

1 Q How long has Mr. Kline been the WRBR general  
2 manager?

3 A He's been the general manager since the beginning.

4 Q Who was the general manager of WRBR under Mr.  
5 Booth, if you know?

6 A His name was Vince Ford.

7 Q Did you give any thought to retain Mr. Ford as the  
8 WRBR GM after you acquired the station?

9 A I knew Mr. Ford would be available, but I really  
10 did not give a lot of consideration to him becoming the  
11 general manager, no.

12 JUDGE CHACHKIN: Why not?

13 THE WITNESS: I guess from what I had know from a  
14 performance standpoint of the station, and also, probably a  
15 salary consideration didn't really fit those two issues.  
16 Those two areas didn't really fit my plans.

17 Q Now, among the cost saving measures that you  
18 discussed at various times with Mr. Dille, was one of those  
19 the possibility of sharing a general manger?

20 A That's correct.

21 Q Do you recall discussing this with Mr. Dille at  
22 any particular time, the possibility of sharing a general  
23 manager?

24 A Yes.

25 Q When was that?

1           A     I recall there was a -- there was a couple of  
2 times maybe -- we didn't really identify this subject, I was  
3 kind of thinking along my lines that I'm going to have to  
4 have a general manager, and there was a great candidate that  
5 was an employee of mine at Hicks Broadcasting in Kalamazoo  
6 that was ready to walk, and he is very talented. His named  
7 happened to be Kline also, but no relative, Mike Kline, and  
8 I kind of gave some consideration to -- and he's a great  
9 Notre Dame fan and he would be right at home there. So  
10 everything was kind of set, and I thought this guy will make  
11 a great general manager for the radio stations. Never  
12 really talked to him about it, but he went kind of his way  
13 and got a job as an announcer for the professional hockey  
14 team in Kalamazoo, and is very happy. So that was then.

15                     But John Dille and I attended an NAB convention  
16 in, I believe, Dallas, and that might have been in the fall,  
17 like November, October or November area. And we talked  
18 about general managers. I remember we were going to meet  
19 John Booth, and I recall John introducing to me a couple of  
20 people in the hotel that he said these people would be  
21 candidates for a general manager.

22                     Now, he didn't go into a lot of detail about that.  
23 I understood later that Steve Kline had given John some  
24 documents to take to that convention to circulate for a job  
25 possibility. John didn't tell me anything about Steve

1 Kline. I think he wanted me to get to know Steve and to  
2 make a decision on my part if he was going to be a general  
3 manager. But we did talk about a couple of other people,  
4 and we kind of got sidetracked in that.

5 John, I think, at that period of time hired Steve  
6 to run the JOA, the JSA, the Radio One entity that we were  
7 talking about here two or three weeks ago.

8 What was your question? I'm sorry.

9 (Laughter.)

10 Q I think you got it in there actually. Let me ask  
11 another one.

12 You mentioned that Mr. Kline was hired to run the  
13 JSA, the Radio One venture. Did you come to learn later at  
14 some point that he was also hired to be the general manager  
15 of WLTA?

16 A I learned that later that was his duties, yes.

17 Q Now, before this period of the fall of 1993, did  
18 you know Mr. Kline?

19 A No, I did not.

20 Q Had you -- did you come to learn where he had been  
21 working before he started working for LTA?

22 A No. I became to know where he was working through  
23 John Dille later, that he a long time ago was an employee of  
24 John's, and then went into syndicated, the syndicated radio  
25 business, and then I understand when to Australia for a

1 couple of years, and because of a temporary work permit he  
2 had to leave the country, and that's when he came back and  
3 he was available.

4 Q What was the process by which he was hired as the  
5 GM for WRBR?

6 A Well, when I -- when I learned that he was  
7 actually on board and working there, then it was, I guess,  
8 up to me to kind of get to know Steve. John had never  
9 indicated to me that, you know, Steve would be a general  
10 manager for WRBR, as he really ever said anything like that.  
11 But if we were thinking of combining general managers, then  
12 I thought let's -- I'm going to get to know this guy, so I  
13 began to in various visits and I don't -- I can't tell you  
14 exactly when they started and what they were all about, but  
15 it was just getting to know him.

16 I instantly liked Steve Kline because we talked  
17 about things that we were both -- we both enjoyed in radio  
18 and we just had, you know, a common, common ground to talk  
19 about. Then, I think, as the conversation went forward I  
20 kind of was picking his brain on how he would view an  
21 operation that we were proposing of putting the two stations  
22 together and with a joint general manager.

