

1 MR. GEOLOT: Not to be any question that this is
2 how this document appeared in Sidley & Austin records. It
3 is a compilation of two separate documents.

4 JUDGE SIPPEL: All right.

5 MR. COLE: Your Honor, I second Mr. Geolot's
6 comments and I apologize to him if there was any, you know,
7 I certainly was not intending that to be the case. I was
8 just trying to compile the items together, so -- but he's
9 absolutely correct in his description of how that document
10 came into our possession. And I do not disagree with
11 anything that he said.

12 JUDGE SIPPEL: All right.

13 MR. HUTTON: Your Honor, I also have a comment
14 about Adams Exhibit 51. It's been supplemented with two
15 additional pages this afternoon. However, it appears to me
16 in reviewing it, that the exhibit is garbled in the sense
17 that pages appear out of order from what I had believed to
18 be the case in the original application.

19 I think the correct order is reflected in Reading
20 Exhibit 46, attachment E. So, there seems to be a
21 discrepancy, let's put it that way, between the two versions
22 of that document.

23 JUDGE SIPPEL: Well, does that impact anything on
24 the testimony we got here today?

25 MR. HUTTON: No. I just want to know --

1 JUDGE SIPPEL: I appreciate what you're doing,
2 but, I mean, maybe we can just object to this at a later
3 time. Be sure we're all comfortable that we got the right
4 kind of document.

5 MR. HUTTON: That's fine.

6 JUDGE SIPPEL: All right. No, I appreciate you
7 letting me know now because otherwise I wouldn't know. I
8 hope somebody's keeping track of this.

9 Okay. And you have no more questions?

10 MR. COLE: None.

11 JUDGE SIPPEL: What do we have? You got
12 anything, Mr. Hutton?

13 MR. HUTTON: I would like to.

14 JUDGE SIPPEL: You want to wait.

15 MR. HUTTON: But I thought I would wait until Mr.
16 Shook goes.

17 EXAMINATION

18 BY MR. SHOOK:

19 Q Mr. Wadlow, what I'd like you to refer to is in
20 the black binder. It's Adams Exhibit 7 of the official
21 notice documents.

22 A number of times in your testimony in responding
23 to Mr. Cole's questions, you refer to an October 1990
24 decision by the review board approving a settlement in the
25 San Bernardino proceeding. Is this the settlement -- the

1 order approving the settlement that you were referring to?

2 A Yes.

3 Q And that is what you believed you had in mind when
4 you were drafting the February 1991 letter that Mr. Cole
5 asked you extensive questions about?

6 A I believe so.

7 Q Now, was it your understanding that the review
8 board in approving the settlement, resolved the real party
9 in interest issue in favor of the applicant? Or simply did
10 not address it one way or the other?

11 A I believe the ultimate disposition of that issue
12 is reflected in the other review board decision where the
13 denial of integration credit forms the basis of the denial
14 of the application.

15 Q So, notwithstanding the fact that there was
16 subsequent orders and proceedings with respect to the San
17 Bernardino matter, that that earlier decision acted to
18 resolve the real party in interest issue?

19 A I almost have to guess what was in my mind in
20 February of '91.

21 Q Well, isn't --

22 A Long ago.

23 Q Well, wouldn't it be your understanding, though,
24 that given the procedural history of this case, that when
25 the review board approved the settlement in October of 1990,

1 that the real party in interest issue, in fact, was not
2 resolved?

3 A Well, I believe it was in the sense that a trial
4 had been held on it, a hearing had been held on it, a judge
5 had made findings and conclusions, a review board had acted
6 on exceptions and then the review board had acted on the
7 settlement.

8 Q And so your understanding is based on the, what,
9 on an understanding of FCC policy that if the review board
10 is going to approve a settlement in these circumstances,
11 that it necessarily had to dissolve the disqualifying issue
12 in favor of the applicant before it could approve such a
13 settlement?

14 A I believe -- maybe I'm confused, but I believe
15 that to approve payment to an applicant, the applicant
16 cannot have been found to be disqualified.

