

WIGGLES, WINKS & WIZARDS

The Story of Keymarket Communications

Paul H. D. Rothfuss

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CHAPTER 1
STEPPIN' AWAY



<https://youtu.be/rcitG7FpMVg>



1967 Volkswagen Beetle



WYRE logo (Annapolis, MD)



WYRE Marine Weather

http://emperorrodgers.com/WYRE_weather.mp3



1970s vintage Dymo label maker



CHAPTER 2

THE AD MAN



<https://www.nightingale.com/strangest-secret-dvd.html>



CHAPTER 5
G'BYES, CRICKETS AND WOODEN SHOES

Pennsylvania Radio, Inc.

PENNSY
LVANIA
radio incorporated 



CHAPTER 6

OPPORTUNITY WITH A CAPITAL 'O'



JOE DALTO
WILQ 6-10 AM



JIM CAMERON
WILQ 10-3



"WILD BILL"
WILSON
WILQ 3-7 PM



RICK ANDREE
WILQ 7-12 PM



VINCE GRANDE
WILQ All Night



LOU KOLB
WLYC 6-10 AM



BARRY DRAKE
WLYC 10-3 PM



TED GENEVISH
WLYC 3-7 PM



LORI SHANNON
News Director

WILQ on-air staff (Williamsport, PA)



CHAPTER 7

HAPPY NEW YEAR



Paul's 'infamous' WILQ Rooster spot
(with apologies to Warner Bros. Animation)
http://rlpublishers.com/WWW_Chap07-1.mp3



The WILQ Rooster and friends

*Doan'ah Clean Uppa Mah Desk,
You Mess Uppa My System!*

A sign on the desk of the Lynchburg, VA AM/FM station owner's disheveled office.



CHAPTER 8 DREAMLAND



The first WILQ (Williamsport, PA) bumper sticker.



Another WILQ bumper sticker, promoting the WILQ Rooster.



A WLYC bumper sticker promoting the change in format.



CHAPTER 9
ON TO THE NEXT

99 NōZ

ROCK AT STEREO 99



The WNOZ (Ithaca, NY) I.D.



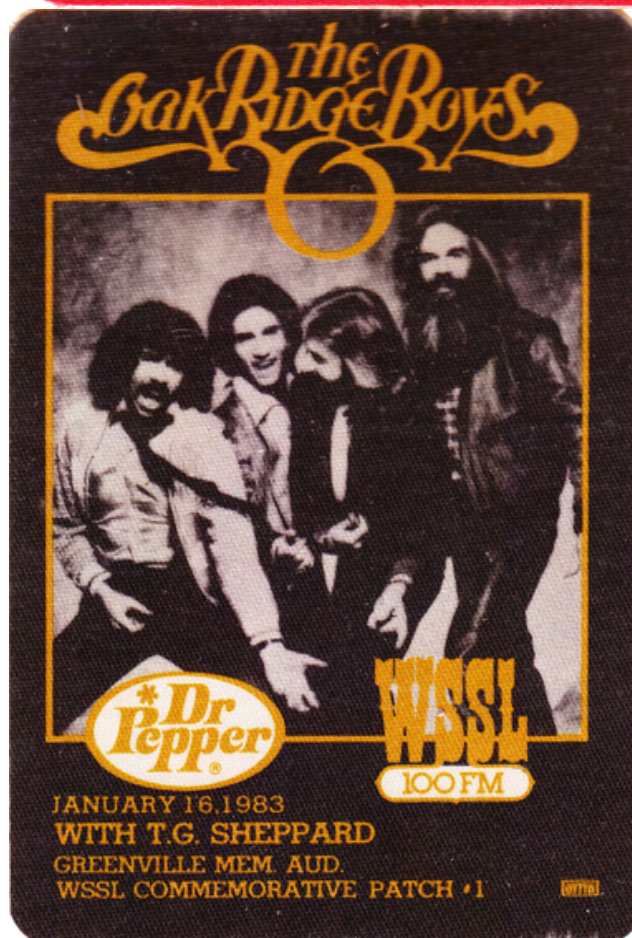
A KSSN (Little Rock, AR) billboard.



CHAPTER 11
SELL THE BABY



A WSSL (Greenville, SC) bumper sticker.



Concert patches from some favorite WSSL concert promotions.



CHAPTER 12 JACKSON...IN A FEVER



<https://en.wikipedia.org/wiki/WLBT>

The story of the unusual history of the WLBT-TV (Jackson, MS) license.



WJDX bumper sticker.



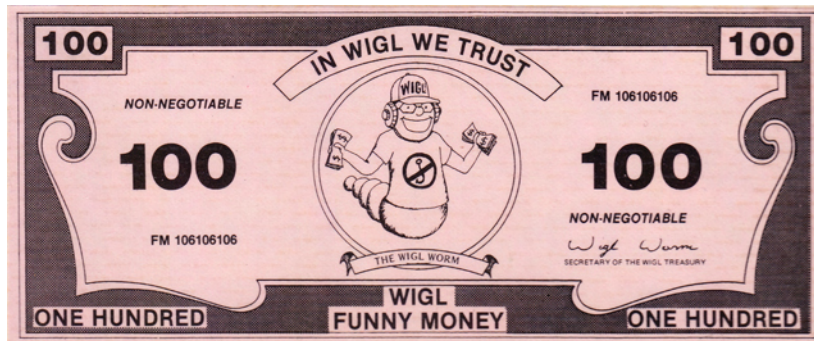
WMSI (Jackson, MS) bumper sticker



CHAPTER 13 SOUTHERN COMFORT



The WIGL "Wiggle Worm." (Columbia, SC)



WIGL "Wiggle Money."



The WIGL coffee mug.



The successor to WIGL - WTCB "B-106" (Orangeburg, SC)



A Hiney Wine button.



Hiney Wine Fan Club
<http://hineywinery.com/>



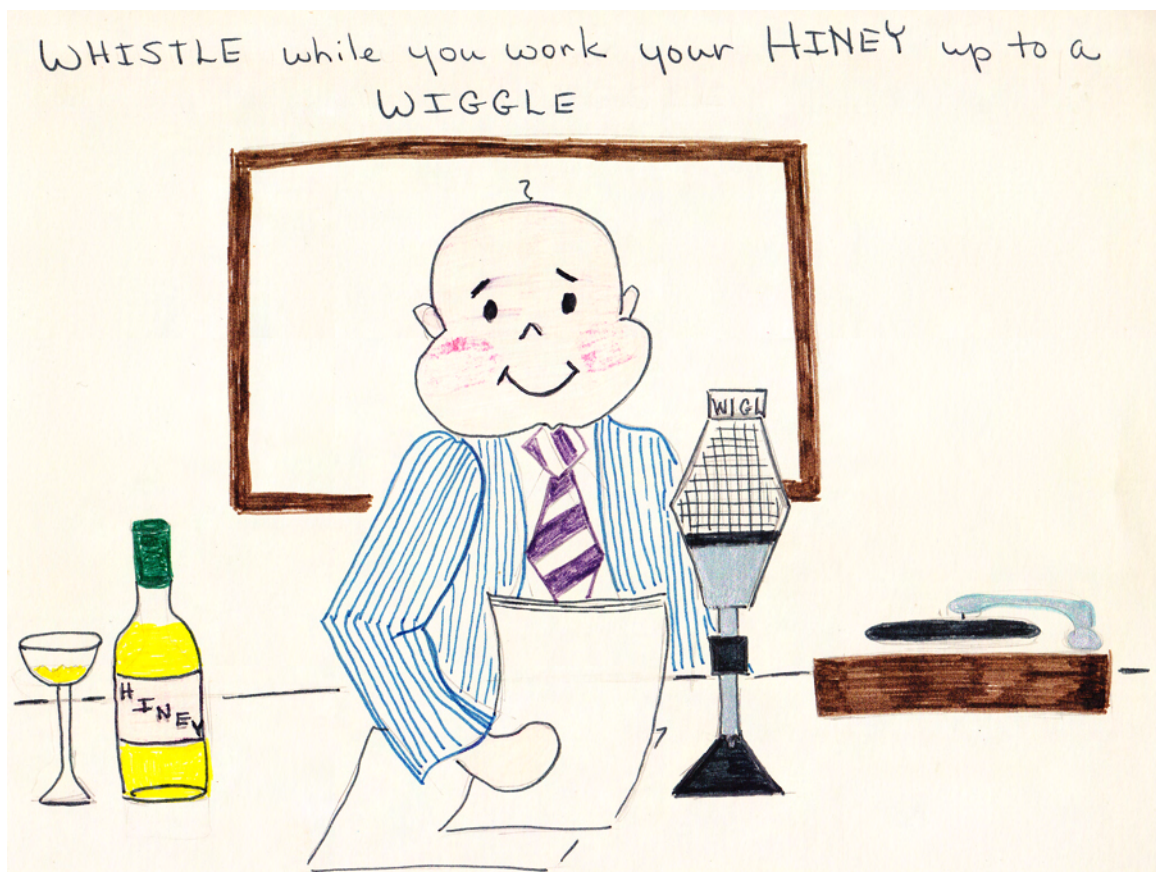
Hiney Wine 'Commercial'

https://www.youtube.com/watch?v=MTUh_K28X7g



Hiney Wine Radio 'Ad'

<https://www.youtube.com/watch?v=ZHgmr3DnJRg>



One of my Aiken friends, a WIGL listener and Hiney Wine fan, created a 'toon for me.



