

1 Q Over the past year during the average week, how much  
2 time would you say you spent at the office?

3 A I don't know the answer to that. I don't know.  
4 It's so, it's so variant that it's almost impossible for me to  
5 say. 20 or 50. I, I couldn't even give you an average. And  
6 I could tell you when I was there -- you know, yesterday I was  
7 there all day, but the day before that I wasn't. I was there  
8 for maybe an hour. I don't know.

9 Q What drives your coming to the office? Why do you  
10 come some days and not others?

11 A It's, it's basically driven by whether we feel  
12 there's something that's pressing -- or I feel there's some-  
13 thing that's pressing that I want to deal with or we've talked  
14 about that I have to deal with. If I absolutely need to be  
15 there; if we're going to have a Board meeting, I absolutely  
16 have to be there. Other than that, I really make my own hours  
17 and work when I need to work. If there's something I need to  
18 complete -- there's a deadline that I have to, you know, rush,  
19 rush, rush around and get something done, it's just -- it's  
20 not that formal. It's very informal.

21 Q Do you have any involvement in the hiring and firing  
22 of anybody at the stations? At --

23 A At WBFF -- well, I won't --

24 Q Either for Sinclair Broadcasting Group or its  
25 subsidiaries.

1           A     The level that I would be involved would be the  
2 upper level guys, and then they -- for example, the general  
3 managers, the general sales managers. But people below that  
4 are 90 percent of the time hired and fired by the department  
5 heads in that station, and it trickles on down.

6           Q     Do you have any involvement in the, in the selection  
7 of programming for the subsidiary stations or for the Sinclair  
8 Broadcast Group station?

9           A     Only to the extent that after a program is negoti-  
10 ated for, which Dave handles most of that, we'll, we'll dis-  
11 cuss it, what the cost of it is, what stations are going to be  
12 running it, whether it's going to be a good show for us or  
13 not, and then I'll pass on buying it or not buying it -- I'll  
14 decide on buying it or not buying it and give my two cents  
15 worth.

16          Q     Do you get involved in the sales at any of the  
17 stations? You're involved in the -- either reviewing sales  
18 contracts, reviewing rate cards, or reviewing sales reports?

19          A     I review a lot of the sales reports, which are  
20 summarized on a smaller piece of paper so we can get the feel  
21 for the entire group. But on an individual station basis, I  
22 usually don't look at sales reports, no.

23          Q     Are you involved at all in the acquisition process  
24 by which Sinclair Broadcast Group seeks to acquire new broad-  
25 cast outlets?

1 A We all are involved in that.

2 Q Are you involved at all in the day-to-day operations  
3 of WBFF-TV?

4 A Only to the extent that it's through Sinclair.

5 Q Then you're not --

6 A On a day-to-day, no.

7 Q You're not involved in running the day-to-day  
8 operations of WBFF?

9 A No more than I am for the other stations. Basically  
10 batch logs; or on a personnel problem the general manager  
11 calls about, and we'll discuss it and if I'm there I'll talk  
12 to him.

13 Q What, what about WTTE-TV in Columbus, Ohio?

14 A It's about the same.

15 Q You, you have no real involvement, then, in any of  
16 the management or running of the day-to-day operations of that  
17 station?

18 A Only -- well, with respect to hiring and firing or  
19 day-to-day decision-making process. That's handled by the  
20 general manager. The day-to-day is handled by the general  
21 manager of that station.

22 Q And your, your involvement with the station would be  
23 sort of in a supervisory overhead rule role?

24 A Exactly. If the general manager has a problem with  
25 something that he feels he can ask me about, a personnel

1 | problem -- because I was involved in the personnel -- the  
2 | supervisor's manual, the procedure manual -- he can call me up  
3 | and say, this guy's doing this and that, what do we do about  
4 | it? And I'll -- you know --

5 | Q But, but this is, this is --

6 | A -- I'll discuss it with him. But --

7 | Q This is an occasional occurrence?

8 | A This -- right.

9 | Q That's not a day-to-day --

10 | A This is an occasional thing. This isn't an everyday  
11 | deal by any sense.

12 | Q Well, with regard to WPTT-TV in Pittsburgh, are you  
13 | involved in the day-to-day operation or the management of --

14 | A No.

15 | Q -- that station?

16 | A Not at all.

17 | Q The same question with regard to WIIB-TV,  
18 | Bloomington, Indiana? The same answers?

