

Another group gets bigger

Five Goodwill stations to be sold to Capital Cities for \$21 million; buyer will have to sell one of TV outlets to keep within FCC regulations

Within a week after the FCC approved the biggest sale of station properties in the history of broadcasting (the \$38.5 million purchase of 11 Transcontinent Television Corp. stations by three broadcasting groups [BROADCASTING, Feb. 24]) another record-making purchase was announced.

This is the sale of all five Goodwill Stations' outlets to Capital Cities Broadcasting Corp. at an aggregate price of over \$21 million.

The board of directors of Goodwill Stations at its meeting Feb. 24 recom-



Goodwill's Patt

mended that the Capital Cities offer be accepted. Goodwill Stations' stockholders will vote on the recommendation at their annual meeting May 6 in Detroit.

The Capital Cities offer, originally submitted last summer but rejected then by majority stockholders of Goodwill Stations, is \$30 a share on the outstanding 704,711 shares.

Because the acquisition of the Goodwill stations would give Capital Cities six VHF television stations (one more than the FCC limit of five VHF TV outlets), Capital Cities must dispose of one of its VHF stations.

It's believed that Goodwill's WJRT (TV) Flint, Mich., will be spun off before applications are filed with the FCC asking approval.

In addition to the Flint station, Goodwill is the licensee of independent WJR Detroit, a pioneer 50 kw clear channel station on 760 kc; its FM adjunct and of WSAZ-AM-TV Huntington, W. Va. Goodwill bought the Huntington stations in 1961 for \$6.1 million.

WJRT, on channel 12 and affiliated with ABC, began operating in 1958. WSAZ-TV is on channel 3, affiliated with NBC and began broadcasting in 1949. WSAZ operates on 930 kc with 5 kw day and 1 kw night; and is also affiliated with NBC.

Richards Family ■ Goodwill is principally owned by two trusts of the late G. A. Richards which add up to almost 31%. Other major stockholders: Rozene R. Moore, 4.89%; F. Sibley Moore, 2.99%; Frances S. Cartmell (widow of Mr. Richards), 3.5%; John F. Patt, 5.11% and Worth H. Kramer, 4.32%.

Mr. Patt, a veteran of 42 years in broadcasting (he started in 1922 with WDAF Kansas City, Mo.), is chairman of Goodwill; Mr. Kramer, whose broadcast experience goes back to 1930 with WTAM Cleveland, is president.

In 1962 Goodwill had total revenues of \$7.9 million and a net profit of \$673,118, equivalent to \$1 a share. In its nine-month report for 1963, Goodwill reported gross revenues of \$6.16 million and a net income of \$548,502, equal to 79 cents a share.

The Goodwill directors have recommended the liquidation of the corporation. It is believed that the liquidating figure, taking into account other considerations in addition to the \$30 per share Capital Cities offer, will amount to nearly \$22 million.

Sold over-the-counter, Goodwill last Tuesday had an 18 bid. On Wednesday the bid price reached 24 and the asking price was 27¾. When the market closed Thursday, the bid and ask price for Goodwill was still the same.

TV Baby ■ Capital Cities, whose principal stockholders are Frank M. Smith and radio commentator Lowell J. Thomas, was organized in 1954 when

it bought WROW and WTEN(TV) Albany, N. Y., for \$298,800. Three years later Capital Cities bought WTVD(TV) Durham, N. C., for \$1.4 million, and in 1959 it bought WPRO-AM-FM-TV Providence, R. I., for \$6.5 million.

In 1961, Capital Cities made two multi-million dollar purchases: WKBW-AM-TV Buffalo, N. Y., for \$14 million and WPAT-AM-FM Paterson, N. J. (in the New York area), for \$5.35 million.

Capital Cities also owns WDCB(TV) Adams, Mass., on channel 19. This station is programed from Albany.

Mr. Smith, president of Capital Cities, is 9.53% owner; Mr. Thomas, 3.98%. Other stockholders: John P. McGrath, 2.97%; J. Floyd Fletcher, 2.46%; William J. Casey, 1.9%; Harmon L. Duncan, 1.62%; William S. Lasdon, 1.65%; Virginia D. Duncan, 1.46%; Mildred M. Fletcher, 1.52%; Gerald Dickler, 1.34%; John P. Saw-



Capital Cities' Smith

yer, 1.13% and others.

Capital Cities' stockholders approved the offer of Goodwill last summer, so no action on their part is needed.

Last April Capital Cities acquired 40% of New York Subways Advertising Co. In 1963, Capital Cities reported gross revenues of \$19.3 million and net income of \$2 million, equal to \$1.58 a share on an average 1,267,813 shares outstanding (see page 80).

Traded on the American Stock Exchange, Capital Cities had a high of 24 on Wednesday but closed at 23½. On Thursday, Capital Cities opened at 23½ and closed at 22½.