CHAPTER 14

A REAL COMPANY



Kerby Confer and Paul Rothfuss at work.



©<https://commons.wikimedia.org/>



The WBVR Billboard



Rosemary Hall Offices



WZNY (Augusta, GA) coffee mug



WZNY's "Sunny Ray"



CHAPTER 15

THE BIG TRIP



The unforgettable, ebullient, Karl W. Helft



The Alpenhorn



Paul & Barbie Rothfuss, out to dinner in Switzerland.



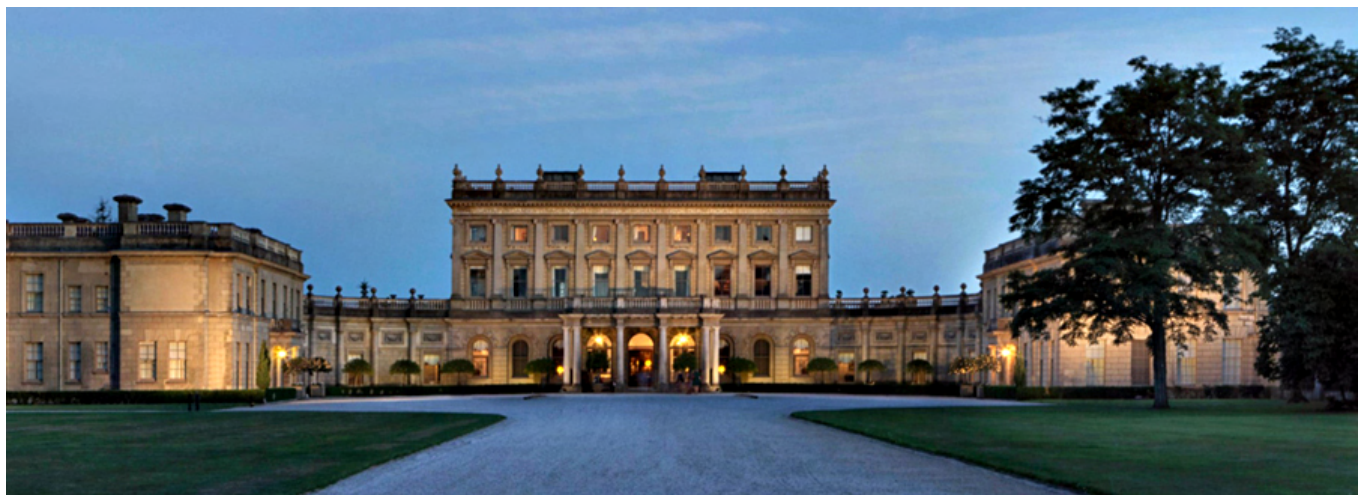
(l-r) The Partners - Kerby Confer, Donald Alt, Jerry Atchley, Paul Rothfuss



(l-r) Judy Confer, Kerby Confer, Paul Rothfuss, Barbie Rothfuss



Scrimshaw on an ancient whales tooth, purchased in Ketchikan, Alaska.



Cliveden House

Cecil O'Bryen Fitz-Maurice, 8th Earl of Orkney

(3 July 1919 – 5 February 1998)

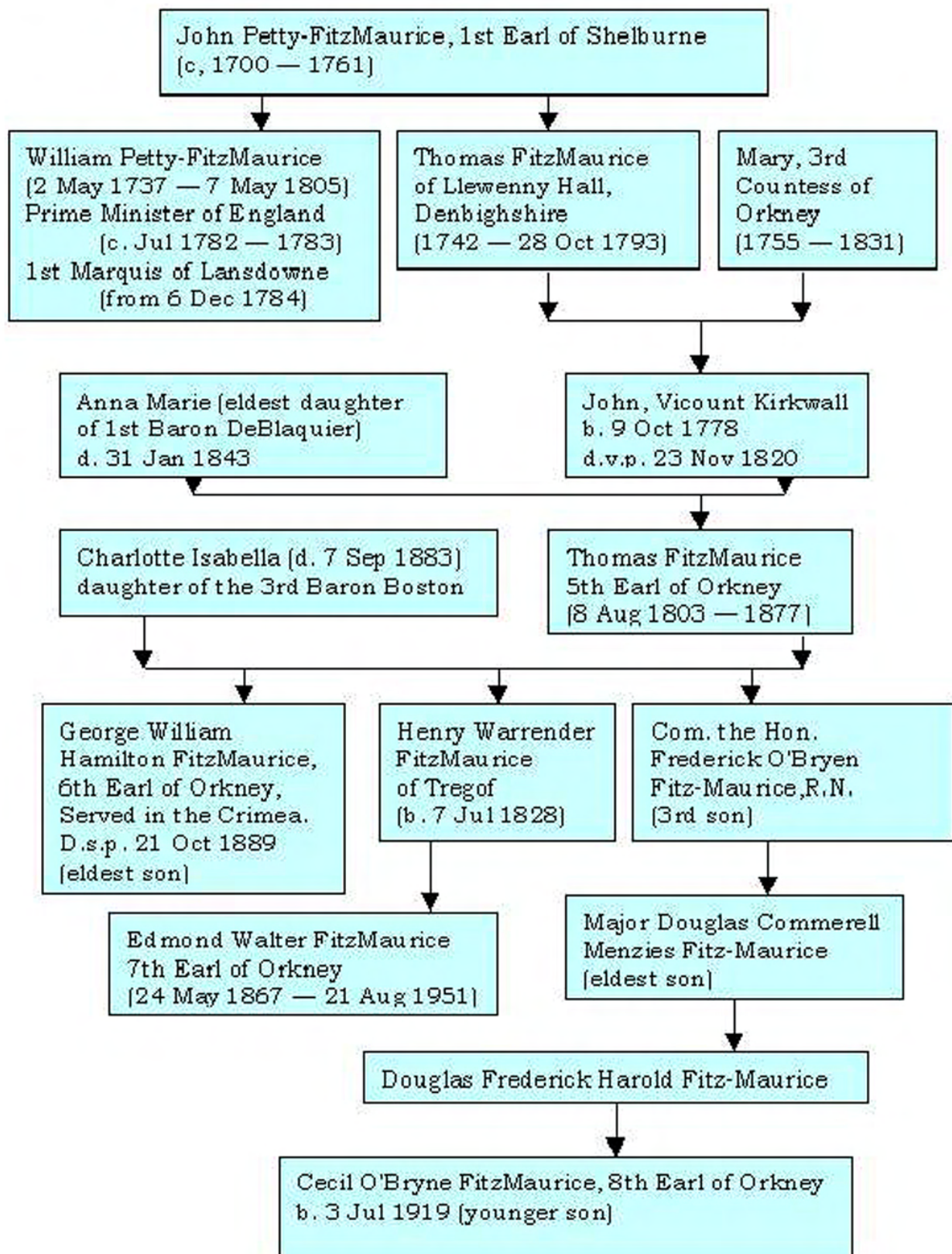
•news clip and succession chart from: <http://fitzmaurice-family.com/orkney.html>



Cecil Fitz-Maurice, the new Earl of Orkney, gives the "thumbs-up" sign as he sits in the cab of his British Army lorry on the Korean western front where he is serving as a private. Fitz-Maurice, at age 21, became the eighth Earl of Orkney when a distant relative, the 84-year-old Earl of Orkney, died recently. He inherits money and a castle at Buckinghamshire.

(AP)

1st Earl of Shelburne to 8th Earl of Orkney



Succession Chart from:

<http://fitzmaurice-family.com/orkney.html>



CHAPTER 16
1984



"The WKJN billboard (sans 'Hi Paulsy!')