19 | A A little different. I spend a little time weekly --  
20 | we have -- it's a small operation. We have a girl out there  
21 | that runs it for us and -- a lady, I should say -- and I'll  
22 | talk to her usually once a week about what's going on. If she  
23 | has a problem, she'll call me.

24 | Q And --

25 | A -- a different type of setup out there though.

1 Q The same question with regard to WTTA-TV, St.  
2 Petersburg, Florida?

3 A The same answer as WIIB.

4 (Off the record. On the record.)

5 MR. ZAUNER: I have no further questions.

6 MS. SCHMELTZER: No redirect.

7 MR. GREENEBAUM: I just have a couple of questions.

8 MS. SCHMELTZER: Well, wait a minute. There was no  
9 redirect, so I don't believe Mr. Greenebaum's entitled to any  
10 questions.

11 MR. GREENEBAUM: Well --

12 MS. SCHMELTZER: -- proceeding in this case.

13 MR. GREENEBAUM: Can I address issues raised by the  
14 cross?

15 JUDGE SIPPEL: If there's, if there's new issues  
16 that's been raised by the cross, I'm going to permit it. But  
17 before he does, I want to ask one or two questions myself.

18 EXAMINATION

19 BY JUDGE SIPPEL:

20 Q If you succeed with -- in obtaining the Channel 2  
21 license, under your diversification pledge WBFF would go, and  
22 that would leave you -- you're nodding yes. I'm just --

23 A Yes.

24 Q -- trying to just get a little background here.

25 That would leave you with four stations, the one in Columbus,

1 Pittsburgh, Indiana, and Florida plus Channel 2. Is that  
2 right? Assuming that things were as they are today. Is that,  
3 is that correct?

4 A Well, Birmingham and Alabama also.

5 Q Birmingham and Alabama? You have those --

6 A I'm sorry. Birmingham and Milwaukee.

7 Q Birmingham and Milwaukee. Now, the way you operate  
8 today, and it's essentially the same way you operated back in  
9 '93 when we started the testimony here, the three principals  
10 of Sinclair, the three principals of Four Jacks, sit in the  
11 same room where you conduct your Sinclair business as well as  
12 the business of supervising all of these properties?

13 A That's correct.

14 Q Is that correct? Which I --

15 A Yes.

16 Q -- would consider to be Sinclair business.

17 A Right. Sinclair Broadcast Group, right.

18 MS. SCHMELTZER: May I just say one thing for the  
19 record, Your Honor, to -- just so your mind is clear?

20 JUDGE SIPPEL: Yes?

21 MS. SCHMELTZER: There are four principals --

22 JUDGE SIPPEL: Yes, I understand that.

23 MS. SCHMELTZER: -- but one is not integrated.

24 JUDGE SIPPEL: I, I understand that. There, there  
25 are four. I want to focus on the three that have been

1 | testifying here.

2 | BY JUDGE SIPPEL:

3 | Q So far, without, without the addition of Channel 2,  
4 | you've been able to operate your -- carry on your responsibil-  
5 | ities not only with respect to those stations but also with  
6 | respect to acquisition work, and -- well, acquisition, what-  
7 | ever these entrepreneurial things are that's going on, cer-  
8 | tainly reviewing S-1 Forms and all of these applications with  
9 | the Securities and Exchange Commission. In -- if you were to  
10 | add to that, all of those activities, the, the integration  
11 | pledge with respect to Channel 2, how would you expect to  
12 | operate in terms of where you would physically be during the  
13 | day when all these things were going on?

14 | A Well, the way things are now, and they have pretty  
15 | much always have been, each station has its own team. If we  
16 | talk to -- now, the way things are now, if we talk to -- if I  
17 | talk to the fellows in Columbus, if I talk to John Quigley  
18 | (phonetic sp.), the General Manager in Columbus, once a week,  
19 | or Pittsburgh or Tampa or IIB, that's a lot. The time will be  
20 | there for us by virtue -- we have topnotch guys running each  
21 | one of these stations that really doesn't need our input on a  
22 | day-to-day basis. So, our thing that we're -- we've been  
23 | doing is concentrating on growing the business. It's just as  
24 | simple as that. Our time is there. We have the time.

25 | Q So, you'd be, you'd be, you'd be --

1           A     As far as location, we'd probably move right into  
2 Channel 2 just so we'd be on, on the facility. We would be in  
3 the same building with that station because we would be de-  
4 partment heads at that station.