23 I was very concerned about that, however, and  
24 along the way I recall talking to John Dille about if this  
25 is permissible, and he said that he had thought about that

1 with John Booth, and they had explored that, and were going  
2 to explore that with Alan Campbell, which we did.

3 Q Do you recall what Mr. Campbell's advice was?

4 A Mr. Campbell, I think, thought it through and  
5 thought that there was really no problem with it if it was  
6 designated exactly what the duties were for each entity.

7 Q Did there come a time when you basically approved  
8 of or accepted or hired Mr. Kline, however you want to put  
9 it?

10 A Yeah. And in thinking back on that I don't recall  
11 ever walking in and saying, "Steve, you're hired as my  
12 general manager," because I guess I just assumed -- you  
13 know, he was already kind of on board with the entity, and I  
14 guess I kind of assumed it was up to me to reject Steve  
15 Kline to Mr. Dille.

16 Q Did you have the authority to do so, did you  
17 think?

18 A Well, I certainly felt I did. I had the authority  
19 to bring in another general manager and run them separately  
20 too, I mean. But everything kind of fell right. I mean,  
21 this guy felt good to me and I think we had a good rapport,  
22 and it was a natural, it was just kind of one of those  
23 natural things that happened.

24 And thinking back on it, I think it was up for me  
25 to reject rather than to -- than to, you know, shaken his

1 hand and say, "You're working for Hicks Broadcasting." It  
2 just kind of happened that way.

3 Q Did you have contact face to face personally with  
4 Mr. Kline in the period before you took ownership on April  
5 1st of '94?

6 A Yes, I did.

7 Q Let's talk a little bit about programming issues  
8 at the station, Mr. Hicks. I know we've already heard quite  
9 a bit about Bob and Tom from Joe and Tim.

10 (Laughter.)

11 So I don't know that we need to go over that as  
12 much as we did before, but briefly, what was WRBR's format  
13 when you took over the station in 1994?

14 A It was called an oldies format.

15 Q And what was your reaction when you took over to  
16 that format?

17 A From where the station was when I took it over  
18 with the oldies format, I guess it was in the beck of my  
19 mind that we should change the format to something more in  
20 the rock mode maybe. Didn't really know, but thought maybe  
21 we ought to change it, and we did.

22 Q Why did you think that?

23 A Well, I just thought if we were going to grow the  
24 way I wanted to, that maybe there is a certain level of  
25 growth to oldies. We probably got a little more out of it

1 than we did, but there is going to be a level that you're  
2 going to reach and you're going to stay kind of stay there.  
3 So a rock format expanded the possibilities. So that was in  
4 the back of my mind.

5 Q Did you retain the services of the Audience  
6 Development Group or did they do an analysis of some sort --

7 A Yes, I did.

8 Q -- about the format issue?

9 A I had Tim Moore, and I talked to Tim at great  
10 lengths about the WRBR format, and asked him what he  
11 thought, and he suggested that he go in and do this study,  
12 and he was very up front about it. He didn't say we should  
13 change or we shouldn't change. He said, "Let me do this  
14 study," which he did.

15 Q Do you recall what his conclusions were initially?

16 A Yes.

17 Q What were they?

18 A Stay the course.

19 Q How did you react to that?

20 A I got -- I got a little upset.

21 Q Why is that?

22 A Well, because that wasn't my intention. I didn't  
23 think he would tell me that "stay the course," and I think  
24 that's a common thing for a radio guy to do. You know, you  
25 think you know how to do it. Why are you hiring this guy?

1 But I realized if I'm going to hire this guy, I've got  
2 follow what he says.

3 Q You followed his advice?

4 A So I went with that, yeah.

5 Q Did you subsequently retain the services of  
6 Audience Development Group on a more regular basis?

7 A I did.

8 Q We've heard from Mr. Moore about the kind of  
9 services he provided. Let me just ask you, what is your  
10 role vis-a-vis Mr. Moore in the services he provided to  
11 WRBR?

12 A What is my role?

13 Q What interaction do you have with Mr. Moore?

14 A Oh, I have a very frequent reaction with Mr.  
15 Moore. We talk very frequently on the telephone. We have  
16 luncheon meetings. We get together. I get him down the  
17 station more than the contract or our agreement says so  
18 because we have a friendship, and so he picks me up on the  
19 way from Grand Rapids through Kalamazoo, and so we get a  
20 chance to visit about the station. So, yeah, I'm very  
21 involved with Tim Moore.

22 Q What sorts of things would you talk about with Tim  
23 Moore concerning the station?

24 A Well, presently, currently, we talk about keeping  
25 the music fresh, keeping the direction of the station going

1 in the right way, the execution of various elements of the  
2 radio station, how they work, the promotions that we do, and  
3 all of those maintenance kind of things at the radio  
4 station. He, in turn, works directly with Joe Turner, who  
5 is the program director.