17 Q If I were to suggest to you that the opposite was
18 the case, would you be surprised?

19 A I probably would be, yes. You talking about at
20 that particular point in time?

21 Q Yes, sir. You recall that Mr. Cole asked you
22 whether you were familiar with the Allegant County case?

23 A Yes, I do recall him asking that.

24 Q But you have no recollection sitting here right
25 now what that case stood for with respect to the commission

1 approving or not approving a settlement with respect to an
2 applicant that had a disqualifying issue lodged against it
3 and whether or not that applicant could receive money for
4 having its application dismissed, even though the issue was
5 not resolved in the applicant's favor?

6 A I don't know.

7 Q Did you ever tell Mr. Parker that the real party
8 in interest issue was, in fact, resolved in his favor?

9 A I can't remember such a discussion.

10 Q You don't recall -- do you recall whether you told
11 him that the issue was left unresolved?

12 A I don't recall saying that to him, either.

13 MR. SHOOK: Nothing further.

14 CROSS EXAMINATION

15 BY MR. HUTTON:

16 Q Mr. Wadlow, I'd like to show you a copy of an
17 application filed by Schnader, Harrison, Siegel and Lewis.
18 There's a transmittal date of March 2, 1989, and it's filed
19 on behalf of West Coast United Broadcasting Company. This
20 has been identified as Reading Exhibit 46, attachment I.

21 Mr. Wadlow, do you recall that application?

22 A I certainly recall West Coast United Broadcasting
23 and I recall there were transactions involving ? that were
24 filed with the commission. I'm not sure I specifically
25 recall this transaction. I don't -- I believe that West

1 Coast United Broadcasting obtained a license in the mid
2 '80's, probably '84 or thereabouts, one of the old Faith
3 Center stations. And at some point in the mid '90's, West
4 Coast sold the station. And I know there were some changes
5 in stock ownership in the interim. And I believe this
6 application reflects one of those changes in stock
7 ownership.

8 Q And was West Coast United Broadcasting Company one
9 of the Parker related entities that your firm was doing
10 legal work for?

11 A I believe Mr. Parker was one of numerous investors
12 in West Coast, originally. And I believe at some point, he
13 sold his stock in that entity to one of the other investors.
14 At various times, some of the West Coast United Broadcasting
15 investors, in fact, retired from the corporation. And, you
16 know, at some point there may have been more than 50 percent
17 of the stock had moved, so transfer was proposed to move, so
18 a transfer of control application was necessary.

19 Q Okay. And I'd like you to refer to the -- looks
20 like the Exhibit 3 to the application. There's a narrative
21 -- Reading Exhibit 46, attachment I, page 126 and 127.

22 A Yes, I see that.

23 Q Okay. Do you see the narrative concerning Mr.
24 Parker's broadcast interest?

25 A Yes, beginning on looks like in the middle of the

1 first page.

2 Q Right. At the end of that paragraph on the next
3 page, page 127, there is a reference to Mr. Parker's
4 involvement in Mount Baker Broadcasting Company and the
5 denial of its application for extension of time to construct
6 KORC TV Anacordis, Washington?

7 A Yes.

8 Q Okay. Were you familiar with that decision at the
9 time?

10 A I recall being aware that Mr. Parker had an
11 interest in the Anacordis station. I do not believe that we
12 represented Mr. Parker with regard to that station. Or CP
13 holder. But I have a general recollection of it.

14 Q Would you have reviewed this application before it
15 was filed?

16 A Well, Mr. Anderly, who signed the transmittal
17 letter, was an associate working with me on communications
18 matters, generally. It is -- I may very well have reviewed
19 it. I wouldn't -- I wouldn't necessarily -- I can't be
20 absolutely certain I did because Mr. Anderly may have filed
21 things that I didn't review, which would not have been
22 uncommon for him to have me review something he filed.

23 Q Okay. In that same volume as tab F is a document
24 that's marked as Reading Exhibit 46, attachment F, pages F1
25 through F32. You see that document?

