In re Martin W. Hoffman, Trustee
MM Docket No. 97-128

INDEX TO DIRECT CASE EXHIBITS OF SHURBERG BROADCASTING OF HARTFORD

EXHIBIT NUMBER	DESCRIPTION	SPONSORING WITNESS
Volume I		
1	ACCLP Organization Documents (undated)	Stipulation (*see* Bank. Exh. 165 and 157)
2	Astroline Communications Company Limited Partnership Agreement ("ACCLP") and Certificate (May 29, 1984)	Thomas A. Hart, Jr. ("Hart")
3	Assignment and Assumption Agreement between Astroline Company and Thelma N. Gibbs (August 16, 1985)	Richard P. Ramirez ("Ramirez")
4	Assignment, Assumption, Repurchase and Security Agreement between WHCT Management, Inc. and Terry Planell (September 6, 1985)	Ramirez
5	Assignment and Assumption Agreement between WHCT Management, Inc. and Hart (September 10, 1985)	Ramirez, Hart
6	Consent and Confirmation of General and Limited Partners of ACCLP (September 10, 1985)	Stipulation (*see* Bank. Exh. 51)
7	First Certificate of Amendment of ACCLP Agreement and Certificate of Limited Partnership (executed as of September 10, 1985)	Hart
8	Letter from Carter S. Bacon, Jr. ("Bacon") to Ramirez, (December 30, 1985)	Bacon, Ramirez
9	ACCLP Amended and Restated Limited Partnership Agreement and Certificate (December 31, 1985) and First Amendment thereto (November 21, 1988)	Stipulation (*see* Bank. Exh. 9)
10	Letter from Danielle Webb to WHCT Management, Inc. (March 13, 1986) (includes Power of Attorney and Affidavit of Alfred Rozanski ("Rozanski"))	Ramirez
11	Assignment, Repurchase and Security Agreement between WHCT Management, Inc. and Terry Planell (December 26, 1986)	Ramirez
12	Assignment and Assumption Agreement between Astroline Company and Astroline Company, Inc. (November 2, 1988)	Stipulation (*see* Bank. Exh. 52)
13	Assignment Agreement between Terry Planell and WHCT Management, Inc. (November 21, 1988)	Ramirez

EXHIBIT NUMBER	DESCRIPTION	SPONSORING WITNESS
	Volume II	
14	Letter from Hart to Judge Frysiak (May 29, 1984), including Agreement between Faith Center, Inc. and ACCLP (May 29, 1984)	Stipulation (*see* Bank. Exh. 6)
15	Letter from Hart to William J. Tricarico, Secretary ("Tricarico") (June 28, 1984), including Motion for Continuance, Motion for Expedited Processing, Petition for Special Relief and Transfer Assignment Application (FCC Form 314)	Hart
16	Letter from Hart to Tricarico (February 22, 1984), including Ownership Report (FCC Form 323)	Hart
17	Letter from Hart to Tricarico (May 16, 1985), including Ownership Report (FCC Form 323)	Hart
18	Brief of Intervenor ACCLP in *Shurberg Broadcasting of Hartford, Inc. v. FCC*, No. 84-1600 (May 30, 1985)	Hart
19	Letter from Jack Whitley ("Whitley") to Tricarico (September 13, 1985), including Ownership Report (September 12, 1985)	Stipluation (*see* Bank. Exh. 66)
20	Letter from Hart to Tricarico (October 31, 1985), including Ownership Report (October 31, 1985)	Hart
21	Letter from Hart to Tricarico (August 3, 1987)	Stipulation (*see* Bank. Exh. 281)
22	Joint Response to Discovery Requests of Shurberg Broadcasting of Hartford	
23	Letter from Linda R. Bocchi ("Bocchi") to Donna R. Searcy, Secretary ("Searcy") (November 22, 1988), including *Pro Forma* Assignment Application (FCC Form 316) (November 21, 1988)	Stipulation (*see* Bank. Exh. 135)
24	Letter from Bocchi to Searcy (December 19, 1988), including *Pro Forma* Assignment Application (December 16, 1988)	Bocchi
	Volume III	
25	ACCLP 1984 Form 1065 U.S. Partnership Return of Income	Stipulation (*see* Bank. Exh. 10)

EXHIBIT NUMBER	DESCRIPTION	SPONSORING WITNESS
26	Client's Copy of Tax Returns, including ACCLP 1985 Form 1065 U.S. Partnership Return of Income	Stipulation (*see* Bank. Exh. 11)
27	ACCLP 1986 Form 1065 U.S. Partnership Return of Income	Stipulation (*see* Bank. Exh. 12)
28	ACCLP 1987 Form 1065 U.S. Partnership Return of Income	Stipulation (*see* Bank. Exh. 13)
29	Brief of Martin W. Hoffman, Trustee (March 10, 1995) in *In re ACCLP*, Civil Action No. 3:95CV114	Stipulation
30	Plaintiff's Proposed Findings of Fact and Conclusions of Law (July 14, 1995), filed in *In re ACCLP*, Hoffman v. Ramirez, Case No. 2-88-01124, Adv. Proc. No. 93-2220	Stipulation
31	Brief of the Appellant, Martin W. Hoffman, Trustee (November 8, 1996) in *In re ACCLP*, Hoffman v. WHCT Management, Inc., No. 96-5112	Stipulation
	Volume IV	
32	Letter from Hart to Herbert A. Sostek ("Sostek") (April 27, 1984) with enclosures	Stipulation (*see* Bank. Exh. 1)
33	Letter from Hart to Edward L. Masry (May 14, 1984)	Stipulation (*see* Bank. Exh. 2)
34	Declaration of Hart (August 16, 1984)	Hart
35	Letter from Ann M. Siczewicz to William C. Lance ("Lance") *et al.* (September 30, 1985), and enclosure	Hart
36	Letter from Bacon to Ramirez (February 1, 1985), including hand-written note from Ramirez in reply	Stipulation (*see* Bank. Exh. 59)
37	Letter from Bacon to Ramirez (February 25, 1985)	Bacon, Ramirez
38	Interoffice Communication from Kent W. Davenport ("Davenport") "for the Files" (May 6, 1985)	Stipulation (*see* Bank. Exh. 41)
39	Memorandum from Lance to Distribution (May 21, 1985)	Stipulation (*see* Bank. Exh. 54)
40	Letter from Davenport to Fred J. Boling, Jr. ("Boling") (May 24, 1985), including enclosure	Stipulation (*see* Bank. Exh. 61)
41	Letter from Bacon to Boling (December 22, 1986)	Bacon
42	Letter from Bacon to Ramirez (December 22, 1985)	Bacon, Ramirez

EXHIBIT NUMBER	DESCRIPTION	SPONSORING WITNESS
43	Letter from Bacon to Ramirez (December 30, 1985), including enclosure	Bacon, Ramirez
44	Telex Letter from Boling to Mary Morton (December 31, 1985)	Stipulation (*see* Bank. Exh. 74)
45	Telex Letter from Boling to Mary Morton (December 31, 1985), including hand-written notations and signature	Bacon, Ramirez
46	Memorandum from Lance to Ramirez and Hart (January 31, 1986)	Stipulation (*see* Bank. Exh. 277)
47	Letter from Bacon to Hart (February 26, 1986)	Hart
48	Letter from Bacon to Ramirez (February 26, 1986)	Hart
49	Stock Power (February 27, 1986)	
50	Letter from Hart to Ramirez (March 3,1986)	Stipulation (*see* Bank. Exh. 79)
51	Letter from Ramirez to Bacon (March 13, 1986)	Stipulation (*see* Bank. Exh. 80)
52	Letter from Bacon to Boling (March 14, 1986), with enclosures	Stipulation (*see* Bank. Exh. 81)
53	Letter from Bacon to Ramirez (September 2, 1986)	Stipulation (*see* Bank. Exh. 89)
54	Letter from Terry Planell to Bacon (February 9, 1987), including enclosures	Bacon
55	Letter from Bacon to Hart (April 3, 1987), including enclosure	Bacon, Hart
56	Letter from Hart to WHCT Management, Inc. (April 7, 1987), countersigned by Boling	Stipulation (*see* Bank. Exh. 115)
57	Letter from Bacon to Boling (April 14, 1987), including enclosures)	Bacon
58	Memorandum from Baker & Hostetler ("Baker") to ACCLP (November 10, 1988)	Stipulation (*see* Bank. Exh. 257)
59	Letter from Edward Hayes, Jr. ("Hayes") (unsigned) to Ramirez (November 14, 1988)	Stipulation (*see* Bank. Exh. 258)
60	Letter from Hayes to Ramirez (November 14, 1988) with hand-written notations	Bacon

Exhibit Number	Description	Sponsoring Witness
61	Letter from Hayes (signed) to Ramirez (November 16, 1988)	Stipulation (*see* Bank. Exh. 259)
62	Memorandum from Bacon to ACCLP partners (November 22, 1988), including enclosure	Bacon
63	Letter from Bacon to Ramirez (December 9, 1988), including enclosures	Stipulation (*see* Bank. Exh. 299)
64	Letter from Bocchi to Thomas A. Gugliotti, Esq. ("Gugliotti") (July 5, 1989), including enclosures	Bocchi
65	Letter from Ramirez to Hayes and Bocchi (August 8, 1989)	Ramirez
66	Letter from Hart to Masry (June 12, 1984), including enclosures	Stipulation (*see* Bank. Exh. 7)
67	Memorandum from Bacon to Distribution (December 21, 1984), including enclosures	Hart
68	Letter from Bacon to Hart (April 9, 1985)	Hart
69	Letter from Hart to Ramirez (May 23, 1985), including enclosures	Hart
70	Letter from Hart to Lance and Mark Oland (May 24, 1985), including enclosures	Hart
71	Letter from Bacon to Hart (September 11, 1985), including enclosure	Stipulation (*see* Bank. Exh. 276)
72	Letter from Bacon to Hart (October 2, 1985)	Hart
73	Letter from Hart to Ramirez and Sostek (April 18, 1986), including enclosure	Hart
Volume V		
74	Memorandum from Whitley to All Baker Broadcast Clients (March 13, 1987), including enclosures	Hart, Alpert
75	Letter from Ramirez to Hart (May 5, 1987), including hand-written notation	Hart, Dale R. Harburg ("Harburg")
76	Letter from Hart to Boling (July 7, 1987), including enclosure	Hart

