and more music stations are injecting news and info into their mix post 9/11, and AP Radio Network is a major beneficiary. Its AP All News Radiotumkeyaudio network has added six more affiliates. That brings total newcomers which have added the service in the past eight weeks to 45, 40 of which are music-intensive.—DS

NAB deadline is Crystal clear

Nominations for the 2002 Crystal Radio Awards are due at the National Association of Broadcasters

by 2/1/02. The award recognizes radio stations for outstanding commitment to community service, and will be presented at the Radio Luncheon during the NAB 2002 Convention in Las Vegas 4/9/02.—DS

TM Century targets consumers and business markets

HulaBear.com is a new production library aimed by producer TM Century (O:TMCI) not at its traditional radio customer base, but at standard businesses and individuals who want to jazz up their websites, home videos, presentations, etc. Said TM President/CEO **David Graupner**, "Whether you're a high school student working on a Powerpoint presentation for school, or a bank president working on a presentation for you board of directors, Hula Bear Music will provide you with the music and sound effects you need to add an extra dimension of excitement and punch to the presentation. We see a burgeoning market for Hula Bear products among consumers who are now editing and production their home videos on their home computers. It's a great product that is inexpensive and easy to use."—DS

Mover beats out beginner in east central Georgia

WELT-FM, a Class A station beaming out of Swainsboro GA on 98.1 MHz, will be moving about 30 miles west and upgrading to Class C3 under an amendment to the FM Table of Allotments approved by the FCC. East Dublin is in a non-Arbitron portion of Georgia roughly the halfway point between Savannah and Macon along I-16.

The move will result in a net gain of 45,113 listeners, which is what allowed it to defeat another proposal which would have placed an entirely new station in Soperton, which is a few miles east of East Dublin. That station, which would have been a Class C3 as well, but two twists up on the dial at 98.5, would have reached only 38,446 people, and had the secondary disadvantage of being the town's second FM service. WELT will be station #1 in East Dublin.—DS

FCC looking for advisors

The FCC's Local and State Government Advisory Committee, which advises the FCC on matters of public rights-of-way, facilities siting, universal service, removal of barriers to competitive entry and public safety communications, is looking to fill three vacancies. Atlanta Mayor **Bill Campbell**, Albuquerque City Councilor **Michael Brasher** and City Attorney, City and County of San Francisco **Louise Renne** are all exiting. The openings are for an elected or appointed local government attorney and two elected municipal officials.

Nominations will be accepted by the Commission through 5P, 11/30/01.—DS

Egan gets his AAA card

Alta Communications founder and general partner **Bill Egan** has been added to the board of directors of

Peter Ottmar's AAA Entertainment. As you've probably already guessed, Alta is a major investor in AAA. Alta and Egan's previous firm—Burr, Egan, Deleage & Co.—has invested in more than 85 media companies (many of them radio groups) in the past two decades.—JM

First Broadcasting hires to expand

First Broadcasting announced **Harry Simons** has joined its station development team as VP/Engineering. He will be responsible for site selection and tower construction as well as technical upgrades and operation of newly acquired stations.

"Harry's technical expertise and industry experience will play an important role in helping First Broadcasting expand nationally and further develop our operating station division," said **Ron Unkefer**, First Broadcasting CEO. "By attracting world-class talent like Harry, First Broadcasting will

continue to deliver our clients significant upgrades of their broadcast holdings and emerge as the premier developer of high-quality FM properties."

A longtime consultant to First Broadcasting, Simons most recently served as Director/Field Engineering for ABC/Disney responsible for Radio Disney and ESPN O&O stations.—CM

Arbitron looking around the Bend to new market

A different kind of ratings war is heating up in Bend, which sits along the banks of the Deschutes River in central Oregon. Arbitron (N:ARB) has been commissioned by G.C.C. Bend LLC, owner of an AM and three FMs in the market, to measure ratings in the market for the Spring 2002 survey. It will not be getting a full-fledged survey, but rather a Custom Survey Area Report, which uses the same technique and contains much of the same information as a standard report.

The report will add two counties to the previously measured Deschutes county. The addition of Jefferson and Crook counties will produce a 12+ population which would rank the market #230 out of the 285 currently under measurement. Arbitron says this takes Bend a step closer to becoming a full-fledged market.

Arbitron rival Eastlan Resources has already agreed to measure the Bend market for group owner and in-market operator Horizon Broadcast Group (RBR 11/19, p.3). Eastlan, which is comprised in part of the former Willhite market measurement service, currently provides ratings for 60 mostly smaller markets throughout the United States, although its sphere of influence is concentrated in the west.

RBR observation: Horizon President **Keith Shipman** said he had subscribed to both services during 2001 and found Eastlan to be superior. Apparently there is room for a difference of opinion, as this latest development indicates. This will be a rare head-to-head meeting of the two services.—DS



Emmis joins wage-cutting movement

Emmis Communications (O:EMMS) is cutting paychecks 10% across-the-board to avoid layoffs in the continuing soft ad market. The move announced late Thursday (11/15) came just days after Tribune Co. (N:TRB) announced a 5% salary cut for 140 top managers and froze wages for next year for all other employees not covered by a union contract.

