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# INSIDE RADIO

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\* **A summertime slowdown in deals? Here's why.** Maybe it's not just the weather — Broker Mike Bergner fingers the stock prices of many publicly-traded companies as a culprit. He says "the stock prices drive station prices, and if those radio stocks trade at lower multiples, station prices have to follow eventually. They can't defy gravity." That school of thought holds that the trading market is now so dominated by public companies that the private market is less important than it used to be. (Meanwhile, would-be sellers don't want to adjust their asking prices.) As for the bigger question of why stock prices have entered the summer doldrums early — Wall Street may be playing a wait-and-see game when it comes to stronger earnings. It helps when a big mover like Clear Channel tells this week's investors conference that it's sticking with its guidance. (And radio stocks did move up Wednesday.) As for deals — we'll repeat our thought of a couple of weeks ago about the backers of some four- and five-year-old private groups being ready to make an exit. There were rumors yesterday of one of those groups possibly peeling off some stations. Stay tuned.

**Listen closely to Mel:** "We are confident that no court will fine us for any of our broadcasts." Sounds like a guy who thinks he's going to have to appeal to the courts after losing indecency cases in front of the FCC, doesn't it? That was Mel Karmazin's quote to shareholders at this week's annual meeting in New York. By the way: we know a lot of attorneys who agree with Mel's position that the courts will likely toss the FCC's indecency policy. But it won't be cheap or pretty to arrive at that endpoint.

**Air America Update:** Sheldon and Anita Drobny have reportedly closed on their re-acquisition. This time they've got some other partners in the re-acquisition of Air America Radio from the investor group led by the departed Evan Cohen and Rex Sorensen. Hopefully this is the deal that will ensure the financial stability of the operation. Forbes identifies some "early investors" who are now committed to supply fresh capital. Those include Florida attorney Mike Papantonio, who co-hosts a Saturday show with Robert F. Kennedy, Jr. And RealNetworks chairman Rob Glaser. Papantonio tells Forbes "This venture is not dead and it's not going to die." He blames Air America's business problems on mismanagement by former Republican political operator Evan Cohen. Meanwhile Forbes says investor Doug Kreeger takes over as chief executive. Will at least one former exec get a chance to return? *Inside Radio* told you May 6 that Chicago-based Sheldon Drobny had flown to New York for meetings with the folks he'd sold most of his Anshell Media interest to. Now that appears to have led to a sale to a new entity the Drobny's are involved in.

**Four years later — Saga files again to buy this juicy cluster in Ithaca.** Yes, it was July 10, 2000 when Saga announced it was buying highly-rated WQNY, WYXL, WHCU and WTKO from Eagle — and it was January 2001 when Saga blew up the sale because somebody had filed a petition to deny. That kept the

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