EXHIBIT NUMBER	DESCRIPTION	SPONSORING WITNESS
77	Letter from Hart to Ramirez (July 7, 1987), including enclosure	Hart
78	Letter from Hart to Lance (July 7, 1987), including enclosure	Hart
79	Letter from Hart to Sostek (July 7, 1987), including enclosure	Hart
80	Letter from Hart to William D. Kerchick, Esquire (July 7, 1987), including enclosure	Hart
81	Memorandum from Baker to Broadcast Clients (July 7, 1987)	Harburg
82	FCC Ownership Report Form 323, executed by Ramirez (July 20, 1987), with hand-written notations	Harburg
83	Hand-written notes, including note to "Dale" (July 24, 1987)	Harburg, Dudley
84	FCC Ownership Report Form 323, unexecuted, with hand-written notations	Harburg
85	Letter from Bacon to Harburg ("c/o" Hart) (July 28, 1987)	Harburg, Hart
86	Letter from Harburg to Ramirez (July 29, 1987), including enclosure)	Harburg
87	Telecopier Cover Letter from Harburg to Bacon (July 31, 1987), with hand-written notation, and including enclosure)	Harburg, Hart
88	Telecopier Cover Letter from Harburg to Bacon (July 31, 1987), with hand-written notations, and including enclosure)	Harburg
89	Telecopies Cover Letter from Harburg to Bacon (July 31, 1987), with hand-written notations, and including enclosure)	Harburg, Bacon
90	Order in *Shurberg Broadcasting of Hartford, Inc. v. FCC*, No. 84-1600 (D.C. Cir. filed June 25, 1987)	Official Notice
91	FCC Ownership Report Form 323, executed by Ramirez (July 31, 1987)	Hart, Harburg
92	Letter from Bacon to Hart (August 31, 1988), including enclosure	Hart
93	Baker bill to ACCLP (July 27, 1987)	Hart

EXHIBIT NUMBER	DESCRIPTION	SPONSORING WITNESS
94	Baker bill to ACCLP (August 24, 1987)	Hart
95	Baker bill to ACCLP (September 24, 1987)	Hart
96	Letter from Hart to Ramirez (September 7, 1988)	Hart
97	Letter from Bocchi to Ramirez (September 8, 1988), including enclosure	Bocchi
98	Letter from Bocchi to Bacon (September 12, 1988), including enclosure (unexecuted ACCLP Ownership Report Form)	Bocchi
99	Letter from Rozanski to Bill Blair (December 4, 1985)	Stipulation (*see* Bank. Exh. 22)
100	Letter from Ramirez to Boling (February 3, 1986)	Stipulation (*see* Bank. Exh. 78)
101	Letter from George R. Neble to Ramirez (April 22, 1986)	Stipulation (*see* Bank. Exh. 84)
102	Letter from Richard J. Sullivan to Sandra L. Donnellan (May 13, 1986), including enclosure	Stipulation (*see* Bank. Exh. 85)
103	State Street Bank and Trust Company Authority for Deposit and Borrowing	Stipulation (*see* Bank. Exh. 217)
104	Letter from Ramirez to Boling (May 29, 1986), including enclosure	Stipulation (*see* Bank. Exh. 87)
105	Bank of Boston Commercial Deposit Account Resolutions and Authorities, executed by Ramirez (January 16, 1987)	Stipulation (*see* Bank. Exh. 50)
106	Interoffice Memo from Ramirez to Boling (June 29, 1988), including enclosures	Stipulation (*see* Bank. Exh. 35)
107	Letter from Barbara Coleran to Hart (February 4, 1987), with hand-written notation	Stipulation (*see* Bank. Exh. 105)
108	Letter from Ramirez to Boling (April 20, 1987)	Stipulation (*see* Bank. Exh. 116)
109	Letter from Ramirez to Sostek (April 20, 1987), including enclosure	Stipulation (*see* Bank. Exh. 117)
110	Letter from Ramirez to Boling (July 21, 1988), with hand-written notations and including enclosures	Stipulation (*see* Bank. Exh. 130)

EXHIBIT NUMBER	DESCRIPTION	SPONSORING WITNESS
111	Facsimile Transmission from Ramirez to Boling (August 10, 1988), including enclosure	Stipulation (*see* Bank. Exh. 132)
112	Letter from Ramirez to Sostek *et al.* (July 18, 1985), including enclosure	Stipulation (*see* Bank. Exh. 64)
113	Letter from Ramirez to Boling (September 30, 1985)	Stipulation (*see* Bank. Exh. 67)
114	Letter from Ramirez to Sostek (November 4, 1985)	Stipulation (*see* Bank. Exh. 71)
115	Letter from Ramirez to Boling (December 5, 1985), including enclosure	Stipulation (*see* Bank. Exh. 72)
116	Memorandum from Ramirez to Sostek (January 29, 1986)	Stipulation (*see* Bank. Exh. 76)
117	Letter from Sostek to Hart (February 15, 1986)	Hart
118	Letter from Hart to Sostek (February 19, 1986)	Hart
119	Letter from Ramirez to Sostek (April 8, 1986)	Stipulation (*see* Bank. Exh. 82)
120	Letter from Ramirez to Boling (April 8, 1986), including enclosure	Stipulation (*see* Bank. Exh. 83)
121	Letter (hand-written) from Ramirez to Boling (June 9, 1986)	Stipulation (*see* Bank. Exh. 195)
122	Letter from Ramirez to John G. Curry (September 11, 1986)	Stipulation (*see* Bank. Exh. 196)
123	Letter from Ramirez to Boling (October 7, 1986)	Stipulation (*see* Bank. Exh. 92)
124	Letter from Ramirez to Kirk Dodd (February 26, 1987)	Stipulation (*see* Bank. Exh. 107)
125	Letter from Ramirez to Murray Oken (February 26, 1987)	Stipulation (*see* Bank. Exh. 108)
126	Letter from Ramirez to Howard Baldwin (February 26, 1987)	Stipulation (*see* Bank. Exh. 109)
127	Letter from Ramirez to Boling (March 5, 1987)	Stipulation (*see* Bank. Exh. 112)

EXHIBIT NUMBER	**DESCRIPTION**	**SPONSORING WITNESS**
128	Letter from Ramirez to Sostek (March 5, 1987), including enclosure	Stipulation (*see* Bank. Exh. 113)
129	Letter from Ramirez to Sara J. Rutenberg (March 11, 1987)	Stipulation (*see* Bank. Exh. 114)
130	Letter from Ramirez to Sostek (June 8, 1987)	Stipulation (*see* Bank. Exh. 120)
131	Letter from Ramirez to Boling (June 8, 1987)	Stipulation (*see* Bank. Exh. 121)
132	Letter from Ramirez to D.B. Haseotes	Stipulation (*see* Bank. Exh. 123)
133	Letter from Ramirez to Boling and Sostek (November 4, 1987)	Ramirez
134	Letter from Hart to Boling (August 8, 1988), including enclosure	Hart
135	Memorandum from David Dudley to Hart (August 2, 1988)	Hart, Dudley
136	Letter from Ramirez to Sostek and Boling (August 11, 1988)	Stipulation (*see* Bank. Exh. 133)
137	Letter from Susan D. Harrison and Elisabeth J. Swanson to Hart (November 16, 1984)	Stipulation (*see* Bank. Exh. 57)
138	Letter from William MacD. Lincoln to Ramirez (March 18, 1986)	Stipulation (*see* Bank. Exh. 223)

EXHIBIT
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WJ4 1/24/94

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April 27, 1984

Mr. Herbert A. Sostek
President
Astroline Company
855 Broadway
P.O. Box 989
Saugus, MA 01906

Dear Herb:

Enclosed please find the material on WHCT-TV (Channel 18) in Hartford, Connecticut. I believe that this is a very unique and interesting opportunity and would appreciate your reaction to the material as soon as possible. Since the application will return to hearing on May 16, 1984, time is of the essence. I look forward to hearing from you soon.

Sincerely,

Thomas

Thomas A. Hart, Jr.

Enclosures

Jaws projections

TAH/tdh

Laura L. Smith
Exhibit No. 17 For I.D.
Pltf. Deft.
Witness: Ramirez
Date: 2-2-94

Federal Communications Commission
Exhibit 32
Docket No.
Presented: Shurberg Broadcasting
Identified x
Received x
Rejected
Disposition
Reporter George Holmes
Date 9-23-98

RC 006728

0000251

PBS 000480

Jewish X
6/83

Attachments

RC 006729

0000252

PBS 000481

<u>ATTACHMENT 1</u>

Revised Projections
Rate of Return Analysis
Breakeven Payout at Par Value

FINANCIAL PROJECTIONS

Financing Structure Assumptions

Projections have been prepared assuming the terms of the 9% Preferred Stock and Term Bank Loan do not change in a material fashion from the preliminary terms indicated.

