

1 identify a couple of possible candidates in Baldwin?

2 A Basically, I told Mr. Mims of my interest as
3 acting as an investor and told him which parts of the
4 country I was interested in. I have very tight ties to
5 the Jacksonville area. I told him that and that I was
6 interested in Georgia, as well.

7 He tried to determine how many stations I was
8 interested in. I talked to my husband about that. I
9 guess, to get back to your original question about my
10 husband, he and I are a team, we talk most things over.
11 If there was a time that I needed help or he felt that
12 something needed to be done and I was not able to do
13 it, he would probably pick up the ball and run with it.

14 There was an occasion, during my pregnancy
15 this last year when I had to be hospitalized and
16 confined to bed for a month --

17 Q I understand. That's an earlier question.

18 A I'm sorry, I was trying to finish the answer.

19 Q It's all right. I was asking whether you had
20 asked Mr. Mims to refer you to more than one person in
21 Baldwin?

22 A Did I specifically ask him that? I don't
23 recall having specifically asked him that, no.

24 Q Did you describe to him the type of
25 attributes of a person that you wanted to invest with?

1 A I told him about my business philosophy and
2 that I was looking for someone with similar values and
3 similar focus, that my concern was doing something
4 positive in the community, because I felt very strong
5 ties to the community.

6 That I was looking for, possibly, another
7 woman who perhaps was very smart, very bright and hard
8 working, but simply didn't have the financial
9 resources. I had the financial resources and was
10 looking for someone who could take over the business.
11 I don't have the time but would like to be involved in
12 some way with a venture of this sort.

13 Q In your letter, which has been marked for
14 identification as Peaches Exhibit 15, you start by
15 saying, Dear Lillian, I've tried several times to reach
16 you by telephone with no success. I'm anxious to
17 transfer funds to Northeast Florida Broadcasting
18 Corporation.

19 Would you describe why you were having this
20 difficulty reaching her and found it necessary to write
21 this letter expressing your anxiousness to transfer
22 funds?

23 Q Well, again, this being well over a year old,
24 I can't tell you specifically about the circumstances,
25 but I would assume that at some point, she had

1 contacted me and told me that she needed money and
2 because of that, I was trying to be responsive.

3 And I would assume that she was involved with
4 meetings or I was travelling as I often am and had
5 trouble reaching her by phone; either because I was not
6 calling her at the right times to catch her or perhaps
7 because she wasn't at her phone when I happened to
8 call.

9 Sometimes for me, I find -- I travel a great
10 deal, I have a number of business activities, it's
11 simpler just to drop things in the mail to get them
12 done.

13 Q You also make reference in the second
14 paragraph of this letter to, "you may wish to consider
15 partial payment to Mr. Gurley and our attorney. Both
16 of these gentlemen have an on-going relationship with
17 our media consultant and know they will be paid."

18 Do you recall why you were giving this
19 suggestion to Ms. Holt?

20 A No, it sounds kind of like I'm rambling here
21 a bit. I don't. She may have -- I could assume that
22 when she called me she said, "I have some bills to pay
23 to Mr. Gurley, Mr. Winston," maybe that I didn't have
24 the total amount in my checking account at that time
25 and sent her a partial payment. I don't know.

1 It kind of sounds like I'm rambling, trying
2 to help or meet her needs at the time but again, I
3 don't recall the specifics.

4 Q Did she make a call for funds to you and you
5 were sending her just a portion of that?

6 A I'm guessing that's maybe what happened,
7 because again, especially at period of 1990, I was
8 traveling extensively, and may not have been in town
9 long enough to transfer funds, that sort of things, and
10 may have just written her a check on my personal
11 account. I don't remember, of course, exactly how I
12 paid this.

13 Q Earlier this year, in fact, February 15,
14 1991, you wrote a letter to attorney Winston regarding
15 legal fees, did you not?

16 A I may have, but I don't recall that. You'd
17 have to show that to me.

18 Q I don't have the letter because it's
19 privileged. All I have is a schedule that specifies
20 that you wrote the letter and it's counsel's schedule.

21 Could we have a stipulation that the letter
22 exists and is privileged?

23 MR. WINSTON: I will stipulate to that.

24 MR. HONIG: Okay.

25

1 BY MR. HONIG:

2 Q Let me show you the schedule. I don't want
3 to identify it, I'll just show you the schedule, so you
4 can verify in your mind what happened.