WNNK billboard.



WIZD (Mobile-Pensacola) billboard.



CHAPTER 17

Marcom



WZOQ (Wapakoneta, OH) license plate.



WFRG (Utica, NY) - The Froggy face! Created by Dan Farr

The remaining items in Chapter 17 are news clippings and cartoons regarding the hotly controversial broadcast tower relocation in Topeka, Kansas.

United Airlines objects to radio tower near Forbes

By ANITA MILLER
Capital Journal business editor

United Airlines, saying it wasn't given proper notice by the Federal Aviation Administration, has filed an objection with the FAA over the construction of a broadcast tower in Douglas County that is in the center of a flyway leading to a runway at Forbes Field.

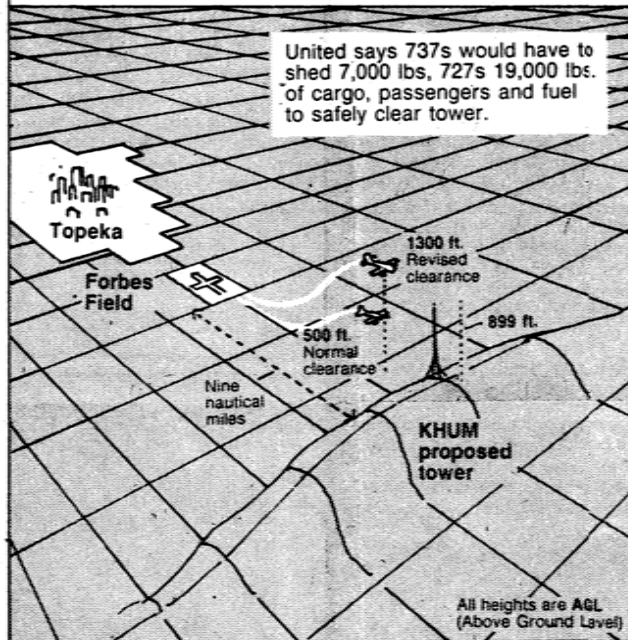
United also has asked the FAA to formally reopen a study about the

The tower, which is for KHUM-96, a Lawrence FM radio station, is nine nautical miles to the southeast of Forbes Field. The site is three miles north of US-56 and one-fourth mile east of the Osage County line.

Scott Davis, vice president and general manager of the station, said he didn't know about the United objection, but said the FAA already has considered the tower location twice and found no hazard.

"We're waiting for an FCC (Federal Communications Commission)

Radio tower would raise safety level-off to 1300 ft. for United flights leaving Forbes



—Staff/Pat Marrin

small tower. . .," Davis said.

A United official, William B. Cotton, manager of air traffic systems for United, said in a letter to the FAA that the tower would impose "performance penalties" on United. The 727s and 737s that United flies out of the Forbes would have to

have a higher level-off height and would have to reduce weight loads before takeoff to meet certain minimum performance standards. The standards are determined on the presumption that the plane was operating on a single engine.

The normal level-off height at the

tower location is 500 feet for a 737, a twin-engine aircraft, and 1,000 feet for a 727, a triple-engine plane. With the tower, which is 899 feet from ground level, that level-off would be 1,300 feet with weight penalties.

Cotton said in his letter to the FAA that those weight penalties are up to 7,000 pounds for the 737 and up to 19,000 pounds for the 727.

"We'll have to reduce passengers, cargo or fuel to reduce the weight," said Tom Germuska, corporate com-

United, which started jet service to Topeka in March, has two flights a day to Kansas City, then Denver, one flight a day to Wichita, then Denver, and one flight a day to Lincoln, then Chicago. Chicago is United's largest hub of connecting flights and Denver is the second largest hub.

George Boyd, state director of aviation, said imposing the weight penalties and making an airline change from having a full load of fuel, passengers and cargo is unfair.

"We're not putting a mountain at the end of the runway. We're putting a molehill near the runway. It's a small tower."

—Scott Davis
KHUM-96 vice president

"This would influence long-range scheduling options for Topeka. It reduces the option for any non-stop flights anywhere."

—Tom Germuska
United Airlines spokesman

proposed tower, which was given final approval for construction in mid-July by the Douglas County commissioners. The FAA already performed an aeronautical study and concluded there was "no hazard" in the location of the tower. The FAA was later asked by the Kansas director of aviation to reopen the study, but declined to do so. A second request by the state is pending.

Sandra Campbell, a spokesman for the FAA regional office in Kansas City, said as of Friday the FAA had no intention to reopen the study "at this point. Washington headquarters has not given us the word to open it. That's not to say it won't be reopened."

Campbell said the FAA would have to find that something substantial had not been considered in the findings before.

construction permit. . . There's nothing standing in the way of building this tower," Davis said.

Davis said the tower location doesn't present a hazard. "The last thing I want is to build an unsafe tower," he said. He noted a tower located nine miles from the airport "was not going to cause a problem."

"I'm more concerned than anyone about safety. It's my tower. The government has told me twice it's safe," Davis said.

Davis said aviation interests want the tower moved, but he said the "real objection comes from competitive factors in Topeka."

He said the station has gone through more regulatory review than most others in similar situations.

"We're not putting a mountain at the end of the runway. We're putting a molehill near the runway. It's a

munications manager for United. "The way you make money with an airplane is lifting weight off the ground and taking it someplace else. Anytime you have to reduce that weight it's imposing an economic penalty."

Germuska said the "rule of thumb is 200 pounds for each passenger." With a 7,000-pound penalty that would mean 35 passengers on a 727, and a 19,000-pound penalty would mean 95 passengers on a 737. "That's the whole load," he said.

He said on the practical side it would likely be extra fuel that would be left off, which he said would require "en-route fuel stops and no non-stop" flights out of Topeka.

"This also would influence long-range scheduling options for Topeka. It reduces the option for any non-stop flights anywhere," Germuska said.

"That's not fair to the public and it's not fair to the airlines," Boyd said.

Along with United, Boyd has also requested that the FAA review its findings and reopen the study based on several factors.

Boyd said he is asking for the review because the first time around there was no public hearing, because commercial airlines didn't get a chance to review the situation; and because he has concerns about "why anything would be put in the center line of the runway."

"They could move it two or three miles one way or the other and alleviate the problem," Boyd said.

Cotton said in his letter that United was never given the opportunity to comment on the proposal, which

Continued on next page

United Airlines

Continued from preceding page

he said it usually gets to do in similar cases.

Brian Schoenthaler, staff vice president of advertising and public relations for Air Midwest, said Air Midwest, which also flies out of Forbes, was not advised of the situation.

"We wonder why they would approve of it (the tower) on the center line of approach," Schoenthaler said.

Schoenthaler said Air Midwest isn't affected to the extent United is, but he said Air Midwest is still concerned about the tower.

"We're concerned it's on the center line of the runway. We think a mile either one way or the other would be better. We like to keep our air space as clear of obstacles around the airport as possible," he said.

Schoenthaler said United has a "very legitimate concern. If we were in that position we'd take a different posture."

Schoenthaler said Air Midwest is in favor of the state aviation director's request to get the tower moved.

Schoenthaler said the tower will mean that Air Midwest has to make a procedure turn at an altitude 200 feet higher than it has done in the past. He said the procedure turn lines the airplane up with the runway. However, he said the landing minimums — the criteria for landing the airplanes — have not been changed. He said if the landing minimums had changed then Air Midwest would have objected to the tower as well.

"We do wonder why the FAA said there was no hazard but then made a change on the procedure turn," Schoenthaler said. "We can't justify raising cane but we wonder out loud how it can be located where it is."

Boyd said in addition to the tower height, the tower also will generate 100,000 watts of power and he said the strength of the tower could inter-

fere with aircraft navigation equipment.

Boyd said members of Congress have been asked to look into the situation and assist with opening the FAA study again. If the FAA doesn't reconsider the tower, then it can likely be built at the planned location, he said.

"We're not suggesting that broadcasters can't have air space, but we want to share the air space in a way that's good for all. Our runway is set in concrete, we can't get it to move one way or the other," Boyd said. "This is an unreasonable request to share space with broadcasters. That airport has been out there for years and years."

Boyd said the tower will affect Topeka, so the public should have an opportunity to voice concerns to the FAA.

"This is the only regional airport in northeast Kansas. It can cut off economic development to the community and desirability for other carriers to serve the area. Putting a tower in the center line is devastating," Boyd said. "The people of Topeka have invested millions of dollars in the airport terminal."