To soften the blow, Emmis is giving employees a chance to get their cut wages back—and more—based on the market performance of the company's stock. The 10% pay cut will be replaced by a corresponding 10% stock award.

"Today's announcement asks all of us to draw from our early Emmis days when everyone, by necessity, carried an entrepreneurial spirit," said CEO **Jeff Smulyan**. "This plan not only provides an immediate cut in our expenses, but also gives our employees a great opportunity to invest in the company's future success while aligning their interests with that of our stockholders."

Unlike typical 401(k) and ESOP plans, Emmis employees will have the option of taking direct control of the new shares in their own brokerage account or even cashing them out every two weeks. They're also being offered a restricted stock plan which will hold the stock for an entire year. The restricted stock plan offers an advantage (but more risk) than the other options, since it will buy Emmis shares at a 10% discount to the market price.

A report issued 11/15 by Watson Wyatt Worldwide, a human resources consulting firm, found that nearly a quarter of the employers surveyed had either reduced or delayed salary increases, but that very few had actually cut salaries or were even considering such a move. The survey of 110 companies nationwide found that 5% had cut pay for top management and that another 4% were thinking of doing so. Only 2% had cut pay for mid-level management and rank-and-file employees. Another 2% were considering a cut for mid-level employees, but only 1% were looking at cutting pay for all workers.

The results of that survey appear in the chart below.—JM

Actions employers are considering in the current economy

Action	Sr. mgmt done/may	Mid-mgmt done/may	Profesnl done/may	Hourly done/may
Salary cut	5%/4%	2%/2%	2%/2%	2%/1%
Salary freeze	11%/7%	7%/5%	5%/7%	7%/4%
Lower increases	10%/18%	13%/20%	10%/21%	10%/20%
Delayed increases	13%/14%	11%/14%	12%/13%	12%/12%

Source: Watson Wyatt Worldwide



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The Upfront 2002: What the networks say

In this week of our Upfront 2002 series, we look at the networks' strategies—as well as contributing factors—on deciding how much inventory to sell for the upfront and how much to hold for scatter. We also get some of the buyers' latest feelings on XM Satellite Radio in the upfront and whether rate cutting by the bigger nets could be hurting smaller nets/syndicators.

When to hold and when to fold

Network and syndicators each have their own strategy on deciding how much inventory to sell for upfront and hold for scatter. It's a bit more complicated than just drawing a line at, say, 40% to sell now and hold the rest for later. "There is a strategy... I don't know if it's as defined as that. I work from my gut feeling, frankly," says American Urban Radio Networks CEO **Jay Williams**. "I'm making some analyses on what I project next year to be in terms of total impact of the industry, how the market is moving. I really watch the other mediums too. I watch television and cable and see how the market is moving and try and get some feeling from clients. On certain

properties I will hold back. I was right on one show last year. In the end, I said, 'Perhaps I moved it too quickly.' Because with the demand for this special, I kind of thought I could have gotten more. It was a very big success last year. I will look at that one differently this time around."

"Holding inventory for scatter is a huge priority and always has been for our company because we have so many limited inventory networks. In a very customer/service oriented way, we are thinking through every negotiation we go through from the customer's vantage point and their vision. And one of the headlines that we are getting back from people is they want to be prepared to have access to the same inventory in the flighted marketplace after the upfront," says Premiere Radio Networks President/COO **Kraig Kitchin**. "And so, as a company

who has limited inventory, it is our responsibility to the customer's relationship to have that kind of inventory available through the course



Jay Williams

of the year. Advertising budgets and marketing strategies are volatile, based on when product can get to supermarkets and TV schedules that

constantly change. All of those are reasons why it is best to have a very, very fluid amount of inventory in the flighted marketplace throughout the year. Seven of the top 10 RADAR networks belong to Premiere. If I were to lead a process that said let's sell every last unit in those networks in the upfront season, that would bring a great deal of disappointment through the course of the year for people trying to achieve some audience values and percentages."

Every media type has a strategy. The most important thing to do is be astute to the ebbs and flows of the marketplace and to be responsive. "I don't think we have anything that is so set in stone. Certainly we don't have executives saying our CPPs are going to go up and then hear stories about 50 cents CPM deals. At the end of the day, we need to provide advertisers value, we need

to help advertisers grow their business. It's not only good capitalism, it's good patriotism," says **Ron Hartenbaum**, Jones Radio Networks CEO.

