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IN THE AMERICAN ARBITRATION ASSOCIATION  
ARBITRATION PROCEEDING

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Gary M. Cocola,  Claimant,  vs.  KT Broadcasting, Inc., et al.  Respondents.	<b>ARBITRATOR'S REPORT AND ORDER FOLLOWING SEPTEMBER 18, 2002 AUCTION AND CONFERENCE ORDER NO. 5</b>  AAA Case No. 77 168 160 02 JISI
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**ARBITRATOR'S REPORT AND ORDER**

Pursuant to notice issued by the American Arbitration Association a Fifth Telephone Hearing and Auction was conducted on September 18, 2002. The following representatives and parties participated:

**GARY COCOLA**

**KT BROADCASTING, INC.**

**RONALD L. ULLOA**

**CHANNEL THIRTY-TWO**

**TELEVISION COMPANY**

**KALEIDOSCOPE PARTNERS**

**KM COMMUNICATIONS**

**KIMBERLY KRALOWEC**

**RICHARD S. LOSEE**

**CAROLINE POWLEY**

**VENTURE TECHNOLOGIES**

**WINSTAR BROADCASTING CORP.**

**TURNER ENTERPRISES**

Gary Cocola, Robert Anderson, Clark Taylor, John Feore, and Elizabeth McFadden  
John Tupper and Jeremy Hoffman  
Ronald Ulloa and Cass Butler  
Jerome Romero

Stephen Simpson, George Flynn and Shea Flynn  
Jeffrey Timmons  
Daniel Alpert  
Richard Losee and Alan Campbell  
Michael Skolnik and Bill Smith (Mr. Smith only participated in part of the Conference).  
Lawrence Rogo, Brook Temple, Paul Coplin, Steven Gordon (Mr. Gordon only participated in initial discussions prior to the Auction).  
John M. Shoreman  
Marcia Turner

## **REPORT AND ORDER**

1. Prior to commencing the Auction, the arbitrator asked if there were any objections by any party to proceeding with the Auction as scheduled. No objections were made. The arbitrator finds that any possible objections were waived.

2. The arbitrator then proceeded with the Auction in compliance with the terms of the parties written Agreements, including the recently signed "Amendment to Stipulation and Settlement Agreement." Following bidding in accordance with the terms of the Agreements, the winning bid was 3 million dollars, bid by Gary M. Cocola. The second highest offer was \$2,750,000 bid by Ronald Ulloa.

3. Following the conclusion of bidding, a discussion took place regarding the Appointment of Manager of Provo Broadcasting, LLC which had been distributed by fax by Mr. Anderson prior to the Auction. Ms. Turner agreed that she would act as the Manager as provided by that Agreement. The parties requested time to review the Agreement. The parties are directed to contact Mr. Anderson with any questions regarding the Agreement and to attempt to have the Agreement fully executed by September 20, 2002 at 2:00 p.m. Mountain Daylight Time to facilitate the filing of the application for transfer by Mr. Cocola. In the event of any disputes as to the Appointment, Mr. Anderson is directed to contact the arbitrator so a further Hearing can be set, if needed.

4. The requirements of disclosure were also discussed. The arbitrator has received some disclosures from Cocola, KT Broadcasting, Ulloa, Kaleidoscope, KM Communications, Kralowec, and Venture. It was agreed that the parties will all send their disclosures

as soon as possible to Mr. Anderson and by e-mail to John Feore at the e-mail address

["jfeore@dowlohn.com"](mailto:jfeore@dowlohn.com).

5. The arbitrator reminded the parties that pursuant to prior Orders, they must file their position statements regarding any further disputes arising out of the wind-up of Provo Broadcasting by September 30, 2002. These position papers should reference any expenses which the parties believe should be paid from the sale proceeds. It is anticipated that there will be some dispute regarding certain attorneys fees and that there may be some other disputes. Following receipt of the position papers, a further Telephone Conference will be held to schedule further proceedings.

DATED this \_\_\_\_\_ day of September, 2002.

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ROBERT L. STEVENS  
Arbitrator