

## **Sworn Statement of Independent Media Broker Bruce Fox**

1. My name is Bruce Fox, a resident of Sarasota, FL, and I am an independent media broker (Fox Media) with over 10 years' experience in TV ownership/consulting and station brokerage. I have had ownership interests in 5 broadcast stations and currently own a full-power TV station in North Dakota. Since 1994, I have been involved in the sale/brokerage of approximately 48 full-power television stations in the United States.
  
2. I have been retained by Sonia Broadcasting Company, LLC ("SBC"), the Assignee to a Form 314 application now pending at the FCC, which involves the proposed assignment of the license of WVIB (TV), Key West, FL, and which is currently owned by Assignor Hispanic Keys Broadcasting Corporation ("HKBC"), for whom I previously have served as broker. This sworn statement is given under penalty of perjury for use by SBC in its attempt promptly to obtain FCC consent to the proposed transaction, under the Note 7 "failing station" exception to the FCC's duopoly rules.
  
3. I was the broker of record for this same TV station (WVIB) more than three years ago, having been retained by HKBC to sell WVIB, channel 8 [and its Miami-licensed low power channel 21 facility (now WVEB-CA)], for a total asking price of approximately \$12 million. As with similar representations, I searched throughout the United States to find a buyer for this failing station. I had successfully brokered the sale of stations struggling to compete (although not as desperate a situation as WVIB faces) in markets such as Orlando, Houston, Phoenix, Milwaukee, Dallas, etc. I personally solicited every commercial TV licensee in the Miami market (including NBC, Telemundo, CBS, Sunbeam TV, Post-Newsweek Stations, Univision, Tribune Broadcasting Co., Trinity Broadcasting Network etc.) and all of the logical out-of-market group owners (including Home Shopping Network, ZGS Broadcasting, Associated Christian Television, Cascade Broadcasting, Council Tree Communications, Liberman Broadcasting, Azteca America, LLC, Pappas Television, Shop-at-Home Broadcasting, Lotus Communications, Tiger Eye Communications, Triumph Holdings, Hispanic Television Network, Christian Television Network and Tri-State Television etc.) After my thorough and extensive search for buyers for WVIB, and after sending out numerous notices, HKBC received only one serious offer for WVIB. After extensive negotiations with that one prospective buyer, Azteca America, LLC, agreed to buy WVIB [and its low power station, channel 21] for a total Purchase Price of approximately \$9.5 million. That assignment application, where Pappas Television was proposed to be the controlling owner of WVIB, was approved by the FCC in 2001. It was never consummated. At the time of that failed transaction, I was aware that WVIB was in poor financial condition but I also was of the opinion then that WVIB was failing because (a) its over-the-air signal coverage was limited to ONLY those viewers in the immediate area of Key West and also (b) WVIB was unable to obtain significant cable carriage in the larger Miami DMA; however, the Azteca /Pappas application did not have to rely on the Note 7 "failing" station exception to the FCC's ownership rules, because the proposed Assignee there [Pappas] held no other TV interests in the Miami DMA. After WVIB's transaction with Azteca/Pappas failed, I searched again but was unable to find any other potential buyer for WVIB at anywhere close to the asking price, either in-market buyers or out-of-market buyers.

4. Indeed, after WVIB's failed Pappas/Azteca transaction in 2001, and up until the time that I heard from HKBC's counsel that they had located a buyer, I continued to search the country for another buyer for HKBC's Miami/Key West stations. I used the same methods and wide outreach used after the failed Pappas/Azteca transaction that I had used earlier. I aggressively marketed the station. I looked everywhere. I solicited station owners in Miami and throughout the United States. I had brokered many non-Big Three Network stations by this time in my career and I solicited all of those buyers, both "obvious" candidates and non-traditional candidates, including religious groups, Spanish-language programmers, "shopping" stations, everyone I could find. I even called radio broadcasters in Miami to inquire about interests they might have and I got no positive feedback – nothing at all. By the time that HKBC's counsel told me (in either the 2002 Thanksgiving/Christmas holiday period or in the first quarter of 2003) that they had a deal pending deal with a non-traditional, non-group buyer, I had received not one serious response from my numerous solicitations for WVIB. I had checked with out-of-market buyers who I thought would be "logical" candidates for this failing station, those who had done "turnarounds" in the past or who were looking for "fringe" stations, or failing stations in major markets. I contacted well over a dozen out-of-market groups and station owners in trying to find a buyer for WVIB in 2001 and 2002. There simply was no serious interest from anyone who wanted to try to turn around WVIB. In sum, from the time that the Pappas/WVIB deal collapsed up to the time that I heard from HKBC's counsel that WVIB had located a potential buyer and had a pending deal, I had been totally unable to find any reasonably available candidate to buy WVIB.

5. I also have known for several years Mr. David Drucker, whose family was the owner until recently of the "other" Key West TV station -- channel 22 -- [now WDLP-TV; formerly WEYS (TV), which I am told is now owned by Dr. De La Pena's affiliate, WDLP Broadcasting Co, LLC. I had attempted several years ago to find a buyer for that station, channel 22. That station's TV signal also reached only Key West and the Lower Keys and it also lacked substantial cable coverage in the greater DMA. I viewed Mr. Drucker's Key West-licensed TV station as another marginal or even failing facility and I was never able to bring him an offer that would have been seriously considered, from any potential buyer for his family's Key West TV station.

6. Finally, in view of my experience as a North Dakota TV owner, a former owner of other broadcast stations, and my experience in recent years in brokering the sale of numerous "struggling" TV stations in markets roughly the size of the Miami DMA, it is my professional opinion that the merger of WVIB (ch. 8) with ch. 22 would not adversely effect other full-power TV stations in the DMA but, rather, would contribute to competition and diversity in the DMA; in fact, I doubt that either channel 22 or channel 8 can financially survive as stand-alone, Key West-licensed television stations.

September 29, 2003

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Bruce Fox