"I think it's a combination of art and science," **Peter Kosann**, EVP Sales, Westwood One, speculates. "There don't seem to be any hard and fast rules. At the end of the day, you have to find a way to work with your clients and advertisers. It's a delicate balance between selling your inventory today vs. selling it tomorrow. You probably go into it with a certain percentage in your head that you were willing to sell today—a certain dollar amount and certain inventory sellout level that you are willing to go into the upfront with. And then you see how it goes and you modify your game plan if you need to."

Bigger nets taking more of the business?



Irene Katsnelson

Some broadcasters have complained as of late that bigger broadcasters like Clear Channel and Infinity are pricing smaller groups out of the market in some areas. Is this possible in the network biz? If so, will the smaller nets and syndicators be able to compete? Says MediaVest VP, Director of National Radio **Irene Katsnelson**: "Syndicators will have a tougher time this year considering that the networks will most likely drop costs for larger shares. However, from an efficiency stand point, syndication will still be a factor."

"It really depends on what they're offering. Sometimes the smaller networks are more niche-oriented,"

says **Amy Nizich**, Initiative Media EVP/Director of Local Broadcast Negotiations. "And so, if you have a client that needs that niche, you are still going to go for them, and you mix it in with the wired. It's kind of like putting a station buy together. Yes, if there are some small networks that are more generic in nature, they could get hurt."

"Number one, we are of a significant size where if you look at the traditional network radio business, there are four major players. We might be smaller than the others, but not by that much. Especially if you eliminate the :10 second business that Westwood has. If you look at Westwood's traditional business of :30s and :60s, it's less than half of the overall size of their company," says **Hartenbaum**.

Adds **John Camilleri**, VP Technology Group, Harmelin Media: "Sure, smaller networks will be able to compete with larger networks—always have and always will. If it's not pricing, it is another marketing/media component such as niche delivery. It also depends on your client's goals and objectives—some want mass, not class; some class, no mass and some both."



John Camilleri



Amy Nizich

XM in the upfront

The latest advertising option is XM Satellite Radio, which fully launched across the country just this month. Because of its direct-from-satellite delivery and no options for local inserts via the terrestrial repeater network, XM can only sell national inventory. Some say it could end up being a big competitor to traditional radio, someday. Is it being bought in the upfront? Depends on who you ask.

"There's so few people that can actually receive it, that I don't know if that's going to be significant this year. By next year maybe. If it's going to be significant, I think it's going to be towards the end of 2002 and in to 2003," observes **Nizich**.

XM is definitely spending in the upfront this year, scheduled to spend an estimated \$100M in a multimedia campaign that includes radio (the Reggae musician talking about NASCAR on XM). \$45M is slated to be spent in Q4 alone (RBR.com 7/24). "I will tell you XM is coming in and spending a lot of money. They are in and it's sizable. And that will help tighten up inventory a little bit," said one radio network exec.

Doug Ray, Managing Partner, Integrated Services, DiMassimo Brand Advertising, says his biggest radio client right now is online travel site Hotwire.com. He is currently trying out XM on a trial basis. "I definitely think it's the first thing to really change the landscape of the radio markets



Doug Ray

since FM was introduced in 1940. [This] is absolutely something we will be recommending to our clients," he tells *RBR*. "Now as far as whether we are actually going to proceed with the buy, we have experimented with XM Radio and were given some gratis units before they rolled out. At this point, I think it would be looked at as an add-on to the buy. One of our objectives as a significant advertiser for Hotwire would be to leverage the opportunity that satellite radio might be able to provide our clients in its early stages—hopefully get on early, maybe as part of some charter packages and hopefully grow with it."

Nizich says getting her clients' dollars will likely depend on dependable, significant data: "We have to see when they actually have some audience data they can show us. They're hoping, their projection, is to get

to 1M subscribers by the end of 2002. Well, that's 1M subscribers over 100 channels, 30 of which are non-commercial. And just because they are subscribers doesn't mean they are listening to satellite full-time. It's going to be a very small, fragmented audience. We really are going to need some data to get us there."

"That's going to be a challenge for us. We are very data-oriented for several of our clients, Hotwire in particular," says **Ray**. "The way we generally work is on a test and control market basis. So we are able to determine when we run radio in a local market that is supported by advertising vs. a non-supported market what the return on those radio dollars are. Unfortunately, this is similar to national radio and is going to be much more difficult to read with regards to the nature of the medium. So I think as we begin to move into 2002 and further our negotiations with XM, that will certainly be a challenge we will put in front of them, which is the measurability of it."

Ray adds that the only way to have measurability at this point may be some sort of qualitative study where individuals that have XM are asked if they've been exposed to or are aware of the Hotwire message.

What about traditional radio's local advantage? If XM does start to grab the listeners, broadcasters might have to look to the past for answers, says **Franklin Raff**, President, DC-based Raff Radio Marketing. This, while major-market stations across the country are currently replacing

talent—especially on overnights—with voice tracking to save money. "Equity in our listeners is our best equity. XM Radio is positioning beautifully to provide music. So the old question of 'What's the difference between what's happening on my radio and what I can plug into my CD player on the road?' is no longer a valid question. Are you willing to invest another \$50K a year in local operations to revitalize your programming? Because that is the challenge that XM Radio is bringing to the table," says **Raff**. "To have a guy out on the street with a microphone showing me, keeping me in touch with what's going on locally. You position not with your competition, but against your competition."