Operating Assumptions

1. The Hartford/New Haven market will have the following revenue growth and WHCT-TV will obtain the following revenue and audience share:

Historical and Projected WHCT-TV and Hartford/New Haven Market Revenues

($000)

Year	Market Revenues	Losses due to Fractionalization	Adjusted Market Revenues	WHCT-TV Revenues	WHCT-TV Aud. Share	WHCT-TV Rev. Share
1982 Est.	$42,000	-%	$42,000	$ -	-%	- %
1983	46,200	-	46,200	750	6	7.2*
1984	50,820	2	49,804	4,781	8	9.6
1985	55,902	4	53,666	6,440	10	12.0
1986	61,492	5	58,417	8,412	12	14.4
1987	67,641	7	62,906	9,058	12	14.4

* 1983 results are for 3 months only.

The 1983-1987 market revenue growth pattern represents a 10% compound annual growth rate, as compared to a 1977-1982 compound annual growth rate of 12%. "Fractionalization" results from the growth of cable-TV and the introduction of new video technologies. Management anticipates a 12% audience share when the station reaches maturity in 1985, two years after start-up.

9. The capital equipment installment note has an implied interest rate of 9% on the $1,400,000 principal, payable $400,000 in 1985, and $500,000 in 1986 and $500,000 in 1987.

Appearing on the next five pages are:

Exhibit 1: Pro Forma Income Statements
Exhibit 2: Pro Forma Balance Sheets
Exhibit 3: Pro Forma Capitalization Tables
Exhibit 4: Pro Forma Changes in Financial Position
Exhibit 5: Pro Forma Amortization Schedule

Exhibit 1

WHCT-TV

Pro Forma Income Statements

(in thousands)

	Four Months Ended December 31, 1983	Year Ended December 31: 1984	1985	1986	1987
Gross Revenues	$ 750	$ 4,781	$ 6,440	$ 8,412	$ 9,058
Operating Expenses:					
Technical	124	496	518	595	661
Sales	228	911	1,079	1,065	1,097
Program	650	2,600	2,600	3,000	3,300
G&A	230	920	962	1,105	1,228
Total Operating Expenses	1,232	4,927	5,159	5,765	6,286
Operating Income	(482)	(146)	1,281	2,647	2,772
Depreciation	250	500	500	500	500
Interest on L-T Debt	134	676	676	640	540
Interest Income	(34)	(100)	(60)	(30)	—
Non-recurring start-up exp.	600	—	—	—	—
Pre-Tax Income	(1,432)	(1,222)	165	1,537	1,732
Income Taxes @ 52%	-	-	-	-	5
Net Income	$(1,432)	$ (1,222)	$ 165	$ 1,537	$ 1,727
Preferred Dividends	120	360	360	360	353
Net Income Available to Common Stockholders	$(1,552)	$ (1,582)	$(195)	$1,177	$1,374

These projections have been prepared by Wertheim & Co. and there is no assurance that any or all of the assumptions are accurate or will be achieved.

Exhibit 2

WHCT-TV

Pro Forma Balance Sheets

(in thousands)	Estimated Post Acquisition at 8/30/83	At December 31: 1983	1984	1985	1986	1987
Assets						
Current Assets:						
Cash & Equivalent	$1,500	$2,698	$1,516	$1,221	$1,598	$ 997
Accounts Receivable	-	125	598	805	1,052	1,132
Other Current Assets	-	100	150	200	250	350
Total Current Assets	1,500	2,923	2,264	2,226	2,900	2,479
Net Property & Equipment	3,500	3,250	2,850	2,550	2,350	2,250
Unallocated Acquisition Expenses & Goodwill*	3,500	3,500	3,500	3,500	3,500	3,500
Total Assets	$ 8,500	$ 9,673	$ 8,614	$8,276	$8,750	$8,229
Liabilities & Shareholders' Equity						
Current Liabilities:						
Bank Credit Line	$ -	$ -	$ -	$ -	$ -	$ -
Accounts Payable	-	125	598	805	1,052	1,132
Other Current Liabilities	-	100	150	200	250	350
Total Current Liabilities	-	225	748	1,005	1,302	1,482
Long-term Debt	3,900	6,400	6,400	6,000	5,000	3,750
Shareholders' Equity	4,600	3,048	1,466	1,271	2,448	2,997
Total Liabilities & Shareholders' Equity	$ 8,500	$ 9,673	$ 8,614	$8,276	$8,750	$8,229

*Existing tangible assets of WHCT-TV (excepting the broadcast license) have an estimated $200,000 value, which has been excluded from the projection.

These projections have been prepared by Wertheim & Co. and there is no assurance that any or all of the assumptions are accurate or will be achieved.

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Exhibit 3

WHCT-TV

Pro Forma Capitalization Tables

(in thousands)

	Estimated Post Acquisition at 8/30/83	At December 31: 1983	1984	1985	1986	1987
Long-term Debt						
9% Installment Note	$ 1,400	$ 1,400	$ 1,400	$ 1,000	$ 500	$ -
Term Loan due 1989	2,500	5,000	5,000	5,000	4,500	3,750
Total Long-term Debt	3,900	6,400	6,400	6,000	5,000	3,750
Shareholders' Equity						
Preferred Stock	4,000	4,000	4,000	4,000	4,000	3,775
Common Stock	600	600	600	600	600	600
Retained Earnings	-	(1,552)	(3,134)	(3,329)	(2,152)	(778)
Total Shareholders' Equity	4,600	3,048	1,466	1,271	2,448	2,997
Total Capitalization	$ 8,500	$ 9,448	$ 7,866	$ 7,271	$ 7,448	$ 6,747

These projections have been prepared by Wertheim & Co. and there is no assurance that any or all of the assumptions are accurate or will be achieved.

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Exhibit 4

WHCT-TV

Pro Forma Changes in Financial Position

	Closing	Four Months Ended December 31, 1983	Year Ended December 31: 1984	1985	1986	1987
Sources						
Net Income to Common	$ -	$(1,552)	$(1,582)	$ (195)	$ 1,177	$ 1,374
Depreciation	-	250	500	500	500	500
Total From Operations	-	(1,302)	(1,082)	305	1,677	1,874
Installment Note	1,400	-	-	-	-	-
Term Loan due 1989	2,500	2,500	-	-	-	-
Preferred Stock	4,000	-	-	-	-	-
Common Stock	600	-	-	-	-	-
Total Sources	8,500	1,198	(1,082)	305	1,677	1,874
Uses						
Purchase of WHCT-TV	3,100	-	-	-	-	-
Acquisition Expenses	400	-	-	-	-	-
Capital Expenditures	3,500	-	100	200	300	400
Debt Repayment	-	-	-	400	1,000	1,250
Total Uses	7,000	-	100	600	1,300	1,650
Net Cash Flow	$ 1,500	$ 1,198	$(1,182)	$ (295)	$ 377	$ 224
Cumulative Cash Flow	$ 1,500	$ 2,698	$ 1,516	$ 1,221	$ 1,598	$ 1,822

These projections have been prepared by Wertheim & Co. and there is no assurance that any or all of the assumptions are accurate or will be achieved.

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WKCT-TV

Exhibit 5

Pro Forma Amortization Schedule

(in thousands)

4 Mos. Ending 12/31:	Borrowing Rate	Term Loan due 1989: Prin. At Beg. of Period	Term Loan due 1989: Prin. Repay-ments	Term Loan due 1989: Interest Charge	9% Installment Note: Prin. At Beg. of Period	9% Installment Note: Prin. Repay-ments	9% Installment Note: Interest Charge	Total Debt Service: Prin. At Beg. of Period	Total Debt Service: Prin. Repay-ments	Total Debt Service: Interest Charge	9% Preferred Stock: Outs. At Beg. of Period	9% Preferred Stock: Repay-ments	9% Preferred Stock: Dividends
1983	11%	$ 2,500	$(2,500)	$ 92	$ 1,400	$ -	$ 42	$3,900	$(2,500)	$ 134	$ 4,000	$ -	$ 120
Year Ending 12/31:													
1984	11%	5,000	-	550	1,400	-	126	6,400	-	676	4,000	-	360
1985	11%	5,000	-	550	1,400	400	126	6,400	400	676	4,000	-	360
1986	11%	5,000	500	550	1,000	500	90	6,000	1,000	640	4,000	-	360
1987	11%	4,500	750	495	500	500	45	5,000	1,250	540	4,000	225	351
1988	11%	3,750	750	413	-	-	-	3,750	750	413	3,775	450	325
1989	11%	3,000	1,000	300	-	-	-	3,000	1,000	330	3,325	450	284
1990	-	-	-	-	-	-	-	-	-	-	2,875	450	244
1991	-	-	-	-	-	-	-	-	-	-	2,425	450	201
1992	-	-	-	-	-	-	-	-	-	-	1,975	450	161
1993	-	-	-	-	-	-	-	-	-	-	1,525	450	122
1994	-	-	-	-	-	-	-	-	-	-	1,075	450	82
1995	-	-	-	-	-	-	-	-	-	-	625	625	41

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These projections have been prepared by Wertheim & Co. and there is no assurance that any or all of the assumptions are accurate or will be achieved.

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PREFERRED STOCK INVESTOR RATE OF RETURN CALCULATION

The rate of return calculations which follow are based upon the operating results indicated in the foregoing exhibits and incorporate the following additional assumptions:

1. Paul Revere Life Insurance Company purchases the following securities:

	Amount
9% Series A Preferred Stock	$ 3,600,000
9% Series B Convertible Preferred Stock	400,000
	$ 4,000,000

2. WHCT-TV is sold at the end of fiscal 1987 for ten times fiscal 1987 operating income, calculated as follows:

WHCT-TV fiscal 1987 operating income	$ 2,772,000
WHCT-TV Sale Price at ten times operating income	$27,720,000

3. Projected returns include both coupon payments on debt and gains from the sale of WHCT-TV. The 9% Series A Preferred Stock is to be paid in full upon the station's sale at the end of fiscal 1987 and the Series B Preferred Stock is converted into Common Stock.

