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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FCC 94M-155
41150

In re Applications)	MM Docket No. 93-300
STEPHEN O. MEREDITH)	File No. BPH-920430MD
AL HAZELTON)	File No. BPH-920430ME
For Construction Permit for a)	
New FM Station on Channel 243C1)	
in Audubon, Iowa)	

MEMORANDUM OPINION AND ORDER

Issued: March 14, 1994 ; Released: March 16, 1994

1. Under consideration are the following:

Petition to Enlarge Issues, filed January 25, 1994, by Al Hazelton ("Hazelton");

Opposition to Petition to Enlarge Issues, filed February 18, 1994, by Stephen O. Meredith ("Meredith"); and

Reply, filed March 3, 1994, by Hazelton.

2. Hazelton seeks a financial issue and a misrepresentation issue against Meredith.

3. At the time he filed his application, Mr. Meredith was relying on two sources to fund the required \$375,000 he estimated he would need to build and operate the new station for three months.

4. Hazelton charges that O. A. Meredith, Inc. ("OAM"), one of the sources, not being a financial institution, has to meet the standard set by Commission precedent for non-financial institutions. According to Hazelton, Meredith has failed to demonstrate that OAM meets the test. Hazelton notes that OAM's Balance Sheet is undated, but contained a reference to December 31, 1991 a period four months prior to the filing of the application and does not appear to have been audited. Hazelton also argues that it is unlikely that OAM would jeopardize its capital and well-being by providing the sum committed. Hazelton also notes that some of the securities held by OAM are not marketable and cannot be treated as liquid assets.

5. Although OAM's Balance Sheet was dated December 31, it is clear that the reference was to December 31, 1991. OAM's December 31, 1991, Balance Sheet showed "Total Current Assets" of \$810,710.44. This included "Cash on Hand" of \$333.93, "Cash in Bank-Special Savings" of \$100,933.87 and "Invested Funds" of \$430,191.26, for total Net Liquid Assets of \$531,459.06. The corporation's entire liabilities totalled just \$85,843.18. To demonstrate the values of the corporation's various securities, at the time he filed his application, Mr. Meredith also obtained a listing of each of the corporation's invested funds. This listing showed the values of each of the corporation's stock securities on or about either March 31, 1992, or April 24, 1992, based upon data received from various stock exchanges or brokers. The total value of the corporation's cash and securities for that time period (prior to Mr. Meredith filing his application) was \$475,301.50.

6. The Balance Sheet and other financial information supplied by OAM show a company that was financially solvent and that maintained a positive net worth in excess of its proposed financial commitment. It should be also noted that Mr. Meredith was relying on a financial commitment that came from his own

family business. Mr. Meredith was intimately familiar with the source of his funding since he was a family member and 9.8 percent stockholder in OAM.

7. Although OAM's Balance Sheet was four months old at the time of filing, Meredith received from OAM's president a statement certifying that there has been no material change to the company's assets during the four month period since the time the last Balance Sheet was generated.

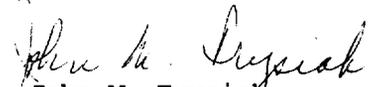
8. Hazelton claims that OAM's municipal bond investments are not readily marketable. But even excluding them, OAM has liquid assets in excess of its \$325,000 commitment.

9. Hazelton's final point is that OAM's president has died since the OAM commitment has been made and speculates as to the effect his death may have on the OAM commitment. However, Meredith has supplied written indication from the corporation and the counsel for the estate of Owen A. Meredith that the commitment letter remains in full force and that the lender continues to have liquid current assets in an amount sufficient to meet current liabilities and additional net liquid assets to meet its commitment to Meredith.

10. In light of the foregoing, the requested issue is not warranted.

Accordingly, IT IS ORDERED that the Petition to Enlarge Issues, filed January 25, 1994, by Hazelton IS DENIED.

FEDERAL COMMUNICATIONS COMMISSION


John M. Frysia
Administrative Law Judge