Next time we look at syndicated vs. network-only product and get opinions on RADAR after Arbitron switches the service's methodology from call-in to diary-based.

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Agency honcho says "Why not radio?"

DDB Needham Worldwide Chairman/CEO **Keith Reinhard** addressed the annual Advertiser Day and semi-annual Board of Directors meeting of the Radio Advertising Bureau in San Francisco last week, and he had a lot to say about our favorite medium. His theme, "Why not Radio," brought the gathering to its feet in a standing ovation.

Discussing age-old problems with radio creative, he noted the inherent advantage the medium has by not incorporating an explicit visual image with its message as is the case with television, print or most outdoor. Carefully

2001. He lauded the role the Radio Creative Fund and the Mercurys have had in drawing attention to the need for effective creative in radio advertising.

"Radio needs to demonstrate creativity, document results and get to the decision-maker," he said. The industry must educate advertisers and agencies about radio's strategic value, not just its cost.

He noted the impressive loyalty of radio listeners, touting it as a major selling point for the medium. "Loyalty to the medium or vehicle," he said, "equals receptivity to the ads (on that medium)."

Finishing, he asked "How much is too much and when have you crossed the line?" He urged radio



(l to r) RAB's Gary Fries and Mary Bennett with DDB's Keith Reinhard

chosen words create an automatically personalized image in the mind of each listener. Radio delivers, he said, "more personal, more precise images." Say the words "your family," for example, and every listener sees his or her own family.

"Radio is a full-color medium," he added, and using the color orange as an example. Properly crafted commercials can create any image the commercial creator can come up with.

Reinhard's agency has done very well at the Radio Mercury Awards, taking home five, including \$100K Grand Prizes in both 2000 and

broadcasters "to appeal to the highest instinct, not the lowest level. Since 9-11 we have to be more sensitive than ever to consumer moods." And, although he's opposed to censorship, he stressed the need for "uplifting messages" and encouraged radio broadcasters to remember his five key advertising points: Intent (of the brand); Relevance (of the message); Context; Artfulness; and last but not least.... Pride. "When your work is concluded, ask if you are proud to put your name on it and if you would be proud to have your children see your name on it."—DS

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Rate Integrity

Who should set the prices for radio spots?

David Benjamin doesn't have the answer yet, but he is asking the question. The CEO of Triad Broadcasting raised the issue recently at the Kagan Radio Summit in New York. He suggested that radio ad pricing should be determined at a higher management level than is currently common in the industry and that groups needed to more closely control what their inventory is being sold for.

"Pricing is critically important in the industry," Benjamin noted when *RBR* sought out more about his thinking on the subject. "We can't manufacture an infinite number of units—although some people have tried recently. There is a finite number of units that you can sensibly run per hour. And thereafter it's simply how you price those units. My only point at Kagan was that at many companies the pricing strategy and authority is pushed very far down in the organization. It seems to me that senior management ought to be very aware of the prices that are being charged—not only at the cluster level but also for individual stations. At the very least track those rates and perhaps take some hand in setting them."

At the corporate level, Benjamin notes that when senior management people look at pacing reports, they really do look at dollars, but don't look much, if at all, at the rates being charged by their various stations. "Some companies are better at it than others," he acknowledged.

"If you track your rates, which we're doing now [at Triad], station-by-station, there are a lot of surprises out there," Benjamin said.

In most stations today, the decision on whether to accept a certain rate from a would-be buyer is generally made by the sales manager. "In reality the sales managers are handcuffed because the order comes back [from the account executive] and the deal has already been done. So then the sales manager is in the awkward position of having to send the salesperson out again—that in many cases does happen—or accept a somewhat lower rate," Benjamin observed. He questions whether allowing such latitude in negotiations by individual salespeople might be giving advertisers and agencies too much leverage.

"Even allowing sales managers to determine rates is pushing it pretty far down in the organization," Benjamin told *RBR*.

Just getting a handle on the issue is difficult. "So many advertising proposals are different. It's like automobile pricing in that respect," Benjamin said. "Why isn't there one price for a car? Well, because every car's got different features—you're mixing and matching—and the same thing is true in pricing radio. Many schedules are not similar. They're not similar with regard to dayparts, they're not similar with regard to quantity, they're not similar with regard to times of the week. So it's hard to lay down blanket rules and blanket prices. But by the same token, how many CEOs really know what the specific rates that they're getting in certain markets are and what the trend of those rates is?"