4. Sale proceeds are applied as follows:

Proceeds from Sale	$ 27,720,000
Excess Cash in WHCT-TV	500,000
Term Loan due 1989 - Prepaid	(3,750,000)
9% Series A Preferred Stock - Prepaid	(3,775,000)
Net Cash Proceeds to Common Stockholders	$ 20,695,000
Preferred Stock Investor's Share @ 37.5%	$ 7,761,000

5. **"Cash-on-Cash" Return**

The "cash-on-cash" return on the proposed preferred stock participation can be calculated using the following table which assumes semi-annual dividend payments.

Cash Flows to Preferred Stock Investor

(in thousands of dollars)

	8/83	12/83	6/84	12/84	6/85	12/85	6/86	12/86	6/87	12/87
Cash Flow-Ser.A	(3,600)	120	180	180	180	180	180	180	190	3,773
Cash Flow-Ser.B	(400)	-	-	-	-	-	-	-	-	7,761
Total	(4,000)	120	180	180	180	180	190	180	180	11,534

The annual "cash-on-cash" return is 30.24%, computed as if payable semiannually.

6. **"Corporate Bond Equivalent" Return**

The prior calculation is helpful an investor having limited tax liabilities. The following attempts to equate the acquisition's pretax return to a taxable investor with those returns found on a corporate bond paying interest semiannually and purchased at par.

Taxable investors benefit from the 85% preferred stock dividend exclusion. A taxable investor participating in the financing is liable for a 28% capital gains tax on its share of the gain recorded on the sale of common stock at the end fiscal 1987. This amounts to $2,757,000 [($27,720,000 - $3,100,000) x 40% x 28%].

Consequently, at the end of fiscal 1987, the taxable investor's after-tax realized cash from the sale is $5,004,000. Because $400,000 of this amount is the common stock investment, $4,604,000 represents an after-tax income stream. This is equivalent to $8,526,000 ordinary income stream in fiscal 1987, assuming a 46% ordinary income tax rate.

"Corporate Bond Equivalent" Cash Flows to Preferred Stock Investor

(in thousands of dollars)

	8/83	12/83	6/84	12/84	6/85	12/85	6/86	12/86	6/87	12/87
Cash Flow-Ser.A	(3,600)	207	310	310	310	310	310	310	310	3,910
Cash Flow-Ser.B	(400)	-	-	-	-	-	-	-	-	8,926
Total	(4,000)	207	310	310	310	310	310	310	310	12,836

RC 006740

The annual "corporate bond equivalent" return is 36.55% computed as if payable semiannually.

0000263

PBS 000492

PREFERRED STOCK INVESTOR

MARKET SHARE NEEDED TO BE PAID OUT AT PAR ON STATION SALE

For the preferred stock investor to receive a minimum of par value at the end of fiscal 1987, sale proceeds minus outstanding debt must equal $3,775,000. Therefore, sale proceeds must equal $7,525,000 (debt plus preferred stock).

Given a market value for a TV station of 10x operating income the station's operating income would have to be $753,000 annually in order to generate a $7,525,000 acquisition price. Operating expenses for fiscal 1987 are projected at $6,286,000 so a $7,039,000 annual revenue stream would be required for a $753,000 operating income.

Breakeven Income Statement ($000)

Revenues	$ 7,039
Operating Expenses	(6,286)
Operating Income	$ 753

The adjusted total market revenue in fiscal 1987 is projected at $62,906,000. Attaining $7,039,000 in revenues for that year implies an 11.2% revenue share and a 9.3% audience share.

The analysis here is flawed because even if the station made no money, it would still have significant value as demonstrated by appraisals of the station's value now, when the only tangible asset is a license. Current appraisals put the stations value at a minimum of $7 million. The purchase of modern equipment and the start-up of commercial programming can only serve to increase the value of WHCT-TV above the $7 million floor value.

ATTACHMENT 2

Updated Programming Schedule
Review of Programming Schedule

RC 006742

Within 90 days of closing, the new management of WHCT-TV will begin airing the following programs on a continuous basis in order to better serve the Greater Hartford community:

8am-9am, Monday-Friday

Children shows -- These shows will be directed at the age group of pre-school to 10 years of age. We will strive to produce and purchase programs for the children that are educational and instructional in format. We will program shows that deal with interrelationships and problem solving. The subject matter, on many occasions, will be instructional and educational. By airing these shows, we will also endeavor to reach many of those preschoolers who have parents that are unable to afford pre-school instructors.

9am-10am, Monday-Friday

Local talk show (including News and Public Affairs) -- The primary emphasis of this show will be not just to entertain, but also address the ascertained community problems and provide an open forum for WHCT-TV viewers through open phones lines during that segment of the show devoted to the ascertained problem.

Prime Time - bi weekly

One-Half hour will be set aside every other week to allow a prominent community leader, i.e., the Mayor. Governor or other local or state officials that are located in or around the state Capitol. During this segment open phone lines will be made available to the viewing public to allow access for an open dialog on the community problem under discussion.

Prime Time - Bi weekly (alternate week)

One-Half hour will be programmed on an alternate week basis for the WHCT-TV news people to address some of the same current community problems. This show will also have open phone lines to allow community access.

Additionally, WHCT-TV will include as a part of its weekly program schedule, the following:

10am-12:00noon	m-f	Two local news and/or childrens news headlines
Noon-12:30pm	m-f	30 minute newscast
8pm-10pm	m-f	2 headline news inserts
10pm-11pm	m-f	60 minute news program

Specials
One major public affairs special each quarter in prime time that will be 1 to 3 hours in duration devoted to the ascertained needs and problems of the Greater Hartford Community.

RC 006744

Review of Programming Schedule

Objective

The programming schedule is designed to enhance WHCT-TV's position relative to the competition.

Method

Programming will rely heavily on local content programs, including sports, news and talk shows, to give the new station a local identity with which residents will feel comfortable. This kind of programming is also a viewing alternative to the other local stations' output. Furthermore, WHCT-TV will run a variety of movies at different time periods, broadcast popular game shows and repeat network television programs.

Cost

Total Budget

The present programming schedule will fit well into the initial annual programming budget of $2.6 million. This budget has been allocated as follows:

Programming	$2.2 million
Promotion	0.4
Total	$2.6

Programming costs refer strictly to cash payments made to acquire programming properties or to those costs needed for the establishment of local content programming. Promotion costs refer to those expenses needed to cover advertising and any special events directed at increasing the station's viewing audience.

Programming Budget

Management has projected a $39,600 weekly cost for non-sports programming and a breakdown of those costs by time-slot appears on the next page. It should be noted that, essentially, programming syndicators charge for programs primarily on the basis of: (i) market size, (ii) program or movie title, and (iii) time-slot in which the product is to be broadcast. Because of this pricing orientation, management has projected pricing by time period after taking into account what will be shown in the time period.

Time Period	Programming	Cost Per Week
7 AM - 8 AM	Religious	None, Paid for by by Religibus Group
8 AM - 9 AM	Children's Programs Public Affairs	Barter
9 AM -10 AM	Local Talk	$10,000
10 AM -12 PM	Movie	Included in late night charges
12 PM -12:30 PM	News	Included in other news charges
12:30 PM - 1:30 PM 1:30 PM - 3 PM	Love American Style, Movie	$1,500
3 PM - 5 PM	Ironside, Police Woman	$3,000
5 PM - 7 PM	MV 3, Hart to Hart	$5,000
7 PM - 8 PM	Game Shows	$3,500
8 PM -10 PM	Movie	$5,000
10 PM -11 PM	News, local and national (Metromedia-nat'l)	$10,000
11 PM - until sign-off	Carol Burnett, Movies	$1,600 possibly less depending on sign-off time

Weekend programming costs are included in the allocations shown above.

At $39,600 per week, the programming scheduled outlined would cost $2,059,000 annually. Management's remaining programming budget of approximately $140,000 is to be directed to the broadcasting of local pro, college or high school sporting events on "high light" shows. Management estimates 10-15 weeks of such programming could be supplied by a budget of this size.

RC 006746

ATTACHMENT 3

Proposed Start-up Budget

START-UP BUDGET - $600,000

1.	Capitol Region Conference of Churches	$20,000
2.	Lionel Schaen - Loss on Sale of Condo	45,000
3.	Lionel Schaen - Move	10,000
4.	Lionel Schaen - Plane trips, 2 at $4,000	8,000
5.	Per Diem Living Expenses until sale of Condo at $150 per day (3 months)	13,500
6.	Program Director and Executive Producer	
	- Move	10,000
	- Per Diem Living Expenses (1 month)	4,500
	- 1 Plane Trip to California	4,000
7.	Sales Manager	
	Pre-Sell (trip) to New York (3 days per week); Boston (1 day per week); and Chicago (1 day per week) - $1,000 per week for 16 weeks	16,000
9.	Joseph Jones	
	Reimbursement	85,000 *
	Move	10,000
	Trips to Calif. - 3 at $4,000	12,000
	Per Diem Living - 3 months at $4,500	13,500
9.	Business Manager	
	Move	10,000
	2 Plane Trips	8,000
	Per Diem Living - 3 months	13,500
10.	Preparation and Execution of on-air Graphic Package, Program Openings and Logo	30,000
11.	Stationery and Supplies	15,000
12.	Advertising in Media one month prior to air date	75,000
13.	Arbitron / Neilsen - 4 months at $3,000	12,000
14.	Temporary Office Space and Clerical Help, 4 months - ($900 per office per month) Total of 6	28,800

Start-Up Budget (continued)

15.	Preparation, Design, Printing of Promotional Material for Sales Brochures	$30,000
16.	Cost for Transmitter Site Acquisition	50,000
17.	Attorney Fees	20,000
18.	Program Consultant	15,000
		$558,800

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* I anticipate loaning the corporation between $40,000 and $50,000 before closing. The total reimbursement will increase to $135,000.

