BUSINESS BRIEFS

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on speculation, and last month Ryskamp granted the motion, overturned the verdict and canceled the penalties.

The judge said the SEC supplied insufficient evidence to support its case, presenting only telephone and stock-trading records that didn't reveal the content of any phone calls among the Ginsburgs. Scott Ginsburg's brother Mark Ginsburg and father Jordan Ginsburg agreed in April to pay $4.7 million to settle SEC allegations dating back to 1996 and 1997, when Scott Ginsburg was head of Evergreen. Mark and Jordan Ginsburg, whose settlement did not include any admission of wrongdoing, earned a total of $1.8 million by trading shares in EZ and Katz, but Ryskamp said Mark Ginsburg could have learned about the potential acquisitions from sources other than his brother. Ryskamp cited a June 1996 *Dallas Morning News* article in which EZ was called an "attractive takeover candidate" and a piece in *Electronic Media* in which an analyst said one of Katz's major shareholders was planning to sell its stake in the group.

Cumulus Won't Hire In-House Label Liaison

A report in the Dec. 17, 2002 *Los Angeles Times* said longtime Jeff McClusky & Associates staffer **John Kilgo** was set to be named Director/Label Relations for **Cumulus Media**'s CHR/Pop stations, but Cumulus Exec. VP John Dickey told **R&R** that Kilgo is not becoming a Cumulus employee. Kilgo, who has been Cumulus' rep at JMA for two years, is leaving JMA to form an independent-promotion company that will have Cumulus as a client — after Kilgo's noncompete agreement with JMA expires. Dickey said Kilgo is negotiating a buyout of the noncompete and said it was "more than likely" Cumulus would provide some financial assistance for the buyout, though a final decision on that hadn't been made. Reports of a plan to put Kilgo on the Cumulus payroll were met with much criticism; the *Times* quoted sources who said the news "smacked of payola" and was "sending a shudder through the major labels."

Latest Tribune TV Transaction Financed By Entercom/Denver Deal

You'll recall that at the end of 2001 **Tribune Co.** sold KEZW, KKHK & KOSI/Denver to **Entercom Communications** in an unusual swap deal worth $180 million, under which Tribune was to look for TV properties that Entercom would then buy and spin back to Tribune. Some $125 million of the deal, for KEZW & KOSI, went toward Tribune's recent acquisition of an Indianapolis TV station, and now the remaining $55 million, for KKHK, is helping fund Tribune's "tax-deferred asset exchange" for Acme Communications' KWBP-TV/Portland, OR. Tribune is also paying cash for Acme's KPLR-TV/St. Louis. Total price tag on the two Acme stations: $275 million.

Viacom Stands By Q4, Full-Year Growth Estimates

After its Blockbuster division revised its Q4 2002 expectations downward, Viacom said the amended Blockbuster figures don't affect the overall company's previously announced Q4 forecasts of more than 20% growth in EBITDA, operating income and earnings per share. Viacom also reiterated its full-year 2002 predictions of double-digit growth in EBITDA, operating income and EPS and confirmed that it expects to see revenue growth in the mid-single digits, EBITDA growth in double digits and operating income and EPS growth in the midteens in 2003.

Smith No Longer CC Entertainment COO

Clear Channel Entertainment COO **Steve Smith** has given up that title but is staying with the company as a consultant, Clear Channel representative Susan Elmore told **R&R** this week. Elmore also said that New York-based Clear Channel spokesman **Howard Schacter** has left the company as it moves the entertainment division's public relations activities to Houston. Elmore said the decision to move the PR unit was driven by a year-end review of operations. "As we were looking at the budget," she said, "we looked for ways to reorganize and become more efficient."

Board Changes At Cox, Emmis

David Easterly has retired from **Cox Radio**'s board of directors, reducing the board to eight members. Easterly became a director in July 1996 and served as Chairman of the Board from January 2001-January 2003.

Emmis Communications has added former CBS Inc. and CBS Television & Cable President/CEO **Peter Lund** as the ninth member of its board of directors. Lund joined CBS in 1977 as VP of its AM radio stations and after that served as VP/GM of WCBS-TV/New York and WBBM-TV/Chicago and President of CBS Sports. In related news, the Emmis board declared a 78 cent per-share quarterly dividend for its 6.25% convertible preferred stock, payable Jan. 15 to shareholders of record as of Jan. 2. One share of Emmis preferred stock is convertible to 1.28 shares of Emmis class A common stock.

Coburn Takes Ownership Of Rockline

Bob Coburn, host of the long-running rock 'n' roll interview program *Rockline*, has purchased the rights to the show and the *Rockline* name from Premiere Radio Networks for an undisclosed price. Premiere announced in November 2002 that it would retire *Rockline* at the end of the year. Under the new agreement the show will continue to air from Premiere's Sherman Oaks, CA studios on Mondays and Wednesdays.

