

volved in the transaction.

The announcement by Mr. Price, from Sunnyvale, Calif., where Westinghouse was holding its annual stockholders meeting, stated simply that the agreement had been signed to purchase KPIX with Mr. Dumm, who was present at the meeting. Originally the transaction contemplated acquisition by Westinghouse of a minority interest (49%) for \$2,450,000 [CLOSED CIRCUIT, Nov. 15, 1953]. Subsequently it was made to cover 100%.

Upon FCC approval, Westinghouse will have three tv stations, plus five am. The tv outlets are WBZ-TV Boston and WPTZ (TV) Philadelphia, acquired last May for \$8.5 million in a record single station deal. The \$6 million deal figure, it is understood, is based on KPIX net earnings before taxes. Intrinsic value of the KPIX physical equipment and real estate, it is understood, are in the neighborhood of \$2 million. The station, operating on ch. 5, is CBS and DuMont affiliated.

Westinghouse now has pending applications for tv in Pittsburgh, where it operates the pioneer KDKA, and Portland, Ore., where it operates KEX. Question of technical conflict with the multiple ownership regulation, limiting tv ownership to five, raised several weeks ago by the FCC, is expected to be cleared up shortly. Three of the Westinghouse parent company directors also are directors of companies holding interests in other broadcast properties but steps already have been taken to rectify this condition.

#### Entire Staff Retained

It was made clear by Mr. Price that not only Mr. Lasky but the entire staff of KPIX would be retained under Westinghouse management. KPIX was organized in December 1948 by Mr. Dumm and his associates as the first tv station in San Francisco. It operates with maximum power of 100 kw. It is expected the formal application for transfer will be filed with the FCC within a fortnight.

"This is part of the Westinghouse plan to acquire and operate television stations in key centers of the country," Mr. Price said. Our desire to acquire KPIX reflects our continuing belief in the growth and development of the Pacific Coast, as well as our recognition of the increasing service television performs in the daily lives of its viewers. Westinghouse now operates the largest electrical manufacturing plant in the West at Sunnyvale. We look forward to continued expansion in our West Coast activities, which center in the San Francisco area."

In addition to FCC approval, another contingency in the Westinghouse transaction is the outcome of tax legislation now in Congress. Westinghouse officials, however, evinced little concern about this aspect.

A provision of the new House-passed tax bill, now under consideration by the Senate Finance Committee, deals with corporate reorganization (Sect. 359 of the new bill). Previously, where stockholders of one company were paid in stock of the buying company, they could under certain conditions defer paying the tax on the gain until they sold the received stock. In the revised regulation, this deferment may not be allowed unless the stock paid to the old stockholders amounts to 25% or more of the outstanding stock of the purchasing company.

Within a week after the announcement [B\*T, April 5], application for FCC approval of the sale of KOTV (TV) Tulsa from Wrather-Alvarez ownership to J. H. Whitney Co., New York investment house, for \$4 million was filed.

Agreement provides that \$500,000 would be

paid following FCC approval, with the remainder of the \$4 million to be paid at the rate of \$500,000 per year, with interest increasing from 4% during the first few years to 5½% in the seventh year.

In determining the purchase price, the agreement indicated that KOTV's CBS-TV affiliation is worth \$1,250,000 and affiliations with the other networks, \$850,000.

The Whitney firm, which is capitalized at \$10,050,000, has varied interests in oil and gas properties, frozen meats and pies, frozen juice concentrates, power saws, orange groves, shoe factory, newsprint, research, electronics development, uranium, seaweed extract, manufacturing and equipment firms.

It also owns community television systems in Wenatchee, Walla Walla, and Richland, Wash.; Morgantown, Clarksburg, and Fairmont, W. Va.; Williamsport and Bloomsburg, Pa., and Winchester, Ky. Most of these are in conjunction through equipment and managerial contracts with Jerrold Electronics Corp., Philadelphia.

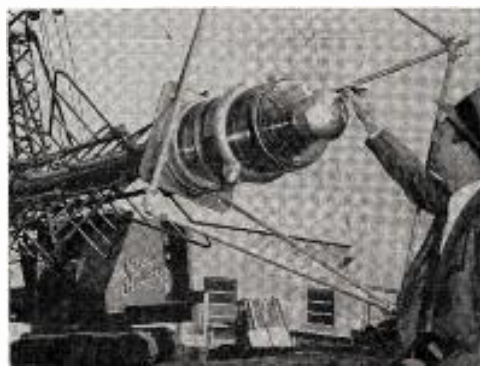
Balance sheet for Wrather-Alvarez Inc. as of Dec. 31, 1953, included in the recent KOTV renewal application, showed that the station had total assets of \$786,676, of which \$483,368 were current assets, and total current liabilities of \$196,310. Surplus, less dividends, was listed at \$71,673.

