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February 18, 1991

Via FAX/FEDERAL EXPRESS

Mr. Micheal L. Parker
Reading Broadcasting, Inc.
1729 N. 11th Street
Reading, Pennsylvania 19604

Dear Mike:

You have asked our opinion on the impact on your qualifications to be a principal in an FCC licensee of the conclusions on the real party-in-interest issue against San Bernardino Broadcasting Limited Partnership ("SBBLP"), an applicant in the Channel 30, San Bernardino, California, licensing proceeding before the FCC.

As you are aware, we were counsel to a competing applicant in that proceeding. Since we had (and still have) an attorney-client relationship with you, we were not directly involved in the trial of that issue. However, we have reviewed the decision and are generally familiar with the facts and issues involved.

It is our opinion that the Administrative Law Judge ("ALJ") simply concluded that SBBLP had failed to report your activities and involvements with SBBLP -- which the ALJ found to be such as to make you a real party-in-interest. However, the ALJ did not find that you had done anything improper or that anything you had done reflected adversely on you.

As I mentioned above, we have continued to represent you in other FCC proceedings, as we have for the last eight or ten years. You serve as a principal of other FCC licensees. We are aware of no question that has ever been raised as to your qualifications to hold such a position.

Federal Identification Commission

Docket No.

MM-97 / 53

Presented by

Adams

Identified

✓

DI position

John Del Rio

Received

Reporter

6-12-60

Date

Serial No.

58

SIDLEY & AUSTIN

WASHINGTON, D.C.

Mr. Micheal L. Parker
February 18, 1991
Page 2

Please do not hesitate to contact me again if you need further information on this subject.

Best regards,

Sincerely,



R. Clark Wadlow

ADAMS COMM. CORP.
EXH. 58, PAGE 2

RCW91A47.SED (2/18/91 6:37pm)

S&A 0083

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March 21, 1991

Mr. Micheal L. Parker
Reading Broadcasting, Inc.
1729 N. 11th Street
Reading, Pennsylvania 19604

PLEASE INDICATE ON REMITTANCE
THE REFERENCE NUMBER BELOW:
REFERENCE **7703/10010**

For professional services rendered
through February, 1991.

FCC Representation
(see attached diary)

200.00

DISBURSEMENTS

Document processing	1.20
Shipping	9.50
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TOTAL DISBURSEMENTS

16.70

16.70

SUBTOTAL

216.70

ACCOUNT RECEIVABLE BALANCE
(as of February 28, 1991)

5,385.80

TOTAL

\$5,602.50

Federal Communications Commission

Docket No. MM-99-153

Exhibit No. 59

Presented by Adams

Disposition

Identified

Received

Rejected

Reporter

John Del Rio

Date

6-12-00

SIDLEY & AUSTIN
BILLING MEMORANDUM
--TIME DETAIL--

REDACTED

CLIENT: 7703 READING BROADCASTING
MATTER: 10010 GENERAL

DATE	TKPR	HOURS	-----NARRATIVE-----
2/18/91	RCW	.75	TELECONF. CLIENT RE CHARACTER ISSUES. LETTER TO CLIENT RE SAME.
TOTAL		.75	***



READING BROADCASTING, INC.
 GENERAL ACCOUNT
 1728 NORTH 11th STREET
 READING, PA. 19604

EXPLANATION	AMOUNT

5887

60-48 8110
 313

AT REQUEST OF

One thousand & 00/100

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Federal Communications Commission

Data: No. MM-99153 Exhibit No. 60

Requested by Adams

Disposition: Identified Retained Rejected

Original 7/26/86

Date 6-12-86 DEL RND

18

GRID	BALANCES FORWARDED		
	PRE BALANCE	TRUST BALANCE	CORRECTED ADVANCE BALANCE
71		(1,000.00)	
71		(408.75)	
78		(312.75)	
15		(115.75)	
100	194.75		3-
82	867.05		9.50
56	1,023.25		26.50
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9	39-		
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JAN 20 1988

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

Federal Communications Commission
Office of the Secretary

In re Applications of)
RELIGIOUS BROADCASTING NETWORK)
San Bernardino, California)
et al.)
For Construction Permit)
for a New TV Station)
MM Docket Nos. 83-911 to
83-912
MM Docket Nos. 83-914 to
83-916
MM Docket Nos. 83-918 to
83-919
MM Docket Nos. 83-921 to
83-923
MM Docket No. 83-925
MM Docket No. 83-928
MM Docket No. 83-930

