

WHB-AM-TV BUYS CHURCH'S KMBC-AM-TV; WHB ACQUIRED BY STORZ FAMILY

Kansas City ch. 9 sharetimers WHB-TV and KMBC-TV will merge as KMBC-TV in Cook Paint & Varnish Co.'s purchase of Arthur B. Church properties for total consideration of \$2 million plus, including assurance Mr. Church will not re-enter local radio-tv. Cook's WHB will be sold to the Storz family for \$400,000, plus liquid assets.

KANSAS CITY'S time-splitting tv stations—KMBC-TV and WHB-TV—will be merged into a single station as part of a four-station transaction involving about \$3 million overall. The merger marks the end of Arthur B. Church's active role in the nation's broadcast affairs, a role he has taken as a pioneer who entered radio back in 1914.

With FCC approval of a two-ply sale, Cook Paint & Varnish Co., one of the giants of that industry and owner of WHB-AM-TV, will merge WHB-TV and KMBC-TV into a single station, using the call KMBC-TV.

Since Cook acquires KMBC in the deal, it is selling its present am outlet, WHB, to the Storz family, owning KOWH Omaha (see separate story). KMBC and its am sister station, KFRM Concordia, Kan., will be operated by the Cook interests. KFRM is a daytimer carrying KMBC programs.

In essence the deals were negotiated in this fashion:

- WHB Broadcasting Co., wholly-owned

Co., and Lathrop G. Backstrom, president of the two companies. The applications are to be filed today (Monday) at the FCC.

Preliminary talks looking toward Cook's acquisition of KMBC began several months ago, with drafting of the actual contract starting April 7. Paul A. O'Bryan, of Dow, Lohnes & Albertson, represented WHB as well as the Storz interests when a purchaser was sought for the WHB radio operation.

Philip G. Loucks, of Loucks, Zias, Young & Jansky, represented the Church interests.

In the early talks Mr. Caldwell had represented WHB, with Dupuy G. Warrick, KMBC vice president-general counsel, representing the KMBC properties along with Kenneth Myers, KMBC attorney. The contract was signed last Monday night.

Mr. and Mrs. Church are taking a vacation in Colorado. After delivering an address paying respect to Judge Justin Miller, retired NARTB board chairman, at the testimonial dinner held March 31 in Washington, Mr.

Common stock of Midland, totaling 52,000 shares, is held as follows: Arthur B. Church, 20,000 shares; Mrs. Church, 17,500; trustees for Virginia Peters, 2,500; trustees for Margaret C. Battison, 2,500 trustees for Arthur B. Church Jr., 1,875; Arthur B. Church Jr., 2,275; Gerald L. Taylor, KMBC-TV vice president, 2,000; Dupuy G. Warrick, vice president and general counsel, 2,000; George J. Higgins, vice president and managing director, 1,350. All of this stock is acquired by WHB Broadcasting Co.

KMBC's real property includes KMBC-TV Playhouse, block-long building housing the am and tv stations and a theatre seating 2,800. It formerly was the Scottish Rite Temple. The non-competition plan specifies that WHB Broadcasting Co. will pay Mr. & Mrs. Church \$25,000 a year for 10 years provided they do not engage in radio or tv broadcasting in a radius of 200 miles of Kansas City or 125 miles of Concordia.

Upon FCC approval of the WHB-KMBC contract, Mr. Caldwell, as board chairman of Cook and WHB Broadcasting Co., will continue in those capacities. Similarly, Mr. Backstrom will continue as president of both companies. They were elected to the WHB Broadcasting Co. posts several weeks ago in a re-organization.

George J. Higgins, KMBC vice president-operations director and minority stockholder, will remain with the stations under the new ownership, it is understood. Don Davis, currently WHB Broadcasting Co., vice president, remains in that role. John T. Schilling, WHB station manager, also remains with WHB Broadcasting Co. in the same capacity as does Henry Goldenberg, chief engineer.

KMBC is a CBS Radio affiliate and the KMBC-TV and WHB-TV time-sharing stations on ch. 9 are CBS Television affiliates.

WHB-TV and KMBC-TV have been sharing a 5-kw DuMont transmitter and RCA antenna located atop the Power & Light Bldg. A new RCA 10-kw transmitter is on order, along with a 50-kw amplifier, increasing the output to the 316 kw maximum from a new transmitter site.

WHB was founded in 1922. It operates on 710 kc with 10 kw day and 5 kw night, having an MBS affiliation.

KMBC Founded in 1921

KMBC was founded by Mr. Church in 1921. It operates on 980 kc with 5 kw power. KFRM, its daytime satellite in Concordia, repeats KMBC programs on 550 kc with 5 kw power. KFRM was founded in 1948.

Facing a drawn-out television hearing last year, KMBC and WHB reached a time-dividing agreement in June and within a brief time received the ch. 9 grant. The stations went on the air Aug. 2. They have been shifting program origination back and forth during the day.

Messrs. Church and Backstrom issued a joint statement in announcing the sale. It follows:

"We have learned that shared time operation of a television channel can be successfully accomplished, but we have learned also that the difficulties of such shared time operation can be eliminated by one ownership. We feel that the best television service to the people in the Kansas City area can be accomplished with the unification of the two television staffs.

"The present officers of Midland (KMBC-AM-TV) have tendered their resignations effective with closure after FCC approval, but no immediate changes of staff either in the Midland or WHB organizations are contemplated. Later, some shifts of personnel will probably be necessary but these will be minimized. Until



CONTRACT SIGNING for the sale of KMBC-AM-TV Kansas City properties to Cook Paint & Varnish Co., owner of WHB-AM-TV there, was attended by (l to r) Arthur B. Church Jr., KMBC secretary; Mrs. Arthur B. Church; George J. Higgins, KMBC vice president-managing director; Dupuy G. Warrick, KMBC vice president-general counsel; Arthur B. Church, KMBC president; Lathrop G. Backstrom, president of Cook and WHB, and R. B. Caldwell, board chairman of Cook and WHB.

Cook subsidiary, is buying all the outstanding common stock of Midland Broadcasting Co. (KMBC-AM-TV, KFRM and related properties) for \$1,750,000 cash.

• Having two am stations in Kansas City, WHB Broadcasting Co. is selling WHB to the Storz family for \$400,000 cash plus value of liquid assets.

• WHB Broadcasting Co. assumes \$900,000 in Midland long and short-term obligations. In addition it agrees to pay Mr. & Mrs. Church \$250,000 under a 10-year non-competition clause provided they do not re-enter radio or tv broadcasting in the area.

Principals in the negotiations for the Cook interests were Robert B. Caldwell, board chairman of Cook and WHB Broadcasting

Church went to New York. He has been suffering for some time from a heart condition. He will leave with Mrs. Church in a few weeks on a European trip. They plan to celebrate their 36th wedding anniversary June 2 in Paris.

Under terms of the WHB Broadcasting Co. acquisition of Midland, the buyer pays \$1,750,000 cash for all Midland stock, including the KMBC-AM-TV properties plus KFRM, and in addition assumes obligations including mortgages, payable, \$442,543; equipment serial notes, \$48,463; notes payable to banks, \$180,000, and will retire all issued and outstanding preferred stock (none of which is owned by the Churches), \$195,450. This brings the total to \$2,650,000, to some degree offset by accounts receivable.