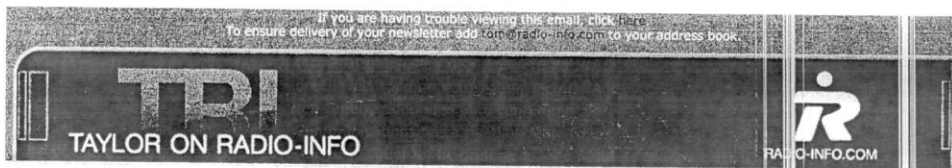


Michael J Bergner

From: Tom Taylor [tom@radio-info.com]
Sent: Monday, September 13, 2010 4:02 AM
To: mjb@bergnerco.com
Subject: Taylor on Radio-Info : The lessons of Emmis



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The lessons of Emmis

"Vulture funding is the only money interested in radio now."

So theorizes broker Michael Bergner, who tells TRI that "every deal is different, due to debt levels" and no doubt other factors. And Jeff Smulyan-founded and -run Emmis Communications has a heap of debt. To get

his deal done, Bergner says "Smulyan tried to squeeze the preferreds, and it did not work." Jeff's \$2.40 offer to the common shareholders was adequate, maybe even too high. He believed his offer to exchange the preferred stock for a new issue of high-yielding debt (nearly twice the coupon rate of the preferred) would be good enough bait to satisfy "the preferreds." The aggressive buyers of the company's preferred stock tried a squeeze of their own and that didn't work, either. In the end, it was "no deal." Back to the headline - Mike Bergner's saying that Smulyan went to Alden Global Capital, an entirely new player, as his backer because frankly, that's who was available. Not the more established names in radio financing. Here's Bergner's logic - "the bigger point about the Emmis deal is that Alden wanted a great deal, as vulture funding, and that is the only money interested in radio now. It's vulture money looking for potentially high returns. Otherwise, why enter the space?" Here's what Alden says, in its own behalf -



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