6 Q Now, there has been a change, and I think we've  
7 heard testimony about changing the format of WRBR in the  
8 spring of '96 or approximately; is that correct?

9 A Right.

10 Q And who was involved in the format change  
11 decision?

12 A I was.

13 Q Anyone else at the station?

14 A Well, I talked to Steve Kline about that. I try  
15 to involve Steve in all these things, in most everything, I  
16 guess, everything really. I think he should be certainly  
17 well aware and help formulate these decisions. He certainly  
18 didn't disagree.

19 Q And how about Mr. Moore, was he also involved?

20 A He was very much involved, yes.

21 Q Mr. Turner?

22 A And then Mr. Turner, yes.

23 Q What was your role in the format change?

24 A To spearhead the formation of seeking a new  
25 format.

1 Q Did Mr. Moore give you any advice regarding what  
2 format he felt would be appropriate?

3 A Yes, he did.

4 Q Do you recall what advice he gave?

5 A Well, he talked about -- we talked about two  
6 formats, I think, more than others, and one was a classic  
7 rock format, and one was more what we are now is an active  
8 rock format, which is a hybrid or a combination of the two.  
9 We saw a -- we saw an area that was -- that needed service  
10 and we could make some real headway and that was in that  
11 classic rock area. The station who was doing that was not  
12 doing an adequate job.

13 Q Now, we've heard -- like I mentioned, we've heard  
14 a lot of testimony about Bob and Tom and who it is and all  
15 that. Rather than go over that ground, let's talk about  
16 what was your role with regard to the acquisition of the  
17 rights to Bob and Tom by WRBR.

18 A Well, Bob and Tom was on the air in South Bend on  
19 a small power AM radio station owned by Notre Dame, and for  
20 some programming reasons, I guess, the management of that  
21 company decided to take the program off the air. They had,  
22 they were contracted by the Bob and Tom syndication people,  
23 but they continued to pay the monthly fees but they shelved  
24 the program. They just didn't hear the program.

25 Well, there is a person by the name of Rob Ritter,

1 who I've talked about before, in the --

2 Q Is this the Rob Ritter --

3 A -- Booth transaction now reappears as the manager  
4 of the syndication arm of the Bob and Tom Show, and he is  
5 very concerned that the program isn't being aired in South  
6 Bend. But he has a problem because they're still paying for  
7 it and I don't think it was in their contract that they had  
8 to air the program, which he later changed.

9 So we had some conversation about that.

10 Q Did you indicate interest in the show?

11 A And I indicated some interest in the possibilities  
12 of obtaining the program. I don't think I was the only  
13 station, but I think I had -- I think I had an inside with  
14 Rob Ritter because of my acquaintances with him. So that's  
15 how that came about. He was really the man instrumental in  
16 working out the deal with Notre Dame to relinquish the  
17 rights.

18 Q Were you involved in that at all?

19 A The final, the final part of that, yes.

20 Q Did you then have to negotiate an agreement with  
21 the organization itself to obtain the rights to Bob and Tom  
22 after, because there are two parts to this transaction as I  
23 understand.

24 A Well, the first contract was a two-year contract.

25 It was more or less fulfilling the remainder of the contract

1 that was established for WNDU at that time.

2 Q Along those lines, could you look at Exhibit 44 in  
3 the Pathfinder volume of exhibits?

4 JUDGE CHACHKIN: Mr. Hicks, do you think we can go  
5 until 1:30 without interruption?

6 THE WITNESS: Yes, you bet.

7 JUDGE CHACHKIN: All right, we'll move on.

8 BY MR. HALL:

9 Q Have you see this document before, Mr. Hicks?

10 A Yes.

11 Q What is it?

12 A It's the licensing agreement for the Bob and Tom  
13 Show.

14 Q Is this the initial contract you were referring to  
15 a moment ago?

16 A This would be the one that went from the 19th of  
17 February of '96, for two years, to '98.

18 Q And did you have any role in negotiating on behalf  
19 of WRBR with the entity that held the rights to Bob and Tom?

20 A In this, in this initial one, yes. This was  
21 through, as I mentioned, Rob Ritter, and he worked the deal  
22 out through WNDU.

23 MR. HALL: At this point, Your Honor, I move the  
24 admission of Pathfinder Exhibit No. 44.

25 JUDGE CHACHKIN: Any objection?

1 MR. SHOOK: No objection.

2 JUDGE CHACHKIN: The exhibit is received.

3 (The document referred to,  
4 having been previously marked  
5 for identification as  
6 Pathfinder Exhibit No. 44, was  
7 received into evidence.)

