

Corinthian keeps options open

Merger deadline is extended despite worry over FCC delays and market fluctuations

The boards of Corinthian Broadcasting Corp. and Dun & Bradstreet Inc. voted last week to extend to May 1, 1971, the optional termination date of their \$100-million-plus merger agreement.

They acted after the FCC, divided 3-to-3 on whether to approve the transfer of the five TV-station licenses involved and also on whether to set the application for hearing, voted on the eve of the original optional termination date—Nov. 27—to call for additional information from the applicants (BROADCASTING, Nov. 30).

Hamilton B. Mitchell, president of Dun & Bradstreet, and C. Wrede Petersmeyer, chairman and president of Corinthian, said in a joint statement announcing the selection of the May 1 date that "both companies will cooperate in providing the information recently requested by the FCC."

Privately, officials of both companies were said to be unhappy at the forced delay because they had twice been assured by the commission that action would be taken before the Nov. 27 "upset" date and because, they felt, the call for additional information requests little or nothing that could not have been requested six or even nine months ago. The application was filed last Feb. 27.

The stocks of the two companies followed different patterns in trading on the New York Stock Exchange last week. Corinthian shares dropped two points Monday and another eighth of a point Tuesday but climbed two points Wednesday and added an eighth on Thursday, closing Thursday at \$25.50. Dun & Bradstreet shares slipped a quarter of a point Monday, fell two and three-eighths Tuesday, rallied for a gain of one and five-eighths Wednesday and seven-eighths of a point on Thursday, closing at \$51.625.

At the time the merger plans were announced a year ago, Dun & Bradstreet stock was trading at \$58.75 and Corinthian at \$25.75, and under the terms of the merger—a .675 share of D&B for each of almost 3.4 million Corinthian shares outstanding—the merger value was put at \$134 million (BROADCASTING, Dec. 8, 1969). At last Thursday's closing, the indicated market value would be about \$117.8 million.

John Hay Whitney, financier, owns about 48% of the Corinthian shares and would own 9% of the merged company.

The FCC call for additional informa-

tion came in an undated letter, received last week, and asked the applicants to supply material on five basic points ("Closed Circuit," Nov. 30):

■ Further data in support of the "compelling public-interest showing" required under the FCC's 1968 top-50-market policy when more than two VHF stations are acquired in the top 50 markets. Corinthian has three stations in the category: KHOU-TV Houston, KXTV(TV) Sacramento, Calif., and WISH-TV Indianapolis (its other stations are KOTV(TV) Tulsa, a VHF, and WANE-TV Fort Wayne, Ind., a UHF). However, Corinthian and D&B have contended the policy is not applicable, on grounds that there will be no change in number of stations under common ownership and the policy was not meant to require divestiture of existing holdings.

■ "A complete statement regarding the competitive practices which will be followed" if D&B acquired the Corinthian stations. The FCC said it was specifically concerned as to how D&B's credit-reporting and business-information services will be used and "whether there is any possibility that, after merger, Dun & Bradstreet will be in a position to abuse its resources to the detriment of any competing broadcast stations."

Muscat's CP's in jeopardy

Victor Muscat, former president and board chairman of the Fifth Avenue Coach Lines, New York, faces possible revocation of six construction permits by the FCC. The commission last week ordered Mr. Muscat to show cause why the permits should not be revoked and scheduled a hearing for Feb. 8, 1971.

The commission noted that, on July 26, 1968, Mr. Muscat was convicted, on a complaint of the Securities and Exchange Commission, of filing false and misleading statements with the SEC about his dealings with the bus company. Criminal charges were filed against Mr. Muscat on Nov. 4, 1969. He pleaded guilty to the charges and the FCC subsequently notified him that, because of his conviction, a hearing was needed on his character qualifications to be a licensee. He holds construction permits for KVMP(TV) Tulsa, Okla.; KMYO-TV Little Rock, Ark.; KIKS-FM-TV Lake Charles, La.; WTVU(TV) New Haven, Conn.; and channel 24, Memphis.

The showing on this point, the FCC said, "should touch on all anticompetitive objections alleged by the various petitioners who have opposed the grant of the application without hearing."

■ "A statement from the Department of Justice and the Federal Trade Commission indicating that the proposed merger is not objectionable under any of the antitrust laws or policies of the U.S."

■ Since one D&B director, J. R. Newman, is also a director of General Foods, an indication of "what policies will be followed after merger to assure that this interlocking directorate—or any other interlocking directorate that might exist—will not be misused to the competitive disadvantage of any Dun & Bradstreet competitor."

■ "Specific information on the precise nature and extent of the asserted programing improvements contemplated in this area (children's programing) and when such improvements would go into effect. Specific information should also be furnished regarding any other programing improvements contemplated by the applicants." The FCC said this request stemmed from D&B's expectation, indicated in the application, that its resources and expertise in the area of children's books would be useful in strengthening Corinthian programing.

The letter said the application "will be considered further when the information requested above is received."

On-air women form WBA, slate parley

A new national organization of women on-the-air personalities has been formed and will hold its first national steering committee meeting at Chicago's Conrad Hilton hotel Jan. 16, 1971.

Women Broadcasters of America (WBA), the name of the new group, has temporary headquarters in Houston. Jan Marshall, a former Houston air personality, is acting secretary. Her address is Box 6581, William Rice Station, Houston.

WBA was formed to recognize and solve the "unique problems of the woman on-the-air broadcaster," Miss Marshall said, including, she said, programing, additional opportunities for women, and working to help promote better broadcasting.

Present members of the steering committee are Fedora Bontempi, KLAS-TV