5           Q     But you're, you're, you're -- with the exception of  
6 the times that you're not in the office, which you've testi-  
7 fied to, but as a general proposition from your deposition  
8 testimony and all, you're basically -- you're in this office  
9 together operating as a team with respect to a considerable  
10 amount of business activities, including entrepreneurial work,  
11 trying to look at acquisition possibilities, and the manage-  
12 ment of these various properties. Now, if you're going to  
13 move -- and you say you're not sure, you haven't formulated  
14 this yet, is that correct, as to the fact that you're going to  
15 move out of there?

16          A     Physically, I presume we would move into the build-  
17 ing wherever the Channel 2 would be, the license will be at.

18          Q     And then would you just continue to do the same  
19 thing there?

20          A     We would run it by -- like all the other stations  
21 are being run, with department heads and each of us filling  
22 one of those three slots, and then --

23          Q     All right. But if you're going to turn your atten-  
24 tion to some of these other activities, as you've testified  
25 to, do you go back to the room that you're in now and do that

1 or do you just continue to operate -- do all those things from  
2 where --

3 A The thing --

4 Q -- you are --

5 A The thing as --

6 Q -- in Channel 2?

7 A I understand the question. The thing is, those  
8 activities are, are so few and far between that it wouldn't  
9 matter where we were. We could be in any office in the build-  
10 ing. It's basically fielding phone calls on, you know, a lot  
11 of issues that aren't life-threatening. They're not things  
12 that require hours and hours of discussion. They are things  
13 that sort of happen as they happen.

14 Q You mean you can -- doing what you are today and  
15 doing what you've been doing over the past several years, you  
16 could plug in a 40-hour a week job and it wouldn't affect you  
17 as far as your time commitments in any --

18 A Not one bit. There is no question about that in my  
19 mind. It's just --

20 Q All right. That's your answer.

21 A It's just the way -- I know it's very hard to  
22 understand and to believe, but the bottom line is, and the  
23 crux of this whole matter is, we have guys that handle all  
24 those day-to-day headaches in each one of those stations so  
25 that we don't have to. We can do what we want to do. If we

1 want to talk about growing the business or buying other sta-  
2 tions, we'll talk about it. If we want to go, you know, go to  
3 lunch for four hours and talk about something else, we'll do  
4 that too. It's, it's just the way we operate.

5 Q And you would intend to continue to operate that way  
6 if you got Channel 2? Or would you?

7 A Well, we would have to do whatever we have to do,  
8 the 40 hours a week to run Channel 2. And like I said, that  
9 won't interfere with whatever we have to do with SBG. That's,  
10 that's just not -- that's not -- it's a non-issue.

11 JUDGE SIPPEL: All right. That's all I have.

12 MR. GREENEBAUM: I have a few.

13 CROSS EXAMINATION

14 BY MR. GREENEBAUM:

15 Q Your Honor has asked most of the questions I wanted  
16 to ask, because I had the same line of inquiry. Am I correct,  
17 Mr. Smith, in understanding that if you were successful with  
18 Channel 2 you would physically move from your present head-  
19 quarters to your new offices and everything else would con-  
20 tinue the same so far as your duties and responsibilities to  
21 your various investments and Channel 2 are concerned?

22 MS. SCHMELTZER: Objection. Asked and answered.

23 JUDGE SIPPEL: Well, I'll, I'll permit. It's, it's  
24 -- go ahead. I'll, I'll overrule the objection.

25 BY MR. GREENEBAUM:

1 Q I'm asking if the only change would be, if you were  
2 successful with Channel 2, you would move from one office to  
3 another and continue doing what you're doing, with Channel 2  
4 having priority in your mind?

5 A Channel 2 would have priority. Like I think I told  
6 the Judge, I'm not sure where we would physically go. I  
7 presume we would -- the logical thing would be to go into the  
8 building, whichever building that Channel -- Four Jacks would  
9 go into. And that's --

10 Q Would, would you all still be sitting, as you see  
11 it, in one room?

12 A I don't know.

13 Q Now, the difference in my mind is --

14 A I, I don't know the answer to that.

15 Q -- you've told us about running -- your role in  
16 Sinclair as a committee, supervising various stations owned  
17 and operated by Sinclair. Is that correct?

18 A Correct.

19 Q Now, with Four Jacks, that would be a channel owned  
20 by the four of you free of any Sinclair influence, would it  
21 not?