8 BY MR. HALL:

9 Q Would you turn to Exhibit 8 of the Hicks volume,  
10 the small one? Would you take a moment to look at that  
11 document, Mr. Hicks, and let me know if you've seen it  
12 before?

13 A I have.

14 Q And if you would tell us what that document is.

15 A Well, this is a -- I'll call it a draft copy of  
16 the one that we were looking at prior to this that I did my  
17 notes on for renewal for a five-year contract.

18 Q Okay. Would you turn to page 2 of that exhibit?  
19 There is a reproduction of the post-it note, and could you  
20 tell us whose handwriting is on the post-it note?

21 A That is mine.

22 Q And what are you indicating with your comments on  
23 the post-it note?

24 A Well, I'm just spelling out the years for the  
25 next, actually the next five years up until 2003. I wanted

1 a five year contract, and so I just wrote that in there.

2 Q These are your notes for a renewal of the initial  
3 Bob and Tom contract?

4 A That's correct.

5 Q Would you turn to the next page of the exhibit,  
6 the reproduction of a page with some numbers on it.

7 Would you tell us what that is?

8 A Well, I was just kind of figuring out in my own  
9 head what a four percent increase would be over that five-  
10 year period and what a five percent increase would be.

11 Q Okay.

12 A So it was just arithmetic.

13 Q These were for payments to be made for the rights  
14 to Bob and Tom, is that what this is?

15 A This is if we if took the initial fee and it -- it  
16 was my beginning process for the negotiation for the  
17 contract.

18 Q You were trying to figure out what you will --

19 A And I was just kind of going through the  
20 arithmetic there to work it out.

21 Q Okay, if you would turn to the next page, page 4,  
22 for the posit-it notes that are reproduced. If you could  
23 tell us if that's your handwriting on those documents?

24 A That is.

25 Q And what are these notes indicating?

1           A     Well, that we want to work out the consideration  
2 part of it, that it would be a payment, you know, like I had  
3 done before. I wanted an exclusivity part of this, I wanted  
4 to add to that Kalamazoo County.

5           Q     Do you know if that was ever done? I don't have a  
6 final version of this.

7           A     It was done, yes.

8           Q     It was done.

9           Q     If you could turn to page 11 of the exhibit, which  
10 is page 10 of the contract proposal. There is another post-  
11 it up there. Is that your handwriting as well?

12          A     Yes.

13          Q     And what do those notes indicate?

14          A     I think I wanted to make sure that we could  
15 terminate this if either Bob or Tom were not there, if it  
16 was our desire to do so. If Tom left Bob or Bob left Tom,  
17 or whatever. If it was just the Bob Show than maybe we  
18 wouldn't want that.

19                   (Laughter.)

20                   I think that's what that was.

21          Q     And finally, if you would turn to the last page of  
22 the exhibit. There are some additional handwritten notes  
23 there. Are those your handwritten notes?

24          A     Right.

25          Q     And what do these -- why don't you address that?

1           A     This was, I recall, this was something that I got  
2 from talking with Steve Kline about market appearances,  
3 which means were Bob and Tom come into the market and do  
4 personal appearances, and then I -- I was concerned about  
5 sales presentations, and I made a note of that so I knew how  
6 the Bob and Tom Show was being presented in other markets  
7 and may we could get some ideas from other markets on how  
8 they are marketing the Bob and Tom Show, so those were my  
9 notes regarding that.

10          Q     Did you engage personally in any negotiations with  
11 Mr. Ritter and the Segure Communications about this renewal?

12          A     Well, by this time Mr. Ritter was no longer and  
13 this renewal was no longer connected with this company. So  
14 I worked with a gentleman by the name of Chris Wheat in  
15 Indianapolis, and I flew to Indianapolis and completed the  
16 renewal.

17               MR. HALL: Your Honor, we would move the admission  
18 of Hicks Exhibit 8.

19               JUDGE CHACHKIN: Exhibit 3, any objection?

20               MR. HALL: It's Exhibit 8, Your Honor.

21               JUDGE CHACHKIN: Exhibit 8, any objection?

22               MR. SHOOK: No objection.

23               JUDGE CHACHKIN: The exhibit is received.

24     //

25     //

1 (The document referred to,  
2 having been previously marked  
3 for identification as Hicks  
4 Exhibit No. 8, was received  
5 into evidence.)

6 BY MR. HALL:

7 Q Now, with respect to some financial matters, Mr.  
8 Hicks. Did you review -- are involved at all in the budget  
9 process at WRBR?