At Triad, Benjamin hasn't yet changed how prices are set, but he is gathering the rate data, station-by-station, from each market. That's been difficult to do and it's met with some resistance from employees because it takes a lot of time, particularly at first. "We are making an effort to find out what all of our stations are charging—every month, on a regular basis—and to see what those trends are. I'm finding out something else. I'm finding out that the market managers are sometimes surprised—because they don't have the facilities to really track it," Benjamin said. "It's not an easy exercise to figure out what the rates are. You have to look at every daypart. You have to look quarter-to-quarter. There's a lot of analysis required to figure out what rates you're getting."

While Benjamin hasn't yet made any company-wide policy changes, just gathering the data is causing some changes to take place. The results are being shared with Triad's market managers, and Benjamin says some of those managers have begun making changes in how prices are set, now that they have a clearer picture of what's really being charged by their stations.

For example, Benjamin said that the analysis discovered in one market that the lead station—the highest rated station not only in Triad's cluster, but in the entire market—was getting lower rates overall than its fourth-rated sister station.

Tracking and analyzing rates is difficult and takes a lot of staff time, but Benjamin asks what could be more important? "In many ways, from an economic standpoint, the business is all about rate," he noted. "In a fixed-cost business, even a 5% overall increase in rates is going to yield a 10% increase in broadcast cash flow. So if you can manage your inventory just to get 5% more a year in rate—excluding units—you are going to be able to get a 10% growth in BCF."—JM



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Clear Channel corners Ohio ag market

Clear Channel (N:CCU) is buying Agri Broadcast Network (ABN) and merging the Ohio farm network with its own Ohio Agri-Network. The deal, which was signed at the National Association of Farm Broadcasters' annual convention in Kansas City, is expected to close before the end of the year. Terms of the deal were not disclosed.

ABN was founded in 1972 by **Ed Johnson**, who died last February (RBR.com 2/26). The network currently has 72 affiliates. The sale of the radio network to CCU does not include a weekly TV program or the *Ohio's Country Journal* magazine.

In announcing the ABN deal, Clear Channel Radio Sr. VP/Midwest Division **Dave Crowl** said the Ohio farm network merger was just "the first step toward a national build out in farm programming." Crowl said CCU wants to create a national farm footprint connecting its Ohio operations to its other state farm networks in Oklahoma, Arkansas and Texas.

RBR observation: A quick look at a map will tell you that CCU has its eye on buying or building farm radio networks in a lot of states to fill that gap.

Double dealing adds Aurora and Nashville trio to Cumulus

A pair of deals announced last Monday (11/19) by Cumulus Media (O:CMLS) don't have much in common, except that they involve radio stations—and both are being bought from sellers that already have ties to Cumulus. In one, Cumulus is buying 18 stations that serve the high-income suburbs of New York City in New York and Connecticut—giving the company some stations that its analysts and institutional money managers can listen to. The other gives Cumulus entry into the Nashville market—it's largest market to date (although a Houston move-on is due to commence operations in 2002).

The larger deal will have Cumulus acquire Aurora Communications and its 18 stations for \$220.2M. Cumulus will pay Aurora's shareholders \$93M in cash (all outstand-

ing debt will be paid off and Cumulus will borrow the entire \$93M under its credit facility) plus Aurora shareholders will receive 10.6M shares of Cumulus' stock, worth \$127.2M at Friday's (11/16) closing price of \$12. Cumulus will also issue warrants to Aurora's shareholders to purchase an additional 833,333 shares of Cumulus stock. For book-keeping purposes, Cumulus is valuing those warrants at \$3M.

This deal brings together two companies backed by Bank of America Capital Investors, through BA Capital Company LP. B of A currently owns approximately 840,000 shares of Cumulus' publicly traded Class A Common Stock, and approximately 2M shares of Cumulus' nonvoting Class B Common Stock. An affiliate of BA Capital owns a majority of the equity of Aurora, and will receive approximately 9M shares of a new class of nonvoting Common Stock of Cumu-



Lew Dickey Jr.

lus in the acquisition. Those shares convert into voting shares upon their transfer to another party (or if FCC attribution rules change so B of A can own the voting shares).

"We continue to believe in Cumulus and its management team. This transaction demonstrates our commitment to the Company as evidenced by the significant stake we will hold upon completion of the transaction," said **Robert Sheridan III**, a Managing Director with Bank of America Capital Investors.

Greenbridge Partners LLC provided a fairness opinion to the Board of Directors of Cumulus Media Inc. in connection with the Aurora acquisition.

Cumulus also announced a deal to buy three radio stations in Nashville for \$84M from DBBC LLC, a company owned by Cumulus CEO **Lew Dickey Jr.** his three brothers, **John, David and Michael**, and (4%) by former Cumulus Executive Chairman **Richard Weening** (bet you didn't think you'd see that name pop up in RBR again!). John Dickey is Executive Vice President of Cumulus. In this merger, Cumulus will transfer 5.250M shares of stock worth \$63M to DBBC's owners and assume approximately \$21M in debt. DBBC's owners will also receive warrants to purchase 250K additional shares of Cumulus stock. Those warrants are being valued at \$900K.