Sale is in two steps. FCC was asked first to reassign KOTV from its present corporate licensee to individuals, J. D. Wrather Jr., his mother, Mrs. Maizie Wrather and Mrs. Maria Helen Alvarez. Mr. Wrather and his mother own 50% of KOTV, and Mrs. Alvarez the other 50%.

In the second step, the Commission was asked to approve the sale of these interests to Osage Broadcasting Corp., wholly owned by the Whitney firm.

Mr. Wrather and Mrs. Alvarez also each own 38.89% of KFMB-AM-TV San Diego and are 25% owners together of Superior Television Inc., applicant for ch. 10 at Corpus Christi, Tex. Mr. Wrather holds a construction permit for ch. 44 in Boston, under the call letters of WJDW (TV). The other 22.22% of the KFMB stations is owned by Edward Petry & Co., station representatives.

Balance sheets for Mr. Wrather and his mother indicated that their net worth individually is more than \$5 million. Mrs. Alvarez'



JOHN J. LAUX, executive vice president and general manager, WSTV-TV Steubenville, Ohio, writes his name on the station's 81-ft. antenna just before it was raised to the top of the newly-built 800-ft. tower. Construction was completed last Wednesday morning. WSTV-TV began operations with the new transmitter rig at 9:07 that night. Reports of excellent reception came in from Canton and Cambridge, Ohio, and Pittsburgh after the switch, the station reported.

net worth is in excess of \$2 million.

President of the proposed new licensee will be C. Wrede Petersmeyer. Among the directors of the Whitney Co. is James F. Brownlee, who is chairman and 4.95% owner of WKLO-AM-TV Louisville, Ky., and also a director and owner of less than 1% of R. H. Macy Co., which owns 10% of General Teleradio Inc. General Teleradio is the principal stockholder of MBS and owns WOR-AM-FM-TV New York, the Yankee Network stations in New England and the Don Lee stations in California.

Balance sheet for the J. H. Whitney Co. shows that it lost \$13,197 in 1952, and made a profit of \$32,155 in 1953.

#### No Personnel Changes

Application indicated that there would be no change in personnel or programming following change of ownership. KOTV began operating in 1949 and until recently was the only tv station in the area. KCEB (TV) on ch. 23 is the second operating Tulsa station. KSPG (TV) holds a grant on ch. 17.

The sale was negotiated by Howard E. Stark, radio and television station broker, New York.

Serving with Mr. Petersmeyer will be fellow-Whitney partners William H. Jackson, John H. Schemmer and Robertson D. Ward. Mr. Wrather and Mrs. Alvarez also will be on the board of directors.

Reason for the sale, according to the FCC application, was the desire of Mr. Wrather and Mrs. Alvarez to concentrate on their West Coast properties.

Application for approval of the sale of KLZ-AM-FM-TV Denver, Colo., to Time Inc. for \$3.5 million [B\*T, March 8] was filed with the FCC last week.

Time Inc. is buying the Denver properties from some 40-odd stockholders, principal owners being Mr. and Mrs. Harry Huffman, Mr. and Mrs. Hugh B. Terry, Frank H. Ricketson Jr., Mr. and Mrs. J. Elroy McCaw and Mr. and Mrs. Theodore R. Gamble.

Application indicated that Mr. Terry would remain as "principal operating executive" and that Mr. Ricketson would remain as a member of the board of directors. No change in personnel or programming is contemplated, the application disclosed.

Terms of the transaction call for total payment of \$3,533,760, of which \$353,376 was placed as a down payment, \$2,827,008 due on closing, and \$353,376 to be held in escrow. Agreement contains a six months cancellation clause from date of filing with the FCC. It also contains a covenant prohibiting Messrs. Huffman, Terry, Ricketson, McCaw or Gamble from engaging in broadcasting within an 80-mile radius of Denver for at least five years from the time of the sale.

Meanwhile, principals of Denver Television Co., which lost out in the fight for Denver ch. 7 to KLZ last year, were reported considering asking the FCC to reopen the hearing on the ground that control of the station had passed out of local hands. This was one of the points on which the Commission favored KLZ in that hearing—the first post freeze decision. Denver Television was headed by John M. Wolfberg, who with his father, Harris Wolfberg, owned a number of Denver theatres. Associated with the Wolfbergs were F. Kirk Johnson, Texas oil magnate; Jimmy Stewart, motion picture star; Sterling C. Halloway, Texas attorney, and others. Harris Wolfberg died a few months ago, and the young Mr. Wolfberg was reported to be managing theatres in California now.

Reason for the sale, according to the application, is the ill-health of Mr. Huffman and Mr. Terry. Mr. Huffman is suffering from hypertension, it was stated, and Mr. Terry suf-