10 A Yes, I am.

11 Q What role do you have in that process?

12 A Well, I have the final acceptance of the budget  
13 for the year. I also am involved intermittently along the  
14 way, some initial discussions and then I come in maybe about  
15 the middle of the budget proceedings, and then at the final  
16 end for approval.

17 Q What sorts of things do you do in the intermittent  
18 part of the process?

19 A Well, I work with Steve Kline mainly, the general  
20 manager, and he has a process that he starts out with the  
21 sales arm of the station, indicating what are the projected  
22 revenues for that particular year we're talking about. And  
23 I don't know what the series of meetings are, but I think  
24 that's more than just an initial. I think there are some  
25 meetings, the sales manager, I think he involves the

1 individual sales staff and their contribution to that. If  
2 he's satisfied with that number, then he comes to me and he  
3 says, "This is the way we view the revenue projections for  
4 1999," for example.

5 And then the next process is back to Steve where  
6 he involves his department heads, promotion, the sales, the  
7 programming, all aspects of the radio -- engineering -- all  
8 aspects of the radio station. Then I think he has a sit  
9 down meeting with those department heads. They have had  
10 time, obviously, to formulate their budgets, and he gathers  
11 that information.

12 Then he sits down with Bob Watson and Ton Adelman  
13 from the main office, and I sometimes am involved in that  
14 meetings, sometimes I am not, and that is more of him  
15 presenting to them all of these figures so they can assemble  
16 them, put those together on the proper form.

17 Now, they have no rights for rejection or  
18 discussion or anything. It's an assembly type process.

19 Q It's part of their role under the accounting  
20 agreement?

21 A That's part of their role under the accounting  
22 agreement.

23 Q Do they have any decision-making part of the  
24 process, Mr. Watson and Mr. Adelman or anyone else from  
25 Pathfinder?

1           A     No, they wouldn't have any decision-making. They  
2 might -- they might make suggestions if they are out of a  
3 category, maybe this ought to go in a different category  
4 than others. I've seen that happen. But they can't say  
5 "You can't spend \$500" or whatever. So it's an assembly  
6 process.

7                     Well, then when that's all assembled, then we have  
8 the final review, and I come back and probably before that  
9 time I may get a draft, but we have a time when we sign off  
10 on this budget. It's quite a detailed process and it works  
11 very well.

12           Q     Do you review the budget line by line? How  
13 closely do you review the budget?

14           A     Yeah, I get into it. Sure.

15           Q     Let me show you Hicks Exhibit 14.

16                     Do you have that document in front of you, Mr.  
17 Hicks?

18           A     I do.

19           Q     Can you tell me if the handwriting on these pages  
20 of the document is your handwriting?

21           A     That's my notes, yes.

22           Q     Do you know what this document evidences?

23           A     Well, I do. I think this is the initial -- the  
24 very first budget that we put together, which would have  
25 been probably a nine-month budget from our takeover of the

1 operation, and I was questioning some budget items, just  
2 more or less notations for myself so when I sat down I could  
3 go along and, you know, ask questions from my notes. I(  
4 think basically that what this is.

5 Q Did you actually raise these issues with someone  
6 in the process?

7 A Oh, yes.

8 MR. HALL: Your Honor, I move the admission of  
9 Hicks Exhibit 14. Crystal Radio Group

10 JUDGE CHACHKIN: Any objection?

11 MR. SHOOK: No objection.

12 JUDGE CHACHKIN: The exhibit is received.

13 (The document referred to,  
14 having been previously marked  
15 for identification as Hicks  
16 Exhibit No. 14 was received  
17 into evidence.)

18 BY MR. HALL:

19 Q When Mr. Turner was here testifying, Mr. Hicks, he  
20 made reference to some e-mails or communicated to you by e-  
21 mails.

22 Do you remember that?

23 A Yes.

24 MR. HALL: Your Honor, since Mr. Turner's  
25 testimony, we've had him send us -- he mentioned that he had

1 some. We've produced them to the Bureau. I'd like to mark  
2 these as Exhibit 15. Two copies for the court reporter.

3 MR. CRISPIN: Thank you, Tom.

4 MR. HALL: You're welcome, Bill.

5 With your permission, Your Honor, these are put  
6 these into the version of the Hicks exhibit that's in front  
7 of the witness.

8 JUDGE CHACHKIN: Okay.

9 BY MR. HALL:

10 Q Mr. Hicks, if you could turn to -- well, before I  
11 do that, let me ask some questions generally about the kinds  
12 and frequency of communications you had with Mr. Turner.