"Prior to taking over Cumulus we really didn't have any plans to put them in the company," Lew Dickey Jr. said of his family's Nashville stations. "After taking over the company last June, I really was in a position where I wanted to have all of my eggs in the basket where I was spending all of my time. We frankly were extremely consumed with turning the company around over the past 12-15 months and now was the time. With the company on the mend and doing well and looking to have a strong future, now is the time we can turn our attention to start to expand the company and this was a logical move to go ahead to fold these properties in. It fits very well with our strategy."

A special committee of Cumulus' Board of Directors negotiated the terms of the letter of intent with DBBC on behalf of Cumulus. Houlihan, Lokey, Howard & Zukin Financial Advisors is advising the special committee as to valuation and fairness in connection with the DBBC acquisition. **George Reed** of Media Services Group represented DBBC as broker.

Cumulus CFO **Marty Gausvick** pegged the Aurora acquisition price at a multiple of 14.7 times 12 months trailing cash flow and 13.5 times anticipated 2002 broadcast cash flow (BCF).

For the Nashville stations, Gausvick noted that Cumulus as-

signed a stick value of \$35M for WNPL-FM and WRQQ-FM. After deducting that \$35M, the multiple on the remaining part of the deal—approximately \$50M for WQQK-FM—is 12.5 times trailing BCF. "We believe the total \$84.9M transaction value will represent a 14.2 times anticipated 2002 BCF multiple as the two sticks considered in this transaction become cash flow positive in 2002," Gausvick said.

RBR observation: Cumulus officials were happy to point out that these deals are both accretive to the company—and beyond that, they were elated that these additions will give Cumulus a positive number for after-tax cash-flow for the first time in its history. Not bad for a company that was on the brink of self-destruction a year and a half ago.

Journal radio revenues up slightly YTD

Journal Communications managed to finish Q3 almost flat with year-ago revenues—\$632.1M, compared to \$634.7M—but that was due to increased revenues for its telecommunications and marketing units. The employee-owned company saw revenues drop for its newspaper and broadcast operations.

Journal Broadcast Group reported Q3 revenues of \$99.9M, down 11.5% from a year ago.

Through the first three quarters of 2001, radio revenues were \$54.7M—still \$100K ahead of the same point in 2000. TV, however, saw revenues plunge 22.3% to \$45.2M.

The radio division's pre-tax profits for Q3 were \$2.8M, up from \$2.1M last year.

Iceberg CHUMs up to the Internet

Iceberg Media.com Inc. (Vancouver Exchange: YIC) announced the acquisition of the assets of Bonzaroo.com and \$1.5M in radio ad inventory from CHUM Ltd. (Toronto Exchange: CHM). Bonzaroo.com is an Internet radio portal with over 300 Internet music channels. The \$1.5M in radio advertising will be used by Iceberg to promote Iceberg's entertainment offering on CHUM's network of 28 traditional radio stations. As consideration, Iceberg will issue 5,250,000 common shares to CHUM. Assuming approval of the transaction, Iceberg will have 31,881,509 issued and outstanding common shares. CHUM, Standard Broadcasting and Newfoundland Capital Corp. will each own 5,250,000 common shares, or 16.5% of Iceberg.

Bonzaroo.com has been under development by CHUM for the past two years and features proprietary technology designed to enhance the programming and scheduling of Internet radio broadcasts.

RBR observation: Let's do the math. Iceberg's stock is currently selling for 16 cents per share, so the stock it's transferring to CHUM is worth \$840K. Subtract the \$1.5M in broadcast ad inventory and the sale price of the 300 Internet radio stations is a negative \$660K—or a negative \$2,200 per channel. Adjust that for the US-Canadian exchange rate and we now know what an Internet radio station is worth: a negative \$1,387.27.—CM, JM

What Cumulus is getting

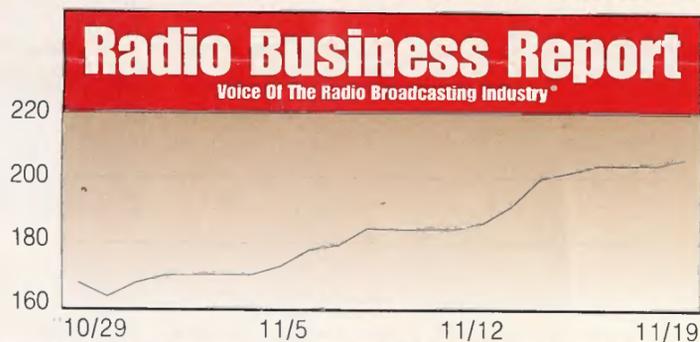
The markets and stations to be acquired in the Aurora transaction are:

Westchester County, NY (Arbitron market #59):
WFAS-FM, WFAS-AM, WFAF-FM
Bridgeport, CT (#110): WEBE-FM, WICC-FM
Newburgh-Middletown, NY (#143): WALL-FM, WRRV-FM
Poughkeepsie, NY (#160): WPDH-FM, WPDA-FM, WRRB-FM, WZAD-FM, WCZX-FM, WEOK-AM, WKNY-AM
Danbury, CT (#194): WRKI-FM, WAXB-FM, WINE-FM, WPUT-AM

The three stations to be acquired from DBBC are:
Nashville, TN (#44): WQQK-FM, WNPL-FM and WRQQ-FM

The Radio Index™

The Radio Index™ moved back above 200 for the first time since 9/5. For the week, the index rose 19.524 to close 11/19 at 205.807.