22 A Well, the influence by definition would be that the  
23 three of us were in there. And that the only difference that  
24 would, I would say operationally, would be is that the way  
25 things are now as Sinclair, we -- somebody says we want to do

1 something, we'll get a majority and we'll vote on it. In the  
2 case of Sinclair, if we're going to -- I'm sorry -- of Channel  
3 2, if we run that the way we're running all the rest of our  
4 stations, and I'll get back to the department, the department  
5 head meeting, in that scenario the general manager, as with  
6 all the rest of our stations, has the final call on the issue.  
7 We wouldn't -- the vote wouldn't be between the three of us.  
8 It would be, it would be the general manager's call, and  
9 that's Dave.

10 Q So, there would not be a committee approach, but  
11 rather your brother David as the General Manager would be the  
12 boss?

13 A And, and if you're talking about voting on an issue,  
14 there is no vote the way we run our stations. The general  
15 manager has the call. That's why he's paid what he's paid.  
16 That's why he does the job that he does on our behalf. It's  
17 his call. David Smith is more than qualified to run any  
18 single station or, you know, any of them.

19 Q But under your present system you and your brothers  
20 at Sinclair have control -- or oversight responsibility for  
21 the general manager, is that correct?

22 A Of the other stations. That's correct.

23 Q That link would no longer be present if you were  
24 successful in your challenge to Channel 2?

25 A No, that would be present.

1 MR. GREENEBAUM: I have no further questions then,  
2 Your Honor. Thank you.

3 MR. ZAUNER: Could I have one follow-up, Your Honor?

4 JUDGE SIPPEL: All right. Go ahead, Mr. Zauner.

5 RE CROSS-EXAMINATION

6 BY MR. ZAUNER:

7 Q Listening to your testimony today and your brother's  
8 testimony yesterday, it, it seems to me that you have what,  
9 what I would characterize at least as, as a pretty good life  
10 right now. You sit back and you make decisions on a very high  
11 level that control a number of other stations. And now I read  
12 the integration pledge, I, I see that you intend to go into  
13 the trenches, if you will, and take on a 40-hour job as  
14 station manager where you're going to have all sorts of  
15 responsibilities and certain liabilities. And my question to  
16 you is, is how long do, do you intend to actually be doing a  
17 40-hour job that requires deadlines and, and serious heavy  
18 working conditions before you hire somebody to, to do that job  
19 in your place and go back to managing your investments?

20 MS. SCHMELTZER: Objection, Your Honor. The reason  
21 I object is there isn't a public notice out from the  
22 Commission that says the integration is frozen. It's meant as  
23 a pure integration question.

24 JUDGE SIPPEL: Well, we'll take true employees and  
25 pure integration questions and we'll handle them as they come

1 up. This question obviously is relevant only to the time  
2 period --

3 MS. SCHMELTZER: Exactly.

4 JUDGE SIPPEL: -- that integration was a -- alive,  
5 right, and well. Do you understand the distinction we're  
6 making?

7 WITNESS: It was a long question. I, I remember the  
8 part about the trenches. As far as the trenches are  
9 concerned, I've been in them before. Dave's been in them.  
10 Fred's been in them in one form or another. It's just a  
11 question of, like you're saying, maybe we don't have the  
12 freedom that we have anymore -- or have now. But the end  
13 result is the same, to do what we've got to do to keep our  
14 pledge to run 40 hours a week, whatever it takes to run  
15 Channel 2. And it's not -- I don't view it as a life -- major  
16 lifestyle change, because it's, it's what we've all -- we've  
17 all been around it all our lives.

18 MR. ZAUNER: I have nothing further.

19 JUDGE SIPPEL: Do you want to any redirect on any of  
20 this, Ms. Schmeltzer?

21 MS. SCHMELTZER: No, Your Honor.

22 JUDGE SIPPEL: That's it. All right. You're ex-  
23 cused as a witness.

24 WITNESS: Thank you, Your Honor.

25 JUDGE SIPPEL: I'd ask you not to, to discuss your

1 testimony with your brothers until we get this all finished.

2 WITNESS: Understood.

3 JUDGE SIPPEL: Okay. Go off the record.

4 (Off the record. On the record.)

5 JUDGE SIPPEL: We're in recess until 10 a.m. tomor-  
6 row morning, and we'll have the last Four Jacks witness.

7 Thank you.

8 (Whereupon, at 3:22 p.m. on Tuesday, September 13,  
9 1994, the hearing was adjourned, scheduled to continue at  
10 10:00 a.m. Wednesday morning, September 14, 1994.)

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**Name**

MM DOCKET NO. 93-94

**Docket No.**

WASHINGTON, D.C.

**Place**

SEPTEMBER 13, 1994

**Date**

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