Other organizations that have gone on record opposing the tower are the Metropolitan Topeka Airport Authority, Kansas Air National Guard, the adjutant general for the state of Kansas, the Aircraft Owners and Pilots Association and the Kansas Department of Transportation.

KHUM tower is bad plan

It's hard to understand why a radio station would want to build its transmitter tower near an airport landing strip. After all, planes would be swooping near the tower at all times of the day and night.

It seems like the station would only be endangering its investment.

But officials of KHUM-FM in Ottawa think their tower, scheduled to be built only nine nautical miles from Topeka's Forbes Field, will be safe.

And besides, finding a new location for the tower would be too much trouble.

Scott Davis, vice president of the station, admitted that the station didn't want to look for a new site. Repeating the review process to approve a new site, he said, would no doubt delay progress on the tower's construction.

But the real questions are: why did the station want to build the tower near the air-

port in the first place; and then, why did the Douglas County Commissioners and the Federal Aviation Administration approve the tower without first consulting the airlines that land their planes there?

Supporters of the tower site say that the FAA's approval is enough and that the planned location for the tower should not be changed. Opponents say the site was approved before United Airlines began service to Topeka.

The radio station concedes that the construction of the tower will force United pilots to make a 200-foot adjustment on dicey, inherently dangerous instrument-only landing approaches.

Instead of having the pilots make adjustments, and possibly force United to discontinue service to Topeka, why not just find another place to build the tower?

University
Daily
Kansan
Aug 28, 1986

Radio tower site causes stir

By PAM MILLER

Staff writer

A couple of clowns were walking around Lawrence and the KU campus yesterday.

But they weren't clowning around. They were serious.

In another part of town, a radio station vice president sat in his office, and he, too, was serious.

The clowns and the vice president represent opposite sides of a controversy.

The clowns were Topeka residents, Jim Woods and Pauline Beatty, who protested the future installment of a radio transmission tower close to Topeka's Forbes Air Field.

Woods and Beatty walked up and down Massachusetts Street and between Wescoe Hall and the Kansas Union yesterday trying to increase awareness of the situation.

They said they were concerned that the tower, when built, would be too close to the Forbes Air Field and would endanger airplanes taking off and landing.

Scott Davis, vice president of KHUM-FM of Ottawa, the station that wants to build the tower, spoke from his Lawrence office yesterday.

"The Federal Aviation Administration, the agency that regulates air safety, told us that this site was safe," Davis said. "We submitted another independent investigation, and it was determined again that everything is safe."

"The location is nine nautical miles away from the field, near Overbrook. The only adjustment that pilots would have to make is a 200-foot adjustment on an instrumental landing approach."

But the protesters do not agree.

"From our viewpoint, we can't see why it was put there in the first place," Beatty said. "Our guess is that the FAA approved the location before the carrier, United Airlines, was put in at Forbes Field. But they had to know that eventually there would be a carrier there."

United Airlines and five other Kansas organizations are protesting the location of the tower, according to Wood's flier.

"We're not asking that they not put



Barbara Cochran/KANSAN

Pauline Beatty and Jim Woods, dressed as clowns, protest the future installment of a radio transmission tower at Topeka's Forbes Air Field. They were protesting between Wescoe and Stauffer-Flint halls yesterday.

up the tower, we just want them to relocate it," Woods said.

However, Davis said relocating the tower wouldn't be easy.

"We would have to go through the review all over again," he said. "We looked at a number of sites that would work well to serve the Topeka and Lawrence area. The FAA said this site was safe. I'm only acting on the advice of the FAA."

Woods said he hoped the protesting organizations would be able to con-

vince the FAA to reconsider.

The radio station has to wait to install the tower until the Federal Communications Commission approves its use. Davis expects the approval soon.

If for some reason the FAA reconsidered and said the area wasn't safe, Davis said, "We would change it in a heartbeat. We would drop back and punt. But look at KCI, it's in a major metropolitan area with tall buildings. This site is safe."

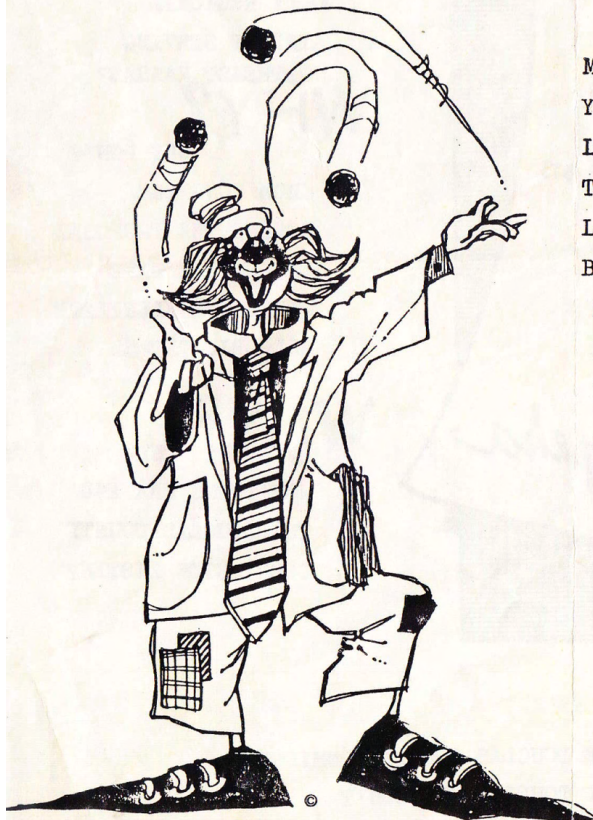
KHUM-96

PROPOSES TO BUILD A RADIO TOWER THAT RISES SQUARELY IN THE MIDDLE OF FORBES FIELD FLYWAY IN TOPEKA.

MR. SCOTT DAVIS (KHUM-96 VICE PRESIDENT) SAYS:

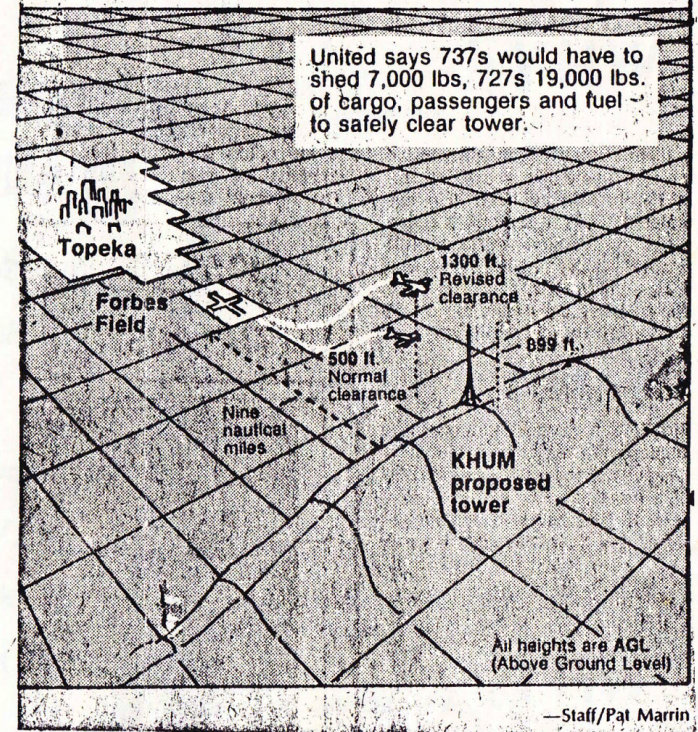
"WE'RE NOT PUTTING A MOUNTAIN AT THE END OF THE RUNWAY. WE'RE PUTTING A MOLEHILL NEAR THE RUNWAY.

IT'S A SMALL TOWER.....I DIDN'T BUY THAT 160 ACRES OF GROUND TO PLANT MILO."



Mr. DAVIS.....WHY WOULD YOU EVER CONSIDER SUCH A LOCATION? WAS THE PRICE TOO GOOD TO PASS UP ON THE LAND??? WOULDNT THERE BE OTHER LAND TO BUY???? NOBODY.....REPEAT.....NOBODY HAS SAID DON'T BUILD THE TOWER . YOU ARE JUST BEING ASKED TO MOVE IT TO A SAFER LOCATION.

Radio tower would raise safety level-off to 1300 ft. for United flights leaving Forbes



QUIT CLOWNING AROUND
WITH LIVES AND AIR TRAVEL
DEVELOPMENT IN
NORTHEAST KANSAS

WHY DOES KHUM KEEP CLOWNING AROUND ???

WHY?