5 It's Item number 7. It's a May 17th, 1991
6 memorandum to all counsel and it covered a number of
7 other documents.

8 A What is this? Is this just a list of things
9 that he's telling you that he has?

10 Q That's right. But he wasn't required to
11 produce them because they're privileged.

12 A Because of the date, I can make a guess as to
13 what it may have said.

14 Q Sure.

15 A It may have come from --

16 JUDGE LUTON: Please don't.

17 THE WITNESS: Oh, I'm sorry.

18 BY MR. HONIG:

19 Q Well, let me ask if you know. Why were you
20 writing specifically to Mr. Winston concerning fees?

21 A Specifically, I don't know. I do know that I
22 had just been hospitalized and my husband suggested --
23 as a matter of fact I think my husband wrote a letter
24 and this may be the letter to everyone that I had a
25 business involvement with, just saying simply that I

1 had been hospitalized, had been confined to bed until
2 my baby was delivered, had a life threatening illness
3 at the time and would not be able to conduct business
4 for awhile.

5 So that may have been a decision on my
6 husband's part. I think, basically, he did a blanket
7 letter that went to everybody that I had any business
8 contact with.

9 Q And that letter was from you or from your
10 husband? Here it says its from you.

11 A Well, I probably signed it but my
12 recollection -- if it's the letter I'm thinking of, my
13 husband wrote it.

14 Q But you weren't responsible for the fees
15 yourself, were you, Northeast was? Isn't that correct?

16 A That's correct. Lillian is responsible for
17 the fees.

18 Q Then is there a reason why you were writing
19 this letter rather than Northeast or Ms. Holt writing
20 the letter?

21 A Well, again, my husband took it upon himself
22 because we do operate as a team to contact everyone
23 that he knew I had business dealings with. My
24 husband's not intimately involved with the radio
25 station.

1 It's really my baby and he may not have been
2 aware that it might not be appropriate for me to
3 contact Mr. Winston and I don't, quite frankly, recall
4 anything except signing a stack of these letters to
5 notify my business associates and contacts that I was,
6 at least temporarily, indisposed and would not be
7 available for consultation for an extended period of
8 time.

9 At that time, we didn't know if it would be a
10 month or two months.

11 Q Now, you're in good health again now, is that
12 correct

13 A I have a healthy five-month old baby, thank
14 you, to show for all of that.

15 Q Okay.

16 MR. HONIG: Your Honor, I'm almost completed
17 and I appreciate you patience very much. I know it's a
18 little late.

19 BY MR. HONIG:

20 Q At your deposition, you testified that Mr.
21 Winston decided on this 25-75 equity split, isn't that
22 correct?

23 A To the best of my recollection, my testimony
24 was that that was Lillian's decision. That is my
25 understanding. I believe I said that she probably made

1 that decision in consultation with our -- who has now
2 become our attorney and who was, at that time, her
3 attorney, Mr. Winston.

4 So, again, it was my understanding that he
5 consulted with her and in consultation with Lillian,
6 gave her advice and then she made that decision.

7 Q There's a question and answer. Would you
8 like to see it? I can read it to you.

9 A Please.

10 Q It's Page 20, line 22 through Page 22, line
11 3.

12 Question: How was it decided what equity
13 portions each of you would own in the corporation?

14 Answer:

15 MR. WINSTON: Where are you reading?

16 MR. HONIG: Page 20.

17 MR. WINSTON: Oh, I'm sorry, line 22.

18 MR. HONIG: Yeah.

19 BY MR. HONIG:

20 Q Answer: I believe the attorney advised her
21 as to what would be best.

22 A That's what I think I just said again. That
23 was her decision. My understanding was again, that
24 she made that decision based upon consultation or
25 advice of her counsel.

1 Q Did you attempt to negotiate an equity share
2 any different from that?

3 A I did not.

4 Q Okay. Did she?

5 A I don't know about that. Who would she
6 negotiate with?

7 Q With you.

8 A No, the way it happened was, she simply told
9 me that this was the way it should be set up and I
10 didn't question that.

11 Q Okay. Now, do you bank at First Georgia Bank
12 in -- I forget the name of the community, forgive me.

13 A It's either St. Mary's or Kingsland. There
14 are banks in both cities. And the location is changed
15 again, but yes, with that bank. That's one of my
16 banks.

17 Q Okay. And how long have you banked there,
18 speaking now of just your personal banking?

19 A Okay. My first account with them goes back
20 to either grammar school or junior high, I'm not sure
21 exactly which. My father banked there, so it's -- our
22 family's been with them for generations.

23 Q Okay.

24 A And with Rodney Bennett, who wrote the
25 letter, I think you're referring to or are going to

1 refer to, have in your hand.

2 Q Okay. Is that your principal bank?

3 A I'm involved in a very complex estate. I'm
4 selling my father's estate. And I have a line of
5 credit with them for one million dollars related to
6 that estate, to pay that estate taxes. That's the
7 largest account I hold now.

8 I would say from that standpoint, it's my
9 principal account. My day to day affairs, my husband
10 and I typically use a local bank for those. Those
11 banks get more frequent use.