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TRANSACTIONS AT A GLANCE

All transaction information provided by BIA's MEDIA Access Pro, Chantilly, VA.

- **KMET-AM/Banning, CA** Undisclosed
- **KSDO-AM/San Diego, CA** $10 million
- **KCUV-AM/Englewood (Denver), CO** $3.32 million
- **WSOS-FM/St. Augustine and WKLN-AM/St. Augustine Beach, FL** $4 million
- **WEEF-AM/Highland Park (Chicago), IL** $1 million
- **WMBD-AM, WWFS-AM, WPBG-FM & WSWT-FM/Peoria, IL** $37 million
- **WBLO-FM/Charlestown (Louisville), IN** $2 million
- **WWXL-AM/Manchester, KY** $75,000
- **WCMP-AM/Pine City, MN** $100,000
- **WMGO-FM/Yazoo City, MS** $207,500
- **KBTC-AM & KUNQ-FM/Houston, MO** $300,000
- **KPWB-AM/FM/Piedmont, MO** $100,000
- **KJBB-FM/Watertown, SD** $0
- **KFNK-FM/Eatonville (Seattle-Tacoma), WA** $4.5 million
- **WEAQ-AM/Chippewa Falls; WDRK-FM/Cornell; WAYY-AM, WAXX-FM & WIAL-FM/Eau Claire; and WECL-FM/Elk Mound (Eau Claire), WI** $18 million
- **WFBZ-FM/Trempealeau, WI** $520,000

Full transactions listings, posted daily, can be found at www.radioandrecords.com.

DEAL OF THE WEEK

- ***KLYY-FM/Arcadia (Los Angeles), KSYY-FM/Fallbrook (Oceanside) and KVYY-FM/Ventura (Oxnard), CA***

PRICE: $137 million

TERMS: Asset sale for cash and stock. Entravision is paying Big City Radio $100 million in cash and is also giving the company 3.77 million shares of Entravision common stock for KLYY, KSYY & KVYY and K252BF, a translator at 98.3 MHz in Temecula, CA that simulcasts KVYY.

BUYER: Entravision, headed by Chairman/CEO Walter Ulloa.

SELLER: Big City Radio, headed by President/CEO Charles Fernandez.

2002 DEALS TO DATE

Dollars to Date:	***$5,399,854,204***
	(Last Year: $3,861,111,228)
Dollars This Quarter:	***$622,912,635***
	(Last Year: $477,629,373)
Stations Traded This Year:	***814***
	(Last Year: 1,044)
Stations Traded This Quarter:	***209***
	(Last Year: 170)

Consolidation

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company, of being stewards of shareholder value.

"You can't run a company just because you want to run a company; your goal is to maximize shareholder value. And if you can maximize shareholder value by buying additional radio stations, you do that; if you can maximize shareholder value by buying back stock, you do that; and if you can maximize shareholder value by selling to somebody who is going to value you at a level you don't think you can create on your own, you do that."

In the end, Helfstein believes, even those companies that are focused on sticking with radio for the long term can't keep running their stations forever. "What's the point of that?" he asked, pointing out that once companies stop buying stations, the cash flow they'll be generating will have to be spent on some new business or a stock repurchase program or turned into stock dividends.

But no matter what, he said, investors will demand an appreciable return on the money the company generates. "You can't have the money sit there," he said. "You've got to earn a return on it. And not something like earning a 4% return in the bank. As an investor, you don't want somebody doing that with your money. You can do that yourself."

However, Helfstein is still a big believer in the radio business: "Radio is one of the best businesses in media, and public and private investors know this. I think in a growing economy the public markets will put a premium on radio assets."

Helfstein believes that sort of investor confidence could give rise to some new small radio companies going public to raise money for new acquisitions. He said that during rosy economic times radio companies have an easier time raising money on the public markets than from private investors, and he noted that there is plenty of demand among institutional investors for the "Regents and Salems of the world."

"It's a smaller group of investors," he said, "but there's definitely demand out there."

As for the companies that might be the most likely to jump in on a new surge in consolidation, Entercom, Cumulus, Cox and Citadel were all mentioned as likely participants. "David Field at Entercom says they're going to be the third company [to compete with Clear Channel and Infinity]," Smulyan said, but he also pointed out that, with an IPO from Citadel apparently on the horizon, that company could jump into the next consolidation wave.

Meanwhile, Helfstein said the only reason he could see for companies like Entercom and Cox to merge would be to join forces in acquiring a third group.

No matter what form a new consolidation wave might take, Smulyan may have summed it up best: "It depends on the mind-set of the companies that survive, but anybody that's left could be a buyer or a seller."