WHY WOULD
ANYTHING
BE PUT IN THE CENTER
LINE OF A FLYWAY?

WHY?

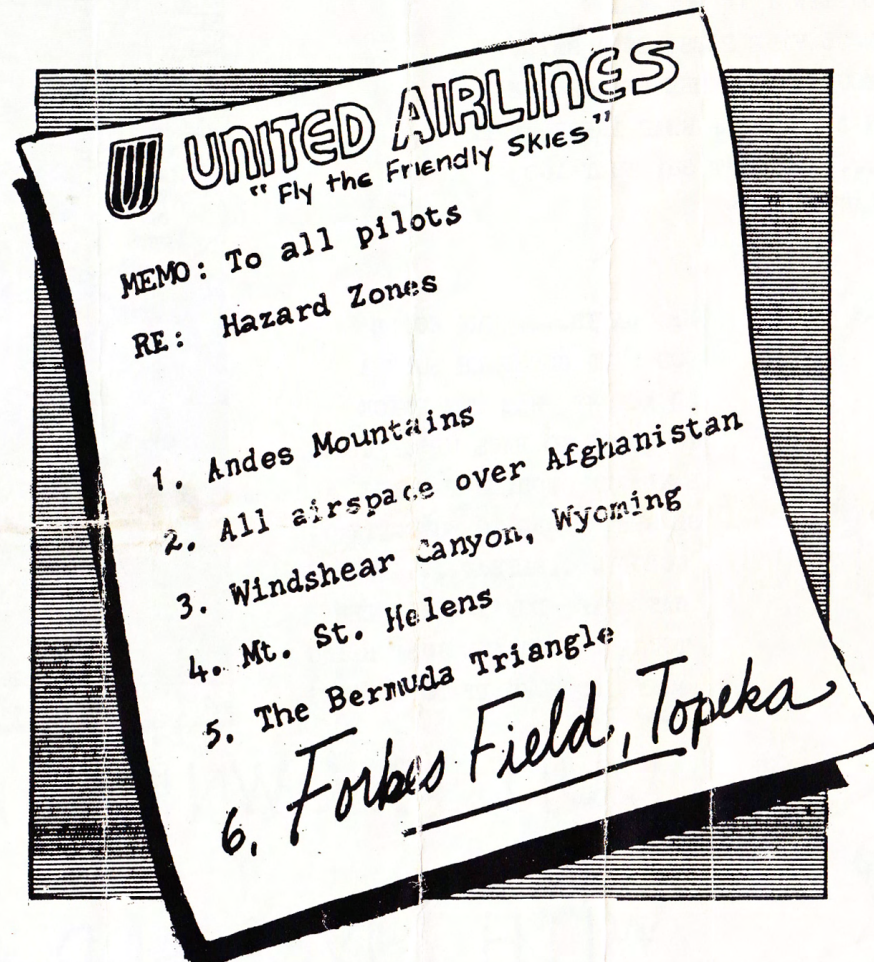
WHY RISK
A SENSELESS AIR TRAGEDY?
(Remember the Wichita
State football team's
air tragedy? JAYHAWK
athletic teams often
use Forbes Air Terminal)

WHY?

WHY IMPOSE
PERFORMANCE PENALTIES
ON THE 727 and 737s
THAT UNITED AIRLINES
FLIES OUT OF FORBES
FIELD IN TOPEKA?

WHY?

WHY WON'T KHUM-96, FEDERAL AVIATION ADMINISTRATION AND THE DOUGLAS COUNTY COMMISSION
LISTEN TO THOSE WHO WILL HAVE TO CONTEND WITH THE PROPOSED TOWER? WHY WON'T
THEY LISTEN TO: the KANSAS AIR NATIONAL GUARD, the ADJUTANT GENERAL FOR THE STATE
OF KANSAS, the KANSAS DEPARTMENT OF TRANSPORTATION, the AIRCRAFT OWNERS and PILOTS
ASSOCIATION, the METROPOLITAN TOPEKA AIRPORT AUTHORITY, UNITED AIRLINES ??????



WHY?

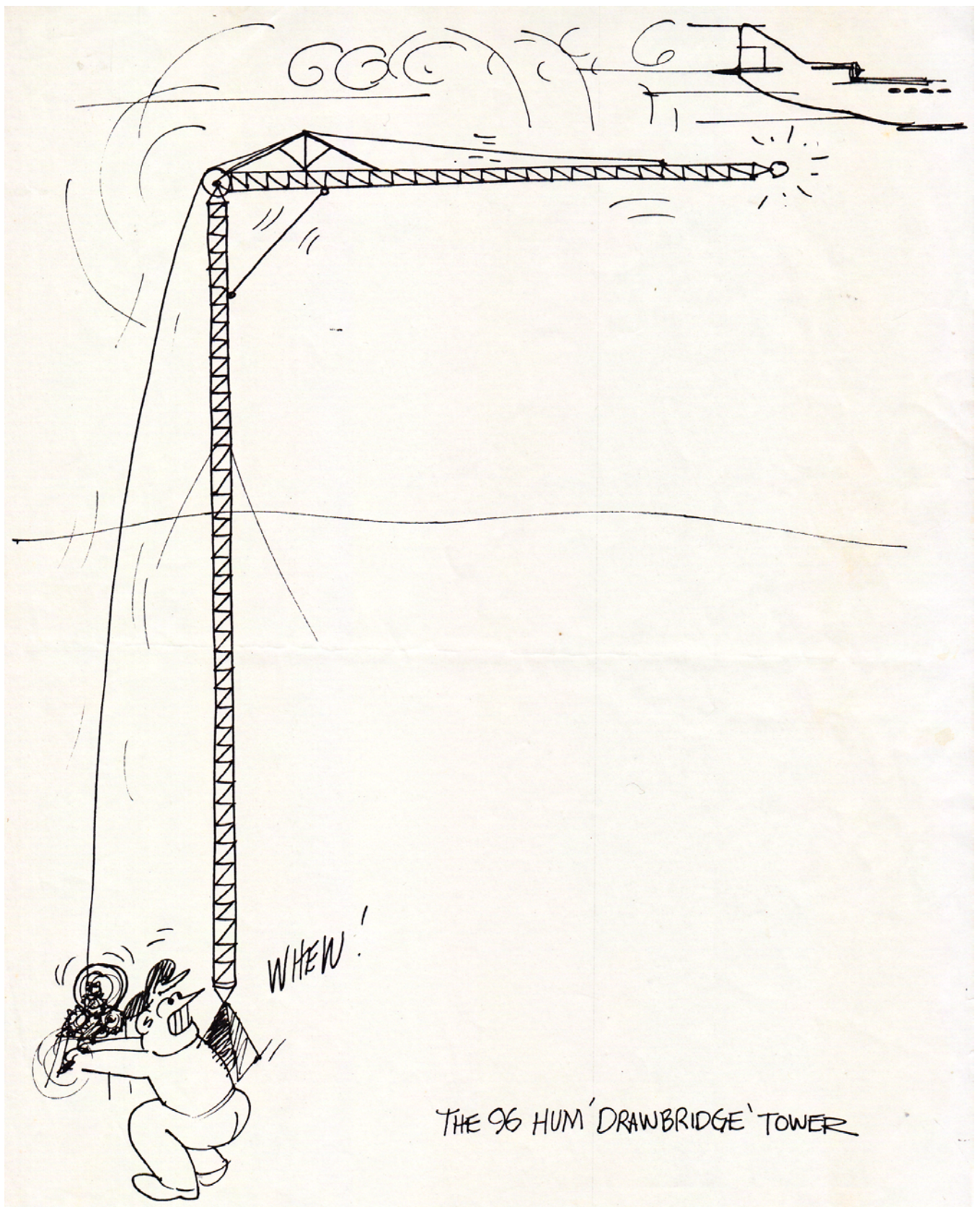
WHY
JEOPARDIZE A
COMMUNITY THAT HAS
INVESTED MILLIONS
OF DOLLARS IN THE
ONLY REGIONAL
AIRPORT SERVING
NORTHEAST KANSAS?

WHY?