SBH Exh. 33

Collier, Shannon, Rill & Scott
Attorneys-at-Law
1055 Thomas Jefferson Street, N. W.
Washington, D. C. 20007

Telephone: (202) 342-8400
Telex: 440665 CSRS UI
Writer's Direct Dial Number
(202) 342-8470

May 14, 1984

Edward L. Masry, Esquire
15495 Ventura Boulevard
Sherman Oaks, CA 91403

two weeks after Jones
[illegible]

Re: Channel 18, Hartford, Connecticut

Dear Ed:

This letter serves to notify you of the status of negotiations between my client, Astroline Company, and Joe Jones of Interstate Media Corporation ("IMC"). Simply stated, we have been unable to reach an agreement regarding the above-referenced matter.

A meeting was held in Boston two weeks ago, a couple of counter-offers were exchanged thereafter, and negotiations were broken the end of last week. As you know, the case has been designated for hearing before the Federal Communications Commission ("FCC") on Wednesday, May 16, 1984. Throughout its negotiations with IMC, Astroline has reserved the right to discuss the possibility of acquiring Channel 18 pursuant to a distress sale certificate directly from Faith Center, assuming that IMC and Astroline were unable to reach an agreement.

Thus, if you plan to request special relief from the FCC and seek a third distress sale option, my clients are interested in discussing the matter with you and presenting an offer to your clients. I will be attending the prehearing conference at the FCC on Wednesday and hope to have an opportunity to meet with you briefly at that time. In the meantime, I remain,

Sincerely,

Thomas A. Hart, Jr.

Thomas A. Hart, Jr.

2

RC 006750

cc: Samuel Brown, Esquire

0000273

PBS 000502

Federal Communications Commission

Docket No.

Exhibit No. 33

Presented by Shurberg Broadcasting

Disposition:
Identified X
Received X
Rejected

Reporter George Holmes

Date 9-23-88

SBH Exh. 34

DECLARATION OF THOMAS A. HART, JR.

I, Thomas A. Hart, Jr., declare as follows:

1. I have personal knowledge of the matters set forth below and would and could, if properly called as a witness, so testify under oath.

2. I am, and at all times mentioned in this declaration and in plaintiff's complaint was, a citizen of Washington, D.C. I have been a lifelong resident of Washington, D.C. except for limited periods in high school in Indiana and college in Rhode Island.

3. I am a practicing attorney and have been employed since 1981 as an associate in the law firm of Collier, Shannon, Rill & Scott in Washington, D.C.

4. I do not have and have never had any citizenship or residence in California.

5. I do not own or lease and have never owned or leased any property in California.

6. I have never maintained an office or place of business in California. I have never had any agents of any sort in California.

7. I have never maintained any mailing address, telephone directory listing or bank account in California.

8. In early 1984 I was aware that plaintiff Joseph D. Jones (hereinafter "Jones") had an agreement to purchase the assets of WHCT-TV, Hartford, Connecticut from Faith Center, Inc. (hereinafter "FCI"), and was told by Jones' communications counsel in Washington, D.C. that Jones was encountering difficulties arranging

the financing fot the purchase. I practice law in the communications area and have clients who are interested in opportunities to participate in purchases of radio and television stations, therefore, I had some conversations with Jones and his communications counsel to see if any opportunities were present. These conversations took place with me and Jones' communications counsel in Washington, D.C. and Jones in various locations perhaps including California. Jones and his communications counsel requested that I speak with clients to see if they had any interest in participating in the financing of the television station acquisition.

9. I first contacted Astroline Company (hereinafter "AC") in April 1984 when I telephoned Fred J. Boling, Jr. (hereinafter "Boling") whom I knew to be a general partner of AC. AC is a client I had represented before the FCC in connection with communications matters since 1982. I told Boling that I was aware of a possible opportunity to participate in the purchase of a television station in Hartford, Connecticut and asked whether AC might be interested in such an opportunity. Boling responded that they were interested and requested that I send him some written materials I had received from Jones regarding the television station, and I did so.

10. Between the time when I first advised Boling of the possible opportunity and May 5, 1984, Jones and I (in Washington, D.C.) had several additional telephone conversations. During the week of April 23-27, 1984, Jones arranged a conference telephone call among himself, Ed Masry (hereinafter "Masry"), counsel for FCI, and me. During that telephone conversation, I was in my office in Washington, D.C. I believe that Jones was in Dallas,

Texas and that Masry was either in Chicago or en route to Chicago. This conference call was the first time I had any communication of any sort with anyone associated with FCI. I gave Masry my client's name, Astroline Company, and some general information about it.

11. On or about May 3 or 4, 1984, I had further telephone conversations with Jones about the possibility of my client's participating in the purchase of the television station. Jones was in Dallas during these conversations. During these conversations, Jones and I arranged a meeting to take place in Boston, Massachusetts on May 5, 1984 between Jones and my client.

12. On May 5, 1984, Boling, Herb Sostek (another general partner of AC) and I met Jones at Logan Airport in Boston, Massachusetts on the arrival of Jones' flight from Dallas. The four of us went to the Hilton Hotel at the airport and discussed various proposals for joining together for the purpose of purchasing and operating the television station. The two-hour meeting resulted in no agreement between the parties.

13. The next day, May 6, 1984, I returned to Washington, D.C. and Jones returned to Dallas, Texas. On May 8, Samuel Brown, an attorney for Jones in Los Angeles, telephoned me and I told him that Jones would have to change his position substantially if an agreement were to be reached. On Thursday, May 10, 1984, at approximately 9:00 o'clock P.M. Eastern time, Jones telephoned with another proposal. Jones arranged a four-person telephone conference call involving himself in Dallas, myself in Washington, D.C., Boling in Boston, and Samuel Brown in Los Angeles. That telephone conference call also resulted in no agreement between the parties.

14. At approximately midnight on Monday night, May 14, 1984, Jones telephoned me at my home in Washington, D.C. to attempt to revive the negotiations between himself and my client. We talked about various proposals until nearly 3:00 A.M. By the end of the conversation, Jones and I arrived at a possible way of structuring the transaction which I said I would present to AC for its consideration. I had another telephone conversation with him in the morning of May 15 in which he confirmed his proposal of the previous night.

15. Later in the day on May 15, I called Herb Sostek to tell him of Jones' latest proposal. Sostek flatly rejected the proposal. Later that day I telephoned Jones in Dallas and told him that my client had rejected the proposal.

16. Between that day and Saturday, May 19, 1984, I had at least one more telephone conversation with Jones in which I told him that I would be at the Dallas-Ft. Worth airport and that I was willing to meet him there. On May 19, 1984, I met Jones in the Dallas-Ft. Worth airport. At that time, Jones stated that he still wanted essentially the same type of agreement my client had previously rejected, and I told him again that there would be no agreement between my client and him on those terms. That was the last time I had any substantive communication of any sort with Jones.

17. After the prospect of reaching an agreement with Jones had fallen through, my client and I entered into negotiations with FCI to purchase the television station directly from FCI by Astroline Communications Company (hereinafter "ACC"), a limited partnership to be created for that purpose.

18. Those negotiations began with a number of long-distance telephone conversations between myself and FCI's lawyer, Ed Masry, who was in Los Angeles. In addition, I traveled to Los Angeles to meet with Masry during the week of May 21 to negotiate an agreement for the acquisition of the television station. My trip to Los Angeles for that purpose was made subsequent to all my substantive discussions with Jones and subsequent to all events alleged in Jones' complaint. (Jones alleged in the complaint that on May 14, 1984 AC and ACC breached an alleged agreement with him to form a joint venture to purchase and operate the television station, and that I induced the alleged breach on that date.) This was the first, and only, time I (or anyone associated with my client) was in California for any purpose related to the acquisition of television station.

19. I did not meet or otherwise communicate with Jones or any representative of Jones during my short stay in Los Angeles.

20. It would be extremely inconvenient, expensive and unduly burdensome for me to defend this lawsuit in California.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 16, 1984 at Washington, D.C.

Thomas A. Hart, Jr.

Thomas A. Hart, Jr.

SBH Exh. 35

SBH Exh. 35

Schatz & Schatz, Ribicoff & Kotkin

Attorneys at Law

OCT 1 1985

September 30, 1985

Mr. William C. Lance
Mr. Carter S. Brown, Jr.
Peabody & Brown
One Boston Place
Boston, Massachusetts 02108

Mr. Thomas A. Hart, Jr.
Baker & Hostetler
1050 Connecticut Avenue, N.W.
Washington, DC 20036

Mr. Walter A. Stringfellow
Thelen, Marrin, Johnson & Bridges
333 South Grand Avenue, 34th Floor
Los Angeles, CA 90071

Mr. Richard P. Ramirez
WHCT-TV
18 Garden Street
Hartford, CT 06105

Gentlemen:

Enclosed please find for your review and comments a file memorandum regarding the events leading up to and surrounding Astroline's purchase of Channel 18 from Faith Center, Inc. The information contained in this memorandum is derived from conversations at our meetings of April 19, 1985 and August 28, 1985, and a review of the documents supplied at that latter meeting. This memorandum is intended to substitute for the previous file memorandum of April 19, 1985.