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Radio One latest class action target

Radio One (O:ROIA) is the latest radio company to be hit with a class action lawsuit claiming that investors were cheated in the company's IPO. Like the recent lawsuit against Radio Unica (O:UNCA) reported last issue (*RBR* 11/19, p. 7), the suit against Radio One charges that the IPO underwriters received "excessive and undisclosed commissions" from certain investors in return for giving them blocks of the IPO shares and that the underwriters also had deals with some of those customers to buy Radio Unica shares at pre-determined prices to help support the trading price.

Although the suit against Radio One was filed by a different law firm, Bernstein Liebhard & Lifshitz, much of the phrasing of its press release was identical to that issued by Wolf Haldenstein Adler Freeman & Herz for its lawsuit against Radio Unica. Both suits were filed in a Manhattan federal court.

The Radio One lawsuit seeks to represent everyone who bought the company's shares in its 5/5/99 IPO and from then through 12/6/00. The underwriters for Radio One's IPO were CS First Boston, Bear Stearns & Co., BT Alex. Brown (now part of Deutsche Bank), NationsBanc Montgomery Securities (now part of Bank of America), Prudential Securities, Deutsche Bank Securities, Bank of America Securities and BankBoston Robertson Stephens. All are named as defendants in the lawsuit, along with Radio One, CEO Alfred Liggins, Chairperson Cathy Hughes and CFO Scott Royster.

"They're suing everybody who went public with CS First Boston," Royster told *RBR*. He also said that the Wall Street underwriters, not the public companies, appear to be the main targets of the class action lawsuits.

RBR observation: We'd bet this won't be the last cookie cutter lawsuit against radio groups who went public in recent years. The dramatic fall of what had been a high-flying stock market has made it attractive for these law firms to put their word processors to work spitting out lawsuits against any company which has experienced a big drop in stock price. The dot-coms were the first targets, at least those which remained in business after the market collapse. Now the law firms have moved on to other stock sectors which were hot in the late 1990s, but not now. CS First Boston's alleged misdeeds are providing the ammunition for this round of lawsuits, but as soon as that possibility has been mined, the lawyers will find some other pretext to file suit against companies whose stock price was once high, but now is low.

Two sides of Tallahassee tempest

Triad Broadcasting has sued Cumulus Media (O:CMLS) in a Tallahassee federal court, seeking to force Cumulus to close its \$1.72M sale of WWLD-FM to Triad. According to the *Tallahassee Democrat*, Triad's suit claims that when the target closing date of 10/26 passed, "Cumulus made clear to Triad that Cumulus had no intention of proceeding with the closing."

Cumulus CEO **Lew Dickey Jr.** told *RBR* that the closing is merely delayed, not cancelled. Dickey blames the seller of WSLE-FM Cairo, GA, Lovett Communications, for the holdup. Cumulus' \$1.5M purchase

of WSLE is contingent upon the seller getting FCC approval of a signal upgrade (to Class C2) which will move it into the Tallahassee market. Cumulus plans to move the programming of WWLD onto the new signal before closing on the sale of WWLD to Triad, so Dickey says he doesn't want to part with the old WWLD signal, 106.1 MHz, until the new 102.3 MHz facility is operating.

On the advice of his attorneys, Triad President **David Benjamin** told *RBR* he couldn't comment on the dispute.

Epperson family goes non-profit

Salem Communications (O:SALM) Chairman **Stuart Epperson**, his wife, **Nancy**, their son, **Stu Jr.**, and daughter, **Kristine McBride**, have created a non-profit corporation to acquire WNCM-FM Jacksonville, FL. Delmarva Education Association will receive the non-commercial station as a gift from the current licensee, New Covenant Educational Ministries Inc., but the Eppersons will also make a donation of \$3M to the current licensee's parent organization, New Covenant Church.

RBR observation: This deal is not about largess on either side. Non-profit Religious stations can be quite profitable, even when operated within the tax laws which govern charitable organizations. WNCM, a Class C3 on 88.1 MHz, calls itself "Jacksonville's River of Life." It runs a mix of Contemporary Christian music and paid block programming placed by many of the same national ministries which buy block programming on Salem stations nationwide. In addition, the station has a companion magazine—with paid ads—which is mailed to 10K homes and churches in the Jacksonville market. There's also a 24/7 Web stream of Christian Rock—music aimed at a younger demo which airs only at night on the FM station.