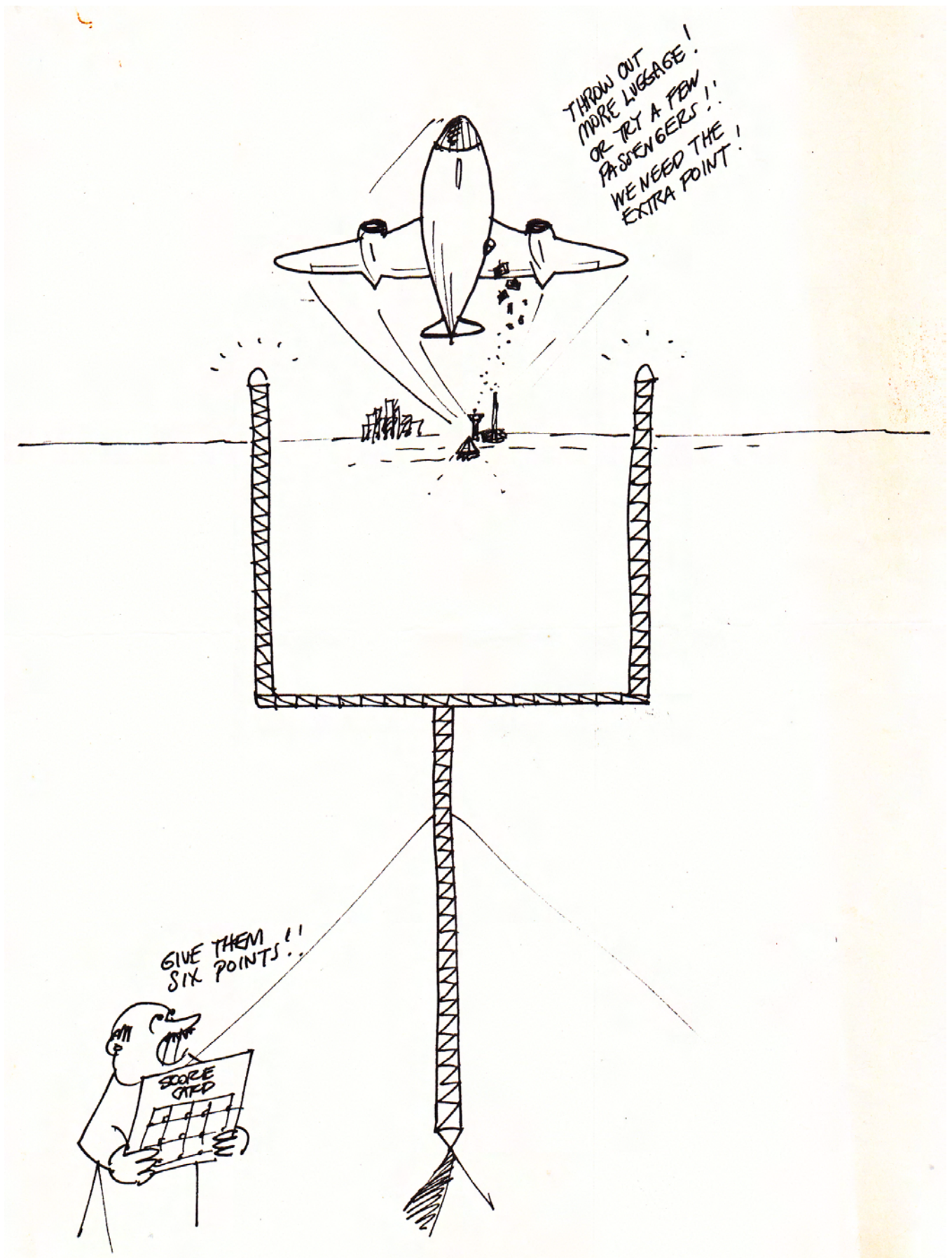
WHY WON'T
KHUM CONSIDER
MOVING THE PROPOSED
TOWER TO A SAFE
PLACE AND ALLEVIATE
ALL OBJECTIONS?

WHY?

WHY
WON'T THE FAA AND
THE DOUGLAS COUNTY
COMMISSION LISTEN?



Drawing by Scott Davis, KHUM V.P.



Drawing by Scott Davis, KHUM V.P.



CHAPTER 18
THE BIG LEAGUES

The following page:

CHAPMAN ASSOCIATES
MAJOR MARKET DIVISION

N E W S L E T T E R

Edited and Published by Charles Giddens, Chapman Associates Major Market Division
1255 23rd Street, NW, Suite 890, Washington, DC 20037 (202) 822-8913
NOVEMBER 1985



NEWSLETTER

Edited and Published by Charles Giddens, Chapman Associates Major Market Division.
1255 23rd Street, N. W., Suite 890, Washington, D.C. 20037 (202) 822-8913

November, 1985

The Big Deals Get Bigger

- Kerby Confer and Paul Rothfuss' Keymarket Group buys Joe Amatore's KMJQ Houston, KMJM St. Louis and WLTJ Detroit for \$65 million.
- Carl Hirsch resigns as radio president of Malrite and forms Regency Broadcasting with his first purchase KJOI Los Angeles at \$44 million (\$25 million more than Noble paid Beatrice Foods just over a year ago); Norm Wain and Bob Weis buy Kananapolis (Charlotte), North Carolina for \$5.5 million; Dennis Israel buys out his partners at WGY/WGFM Schenectady, New York for \$11 million; Doubleday drops all of their stations except Washington and New York to a group headed by F.X. Sillerman; Jeff Smulyan and Steve Crane buy out their partners in Emmis for \$27 million giving them control of WENS Indianapolis, WLOL Minneapolis, KMGC Los Angeles and KSHE St. Louis; a new group, Thunder Bay Communications buys KIXI AM/FM Seattle for \$8 million after many groups tried to buy the station from Wally Nelskog; Jim Long and Charley Pride sell KOAM/KEYN Wichita to David Roth for \$8 million; Sudbrink sells KPOI Honolulu for \$2.8 million; the Sungroup buys Abilene and Longview, Texas AM/FM combos for \$8.5 million; Sterling Recreation slides into Denver via Boulder for \$4 million; KCMA Owasso (Tulsa) to Pathfinder (Federated); Keymarket stations sell WKJN Hammond (Baton Rouge), WMSI Jackson, Mississippi and WSSL Grey Court (Greenville) and two AMs to Larry Patrick's new Sterling Communications for \$24 million; Ragan Henry buys WWDB Philadelphia for \$7 million; Jerry Atchley buys KLEO/KSKU Wichita, Kansas for \$3.3 million; and Metromedia sells KHOW Denver to Sillerman for \$11 million, which is \$4 million less than they paid for it in 1981.

In other news, Pete Shulte, longtime Harte Hanks Vice President and former president of Mainstream Communicatins, and former general manager of KKBO, is the new head of Summitt Communications.

The following 5 pages:

**PAUL KAGAN ASSOCIATES
BROADCAST BANKER/BROKER**

N E W S L E T T E R

Senior Analyst, Paul Kagan; Analyst, Sharon Armbrust; Paul Kagan Associates, Inc.

126 Clock Tower Place, Carmel, California, 93923 (408) 624-1536

JULY 21, 1986



BROADCAST BANKER/BROKER

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moves in on indies....p.1
Keymarket's no-cash buy.p.2
Debt issues ballooning.p.3
Brokers announce sales.p.4
TA-Times Mirror deal...p.5
Stations on the market.p.6

Senior Analyst: Paul Kagan
Analyst: Sharon Armbrust

No. 27
July 21, 1986

PAUL KAGAN ASSOCIATES, INC.

126 CLOCK TOWER PLACE
CARMEL, CALIFORNIA 93923-8734
(408) 624-1536

Independent television observers have a case of the jitters. After watching indies soar steadily in number and prominence over the past five years, the consensus is that an industry "shakeout" is in the works, and ardor for independents below the top 20 has totally dissipated.

The fear of slower growing TV ad dollars in a 4% inflation world against a backdrop of skyrocketing program costs (up 30%-40% annually by some estimates) for crowds of indies elbowing for position is bound to produce winners and losers.

The only answer, however, can't be to sign up with Lorimar-Telepictures or pack up your tent and go home, especially in markets below the top 25, where the playing field may be more even, if no less competitive.

One notable approach to the independent challenge comes from Al Krivin, former Metromedia TV pres.; Hal Gaba and Robin French, former Embassy execs; and Hal Roach Studios (of which Gaba is a principal).

They are moving into independent station ownership for the first time with a \$30.5 mil. purchase of WTT0 ch. 21 in Birmingham, AL, and WCGV ch. 24 in Milwaukee. (Both markets are below the top 25.) Seller is Byron Lasky.

By combining talents from both the programming and operating sides of the business, Gaba et al. expect to be properly equipped for today's program-intensive independent station business.

As the group's investment banker, Tony Hoffman of Union Bank, explains it, early indy successes used to be based on market choices, but today profits are more often made when you buy the programming than when you run the station.