13 He's the program director of WRBR; is that right?

14 A Yes, he is.

15 Q How frequently, let's say on a weekly basis, are  
16 you either in touch with him in person or on the phone or e-  
17 mail?

18 A I don't think there is a week goes by I don't talk  
19 to Joe. I sometimes see him once or twice a week, or talk  
20 to him on the phone, or we have used e-mail.

21 Q What sorts of things do you discuss with Mr.  
22 Turner in your e-mails, meetings, phone calls?

23 A I just ask -- I'm curious. I ask a lot of  
24 questions to find out if everything is going well, if he's  
25 happy with different things that are going on, and are we,

1 in his mind, are we tuned up the way we ought to be. And if  
2 we're getting into a rating period, we may have a little  
3 more in depth conversation on promotions and that sort of  
4 thing.

5 Q Would you take a look at Hicks Exhibit 15, the one  
6 that was just inserted into the Hicks volume, and take a  
7 look at these, I believe it's six, or six separate items and  
8 tell us if you've seen these before?

9 A I've never -- never seen these before. Evidently  
10 they are copies of e-mails.

11 Q Do you recognize these as copies of e-mails that  
12 you sent to Mr. Turner?

13 A Yes, I do.

14 Q That's your e-mail address, GLH321@aol.com?

15 A That's correct.

16 I'm surprised people keep m-mail memos.

17 Q On the first -- not chronologically first, but the  
18 first e-mail on the exhibit, there is a reference to a web  
19 page.

20 What is that referring to?

21 A We've had a long process -- I -- I guess, as a  
22 little personal project, I would like to see us have a  
23 better web site than we have, and it's not a high priority  
24 item, but it kind of is with me. And so every time I get a  
25 chance to talk to Joe about it, I take some time, and we're

1 trying to work it out. Futuristic, I think this is the  
2 coming thing with radio and a lot of radio people don't want  
3 to admit this, but I think that we've got to look at the  
4 web, the web as the next step for our communication process.  
5 So I want to make sure we're up to speed and that we're  
6 doing everything we can to provide a good web page,  
7 creative, new and exciting for our listeners, and I think  
8 that's what this reflects, and I've had many of these with  
9 him.

10 Q Who is doing the design of the web page for WRBR?

11 A Well, we've had two or three companies do them,  
12 and they're not satisfactory, and that's why we're having  
13 the continuing discussion.

14 Q Now, you said this is a pet project of yours; is  
15 that what you said?

16 A Kind of, yeah.

17 Q Now, if you could just take a look and read to  
18 yourself what these e-mails -- read these e-mails to  
19 yourself and then tell me if these are the typical kind of  
20 things you discuss with Mr. Turner.

21 (Witness reviews documents.)

22 A I try to alert him when I think we ought to have  
23 another meeting with Tim Moore. I think I mentioned that.  
24 When we have rating books come out, I try to review the  
25 rating books and kind of give my opinion, hopefully

1 congratulatory opinions to him.

2 Q Along those lines, would you take a look at the  
3 last e-mail? What is that? What is this referring to?

4 A Well, we had a tremendous Arbitron showing, and I  
5 just wanted to let -- oh, the last one here?

6 Q The very last one, right. The one says, it's  
7 entitled "Good News for a Holiday Weekend."

8 A Oh, okay. We found out we were the number two,  
9 the number two active rock radio station in the country,  
10 which, I mean, is amazing, and I said -- this was my way of  
11 saying tremendous job.

12 MR. HALL: Your Honor, we move the admission of --

13 THE WITNESS: I mean, let's be number one next  
14 time, okay.

15 MR. HALL: Your Honor, we move the admission of  
16 Hicks Exhibit 15.

17 JUDGE CHACHKIN: All right. First of all, is it  
18 five pages?

19 MR. HALL: Six pages. I'm sorry. We haven't  
20 identified it, have we, Your Honor?

21 Hicks Exhibit 15 is a six-page document consisting  
22 of various printouts of what appear to be e-mails. I  
23 apologize for the error.

24 JUDGE CHACHKIN: The document which was just  
25 described will be marked for identification and received in

1 evidence.

2 I assume there is no objection.

3 MR. SHOOK: No objection.

4 (The document referred to was  
5 marked for identification as  
6 Hicks Exhibit No. 15, was  
7 received into evidence.)

8 MR. SHOOK: You're reading my mind, Your Honor.

9 JUDGE CHACHKIN: All right.

10 BY MR. HALL:

11 Q Do you regularly receive financial information  
12 concerning WRBR's performance, Mr. Hicks?

13 A I do.

14 Q How frequently do you receive that?

15 A I receive booking, booking reports. These are  
16 sales bookings reports every week; once a week for the  
17 period of that week. And then at the end of each month I  
18 receive a financial for that preceding month.