Founding shareholder out of XM

The company that started XM Satellite Radio (O:XMSR) and was, until last week, its biggest shareholder, now owns not a single share of the satellite radio company. Motient Corporation (O:MTNT) announced 11/20 that, as a part of its ongoing debt restructuring efforts, it has distributed its remaining stake in XM to its guarantors, "in full satisfaction of its outstanding guaranteed loan balance for its senior secured debt." The guarantor group consists of Hughes Electronics (N:GMH), Singapore Telecommunications Limited and Baron Capital Partners.

"This is an important step in restructuring our balance sheet, and I am encouraged by the pace with which the restructuring discussions are proceeding," said **Walter V. Purnell, Jr.**, president and CEO of Motient, "We are pleased to have been a part of incubating XM Satellite Radio and wish our friends at XM every success as they bring the next generation of radio to America."

XM, originally called American Mobile Satellite Radio, was created in the early 1990s by Motient, then known as American Mobile Satellite Corp.

The breakdown of the distribution of Motient's 25.4% stake in XM was not announced, but General Motors (N:GM)—including the shares owned by its Hughes subsidiary—is clearly XM's largest shareholder, with Clear Channel Communications (N:CCU) second.

TRANSACTION DIGEST®

by Dave Seyler & Jack Messmer

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. Broker credits are based on contracts filed with the FCC.

\$3,000,000 WNCM-FM Jacksonville. 100% of the stock of New Covenant Educational Ministries Inc. from Wiley Tomlinson, Bob Bailey, Jeana Tomlinson, Calvin D. Grabau (each holds 25% voting interest) to Nancy Epperson, Stewart W. Epperson, Stewart W. Epperson Jr., Kristine J. McBride. Donation. However, the assignees of New Covenant are making a \$3M cash gift to the non-profit organization of the assignors. Some of the assignees have an interest in commercial radio group Salem Communications (O:SALM). Station is noncommercial.

\$222,500 WSLI-AM Jackson MS from Spur Jackson LP (Don R. Kuykendall) to Sportsrad Inc. (William L. Eubank, Stephen B. Eubank, Alisa J. Brashear, Carolyn Cooper & Lajoy Kincaid). \$15K escrow, \$12.5K upon execution of contract, balance in cash at closing. LMA since 11/1.

\$175,000 WDGR-AM Dahlgonega GA from Greenwood Communications Corp. to Small Town Radio Inc. (Donald Boyd, pres et al). \$17.5K, balance in cash at closing. LMA until closing. Buyer is responsible for expenses incurred returning station to the air.

\$112,500 WDLL-AM Ft. Payne AL from DelGiorno Broadcasting Corp. (Robert DelGiorno) to Dekalb County Community Radio Inc. (Gerald E. Dilts, Robert Edgar Jr., Christopher Roth, Marlyn Teresa Clayton, Shayne Riley). \$10K escrow, \$22.5K cash at closing, \$80K note. Broker: The Thorburn Co. (seller).

\$100,000 FM CP Dixon MO from American Broadcast Financial Corp. (Patrick L. Lopeman) to Lake Area Educational Broadcasting Foundation (James J. McDermott, Larry Ollison, Alice J. McDermott, Don Neuharth, James Freeburger). \$25K down payment, balance in cash at closing. CP is for Class A on 92.1 MHz. Call letters KCVZ have been applied for. Buyer is noncommercial.

\$75,000 WNBX-AM Springfield VT from Robert J. & Shirley P. Wolf to Koor Communications Inc. (Robert L. & Sheila E. Vinikoor). \$7.5K good faith deposit, balance in cash at closing. LMA since 10/21.

\$10,000 KGLF-AM Corpus Christi (Robstown TX) from The Worship Center (Rufino Sendejo) to B Communications Joint Venture (Gerald G. Rick G. & Albert G. Benavides). \$5K earnest money, balance in cash at closing.

\$5,000 KLEU-FM Lewiston MI from Big Country Christian Radio Institute to CSN International (Charles W. Smith, Jeffrey W. Smith, John A. Laudadio, Michael R. Kestler). Cash. CP is for 91.1 MHz.

\$1,020 WRHB-AM Miami (Kendall FL) from Baja Florida Radio Inc. (Adib Eden, Ismael, Perera Herbert M. Levin) to New World Broadcasting Inc. (Adib Eden, Ismael, Perera Herbert M. Levin). Cash. Duopoly with WKAT-AM. Buyer is 100% shareholder of seller; this is a reorganization of asset distribution.

N/A KTLC-FM Colorado Springs (Canon City CO) from Educational Communications of Colorado Springs Inc. to Make a Difference Foundation Inc. (Lauren Libby, Patricia Johnson). Donation from one non-profit entity to another.

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