To: The Review Board

INLAND EMPIRE TELEVISION'S REPLY TO EXCEPTIONS

INLAND EMPIRE TELEVISION

Robert A. Beizer
R. Clark Wadlow
Craig J. Blakeley

SCHNADER, HARRISON, SEGAL & LEWIS
1111 19th Street, N.W.
Suite 1000
Washington, D.C. 20036

Its Attorneys

January 20, 1988

(Whether received or rejected)

Federal Communications Commission

Docket No. *MM-22-23* English No. *61*

Requested by *Adams*

D. P. Title *President*

Reporter *John De F. Brad*

Date *6-12-22*

[Signature]

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY.....	i
A. Channel 30, Inc.....	1
B. Jose M. Oti d/b/a Sandino Telecasters.....	3
C. San Bernardino Broadcasting Limited Partnership..	5
D. Solano Broadcasting Limited.....	8
E. A&R Broadcasting Company.....	11
F. Buenavision Broadcasters.....	13
G. SSP Broadcasting.....	15
H. Good News Broadcasting Network.....	18
I. Television 30, Inc.....	21
J. All Nations Christian Broadcasting, Inc.....	23
K. Religious Broadcasting Network.....	24
CONCLUSION.....	25

SUMMARY

This case ultimately turns on a comparison of the ten qualified applicants' integration proposals. (I.D., ¶¶ 16-18). Although Judge Gonzalez awarded Channel 30, Inc. ("Channel 30") a decisive integration preference, he substantially reduced the integration credit sought by that applicant and each of the other qualified applicants, including Inland Empire Television ("Inland Empire").

Like Inland Empire, each of these parties (together with two applicants whom the ALJ disqualified) contend in their exceptions that the ALJ erred in analyzing their integration proposals. Unlike Inland Empire, however, these applicants received the maximum amount of integration credit to which they are lawfully entitled. Accordingly, for the reasons set forth below, the Board should affirm the ALJ's disqualification of SBBLP and Sandino as well as his award of less than one hundred percent integration credit to Channel 30 et al. It should reverse the Initial Decision only insofar as the ALJ erroneously denied Inland Empire a decisive preference for its proposal to integrate in management-level positions all three of its general partners.

* San Bernardino Broadcasting Limited Partnership ("SBBLP") and Jose M. Oti d/b/a Sandino Telecasters ("Sandino").

Mr. Oti initially filed the application in his individual capacity, he stated that he would incorporate at some future time. I.D., ¶ 44. As the ALJ noted, this "less than inchoate" status provides "no objective basis upon which to award an integration credit." Id.

The Review Board has held that, to be credited, an integration proposal must be set forth with certainty. Independent Masters, Ltd., 104 F.C.C.2d 178, 184, 193 (Rev. Bd. 1986). An integration proposal cannot consist of "multiple-choice" options and it is not to be left to "ongoing guesswork," by the applicant, by the Commission, or by the applicant's competitors. Id. An applicant must also set forth its structure in writing, so that its proposal may be tested and the Commission can determine if there is sufficient assurance of continuity of ownership in order to award integration credit. Payne Communications, Inc., 1 F.C.C. Rcd. 1052, 1055-57 (Rev. Bd. 1986). In the absence of the underlying documentation, Mr. Oti's statements that he would have total control of the applicant and would incorporate at some unspecified future time left the Commission and the other parties with no assurance as to the ultimate ownership and control of the applicant. The ALJ therefore properly denied Sandino any integration credit.

C. San Bernardino Broadcasting Limited Partnership

The ALJ disqualified SBBLP, concluding that Michael Parker was a real party-in-interest in the SBBLP application.⁴

4. As a result, the ALJ also attributed Mr. Parker's media interests to SBBLP. I.D., ¶ 61. In addition, the media interests of the secretaries to the corporate general partner (who were employees of Mr. Parker) were also attributed to SBBLP. Id.

I.D., ¶ 60. Alternatively, the ALJ concluded that, even if qualified, SBBLP warranted no integration credit because the past behavior of Anita Van Osdel, the sole shareholder of the corporate general partner, in relying so heavily on Mr. Parker, made it unlikely that she would exercise control over the station to a degree that would entitle her to credit. Id.

In its exceptions, SBBLP repeatedly asserts that the ALJ erred because Ms. Van Osdel is now managing the affairs of the applicant. However, SBBLP ignores the fact that it was not until after the hearing began in May of 1984 (one year after the applicant was formed) and Channel 30 moved for designation of a real party-in-interest issue that Ms. Van Osdel made any attempt to act like a general partner. For example, it was only later that she took control of the applicant's books from Parker. Tr. 3575. And it was only after the qualifications issue was added that she terminated Parker's services as a consultant. Tr. 3422, 3820. Similarly, it was only after questions were raised that she retained independent accounts and requested an accounting of Parker's invoices and the payments made to him. Tr. 3576-78.