12 Q Did you arrange for the financing letter from
13 First Georgia Bank to Northeast Florida Broadcasting?

14 A Yes.

15 Q And did you provide Mr. Bennett with any
16 written documentation before he wrote the letter in
17 question?

18 A Mr. Bennett had on file at that time or
19 shortly thereafter, he keeps -- obviously, with the
20 credit line that we keep with him -- he keeps a current
21 financial statement on me as well as my income tax
22 returns. So he had those, either had those or I was
23 supplying them as I do every year.

24 Q Did you supply any information to him
25 concerning Ms. Holt?

1 A He asked for information and I don't recall
2 now specifically what it was, if it was on Lillian or
3 the station. I don't recall if I sent that to him or
4 Lillian sent it directly. But my recollection is he
5 did ask for some kind of background or information and
6 it was gotten to him.

7 Q You don't recall who did that or when it was
8 done?

9 A No, I can't specifically -- that was after my
10 deposition, I couldn't recall it then and I don't know.
11 Except that he and I did talk about the station and he
12 had an interest in some kind of background. I don't
13 remember what it was.

14 MR. HONIG: Your Honor, I'd like to move
15 Peaches Exhibit 15 into evidence, please.

16 JUDGE LUTON: Any objection to 15?

17 MR. WINSTON: I would object, Your Honor, on
18 irrelevance.

19 MR. HONIG: Your Honor, I think it's relevant
20 to the type of steps that the applicant --

21 JUDGE LUTON: It's relevant enough. We've
22 had some testimony which I still recall. It's getting
23 away from me now, but it's relevant enough. I'm going
24 to overrule that objection and receive 15.

25

1 (The document heretofore
2 marked Peaches Exhibit No. 15
3 for identification was
4 received into evidence.)

5 JUDGE LUTON: This is the note of March 1990
6 to Ms. Holt from Mr. Wade.

7 MR. HONIG: I have no further questions for
8 this witness.

9 JUDGE LUTON: Additional cross?

10 MR. HALAGAO: Your Honor, I have a couple of
11 questions, possibly about ten minutes.

12 JUDGE LUTON: Yes, please. I'm sure lots of
13 people here would like to go home and be done with us.

14 CROSS EXAMINATION

15 BY MR. HALAGAO:

16 Q My name is Avelino Halagao. I'm with JEM.
17 Ms. Wade, how did you first come to know Mr. Mims?

18 A I met him at a social gathering in
19 Washington, D.C.

20 Q Was that before the application was filed or
21 before this project in Baldwin, Florida?

22 A Yes.

23 Q Okay. At that time, did Mr. Mims already met
24 with Ms. Holt in Baldwin or that was before Mr. Mims
25 met Ms. Holt?

1 A My understanding is that he had not -- did
2 not know her at that time.

3 Q You testified in your deposition that Mr.
4 Mims was Ms. Holt's consultant. Is that the same
5 statement?

6 A I refer to him as a consultant. I'm not sure
7 -- I don't really know what that means and I'm not sure
8 if that's appropriate reference.

9 Q You testified in your deposition that he was
10 Ms. Holt's consultant and --

11 A That's what I'm saying to you. I referred to
12 him as a consultant. I'm not really sure upon
13 reflection what consultant means or if that was an
14 appropriate characterization of him.

15 My understanding is that he contacted her and
16 put her in touch with me. I don't really know what you
17 would term that kind of activity.

18 Q Okay, Ms. Wade, that's good enough. Ms.
19 Wade, you stated or you testified that Mr. Mims will
20 not be receiving any salary or is not being paid by you
21 or Ms. Holt, is that correct?

22 A That's correct.

23 Q Is Ms. Mims going to get a bonus maybe after
24 this construction permit is awarded to your company?

25 A No.

1 Q So, in other words, is he going to get a
2 share in the corporation if you are successful in this
3 endeavor?

4 A No, it's my understanding that he will
5 receive no enumeration. He's not receive any from me
6 and I have asked Lillian if she's paying him and she
7 has told me that she is not paying him neither.

8 Q So Mr. Mims did this from being just generous
9 to you and Ms. Holt, is that correct?

10 A My understanding in talking to him was that
11 he had some experience in this area, he's an older
12 gentlemen, he's seemed very nice. I think he just is a
13 nice person. He likes to help people to this sort of
14 thing. There are people in the world who have had some
15 degree of success.

16 JUDGE LUTON: I think you've got your answer.

17 BY MR. HALAGAO:

18 Q Do you know if Mr. Mims is extraordinarily
19 wealthy?

20 A The only thing I know about his income is
21 that he's getting royalties from James Brown's records.
22 So you can draw your own conclusions.