19 Q The weekly reports, are you talking about a  
20 bookings report?

21 A Bookings report, it's a sales activity -- it's  
22 individual sales repos -- it's broken down into local sales,  
23 national sales, and a combination total amount, how it  
24 relates to our projected budget percentages, where we were  
25 last year at this time, a pretty good report, and I get that

1 weekly.

2 Q Do you discuss it with anyone after you receive  
3 it?

4 A Yes.

5 Q Who is that?

6 A With Steve Kline.

7 Q What sorts of things do you discuss with him  
8 concerning the bookings report?

9 A Well, obviously, if it's good, I try to tell him  
10 that I think we're right on track, and we're doing a great  
11 job. If we have a week where it isn't as good, I might ask  
12 you know, are we having some sales personnel problems, or  
13 who is not performing at that particular time. So I kind of  
14 stay pretty close to that. The whole objective is to move  
15 it along so that at the end of the year we hit the target.

16 Q And I think you also mentioned financial  
17 statements. How often do you receive those?

18 A Once a month.

19 Q What sort of statements are you referring to when  
20 you say financial statements?

21 A The total financial picture of the radio station  
22 for that particular month.

23 Q Income statement, balances, that sort of thing?

24 A Correct.

25 Q And what do you do with those?

1 A i review those and I do basically the same thing.

2 Q If you have questions about the financial  
3 statements, with whom at the station do you deal with?

4 A Steve Kline.

5 Q Are there any other documents that you receive on  
6 a regular basis concerning WRBR's financial performance?

7 A Those would be the two.

8 Q What is your role with regard to spending at WRBR?  
9 What role do you have in that?

10 A I think we have a pretty good procedure there,  
11 that we have -- we have -- we go through a very extensive  
12 budget proceedings at the beginning of each year, and we  
13 adhere to that. The general manager of the station has the  
14 authority to process the invoices that come in that  
15 correspond with the budgets. If there is anything that is  
16 an extraordinary item, then that needs my approval to be  
17 paid.

18 Q What sorts of things fall into that category?

19 A Well, once in awhile we'll have -- we'll have some  
20 promotional items that aren't thought of at the time the  
21 budget is made up, and they will be extraordinary. Maybe  
22 increased television advertising expense, or outdoor  
23 billboards, or whatever.

24 Q Something that wasn't reflected in the budget?

25 A It wasn't. It's an extraordinary type item.

1 Q Do you review on regular basis any of the bills  
2 that come through for payment on behalf on --

3 A Not -- not the regular ordinary vendor bills.  
4 They kind of processed through Steve Kline and then he  
5 filters them to the accounting office.

6 Q What about bills of professionals like the  
7 consultants, the accounts and so forth?

8 A The program consultants are considered a normal  
9 vendor type payment. Attorney bills are something that I do  
10 check. They are sent directly to me and I have to give my  
11 approval and take it from there.

12 Q What role do you have with respect to WRBR's  
13 capital expenditures?

14 A That's -- that's part of the budget procedures.  
15 That's a separate item, and I get very involved with that.  
16 I talk to Steve Kline. That's an item between Steve and  
17 myself, and that lately has been, let's say, the purchase of  
18 station vehicles. I think he brought up the inflatable  
19 bear. That would be an extra item. And he comes up with  
20 his "wish" list, and we have -- you know, if we have a major  
21 replacement of a transmitter, we haven't had this but this  
22 is an example. Say we're going to buy a new transmitter,  
23 then obviously that would be something that would be on a  
24 priority list, but we'd discuss those things along with the  
25 budget procedure at a separate type meeting. And then those

1 are submitted and I have, you know, acceptance or rejection  
2 of those capital expenses.

3 Q You are the ultimate decision-maker on whether --

4 A That's correct.

5 Q -- any individual capital expenditures are made?

6 What are some of the examples of -- you've already  
7 covered that.

8 What role do the minority members of Hicks  
9 Broadcasting play in the station's operation?

10 A I have always had very good communication with one  
11 of the three, and that would be Flint Dille. With most  
12 everything that is of major discussion, including  
13 programming, I mean, I usually, you know, like to bounce  
14 ideas and things off Flint. The reason, because Flint is  
15 the one that is available.

16 Q What do you mean by that?

17 A Well, he's -- he is working in Elkhart, and I can  
18 see him, where Sarah is a mother, married; and Alec is out  
19 in Arizona so he's not really around much.