As the Court stated in National Black Media Coalition v. FCC, 775 F.2d 342, 356 & n.18 (D.C. Cir. 1985):

It hardly takes an expert in human behavior to understand that people and companies tend to react a bit differently when they know they are being closely watched and that they have much to lose if they do not act properly . . . labelling improvements under these circumstances as meaningful 'is akin to congratulating an ex-speeder for driving 55 miles per hour while surrounded on all sides by police cars each going 50 miles per hour.'

There is no evidence that Ms. Van Osdel attempted to supervise Parker's activities or question his actions until after her sham management proposal became the subject of scrutiny by the Commission. Therefore, contrary to SBBLP's assertions, Ms. Van Osdel's belated efforts in no way diminish the fact of Parker's total dominance over Ms. Van Osdel and the applicant. Miami Broadcasting Corp., 17 R.R.2d 367, 369 (Rev. Bd. 1969).

The record unequivocally demonstrates that Parker: (1) identified the broadcasting opportunity and found an applicant; (2) created the corporate documents, partnership documents and offering circulars for the applicant; (3) prepared the application and programming proposal; (4) signed up Ms. Van Osdel; (5) transferred his equity interest to his relatives as he has done with his other broadcast projects; (6) arranged to be retained as consultant, enabling him to receive handsome consulting fees; (7) selected his employee as the corporate secretary; (8) hired the attorneys; (9) hired the engineers; (10) secured the financing; (11) dealt with the equipment supplier; (12) promoted the project and sold it to the investors; (13) maintained the relationship with corporate and communications counsel during the processing of the application; and (14) controlled the applicant's books. Inland Findings, ¶ 221; see I.D., ¶¶ 54-59. As a result, the ALJ was certainly correct in his conclusions that SBBLP should be disqualified or, at the very least, denied any integration credit. Bellingham Television Associates, Ltd., 59 R.R.2d 978 (Rev. Bd. 1986); KIST Corp., 102 F.C.C.2d 288, 292-93 (1985), aff'd, 801 F.2d 1436 (D.C. Cir. 1986).

D. Solano Broadcasting Limited

The ALJ concluded that, as a result of the active involvement of two of its limited partners, Solano Broadcasting Limited ("Solano") could, at most, be given 20 percent quantitative integration credit. I.D., ¶ 98. The ALJ also concluded that because the four stockholders of Solano's corporate general partner had failed to execute stock subscription agreements as of the date of the filing of the integration statements, Solano was entitled to no integration credit.

In its exceptions, Solano urges that its limited partners did not play significant roles and are properly insulated. Solano argues that the ALJ lifted bits of evidence "out of context" and through "distortions and omissions" reached an improper conclusion. Solano Exceptions, 4, 5.

Michael Rosenbloom is communications counsel to Solano.⁵ He is a general partner in C30-II, a limited partner holding 12 percent of Solano. I.D., ¶¶ 62, 65. James F. Parker also is an attorney who has represented Solano. He is a general partner in C30-I, a limited partner owning 68 percent of Solano. I.D., ¶¶ 62, 64. The ALJ set forth an impressive list of their activities which clearly indicates that they played key roles in conceiving the applicant, preparing the application, selecting the integrated principals, and assigning jobs to those principals. I.D., ¶¶ 93-96. While in its excep-

5. The ALJ did not reach his conclusion based solely on Mr. Rosenbloom's role as communications counsel, applying the Clarification of the Attribution Reconsideration Order, 1 F.C.C. Rcd. 802, 804 (1986). That is only one of several factors upon which the ALJ relied.

Ms. Stewart testified unequivocally that in her proposed position she would not supervise any other persons at the station (Tr. 455) nor would she determine any station policies. Tr. 457. "[W]ithout management and policy functions, an applicant's principals do not merit ownership integration credit." Apogee, Inc., 99 F.C.C.2d 979, 987 (Rev. Bd. 1985), modified, 59 R.R.2d 941 (1986). In view of Ms. Stewart's own disavowal of management and policymaking responsibilities, there is no question that the ALJ's denial of integration credit for her proposed position at the station was fully warranted.

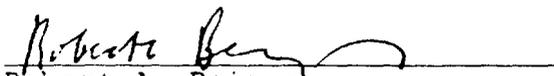
CONCLUSION

For the foregoing reasons, Inland Empire respectfully submits that the Initial Decision should be reversed insofar as the ALJ failed to grant the application of Inland Empire on the basis of its superior integration proposal.

Respectfully submitted,

INLAND EMPIRE TELEVISION

By


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January 20, 1988