1 A Yes.

2 Q Were you involved in the preparation of this
3 application?

4 A I have a specific recollection that Mr. Parker put
5 together a group that I believe bought the Reading
6 Broadcasting Company out of bankruptcy or was involved in
7 resolving the bankruptcy. And I believe this is that
8 transfer from the interim possession to the licensee. And I
9 recall that transaction, but I can't tell you whether or not
10 I was specifically involved in the preparation of the
11 document.

12 Q Okay.

13 A It's most likely that Ms. Friedman actually
14 prepared it.

15 Q I'd like you to refer to page F12 in that
16 application, and specifically refer to Question 7 in that
17 application.

18 A Yes.

19 Q Question 7(a) is answered yes. To the best of
20 your understanding as of 1991, was that a correct answer to
21 that question?

22 A Yes.

23 Q Question 7(b) is answered yes. And I'd like you
24 to tell me if to the best of your understanding as of 1991,
25 that was a correct answer to that question.

1 A Yes, I believe it was.

2 Q Question 7(c) is answered no. And I'd like you to
3 tell me if as of 1991, to the best of your knowledge, that
4 was a correct answer.

5 A I believe it was.

6 Q Question 7(d) is answered no. And I'd like you to
7 tell me if as of 1991, to the best of your knowledge, that
8 was a correct answer.

9 A I believe it was.

10 Q And Question 7(e) refers to Exhibit 3 of the
11 application. And if you look on, below Question 7(e), there
12 are four categories of information sought. Romanette 1 asks
13 for the name of party having such interest.

14 Referring to Exhibit 3, I'd like you to tell me if
15 as of 1991, to the best of your understanding that
16 information was provided in Exhibit 3.

17 MR. COLE: Objection. I'm not sure what this
18 proves. Mr. Wadlow is testified that he's not familiar with
19 this document, he only has the vaguest recollections of
20 transactions underlying it. If Mr. Hutton is asking for his
21 opinion, his expert opinion, I think Mr. Geolot has already
22 indicated that Mr. Wadlow is not here as an expert witness
23 to opine on such matters. And unless Mr. Hutton can tie Mr.
24 Wadlow to this application a good deal more closely than he
25 has, I see no probative value whatsoever, and I do object as

1 irrelevant.

2 MR. HUTTON: Your Honor, I think he's
3 mischaracterized the testimony. Mr. Wadlow has indicated
4 that it probably was prepared by Ms. Friedman, but he was
5 more likely than not involved in reviewing the application.

6 JUDGE SIPPEL: What do you think?

7 MR. GEOLOT: With respect to the legal issue, I
8 believe the question was framed in terms of his
9 understanding in 1991, which I believe is perfectly
10 appropriate.

11 JUDGE SIPPEL: Mr. Shook?

12 MR. SHOOK: I have nothing to add.

13 JUDGE SIPPEL: Well, I'm going to sustain the
14 objection because he's outside the scope of the direct
15 examination. He wasn't asked anything about this. This is
16 something that you just introduced as new material.

17 MR. HUTTON: It's not new material in the sense
18 that it goes to the heart of the issue in this case. Mr.
19 Cole asked about the work that Mr. Wadlow had done for
20 various Parker related entities in that time period. And
21 this is part of that work.

22 JUDGE SIPPEL: He didn't ask this one, though. I
23 mean, that's his -- it's his witness, he's got the burden.
24 That's the way cross-examination is handled. You
25 cross-examine on what was on direct. You don't bring in new

1 matter, and that's what you've done here. I didn't get any
2 objection, so I, you know, let it go as far as it went. But
3 it's, you know, this is Mr. Cole, his call on this one.

4 For whatever reason he might have, if he doesn't
5 want this in now, then so be it. Otherwise, -- well, okay,
6 I made my ruling.

7 MR. HUTTON: All right.

8 BY MR. HUTTON:

9 Q Mr. Wadlow, referring now to in the gray volume
10 marked Adams Communications Phase 2 exhibits, referring back
11 to Adams Exhibit 58, which is your February 18, 1991 letter.