In Birmingham, Gaba and group have a traditional operation. WTT0 is the only rated indy in the #48 ADI. It had 1985 revenues of \$5.5 mil. and a 33% c.f. margin. From a programming perspective, however, it runs very few black-oriented sitcoms in a market with a 25% black demographic.

The Milwaukee station, on the other hand, is one of those that will be forced to fight for survival. It is an STV conversion, the second independent of three in the #28 ADI market. In 1985 it did \$3.9 mil. in revenue and lost \$600K. A 1984 startup, it is billing below its 7% audience share.

If WCGV's billing share can run 25% ahead of its audience rating, as is often the case with independents, the station could generate \$6.4 mil. in revenue next year in a \$72 mil. market. At a 20% margin, its \$11.5 mil. raw stick price will have been about 8.9x first-year cash flow.

That's the kind of pricing buyers can respond to enthusiastically when taking the risk inherent in indy-saturated markets.

Of the total cash price, WTT0 represented \$20 mil., which put its value at 11.3x 1986 cash flow and 9.2x an est. 1987 c.f. of \$2.2 mil. (10% growth).

(continued on next page)

FIRST-TIME INDY OWNERS (continued from P. 1)

Senior financing for the venture will come from Union Bank, with \$12 mil. to \$13 mil. of subordinated debentures and convertible preferred below it.

Hal Roach Studios will own 20% of the stations (it can own no more because it has 35% Canadian ownership) with a \$5 mil. equity infusion. It will also be one of the subordinated lenders.

KEYMARKET CLOSES KEY DEAL

Temporarily derailed by a lawsuit against the seller, Keymarket Communications' purchase of FMs in Houston, Detroit and St. Louis from the Amaturio Group took seven months to close and ended up costing \$1.35 mil. more than was originally planned.

Not to worry, however, as principals Kerby Confer and Paul Rothfus are picking up the three major-market positions for \$61.45 mil. at 7.2x first-year cash flow, in a fully bootstrapped deal investment banked by another inimitable pair--Hartstone and Dickstein.

The deal was inked with Amaturio last December for the #1 FM in Houston, a money bleeder with a 50% margin; a steady #4 in St. Louis; and a non-performing #18 in Detroit.

Since then, WLTI Detroit has switched to Transtar 41 from EZ-vocal and rocketed from 1.8% audience to 3.4% in the most recent ratings book. KMJQ Houston, despite the stagnating economy there, is holding position and billing slightly better than last year.

Keymarket is looking for \$12 million in revenue and \$6 million in c.f. from Houston through 6/87; \$4 mil. and \$1.5 mil. from KMJM St. Louis; and \$3.25 mil. and \$1 mil. from the Detroit startup.

Detroit's quick turnaround and Houston's endurance have really helped to highlight Keymarket's bargain in an era of 10x-cash-flow radio station sales. What really makes the deal shine, however, is that it was done with no cash.

Keymarket raised \$66.35 mil. for purchase and working capital--\$46.25 mil. of sr. secured funds, \$10 mil. of jr. notes and the balance of \$10 mil. in subordinated seller paper divided into a \$4 mil. seller note at 11%, half ballooned, a \$3.1 mil. consultancy and a \$3 mil. non-compete agreement, each payable over five years.

The senior lenders are John Hancock, Equitable and Massachusetts Mutual, which took \$23 mil. at 11 1/8% over 10 years; and BayBank Boston, Bank of New England and Fleet, which took \$23 mil. at prime + 1 3/4%, decreasing to prime + 1 1/4% once the debt/cash flow ratio drops to 5.25x.

Bridge Capital and Equitable Capital split the jr. funding, which carries a 10% current coupon and kicker warrants intended to provide those investors with a 30% compounded ROI over five years.

Assuming Keymarket could turn around and sell its new trio for 9x 1987 cash flow--not an unreasonable expectation--there's a quick \$15 mil. profit to be made, and an infinite return on investment for the sweat equity holders.

Such an immediate step-up in value obviously bodes well for the five-year ROI results the venturers can anticipate.

FALL SEMINAR SCHEDULE SET

Paul Kagan's fall 1986 seminar schedule will include his popular TV STATION VALUES and RADIO STATION VALUES seminars, Oct. 29 and 30 at the Park Lane Hotel in New York City. Also on the fall agenda is a TV PROGRAM SYNDICATION meeting, to be held Nov. 5 at the Century Plaza Hotel in L.A. For registration information call Genni O'Connor, (408) 624-1536.

MAJOR BUYERS RAISE BIG BUCKS IN '86

During the first seven months of 1986, broadcasters raised \$4.8 billion in the public debt market to pay for the spoils of their vast acquisition campaigns. That is twice the amount raised by the industry in all of 1985.

With Moody's Aaa corporate bond yield down a full point since January, financing the major broadcast mergers and acquisitions has been an increasingly pleasurable task for corporate treasurers.

And the relatively underleveraged broadcast giants have kept their distance from the equity market, leaving that funding arena to the small-cap players. Through June, just five broadcasters raised \$117 mil. in new equity, two of them in initial public offerings (see second table below).

-Debt Issues-		Exch.	S & P Rating	Amount (mil.)	Coupon	Due Date	Yield @	Price 6/30/86
Date	Company						Curr. Quote	
1/86	Gannett	--	AA	\$200.00	8 3/8	1989	8.3	101
2/86	Gannett	--	AA	100.00	8 1/2	1996	8.5	100
2/86	Fox TV Stns.*	AMEX	--	688.00	n/r	n/r	n/r	n/a
2/86	Times Mirror	--	AA-	100.00	8 3/8	1991	8.5	98 3/4
3/86	Cap.Cities/ABC Fin.	--	A+	200.00	8 1/4	1996	8.4	98 1/2
3/86	Cap.Cities/ABC Fin.	--	A+	300.00	8 3/4	2016	9.3	94 3/8
3/86	Turner	AMEX	B	600.00	12 1/2	1986	12.5	100 1/8
3/86	Turner	AMEX	CCC	360.00	14	1993	13.3	105
3/86	Turner A,B,C,D	AMEX	--	247.20	zero	1989-92	11.3-14#	53-68 7/8
3/86	Turner*	AMEX	--	550.67	n/r	n/r	n/r	8
3/86	Times Mirror	--	AA-	100.00	8 1/4	1996	8.3	98 7/8
3/86	Loews	--	AA-	200.00	9	2016	9.7	93 1/8
3/86	Park**	--	A-	50.00	6 7/8	2011	6.2	111
4/86	Turner	AMEX	CCC	378.00##	10 1/4	1993	11.8	86 5/8
4/86	Knight-Ridder	--	--	100.00	8	1996	8.0	100
4/86	Knight-Ridder	--	--	100.00	7 7/8	1993	7.9	100
4/86	Loews	--	--	125.00	8 1/2	1998	8.5	100
4/86	Loews	--	--	175.00	8 7/8	2011	8.9	100
6/86	Tribune	--	--	100.00	8	1996	8.0	100
7/86	Price	--	--	150.00	13	1996	13.0	100
Total				\$4,823.87				

* = Preferred stock. ** = Convertible @ \$28.75/share. # = Yield to maturity. ## = Exchanged for MGM/UA notes. n/r = not relevant. n/a = not available. Eurodollar debt that is not quotable: Gannett \$100.0 mil. © 1986 BROADCAST BANKER/BROKER, Paul Kagan Assoc., Inc., Carmel, CA.

-Equity Issues-		Amount Raised (mil.)	No. of Shares	Price	Underwriter
Date	Company				
4/86	Jacor	\$ 18.688	2,990,000	\$ 6.25	Shearson/Stephens
5/86	Holder Comm.	3.000	1,000,000u.	3.00	Rooney, Pace
5/86	Malrite	4.785	330,000	14.50	Shearson/McDonald
5/86	Westwood One	49,000	1,750,000	28.00	Hambrecht & Quist
6/86	Infinity	41.563	3,325,000	12.50	Shearson Lehman
Total		\$117.036			

MONEY-MARKET DIGEST: July 17, 1986

Prime rate.....	3.00%	Gold (1 troy oz. @ London).....	\$347.00
Federal funds.....	6.50%	Silver (1 troy oz. @ London).....	\$5.03
3-mo. Treasury bills.....	5.78%	Moody's Aaa corporate bond yield.....	8.85%
3-mo. Commercial paper.....	6.25%	Moody's Baa utility bond yield.....	9.64%
1-mo. bank CDs.....	6.25%	Moody's Baa utility bond yield (Jun. iss)...	10.03%
3-mo. bank CDs.....	6.20%	Moody's Spot Commodity Index.....	982.50
6-mo. bank CDs.....	6.20%	Dow Jones Bond Index.....	91.20
1-yr. bank CDs.....	6.25%	Money-Market Funds @ 7/16 (bil.).....	\$229.48
3-mo. LIBOR rate.....	6.63%	Dow Jones Industrials yield @ 1781.78.....	3.80%
Eurodollar rate..London 3 mos.....	6.50%	Merrill Lynch Ready Assets yield.....	7.22%

DIVERSIFIED TAKES ON A TURNAROUND IN SCRANTON

Diversified Communications, owner of four TVs (one pending), two radio stations and a small cable group, continues to grow with the recently announced purchase of WDAU-TV Scranton, PA, through R.C. Crisler.