Please note that this memorandum deals only with events on and prior to January 3, 1985. We plan to meet with Walter and Tom on October 9, 1985 at Tom's office in Washington, D.C. to focus on events subsequent to January 3, 1985. I would therefore appreciate your comments prior to that meeting.

Sincerely,

SCHATZ & SCHATZ, RIBICOFF & KOTKIN

Ann M. Siczewicz /sw.

Ann M. Siczewicz

AMS/sw
Enclosure

Federal Communications Commission
Docket No.
Exhibit No. 35
Presented Shurberg Broadcasting
Identified X
Received
Rejected withdrawn 9-29-98
Disposition
Reporter George Holmes
Date 9-23-98

BH 0745

One Financial Plaza, Hartford, CT 06103 203-522-3234
Stamford Office: Two Landmark Square, Stamford, CT 06901 203-964-0027
Cable: Barrister Telex (Hartford and Stamford): 99364 (CEOHFD)

Schatz & Schatz, Ribicoff & Kotkin

MEMORANDUM

TO: FILE
RE: NOTES OF MEETING OF AUGUST 28, 1985

This Memorandum is intended to substitute for and expand the file Memorandum of April 19, 1985, regarding the events leading up to the purchase of the television station WHCT-TV, Channel 18, Hartford, Connecticut, by Astroline Communications Company Limited Partnership ("ACC") from Faith Center, Inc. ("FCI"). The information contained in this Memorandum is derived from the prior Memorandum of April 19, 1985, as supplemented by a discussion involving Thomas Hart, Richard Ramirez, Carter Bacon, Bill Lance and Mark Oland at a meeting held on August 28, 1985, and a review of the documents provided at that meeting. Walter Stringfellow, Robert Dombroff and Ann Siczewicz also attended the meeting of August 28, 1985.

To set the context and circumstance which existed at the time that ACC and FCI entered into an agreement, it is necessary to understand the position of FCI in May of 1984, and to understand that position one must review the history of FCI's relationship with the FCC dating back to 1978.

In 1978, FCI had its records subpoenaed by the FCC in connection with an administrative investigation into FCI's method of reporting its income and expenses. FCI refused to comply with the FCC subpoena and litigated its right to keep its records confidential. That litigation went to the United States Court of Appeals, which upheld the position of the FCC. Certification was denied by the United States Supreme Court, and thus, the decision of the Appellate Court became final. Notwithstanding the adverse ruling of the Court, FCI refused to disclose subpoenaed information to the FCC. The FCC advised FCI that non-compliance would result in a loss of license of its San Francisco station, and ultimately, the FCC did revoke the FCI's license to operate that station on account of it's failure to comply with the FCC subpoena.

The same basic scenario unfolded with respect to FCI's license to operate a San Bernadino, California television station. During these proceedings, FCI became aware of a distress sale program permitted by the FCC which would allow a station owner to sell the license and assets of that station while under investigation by the FCC provided that the sale was to a minority controlled buyer at a price of not more than 75% of fair market value. The availability of a distress sale program exists until the commencement of revocation hearings after which time, the availability of such a program to a station owner who is under investigation is lost. FCI's timing resulted in its inability to take advantage of this program in connection with its San Bernadino, California station as revocation proceedings were already underway prior to the time that the FCI was in a position to make application under the program. Consequently, the FCC revoked FCI's license to operate the San Bernadino station as it had previously done with the San Francisco, California station.

Against this backdrop, in 1980 or 1981, FCI's license to operate Channel 18 in Hartford was coming up for review, and a challenge to the renewal of the license was made by a citizen's action group which claimed that FCI was unfit to operate Channel 18. Because of the uncertainty with respect to the outcome of the renewal application, FCI again considered utilizing the distress sale program, and this time, it did timely file an application to complete a distress sale to an hispanic controlled group known as T.H.C. The petition to complete the distress sale was approved by the FCC, but the deal was not consummated because the buyer was unable to complete the transaction.

FCI again tried to complete a distress sale, and in 1982 identified a second buyer, Interstate Media Corporation ("IMC"), a minority controlled corporation of which Joseph Jones ("Jones") was the minority participant. IMC was granted distress sale status by the FCC on September 30, 1983. Pursuant to the orders of the FCC, that distress sale had to be consummated on or before May 16, 1984, on which date, the application would have returned to hearing status.[1/]

IMC could not close because of a lack of financing. IMC had contacted Thomas Hart ("Hart") to assist it with its financing. At that time, Hart represented the Astroline Company ("Astroline") which was an investment partnership comprised of individuals who are primarily in the energy business. Astroline had an initial interest in financing the purchase of Channel 18 by IMC, and negotiations between them occurred during the period from late April to early May, 1984.[2/] Jones and IMC had

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1/ See Hart Memorandum re Conference with Joe Jones dated March 8, 1984.

2/ Hart letter to Sostek dated April 27, 1984. For a detailed description of these negotiations <u>see</u> Declaration of

Continued

been informed during that period, and prior to May 8, 1984, that the proposed financing entity reserved the right to approach FCI directly on its own behalf should they fail to reach an agreement on or before May 15, 1984.[3]

Negotiations involving IMC / Jones came to a close around May 13-14, 1984. On May 14, 1984, Hart on behalf of Astroline had his first conversation absent Jones' participation with Edward Masry ("Masry"), who was the attorney and negotiating agent for FCI. Masry was known to Hart as a result of Hart's involvement on behalf of IMC. During that conversation, Hart, on behalf of Astroline, informed Masry, on behalf of FCI, that Jones was unable to come to terms with the proposed financing entity and that that entity was interested in negotiating directly with FCI for the purchase of Channel 18 on monetary terms and conditions which were similar to the agreed upon terms and conditions of the now defunct IMC transaction. This conversation was followed by a letter from Hart to Masry of even date in which Hart noted inability to reach an agreement with IMC and an interest in direct negotiation by Astroline.[4] Masry approved direct negotiations, but expressed some concern and desired some assurances regarding the financial ability of a new proposed purchaser to close a sale of the station. In response to that concern, the First National Bank of Boston forwarded to Masry a letter drafted by Hart and approved by Fred Boling ("Boling") noting that Boling and the other partners of Astroline had an excellent history with the Bank and that Astroline had assets sufficient for a proposed $500,000 down payment.[5]

Footnote Continued

Thomas A. Hart, Jr. dated August 16, 1984; Declaration of
ated August 16, 1984, and Declaration
Jr. dated August 15, 1984, submitted in
tion to Dismiss filed in <u>Jones v.</u>
<u>et al.</u>

???

3/ n re: Distress Sale Financing dated May

4/ y dated May 14, 1984.

5/ See May 15, 1984, draft to Masry; First National Bank of Boston letter to Masry dated May 15, 1984.

On May 15, 1984, John M. Frysiak, FCC ALJ, granted Masry's request for a two week stay of proceedings, thereby postponing the revocation hearing until May 30, 1984.

As noted above in this Memorandum, once the revocation hearing was to begin on the question of license renewal for Channel 18, FCI would no longer be able to apply for permission to conduct a distress sale. By virtue of Judge Frysiak's order of May 15, 1984, that hearing was scheduled to begin on May 30, 1984. Therefore, there was extreme pressure upon the parties to execute a binding agreement before that date.

(Note: Hart's file contains a confirmation of a telegram sent by Hart to Masry on May 18, 1984; there is no indication in Hart's file as to the contents of that telegram.)

On Saturday, May 19, 1985, Hart flew to Los Angeles via Dallas to meet with Masry. Hart met with Jones for an hour at his Dallas stopover in an attempt to salvage an agreement in which IMC / Jones would participate. These efforts were unavailing, however, due to Jones' demands and general concerns relative to Jones' ability to close a deal or to operate the station, and Hart continued on to Los Angeles.

Hart met with Masry on Sunday, May 20, 1984. At that time, Hart had with him a written draft of a buy-sell agreement which he believed could be executed by the parties. Through prior discussions, Hart was aware of the basic economic terms of a sale which FCI would deem appropriate, i.e. a purchase price of $3.1 million, payable by a $500,000 payment at closing, and a note for $2.6 million. These were the same terms and conditions contained in a written agreement which had been drafted to reflect the anticipated sale between FCI and IMC, and signed by IMC.

The meeting between Hart and Masry on May 20, 1984, lasted for approximately an hour. Masry made some changes to Hart's proposal; in particular, the jurisdictional references to Massachusetts were deleted leaving only California. However, the basic terms of the agreement were not altered.

Masry refused to sign the agreement, even as counsel, absent review by Dr. Scott ("Scott"). Scott would not meet with Hart on Sunday and was unavailable Monday as he was on the air. Masry forwarded the materials to Scott and Hart agreed to wait in California for Scott's review, changing hotels in the process.

Hart returned to Masry's office on Monday, May 21, 1984, at about 6 p.m., but at that time, Scott's comments were not available. Hart may have then spoken to Masry, but he does not specifically recall; he was periodically checking in with Masry's assistant, as Masry was on trial during that period.

At approximately 7 a.m. on Tuesday, May 22, Hart reached Masry at his home by telephone, at which time, Masry informed Hart that he had reached Scott very early that morning subsequent to Scott's broadcast. Masry informed Hart that Scott desired to make the agreement less complex and had made some changes to the draft, particularly to those provisions concerning warranties, inspections and production of documents. Masry informed Hart that Scott's language changes were to be delivered to Masry, and that Hart could pick up the package with Scott's comments later that day. Upon receiving the package, Hart noted that Scott had so altered the agreement as to make it a two page document.