12 Did you ever give Mr. Parker, either before the
13 letter was written or after the letter was written, any
14 advice that is contrary to what is stated in the letter?

15 A I do not believe so.

16 Q And referencing the final paragraph at the bottom
17 of the first page of that letter, you make reference to
18 other FCC proceedings and Mr. Parker's service as a
19 principal of other FCC licensees. And your final sentence
20 in that paragraph is we are aware of no question has been
21 ever raised as to your qualifications to hold such a
22 position.

23 Would that conclusion have applied to the Mount
24 Baker Broadcasting situation, as well as to the San
25 Bernardino case?

1 MR. COLE: Objection as to form. I don't
2 understand the question.

3 JUDGE SIPPEL: Did the witness understand the
4 question?

5 THE WITNESS: I think so.

6 JUDGE SIPPEL: Okay. If you can answer it, go
7 'head. I'll overrule the objection.

8 THE WITNESS: I do not believe that by its terms,
9 this paragraph applies to Mount Baker because I don't
10 believe we represented Mr. Parker with regard to Mount
11 Baker.

12 MR. HUTTON: Okay. I have nothing further.

13 JUDGE SIPPEL: Okay, does anybody else have
14 anything more based on --

15 MALE SPEAKER: Nothing, Your Honor.

16 MR. SHOOK: Your Honor, I do.

17 FURTHER EXAMINATION

18 BY MR. SHOOK:

19 Q Mr. Wadlow, Mr. Hutton asked you about I believe
20 it's Reading Exhibit 46, attachment I, the March 2, 1989
21 application involving KWDB TV.

22 A Yes.

23 Q And he had focused your attention on Exhibit 3,
24 the paragraph dealing with Mr. Parker, and extends over two
25 pages.

1 A I remember he asked the question. Was that the
2 one where the objection was sustained?

3 Q I believe not.

4 JUDGE SIPPEL: That was in the -- it was sustained
5 on the Reading application.

6 THE WITNESS: Oh, okay. Yes, then I do recall
7 that.

8 BY MR. SHOOK:

9 Q Do you recall what role, if any, your law firm,
10 which I believe at the time was Schnader, Harrison, had to
11 do with the preparation of this exhibit?

12 A And you're referring by this exhibit, to Exhibit 3
13 to the application, not --

14 Q Yes, sir.

15 A Well, somebody at the law firm prepared Exhibit 3.
16 Most likely, I guess Mr. Anderly. Whether he -- who he
17 talked to and how he prepared it, I don't have any direct
18 knowledge. It would appear to me from my review in this
19 proceeding that some of that language was lifted from
20 applications previously filed on behalf of Mr. Parker.

21 Q Well, let me see if I can narrow things here a
22 bit. So far as you recall, you personally did not have
23 anything to do with the preparation of this exhibit?

24 A It is most likely that Mr. Anderly prepared it and
25 it is most likely that I reviewed it before it was filed.

1 But I'm not certain of that. I mean, in the normal course
2 of things, Mr. Anderly, as an associate would have drafted
3 it and I would have had occasion to review it.

4 Q That being the case, is there any particular
5 reason that you're aware of why the San Bernardino matter is
6 not mentioned here?

7 A No.

8 Q And do you have any recollection of having read
9 what the commission actually said in the Mount Baker
10 proceeding in connection with the preparation of this
11 document?

12 A I'm almost certain I did not read the Mount Baker
13 decision at that time. I've read it recently and I -- at
14 the time I read it, it struck me that I had not read that
15 before, but I -- I can't be certain.

16 Q I'm just -- I'm just looking for your recollection
17 at this point.

18 A Yeah.

19 Q You provided, and I thank you.

20 MR. SHOOK: I have nothing further.

21 JUDGE SIPPEL: I just have a question or two on --
22 is that -- does that cover for everybody now?

23 MALE SPEAKER: Yes, Your Honor.

24 MALE SPEAKER: Yes.

25 JUDGE SIPPEL: I want to just go back to 58 just a

1 little bit with you. What was -- when you drafted this 45
2 minute letter back in February 18th in 1991, what did you
3 have in mind as to what the use of that letter -- what use
4 was going to be put to that letter?