Diversified will buy the UHF CBS affil for \$22.8 mil. cash from Southeastern Capital, which bought the station in 1984 for \$21 mil.

WDAU is not a money-maker because of a poor coverage position in the hyphenated all-UHF Scranton/Wilkes Barre market, but Diversified aims to change that. At a cost of \$2 mil., it will move the station's tower to the same location as the other two affils' towers, for an overall cost of almost \$25 mil.

All three affils in this market have sold within the past two years. WBRE (NBC) went to Martin Pompadur's partnership in '84 for \$21 mil. at 7.3x that year's c.f.; WNEP (ABC) sold to the New York Times in '85 for \$40 mil. at an estimated 8.9x 1986 cash flow.

The change of the market guard from local to natl. ownership should stimulate the market's competitive juices. Southeastern was spending heavily on promotion for WDAU last year, for naught absent the planned tower move.

WDAU currently posts a 17% audience share; WNEP claims 32% and WBRE 22%. The one indy, WOLF, a signal-disadvantaged ch. 38, is not rated. If WDAU gains parity with its affiliate counterparts, the station could conceivably claim a 30% share of the \$25 mil. market. Assuming a 40% margin on those revenues, Diversified could be setting up shop in Scranton for about 8.3x implied c.f.

RECENT STATION SALES ANNOUNCED BY MEDIA BROKERS

First Boston sold KMPS-AM/FM Seattle, WA, WOKV-AM/WAIV-FM Jacksonville, FL, KRAK-AM/FM Sacramento, CA, KFYE-FM Fresno, CA and KFLR-AM/KMAJ-FM Phoenix, AZ from Affiliated Broadcasting to EZ Comm. (group owner) for \$65.5 mil.

Montcalm sold KRKN-FM Anchorage, AK from Joseph Perry to Tom Ingstad (group owner) and Randy Holland for \$650K. Seller has no other broadcast interests.

Montcalm sold KRDR-AM Gresham, OR from David Benjamin and Charles Banta (group owner) to Robert Anderson for \$600K. Buyer has no other broadcast interests.

Chapman sold KPDQ-AM/FM Portland, OR from John Davis II (KBMC-FM Eugene, OR) to Stuart Epper-son and Edward Atsinger III (group owner) for \$6.5 mil.

Blackburn sold WML0-FM Sarasota, FL from Robert Weeks (WSPB-AM/WMFJ-FM Sarasota/Daytona Beach) to Michael Schwartz and Donald Wilks (group owner) for \$2.8 mil.

Kalil sold KBOZ-AM/FM Bozeman, MT from Northern Sun to Lawrence Wilson and Fritz Beesemyer (KAIR-AM/KJYK-FM Tuscon, AZ) for \$2.15 mil. Seller has c.p. for "class C" FM in Billings, MT.

Wertheim sold KOB-AM/FM Albuquerque, NM from Hubbard Bcstg. (group owner) to Price (group owner) for \$16.5 mil.

Kozacko-Horton sold WINQ-FM Winchendon, MA from Edward Mattar III to Wilson Wong and Lawrence DeHaan for \$563K. Seller has application pending for Gloucester, MA FM.

H.B. La Rue sold WADO-AM New York, NY from Command Broadcast, Nelson Lavergne, Pres. to McHenry Tichenor, Jr. (group owner) for \$20.0 mil. This is highest ever paid for stand-alone AM

ADDITIONAL ANNOUNCEMENTS

WHAS-AM/WAMZ-FM Louisville, KY sold from the Bingham family to Clear Channel Communications, Inc. for \$20.1 mil.

KHIT-FM Seattle, WA sold from Bingham Broadcasting to Gannett Co. (g.o.) for \$6.5 mil.

WMAR-TV Baltimore, MD and WRLH-TV Richmond, VA were acquired by Times Mirror Co. (g.o.) from A. S. Abell Co., together with the Baltimore Sun, for \$600 mil. The two TV stations were then spun-off to Gillett for \$200 mil.

WPGH-TV Pittsburgh, PA was purchased by Lorimar-Telepictures from Meredith Corp. for \$35 mil.

WTTV-TV Indianapolis, IN was also purchased by Lorimar-Telepictures, from Tel-Am Corp. for debt assumption of \$85 mil. plus 1% of the common stock of L-T broadcasting subsidiary.

WFAS-AM/FM White Plains, NY was sold from New York Subways Advertising Co. to CRB Broadcasting for \$7.5 mil.

WGER-FM Detroit, MI was sold from Booth American Company of Detroit to F-B Communications, Inc. for an undisclosed amount.

TA GOBBLES UP TIMES MIRROR DIVESTITURES

TA Associates this month finalized its \$79 mil. purchase of WSTM-TV Syracuse, WHTM-TV Harrisburg and WETM-TV Elmira from Times Mirror.

This latest buy brings TA's broadcast investments close to \$85 mil., more than twice as much as the next largest venture capitalist in the field.

When the deal was announced late last year, it was scheduled to be an asset transaction for \$84 million. It was changed to a stock deal and the price was adjusted downward to \$79 mil., in a move to improve the tax consequences for both sides.

Times Mirror, which has been repurchasing stock and restructuring its cable and newspaper divisions, decided to cash in on three of its seven stations, keeping the ones in the central and southern U.S.

The three northeastern stations together produced \$6.6 mil. in c.f. in 1985, and a 30% margin, making the deal 12x 1985 c.f.

WSTM-TV is the NBC affiliate in the three-station Syracuse market, where it regularly battles for first place with the CBS affil. The Harrisburg station is second to the only VHF in a five-station market.

Breakdown of the purchase price was \$41 mil. for WSTM, \$36.25 mil. for WHTM and \$1.75 mil. for WETM, in the tiny two-station Elmira market.

Each station was financed on a standalone basis using the same format of senior, subordinated and equity money.

Bank of Boston and Bank of New England split 60/40 on \$25 mil. for WSTM and \$23 mil. for WHTM of sr. funds based on prime, with Libor and CD options. Loans are for six years, with approximately 75% due in year six.

Equitable Insurance contributed \$10 mil. to each of the two major financings, \$5 mil. senior and \$5 mil. at the mezzanine level in a six-year bullet. The mezzanine funds were priced off 10-year treasuries with an escalating spread.

TA provided all of the equity--a mixture of jr. subordinated debt, preferred and common stock--\$8.5 mil. for WSTM and \$7 mil. for WHTM.

The Smith group--Robert Smith, Bill Reyner and the station general managers--contributed nominal sums, but will be rewarded with 25% of the back-end equity. TA and Equitable will split the remaining 75%.

About \$1.5 mil. of the excess financing will be used to build a new tower and create a live news program for WHTM.

The group's long-range goal is to roll out the investment in six years but, as has happened in many TA deals, the company may have refinanced by that time, acquired new properties or merged with another company.

TA has two more large broadcast deals scheduled to close by the end of the year--KFAC-FM Los Angeles, which is going to Classic Communications for \$33.5 mil., and another Smith buy, WGRZ Buffalo, an NBC affil that General Cinema is selling for \$56 million.

BROADCAST BANKER/BROKER NEWSNOTES

Lorimar-Telepictures decided to forsake protection of its bottom-line earnings over the next five years by dropping its plan to spin off a separate company to own the seven stations purchased from KKR last month. L-T will take advantage of tax benefits and shelter earnings from current operations by selling publicly up to 20% of each of its core subsidiaries, TV & motion picture production and TV station ownership...On 6/26, Tribune Company issued \$100 mil. of 10-year 8% notes at a discount to yield 8.125% via Salomon Bros. & Merrill Lynch Capital Markets. Two weeks later, the co. agreed to purchase the *Newport News Daily Press* for \$200 mil. Newport's 60,000 cable subs, at \$1,200/sub, would fetch \$72 mil. more.