

## Osborn Explains Stock Drop

**O**sborn Communications President Frank Osborn is telling investors not to worry about the sudden drop in his company's stock price. Last week the stock dove from about \$9 to a low of \$7.25. It has since recovered to about \$8.

The drop, he said in a letter to shareholders, was due to market inefficiencies. What that means in this case, according to Osborn's Sr. VP/Finance Tom Douglas, is that more of the thinly traded stock was dumped on the market than it could absorb in one bite.

Apparently a new pension fund manager liquidated his

predecessor's position in Osborn, putting about 120,000 shares in play. About 60% of the Osborn stock is closely held, so the traded shares amount to about 2 million of 5.3 million shares.

Osborn said that the company was currently undervalued because of the price drop and owing to steps taken earlier this year, including the \$19 million sale of stations that contributed \$900,000 in cash flow. The company is expected to buy a third station in Southwestern Florida and acquired an FCC waiver allowing it to merge its Alabama TV and radio operations. He also said the company would take a third-quarter write-down of \$4 million on debt refinancing.

## Radio Exempted From Fees

**C**ongress has passed legislation that will exempt radio from new performance rights fees. The bill passed the Senate last August. It now goes to President Clinton for his signature.

In a long-fought battle, broadcasters had feared that a new performance right covering digital sound recordings would lay a tax at radio's feet.

The new performance rights will charge subscription services for the material they broadcast. Non-subscription broadcasting is exempt, as are subscription services to business.

NAB President Eddie Fritts said of the legislation, "The performance rights legislation passed by the House today maintains the historic, mutually beneficial relationship between radio broadcasters and the recording industry."

## TRANSACTIONS

# Evergreen Grows In Boston, Buys WKLB For \$34 Million

Amaturo Group math: \$2 million = Thousand Oaks, CA KNJO-FM station

### Deal Of The Week

#### WKLB-FM/Framingham (Boston)

PRICE: \$34 million

TERMS: Duopoly deal; asset sale for cash

BUYER: Evergreen Media Corp., headed by Chairman/CEO Scott Ginsburg. It owns 36 other stations, including WJMN-FM/Boston, WXKS-AM/Everett (Boston) & WXKS-FM/Medford (Boston).

SELLER: Fairbanks Communications Inc., headed by President Richard Fairbanks

FREQUENCY: 105.7 MHz

POWER: 8.5kw at 1145 feet

FORMAT: Country

BROKER: Charles Giddens of Media Venture Partners

### Alabama

#### WQLS-AM & FM/Ozark

PRICE: \$500,000

TERMS: Duopoly deal; asset sale for cash

BUYER: Woods Communications Group Inc., headed by President/CEO Charles Woods. It owns WTVY-FM/Dothan, AL. Phone: (334) 792-0047

SELLER: Sunrise Broadcasting of Alabama Inc., headed by President Joerg Klebe. He has an interest in eight other stations. Phone: (212) 319-7210

FREQUENCY: 1200 kHz; 103.9 MHz

POWER: 10kw; 25kw at 292 feet

FORMAT: News/Talk; Classic Rock

#### WLBI-FM/Warrior

PRICE: \$1,049,534

TERMS: Asset sale for assumption of notes

BUYER: North South Broadcasting Co LLC., headed by Members Robert and Richard Grey Brennan and Teresa and Tom Lowry. Phone: (202) 659-4700

SELLER: North Jefferson Broadcasting Co. Inc., headed by President Teresa Lowry

FREQUENCY: 98.7 MHz

POWER: 6kw at 328 feet

FORMAT: AC

COMMENT: North Jefferson and Deep South Broadcasting Co., headed by

President William Brennan, have formed North South Broadcasting Co LLC. Deep South is the licensee of WBAM-FM/Montgomery.

### California

#### KPLM-FM/Palm Springs

PRICE: \$1.55 million

TERMS: Asset sale for cash

BUYER: RM Broadcasting LLC, headed by President Robert Rivkin. Phone: (619) 459-2631

SELLER: R Group Broadcasting Corp., headed by President Arthur Rivkin

FREQUENCY: 106.1 MHz

POWER: 50kw at 392 feet

FORMAT: Country

#### KNJO-FM/Thousand Oaks

PRICE: \$2 million

TERMS: Asset sale for \$1.75 million cash and a \$250,000 non-compete agreement

BUYER: Amaturo Group of LA Ltd., headed by general partner Joseph Amaturo. He has an interest in six other stations. Phone: (305) 776-7815

SELLER: Flagship Communications Co. Inc., headed by President Darry Sragow. Phone: (805) 497-8511

FREQUENCY: 92.7 MHz

POWER: 560 watts at 630 feet

FORMAT: AC

### Florida

#### WEBZ-FM/Mexico Beach

PRICE: \$437,500

TERMS: Asset sale for \$100,000 cash and a 20-year, \$337,500 promissory note at 10% interest

BUYER: Boss Radio Group Inc., headed by President Tim O'Brien. He has an interest in WGNE-AM & WFSY-FM/Panama Beach, FL and WMTO-FM/Port St. Joe, FL. Phone: (904) 769-6161

SELLER: Woodfin Broadcasting Inc., headed by President Blane Woodfin

FREQUENCY: 99.3 MHz

POWER: 50kw at 492 feet

FORMAT: Nostalgia

## TRANSACTIONS AT A GLANCE

- WQLS-AM & FM/Ozark, AL \$500,000
- WLBI-FM/Warrior, AL \$1,049,534
- KPLM-FM/Palm Springs, CA \$1.55 million
- KNJO-FM/Thousand Oaks, CA \$2 million
- WEBZ-FM/Mexico Beach, FL \$437,500
- WPMX-FM/Statesboro, GA \$150,000
- WLCS-FM/North Muskegon, MI \$535,000
- KROL-FM/Las Cruces, NM \$120,000
- WXVX-AM/Monroeville, PA \$95,000
- WDKD-AM & WWKT-FM/Kingstree, SC \$435,000
- WFCL-AM & WJMQ-FM/Clintonville, WI \$850,000
- WPVO-AM & WAEY-FM/Princeton, WV \$1 million

### Georgia

#### WPMX-FM/Statesboro

PRICE: \$150,000

TERMS: Asset sale for cash

BUYER: Multi-Service Corp., headed by President/Director James Popwell Sr. He owns WCEH-AM & WQSY-FM/Hawkinsville, GA.

SELLER: Pamela Hodges

FREQUENCY: 102.9 MHz

POWER: 25kw at 328 feet

FORMAT: Country

### Michigan

#### WLCS-FM/North Muskegon

PRICE: \$535,000

TERMS: Duopoly deal; asset sale for cash

BUYER: Pyramid Broadcasting Inc., headed by President R. LaVance Carson. It owns WEFM-AM & FM/Whitehall, MI and KCUB-FM/Stephenville, TX. Phone: (708) 255-5132

SELLER: Black & Gold Radio Inc. Phone: (616) 733-9830

FREQUENCY: 98.3 MHz

POWER: 3kw at 355 feet

FORMAT: Gold

### New Mexico

#### KROL-FM/Las Cruces

PRICE: \$120,000

TERMS: Asset sale for \$70,000 cash and a five-year, \$50,000 promissory

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# February 28, 1996

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