5 THE WITNESS: I have the vaguest recollection that
6 Mr. Parker told me he needed a letter to this effect to show
7 to some third party. But I -- and I have searched my
8 recollection to try to figure out who the third party might
9 have been or to what purpose. But beyond that, I don't have
10 a recollection.

11 When I say third party, I mean somebody up in
12 Reading, whether it was a bank, a potential investor that
13 somehow was going to be used before the bankruptcy court. I
14 just -- I don't know who.

15 JUDGE SIPPEL: Was he looking for something like ?
16 he was looking for a comfort letter? He looking for --

17 THE WITNESS: Perhaps. Something to give somebody
18 else some level of comfort.

19 JUDGE SIPPEL: Somebody was questioning him or who
20 might question him and he was looking for something to show
21 them to say that, well, you don't have to worry about that.

22 THE WITNESS: That is certainly possible, but I
23 can't recall anything beyond this notion that he needed to
24 show it to a third party.

25 JUDGE SIPPEL: Do you know what he ever did with

1 it, ultimately?

2 THE WITNESS: No.

3 JUDGE SIPPEL: Did you ever hear anything more
4 about it except your being called for testimony in this
5 case?

6 THE WITNESS: No. I say no. I'm almost certain
7 no, but, I mean, it could be that there was something that I
8 don't recall that happened. But I'm almost certain no.

9 JUDGE SIPPEL: That's all I have.

10 You're excused as a witness, Mr. Wadlow.

11 THE WITNESS: Thank you.

12 JUDGE SIPPEL: Thank you very much for you
13 flexibility today. We were rescheduling and rescheduling.
14 Thank you very much.

15 We have a 9:30 witness tomorrow morning.

16 MALE SPEAKER: That's right.

17 MALE SPEAKER: 9:30's fine with me.

18 JUDGE SIPPEL: Well, that's what we scheduled on?

19 MALE SPEAKER: Is Mr. Parker going to be here at
20 9:30, is that --

21 MR. HUTTON: Can we do 10?

22 JUDGE SIPPEL: Well, we can do 10. We can do a
23 lot of things. We can do 9:30, too.

24 MR. HUTTON: I recognize that it's ultimately your
25 call.

1 JUDGE SIPPEL: Well --

2 MR. HUTTON: I'd ask for 10.

3 JUDGE SIPPEL: He's going to be an all day
4 witness, and I would really feel much more comfortable
5 starting at 9:30. Enough to make a difference. So, let's
6 start at 9:30 as we did schedule.

7 I'm not sure that these exhibits, 78 through 83
8 were moved into evidence.

9 MR. COLE: I thought I did.

10 JUDGE SIPPEL: I don't know if I ruled on it. If
11 I didn't -- if I have ruled -- all right, they are -- well,
12 they are received. 78 through 83 are received in evidence.

13 MR. COLE: Thank you, Your Honor.

14 JUDGE SIPPEL: And I think this is -- is there
15 anything more pending?

16 MALE SPEAKER: No.

17 JUDGE SIPPEL: We're recessed until 9:30 tomorrow
18 morning.

19 Yes, sir, Mr. Geolot?

20 MR. GEOLOT: Your Honor, off the record, and this
21 is just --

22 (Whereupon, at 5:07 p.m., this hearing recessed to
23 be reconvened on Wednesday, June 14, 2000 at 9:30 a.m.)

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25 //

REPORTER'S CERTIFICATE

FCC DOCKET NO.: 99-153

CASE TITLE: In Re: READING BROADCAST, Inc.

HEARING DATE: June 13, 2000

LOCATION: Washington, DC

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: 6-13-00

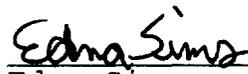


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