The following day, Wednesday, May 23, 1984, Hart met with Masry at the court house during the lunch recess. He was informed by Masry that Scott did not want to give any warranties as to the station equipment, and reiterated concerns over the production of documents. Hart expressed that his clients had not as yet seen the station equipment and wanted some assurances as to its condition, despite the fact that this was a distress sale. Hart was told by Masry to take Scott's comments into consideration and redraft an agreement to accomodate both parties. Using Yvonne Burke's office, Hart spent the remainder of the day creating a new draft of the agreement.

That evening, Hart met with Masry and gave him a copy of the new draft. They discussed the agreement for approximately a half-hour, during which time, Masry did not mark the draft. Masry gave his approval to the new draft; however, he said that it would again have to be reviewed by Scott. This draft was to be delivered to Scott that same day.

Hart called Masry around 11 p.m. that Wednesday night to see if he had received Scott's comments and was told that Masry was then on the telephone with Scott. As suggested, Hart went over to Masry's home approximately 20 minutes later and received a draft containing changes made by Masry during his conversation with Scott. Hart was informed that as a bottom line proposition, Scott did not want to produce any documents, and would not agree to convey the property free and clear of taxes which were the subject of litigation. Hart was to again redraft an agreement to accomodate both parties.

On Thursday, May 24, Hart again reworked the draft, having it retyped again almost in its entirety.

During this period, Hart was communicating the basic terms of the agreement and status of the negotiations to Boling. Both Hart and Masry envisioned an August closing. Hart recalls without detail conversations with Masry regarding Shurberg. Hart never met with Scott during this period. It is Hart's belief that Kenneth Roberson ("Roberson"), then FCI's in-house counsel, was assisting Scott in framing Scott's revisions to the drafts.

Hart delivered his redraft to Masry late Thursday night (about 10-11 p.m.), and said that he wished to finalize the agreement. Masry told Hart that he would call Scott, which he did, and then told Hart that Masry was to arrange delivery of this reworked proposed agreement to Scott for his review. He would then deliver the draft containing Scott's comments to his office for Hart to pick up.

On Friday morning, May 24, 1984, Hart obtained the draft with Scott's latest comments from Masry's office, and went back to Yvonne Burke's office to rework the draft which was done by cut and paste method. Mid-day Friday, he delivered the reworked draft to Masry's office, which draft was to be then hand-delivered to Scott. Hart informed Masry that as far as he was concerned, this draft was the final form of the buy-sell agreement.

Throughout the course of these negotiations and redrafts, the basic economic terms of the anticipated agreement did not change from those initially contemplated, i.e. a purchase price of $3.1 million payable by a $500,000 cash payment and a promissory note for the $2.6 million balance.

Hart and Masry then met about 2-3 p.m. that same afternoon, and Scott still had additional changes to the agreement. Hart remembers Masry's secretary retyping the entire agreement on that afternoon, athough a signed copy has Scott's handwritten changes. Although Masry wished to sign the agreement alone stating that he had authority to do so, Hart insisted that the agreement be signed by Scott, and signature lines for both Masry and Scott were included to the agreement. Scott and Masry signed the agreement in Hart's presence, and Hart initialed it. That evening, Hart left Los Angeles taking one original of the agreement as executed by FCI with him, and arrived in Washington on May 26, 1984.

On Saturday, May 26, 1984, a conference call, set up by Hart, took place between Hart, Boling and Masry. Masry had prompted the call seeking oral and written reassurance of the buyer's intent to close the deal. After that call, a telex was forwarded to Masry by Hart confirming this conversation and noting that ACC intended to purchase the station upon the financial terms, as agreed upon, and that upon preliminary approval from the FCC, ACC would deposit an escrow at the Bank of America of $30,000 which would be applied to the cash portion of the purchase price at closing.[6/]

On Sunday, May 27, 1984, Hart went to Boston. At this time, ACC had not been formalized as a buyer qualified under the FCC distress sale criteria. Hart met with Richard Ramirez ("Ramirez") that evening to discuss this situation in further detail. Ramirez had some months earlier been contacted by Hart and was originally considered for some position as part of the IMC transaction and Ramirez had previously reviewed the FCI / IMC unexecuted agreement. Ramirez had not as yet met either Herb Sostek ("Sostek") or Boling.

On Monday, May 28, 1984, Memorial Day, Hart met with Bill Lance ("Lance"), Sostek and Boling at which time Hart presented the agreement as a fait accompli. Lance expressed some concerns because the agreement lacked the usual commercial warranties and other buyer protections. Notwithstanding these deficiencies, Astroline remained interested in the deal, and the decision was made to pursue the transaction. However, there were two minor points which Astroline wished changed in the agreement; it was decided that Hart would discuss these changes with Masry and have these items approved as of the hearing date, May 30, 1984.

Later that Monday, Ramirez was introduced to Sostek and Boling, and an agreement was reached between them as to the creation of an entity which would qualify as a buyer pursuant to the FCC distress sale criteria.

6/ Hart mailgram to Masry dated May 26, 1984.

To that end, ACC, a limited partnership was formed on the morning of Tuesday, May 29, 1984.7/ Astroline is the sole limited partner in this partnership and owns a 70% interest. WHCT Management, Inc. which was also created that same morning, is a general partner in ACC, owning a 9% interest. Ramirez owns a 21% interest in ACC and is also a general partner. Voting and operating control reside with Ramirez.

Later that day, Ramirez went to Washington, D.C. with the relevant documents. Boling and Sostek also went to Washington, D.C. as Hart desired their presence at the FCC hearing scheduled for the next morning, anticipating questions by the ALJ regarding ACC's financial capability.

On Tuesday, May 29, 1984, Hart telephoned Masry with the desired changes to the agreement and these changes were approved by Masry. The changes were then made in handwriting by Boling on the original agreement, and the agreement was then signed by Boling on behalf of ACC (the "Agreement"). Hart had caused a letter with a copy of the Agreement to be forwarded to the FCC ALJ so that the FCC would be aware of FCI's intent to seek a continuance at the hearing scheduled for the following day for the purpose of filing a formal petition for special relief requesting approval of a third attempt by FCI to complete a distress sale of the station. 8/

On Wednesday, May 30, 1984, FCI appeared before the FCC ALJ and advised him of the existence of the Agreement and requested a continuance for two weeks to allow it to file a third petition to complete a distress sale with respect to its ownership of Channel 18. This hearing was also attended by Hart and the ACC principals. Alan Shurberg ("Shurberg") also appeared at that hearing as a party interested in obtaining the license from FCI through the administrative procedures channel by converting the revocation hearing to a comparative hearing at which Shurberg proposed to demonstrate that he was more fit an operator than FCI and the license should be granted to him. It was in Shurberg's interest, therefore, that the hearing take place as scheduled, and he objected to the continuance as did

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7/ See Bacon letter to Hart dated May 29, 1984.

8/ Hart letter with Agreement attached to Frysiak, ALJ dated May 29, 1984.

IMC which claimed to be an aggrieved party by the direct involvement of ACC with FCI. Notwithstanding these objections, the FCC ALJ granted FCI's request for a continuance.

On June 20, 1984, Carter Bacon ("Bacon") drafted a promissory note to accord with the Agreement which he telexed to Hart and Boling for review. This draft note was created at Hart's request in anticipation of a request by Masry for a draft of the note prior to filing the petition. In fact, this draft was not delivered to either Masry or the FCC, and nothing more was done regarding it at that time.[9/]

On June 28, 1984, FCI's Petition for Special Relief, Application for Consent to Assignment of Broadcast Station Construction Permit or License, FCC Form 314 ("transfer application"), Motion for Expedited Processing, and Motion for Continuance as drafted by Hart and signed by Masry, were filed with the FCC. As of that date, Shurberg's Petition for Extraordinary Relief was pending before the FCC, as was a motion by Jones, filed prior to the May 30, 1984 hearing, to enlarge the proceedings before the FCC.

By letter dated June 29, 1984, Hart informed Masry of these filings and further notified him of ACC's plans to inspect the station equipment and requested documentation regarding state and federal taxes on the real property.[10/]

On July 3, 1984, Honorable John Griffen, FCC ALJ, opened up the proceedings concerning the license to public comment in light of the mutually exclusive petitions of ACC/FCI and Shurberg. It was ordered that all comments were to be filed on or before July 22, 1984. In response to this order, ACC held a

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9/ Hart's file also contains a letter of intent from First National Bank of Boston to Boling dated June 15, 1984, offering ACC a $10 million revolving line of credit in the event of FCC approval of the distress sale and a draft of that letter. There is no indication that the letter was forwarded to Masry/FCI.

10/ Hart letter to Masry dated June 29, 1984. That letter also notes that the Motion for Continuance was granted by Judge Frysiak pending final disposition of FCI's Petition for Special Relief.

meeting in Boston to prepare such comments, and ultimately filed comments in support of FCI's petition and in opposition to Shurberg. Additional comments filed with the FCC in response to this order included (1) FCI's comments in support of its petition, (2) consolidated comments by Shurberg in support of its petition and in opposition to the FCI petition, (3) Jones / IMC comments in opposition to a third distress sale attempt and (4) comments in support of FCI's petition by the Mass Media Bureau, the staff office of the FCC.

