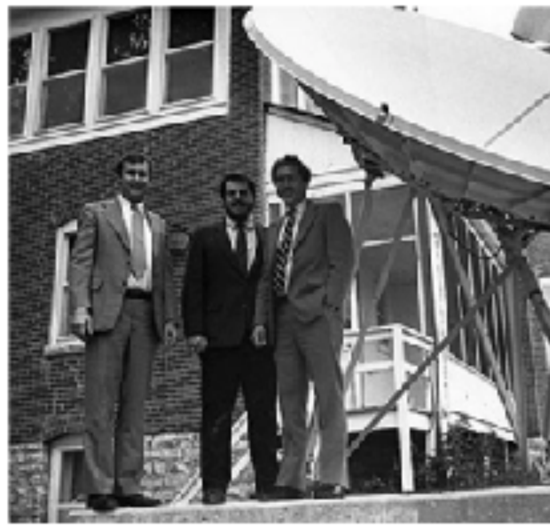
Financing Satellite Delivery

We knew satellite delivery was vitally important to our financial stability. Of course, the technology had lots of other benefits: much better signal quality, no additional costs for adding affiliates, geographically insensitive, and technically more dependable to name only four. The real benefit was it was significantly cheaper! We were paying Ma Bell as much as $35,000 per month to lease a network. Principal and interest and satellite space segment came to under half that. Problem was we didn't have collateral to secure the bank loan.



So, Central Bank of Jefferson City worked with us to get a Small Business Administration (SBA) loan. This federally-guaranteed loan program had revised its rules to allow news organizations to participate for the first time and we were early in line. We applied for and were granted a loan for $550,000. This paid for the uplink purchase and installation. For the downlinks we used three vehicles: We asked all of our affiliates to purchase and own their own receiver systems. Some did and some couldn't. Those across Kansas who were part of the Royals Radio Network were financed through the supplier of the equipment, Harris Corporation and those who couldn't afford to buy their own I financed through a business I started with two other men called "Smartec Leasing". The entire package was over one million dollars.

This was late summer of 1982. Now that we had financing plans in place we could proceed with orders for the equipment and making arrangements to get equipment into the field and the system built. The target date for turning the system on was January, 1983 -- barely five months later. This picture shows the rear of our Jefferson City corporate headquarters. I'm standing there proudly with Learfield's Kent Malinowski and Harris' Diz Caldwell.

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