

## *Raycom, Ellis to merge*

Sports producer and syndicator Raycom Inc. is merging with Ellis Communications in a cash and stock swap of an undisclosed amount, and will become a wholly owned subsidiary of the broadcast group.

The two privately held companies will retain their separate functions, with no anticipated management changes for either organization. The move provides Raycom with additional capital to acquire sports and entertainment rights, says Ken Haines, Raycom's executive vice president.

Haines explains that all current Raycom contracts with colleges, stations and advertisers will not be affected. Ellis stations will have to bid for its product like everyone else. But going one step beyond that notion, CEO Bert Ellis contends that stations that carry Raycom packages are "the most fertile ground for acquisition" right now.

Atlanta-based Ellis Communications, which last summer bought six TV stations and an AM-FM combo in Ohio, Nevada and across the mid-South, plans to purchase additional stations in regional clusters, Ellis says. According to Larry Blum, Ellis vice president of operations, while not providing programming for Ellis stations, the merger with Raycom will generate about \$60 million annually in revenue for the company.

The companies will share a board of directors overseen by Ellis. Two Raycom representatives will hold seats on the board, but it has not been determined how many Ellis will occupy.

Raycom produces and markets the Atlantic Coast Conference, the Big Eight Conference, the Big 10 Conference, the Metro Conference and the Pac-10 Conference, and is expected to strike a deal soon with Major League Baseball, according to Haines. It currently is co-producing Elvis Presley retrospectives in preparation for the 20th anniversary of the singer's death.

—JAZ