On July 9, 1985, Roberson sent a telegram and a letter of same date to Hart in response to Hart's letter of June 29, 1984. In that correspondence, Roberson requested a correction to the addendum to the Agreement to conform to a narrower inventory list also attached to the agreement. It is Hart's recollection that the addendum to the ACC/FCI Agreement referred to and transferred all equipment listed in the proposed FCI/IMC distress sale. At the time of the attachment of that addendum sheet, no inspection of the equipment had been undertaken by ACC. Roberson states, in his July 9, 1985, correspondence that a correction of the addendum, narrowing the list of the equipment, was necessary to reflect the understanding of the parties. As well, Roberson's correspondence notes that ACC had agreed to assume liability for taxes (real and personal) and claims against FCI and/or ACC, subject to the recourse provisions under paragraph 4(a)(iii) of the Agreement.[11/]

During this period, aside from that which has been noted regarding the equipment, little attention was paid to the Agreement between ACC and FCI. Of main concern to these parties was their joint opposition to Shurberg and to the lawsuit which had been instituted in the California courts by Jones.(This lawsuit was subsequently dismissed and there is no litigation now pending involving Jones.)

On September 5, 1984, Hart wrote to Masry again requesting deeds and surveys of the Avon property, and expressed concern regarding potential removal of station equipment.[12/]

11/ Roberson letter to Hart dated July 9, 1984. See Roberson telegram to Hart dated July 9, 1984.

12/ Hart letter to Masry dated September 5, 1984.

On Wednesday, September 26, 1984, the FCC met in closed session to resolve the conflicting petitions. Despite closure, the trade journals reported that the FCC had unanimously agreed to grant FCI's petition.13/

On October 3, 1984, Hart forwarded a letter to Masry informing him that Communications Daily was reporting that FCI's petition had been granted and reminding him that the sale must close 60 days after the FCC's approval of the 314 application. Anticipating that such FCC approval would be forthcoming shortly, Hart also mentioned a number of loose ends, including inspection of inventory and forwarding of tax records, which needed to be attended to prior to closing. 14/

With this same anticipation of an imminent FCC decision and closing, Bacon began to review the Agreement and prepared another draft note. During this time, Ramirez, in examining the Agreement, noted that the Agreement had expired by its terms.

A meeting was held on October 11, 1985, in Boston between Hart, Bacon, Lance, Sostek, Boling, Ramirez and Jim Nicholson ("Nicholson") to discuss strategy regarding Shurberg and action pertinent to closing. At this point in time, the Jones appeal was still pending. Items discussed at the meeting were (1) the status of matters at the FCC, (2) an extension of the Agreement, (3) Scott's authority, as reflected by his signature as President and Pastor to sign the Agreement on FCI's behalf, (4) the closing and Scott's anxiety to close as had been communicated to Ramirez by Scott's station manager, and (5) Shurberg's opposition.

At this time, the FCC expressed its concern as to whether the Agreement remained in effect. In response, Hart drafted an amendment extending the Agreement until January 31, 1985. This amendment drafted by Hart was signed by Boling and filed that same day with the FCC.

During this period of October and November, 1984, Hart had no less than 2 and no more than 5 discussions with Masry

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13/ See FCC News dated October 1, 1984; Broadcasting dated October 8, 1984.

14/ Hart letter to Masry dated October 3, 1984.

regarding closing matters. Items discussed included a closing in California, tax matters and Masry's difficulties in obtaining the material regarding tax matters from FCI, the desire to close as quickly as possible after FCC approval, deeds to the Avon property, and the need for a second inspection of the station equipment. Also discussed was the delay in receiving a formal decision from the FCC. Hart does not recall any discussions with Masry during this period relative to the Shurberg appeal and its effect upon any closing between FCI and ACC.

By order released December 7, 1984, the FCC granted FCI's petition for special relief, and,simultaneously granted the 314 application, thereby requiring the transfer to occur within 60 days. Hart notified Masry of the order, sending it to him and Scott by Federal Express. Shurberg appealed the FCC decision, and on December 10, obtained ex parte an injunction staying any closing between ACC and FCI. Shortly thereafter, and prior to December 19, 1984, Hart had a telephone conversation with Masry in which Hart stressed ACC's desire to close within the 60 day period, believing that any request to the FCC for an extension of time to close would be detrimental as it may raise questions at the FCC as to ACC's ability to close. At that time, and in anticipation that the stay obtained by Shurberg would be lifted, Hart and Masry were attempting to formulate a method of closing which would accomodate concerns arising from the Shurberg appeal. A suggestion was made that closing be done "in escrow"; the mechanics and specifics of this method were not discussed, but Hart says he envisioned a $500,000 down payment by ACC with an escrow of the monthly installment payments contemplated by the anticipated promissory note.

On December 19, 1984, a meeting was held at Ramirez' office attended by Hart, Lance, Bacon, Ramirez, Boling, Sostek and Mark Oland ("Oland") to consider alternatives. Bacon had prepared a checklist for that meeting. The expectation was that the stay upon closing would be lifted; this in fact occurred on December 22, 1984, and Shurberg's appeal continued to pend absent a stay on closing.[15/] ACC's position at this meeting was

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15/ In light of the stay, the 60 day period for closing commenced on December 21, 1984, requiring a closing on or before February 20, 1985. See Hart Memorandum re Closing of Channel 18 Proceeding dated January 14, 1984.

that while it was under no obligation to close, a completion of the purchase was desired to demonstrate ACC's commitment to the transaction and thereby increase its success as against the Shurberg appeal. As well, ACC had some concerns regarding FCI's continued operation of the station. However, it was felt that any closing must accomodate the risks occasioned to ACC during the pendency of the Shurberg appeal. For that reason, the possibility of an escrow closing was discussed, which idea was ultimately rejected for fear that the FCC would determine that under such circumstances, the transaction had not been completed, and further, due to the uncertainty such a closing would create as to the status of title and ACC's ability to operate the station. Alternatively, the discussion focused upon the possibility of a closing at which time the $500,000 cash payment would be made, but the commencement date of the installment payments due under the note for the balance would be deferred until a final resolution of the Shurberg appeal. It was determined that under this latter approach, ACC's exposure with respect to the $500,000 cash payment would be diminished for, as part of the transfer ACC would be acquiring title to property in Connecticut which it valued at approximately $300,000. However, ACC did believe that it would be substantially at risk if it had to commence the monthly installment payments prior to the completion of the Shurberg appeal.

In light of these considerations, it was decided to pursue this latter approach, and Hart was instructed to commence further negotiations with Masry to obtain FCI approval for a closing on this basis. A general discussion was then had as to additional closing matters.

Bacon then drafted and circulated a checklist of closing matters which needed to be attended to, assigning responsibilities for each item listed.[16] In particular, Oland was to draft a correspondence to be forwarded by Hart to Masry regarding items pertinent to the transfer of the Avon property. Similarly, Bacon was to draft a correspondence to be forwarded by Hart to Masry which would modify the Agreement so as to achieve a closing upon the terms desired by ACC.

Oland, on December 27, 1984, forwarded his draft correspondence to Hart enclosing therewith a form mortgage and deed.

16/ Bacon Memorandum dated December 21, 1984.

On December 20, 1984, Bacon drafted a form promissory note and bill of sale and a letter modifying the Agreement, drafted as from Masry to Hart. This letter was reviewed by Hart and Lance, and minor changes resulted, including altering the modification letter as one from Hart to Masry. This modification letter as revised and its attachments were forwarded to Hart.

Hart telephoned Masry prior to December 28, 1984. At that time, the Shurberg matter was discussed and Hart informed Masry that at the time of closing ACC would make the $500,000 payment but that payment under the note would be deferred until such time as the Shurberg matter was resolved. Masry approved this arrangement. Hart then informed Masry that he would forward to him a letter confirming this agreement which he asked Masry to sign and return to him. This modification letter, as drafted by Bacon, was forwarded to Masry under Hart's signature on Friday, December 28, 1984. The correspondence drafted by Oland was also forwarded to Masry under Hart's signature on that same date. (While it is clear that the draft note and bill of sale were attached to the modification letter forwarded by Hart to Masry, it is uncertain whether the mortgage and deed forms were forwarded as attachments to the modification letter or to the December 28, 1984, correspondence drafted by Oland).

Hart telephoned Masry on Tuesday, January 3, 1985. Hart had not as yet received the modification letter bearing Masry's signature. During that conversation, Hart requested FCI's bank account number, and the identity of the person at the bank to be contacted for closing purposes. Hart also informed Masry that he was going to be in Los Angeles on January 5, 1985, and arranged to meet Masry at his office at that time, intending to finalize the modification.

The balance of this factual background is to be provided by Tom Hart at the next meeting to be held at Hart's office in Washington, D.C., tentatively scheduled for Wednesday, October 9, 1985. However, with respect to the factual background as provided to date, our position, summarized as follows, remains unchanged.

Against the backdrop of difficulties with the FCC, and a need to consummate a distress sale or probably lose all value to the Channel 18 station, FCI, on or about May 29, 1984, entered into an agreement to sell Channel 18 to ACC. That agreement contained as a condition to closing that certain approvals of the FCC be obtained to allow the transfer. Although not expressly stated in the agreement, it was the intention of the draftsman (Hart) that the approvals be final and binding prior to the occurrence of a closing. From the time of the execution of the agreement, to about late December, 1984, the parties had no material communications relative to this matter. In December, 1984, all of the necessary regulatory approvals were obtained. However, in light of the pendency of the Shurberg appeal, those approvals were not final. Nevertheless, for reasons enunciated above, ACC agreed to close provided that FCI agreed to amend the payment terms on the promissory note to be executed as part of the closing. FCI agreed to amend the payment terms on the promissory note to be executed as part of the closing. FCI so agreed, and that agreement was manifested in Masry's acknowledgement of Hart's letter of December 28, 1984. Consistent with the agreement between the parties as reflected in the original buy-sell, and as amended in the letter of December 28, 1984, a closing occurred in late January of 1985. The promissory note executed as part of the closing by ACC provides that commencement date for payment does not begin until after the Shurberg appeal is final. Hence, it is our position that at the present time, no payments are due under the promissory note.