23 Q You are going to contribute or spend about
24 \$200,000 to this project. Is that correct, Ms. Wade?

25 A I've committed an additional -- to the

1 \$300,000 capital contribution, I'm committed to an
2 unsecured \$200,000 loan for prosecution in addition to
3 that.

4 Q With this investment, you have known not Ms.
5 Holt before this project and you are -- please tell me
6 why you are committing these amount of money for that
7 project wherein your general partner -- the co-owner of
8 your corporation has not been a person that you know
9 for a long time?

10 A Well, I've had experience with people I've
11 know for a long time and I've taken a big tax write off
12 on some of those right now, so I don't think that
13 length of relationship has any great bearing on the
14 success of a project.

15 The things that I do think are important,
16 such as philosophy, drive, intelligence, those sorts of
17 things she does possess. We have similar philosophies.
18 I've spent a great deal of time talking to her and I
19 feel very good about her. I could go into more
20 detail --

21 JUDGE LUTON: Please don't.

22 BY MR. HALAGAO:

23 Q Is it a fact or is it a fair statement that
24 you picked Ms. Holt because she's female and she's a
25 minority and she lives in Jacksonville?

1 A Well, I think that the fact that she lives in
2 Jacksonville is important for the radio station, yes.
3 That certainly is a factor. The fact that she's a
4 woman and that she's a minority, from my personal
5 standpoint, I like to work with other women.

6 I'm a woman. I like to give other people
7 opportunities who have perhaps not had them in the
8 past.

9 I was not aware of the extent, if you're
10 getting at the question of the FCC's guidelines. I was
11 not aware of those when we entered into this
12 proposition, so my feeling for Lillian had more to do
13 with her personality and her capabilities.

14 MR. HALAGAO: I think that's all, Your Honor.

15 JUDGE LUTON: Additional cross? Redirect?

16 MR. WINSTON: None, Your Honor.

17 JUDGE LUTON: Thank you, Ms. Wade.

18 THE WITNESS: Thank you, Your Honor.

19 (Witness excused.)

20 JUDGE LUTON: Let's quit for the day. We'll
21 start again tomorrow at 9:30 and this does complete
22 Northeast Florida's case, I hope.

23 MR. WINSTON: Most definitely.

24 JUDGE LUTON: Tomorrow, we've got one more to
25 go. And that's -- I've been calling it JEM. What do

1 you call it, Mr. Halagao? JEM.

2 MR. HALAGAO: Yes, Your Honor. Is there a
3 possibility -- Mr. Knoble is going to make a request
4 that he could start at 9. He -- my request yesterday
5 for -- he made it for tomorrow and he has hoping he
6 could make it to New York by 2:30 tomorrow.

7 JUDGE LUTON: I'm sorry. What request is
8 being made now?

9 MR. HALAGAO: Nine o'clock tomorrow?

10 JUDGE LUTON: No. I can't do that. We start
11 -- I'm caught by a policy. There will probably be a
12 hearing room available at 9 o'clock in the morning.
13 But the policy says that there is not. Nine o'clock
14 starts are reserved for conferences.

15 MR. HALAGAO: Oh, I see. Okay.

16 JUDGE LUTON: So, we'll have to start at
17 9:30. This will probably be the only room in use, as a
18 matter of fact, tomorrow.

19 MR. HALAGAO: So we start at 9:30.

20 (Thereupon, the hearing was adjourned at 4:30
21 p.m., to be resumed at 9:30 a.m. the following day,
22 August 22, 1991.)

23

24

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C E R T I F I C A T E

This is to certify that the attached proceedings
before the FEDERAL COMMUNICATIONS COMMISSION

in the matter of: BALDWIN, FLORIDA

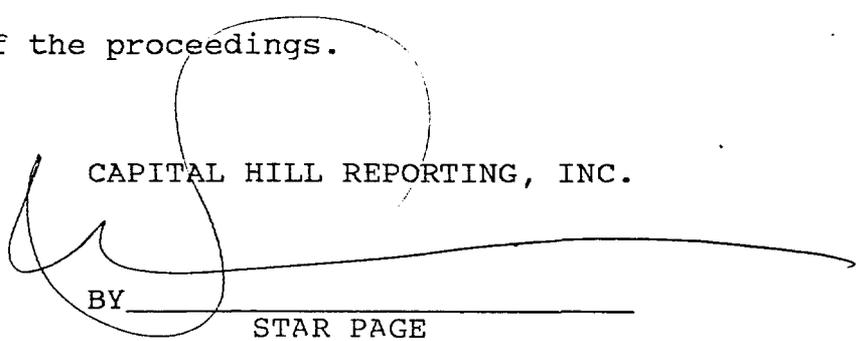
Docket Number: 91-10

Place: Washington, D.C.

Date: August 21, 1991

were held as herein appears, and that this is a true
and accurate record of the proceedings.

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