20 There was a period of time that I really didn't  
21 involve those other two as much as I had Flint, and I  
22 thought that they -- they've got to be a part of this as  
23 much as I am, and I think it's important that as we begin to  
24 become successful that they get excited and really share in  
25 the excitement and enthusiasm and the operation of this

1 radio stations. So I started having formal meetings. It  
2 wasn't called for by the LLC. It isn't like a -- my  
3 understanding, like a board meeting for an S corporation,  
4 anything like that. But I kind of geared it that way so  
5 that we did have formal meetings, and it was hard to do  
6 because Alec Dille is out in Arizona, and he doesn't come  
7 home very much. He's home at Christmas time. So we always  
8 try to schedule a meeting in that Christmas week. And at  
9 that time I would bring up a lot of these items that we have  
10 either already have done so they are aware of them, or  
11 bounce ideas off them about things like station vehicles and  
12 inflatable bear, things along that line.

13 We also have a period of time in that meeting  
14 where Bob Watson comes in and reviews the financial status  
15 of the radio station. I bring in Steve Kline and he updates  
16 all of the members on the excitement and what's going on at  
17 the radio station, and I bring in the general sales manager  
18 to kind of verify, you know, his side of things. So I think  
19 those have been very, very helpful, those type of meetings.

20 Q How frequently are they held?

21 A We try to do it twice a year.

22 Q And they are in South Bend?

23 A In South Bend, right.

24 Q Do they have any ability to override you on any of  
25 your decisions on any matters?

1 A No.

2 Q You mentioned that you typically review the legal  
3 bills that are submitted on behalf of Hicks Broadcasting; is  
4 that correct?

5 A That's correct.

6 Q Or that are submitted to Hicks Broadcasting.

7 I think Mr. Shook identified quite a few of these  
8 before. There may be a couple that slipped through their  
9 watchful eye. Let me ask you to look at Pathfinder Exhibit  
10 41.

11 Do you see that document, Mr. Hicks?

12 A I do.

13 Q Have you seen that document before?

14 A It was addressed to my residence so I probably  
15 have, yes.

16 Q And what is this document?

17 A It looks like a billing from the Irwin, Campbell &  
18 Tannewald law firm.

19 Q And that's the FCC counsel at the time for Hicks  
20 Broadcasting of Indiana?

21 A That's correct.

22 Q Okay, if you could turn to the next document,  
23 document 42.

24 A I do.

25 Q And what his that document?

1           A     This is basically the same thing, the legal work  
2     from Alan Campbell.

3           MR. HALL:   Your Honor, we move the admission of  
4     Pathfinder Exhibit 41 and 42.

5           JUDGE CHACHKIN:   Any objection?

6           MR. SHOOK:   No objection.

7                                 (The documents referred to,  
8                                 having been previously marked  
9                                 for identification as  
10                                Pathfinder Exhibit Nos. 41 and  
11                                42, were received into  
12                                evidence.)

13          JUDGE CHACHKIN:   Should we --

14          MR. HALL:   I don't have a lot more left.  I have  
15     enough that's going to take us beyond your appointment, Your  
16     Honor.  We can break at this point.

17          JUDGE CHACHKIN:   All right, we will be in recess  
18     until nine a.m. tomorrow morning.

19          MR. HALL:   Thank you, Your Honor.

20                               (Whereupon, at 1:30 p.m., the hearing was  
21     recessed, to resume at 9:00 a.m., on Friday, November 6,  
22     1998.)

23     //

24     //

25     //

**REPORTER'S CERTIFICATE**

FCC DOCKET NO.: 98-66  
CASE TITLE: IN RE: HICKS BROADCASTING  
HEARING DATE: November 5, 1998  
LOCATION: Washington, D.C.

I hereby certify that the proceedings and evidence are contained fully and accurately on the tapes and notes reported by me at the hearing in the above case before the Federal Communications Commission.

Date: 11/5/98 George Holmes George Holmes  
Official Reporter  
Heritage Reporting Corporation  
1220 "L" Street, N.W.  
Washington, D.C. 20005

**TRANSCRIBER'S CERTIFICATE**

I hereby certify that the proceedings and evidence were fully and accurately transcribed from the tapes and notes provided by the above named reporter in the above case before the Federal Communications Commission.

Date: 11/16/98 Joyce Boe Joyce Boe  
Official Transcriber  
Heritage Reporting Corporation

**PROOFREADER'S CERTIFICATE**

I hereby certify that the transcript of the proceedings and evidence in the above referenced case that was held before the Federal Communications Commission was proofread on the date specified below.

Date: 11/19/98 Lorenzo Jones Lorenzo Jones  
Official Proofreader  
Heritage Reporting Corporation

