

NEW ISSUE

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50,000 Shares American Broadcasting Company

Capital Stock

Without Par Value
Non-Assessable

TRUST CERTIFICATES

Transfer Agent: The American Broadcasting Company
Seattle, Washington

Registrar: The National Bank of Commerce
Seattle, Washington

7/22/29



BOARD OF DIRECTORS

GAYLORD ADAMS
President First National Bank of Hoquiam
A. M. BERRY
Regional Director, Sears, Roebuck and Company

A. W. LEONARD
President Puget Sound Power & Light Company
ADOLPH F. LINDEN
President American Broadcasting Company

Delivery is to be made in the form of National Bank of Commerce, Seattle, Washington, temporary non-transferable trust certificates, exchangeable for stock December 31, 1929.

Price \$12.50 Per Share

ORDERS MAY BE WIRED OR TELEPHONED AT OUR EXPENSE.

AMERICAN BROADCASTING COMPANY

SEATTLE, WASHINGTON

PORTLAND, OREGON

RALPH SCHNEELOCH, INC.
217 LUMBERMENS BUILDING
5TH & STARK - PORTLAND, ORE.

50,000 Shares AMERICAN BROADCASTING COMPANY

Capital Stock

Without Par Value
Non-Assessable

The following information regarding the American Broadcasting Company is prepared from Mr. Adolph F. Linden's letter of June 10th for the purpose of this initial offering of shares to the public.

Business:

The American Broadcasting Company was incorporated under the laws of the state of Washington, November, 1928. It is engaged in the business of broadcasting radio chain programs through a system of radio stations connected by leased lines, serving the principal populous centers of the country. Its articles of incorporation permit it to engage in all forms of radio activities, entertainment, concerts, recordings and advertising.

Capitalization:

The capitalization of the corporation, upon completion of financing arrangements as planned, will be as follows:

	Authorized	To Be Presently Outstanding
Bonds	None	None
Preferred stock	None	None
Common stock (no par value)	1,500,000 shares	1,400,000 shares

Development of American Broadcasting System:

The American Broadcasting Company's growth has been phenomenal. On October 3, 1928, less than eight months ago, it originated its first chain programs connecting the cities of Seattle, Spokane and Portland.

On December 22, 1928, seven weeks later, it extended its facilities to take in San Francisco and Los Angeles, California.

On January 6, 1929, its extension into Salt Lake City and Denver became effective.

On June 1, 1929, the American Broadcasting Company added to its permanent system the cities of Lincoln, Nebraska; Kansas City, Missouri; St. Louis, Missouri; Muscatine, Iowa; Minneapolis-St. Paul, Minnesota, and Chicago.

On July 15th, Memphis, Tennessee; Little Rock, Arkansas; New Orleans, Louisiana, and Waterloo, Iowa, will be added.

On August 1st, Oklahoma City, Oklahoma, joins the network.

On October 1st, the complete transcontinental network will be in operation.

In less than ten months it will have grown from a three station chain to a system that embraces the entire United States, operating a complete Coast to Coast network, rivaled only by one other national system.

Revenue:

The potential income, due to this expansion, is best expressed by comparing the income now received after 6 p. m. on the present Western network with the prices which prevail on the new extension into Chicago, and the rate effective this fall when the complete transcontinental system is in operation.

At present the rates which we receive for station time only on sponsored programs, are: Pacific Coast, including Denver and Salt Lake—

\$1,850.00 per hour
1,437.50 per half hour.

Including Chicago, Minneapolis, Lincoln, Kansas City, St. Louis, Muscatine, Iowa, this rate is increased to

\$3,250.00 per hour
2,032.00 per half hour.

When the complete transcontinental system is in operation the network revenue will be

\$9,000.00 per hour and
5,652.00 per half hour.

The above rates are in keeping with the prices now received by competitive chains.

In addition to the above charges, every firm sponsoring a broadcast pays the cost of the artists appearing upon their program, which averages, conservatively, an additional 35 per cent of the above network charge on each program.

Other sources of revenue are royalties from

- Comedy sketches produced in talking pictures.
- Mechanical recordings.
- Outside bookings for leading artists and orchestras.
- Production of vaudeville sketches.
- Publication of comedy features rewritten in book form.
- Syndicated features for serial reproduction in newspapers and magazines.
- Concert artists' bureau.
- Publication of popular sheet music, etc.

The revenue received by national chain broadcasting systems has increased over 500% during the past two years. The revenue for the year 1929 will be in excess of twenty-five million dollars.

The president of one of the leading advertising agencies of America, made the following statement in an address delivered before the American Association of Advertising Agencies:

"I believe that all of the evening hours on the leading chains will soon be spoken for by national advertisers, and that we will then have a waiting list. You can easily figure how many advertisers can go on the air with weekly programs of an hour or half hour. After these evening hours have all been preempted, the rest of the daylight periods will be taken up by advertisers who find they can use them to better advantage than the evening hours. There are not more than 16 hours of the day that can be regularly used for broadcast advertising, and there are only six days in the week, if we exclude Sunday. One doesn't need any higher mathematics to figure out what is going to happen as the number of advertisers on the air increases."

National Accounts Now on A. B. C.

Leading national advertisers now using the facilities of the American Broadcasting Company include—

Majestic Radio	Kolster Radio
Dr. West's Tooth Paste	Old Gold Cigarettes
Bulova Watch Co.	Waukesha Mineral Water Co.
Milwaukee Railroad	Sonatron Tubes
Union Oil Co. of California	Arzen Laboratories

Purpose of Issue:

The proceeds from this sale will be used to take care of the extension of circuits to include Lincoln, Nebraska; Kansas City, Missouri; St. Louis, Missouri; Muscatine, Iowa; Chicago, Illinois; Minneapolis, Minnesota; Memphis, Tennessee; Little Rock, Arkansas; New Orleans, Louisiana, and balance of network, provide adequate working capital, and for other corporate purposes.

Management:

Adolph F. Linden, president; F. C. Dahlquist, vice president and general manager; A. W. Talbot, treasurer; Grayce Moeger, assistant secretary and treasurer.

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SEATTLE, WASHINGTON

PORTLAND, OREGON

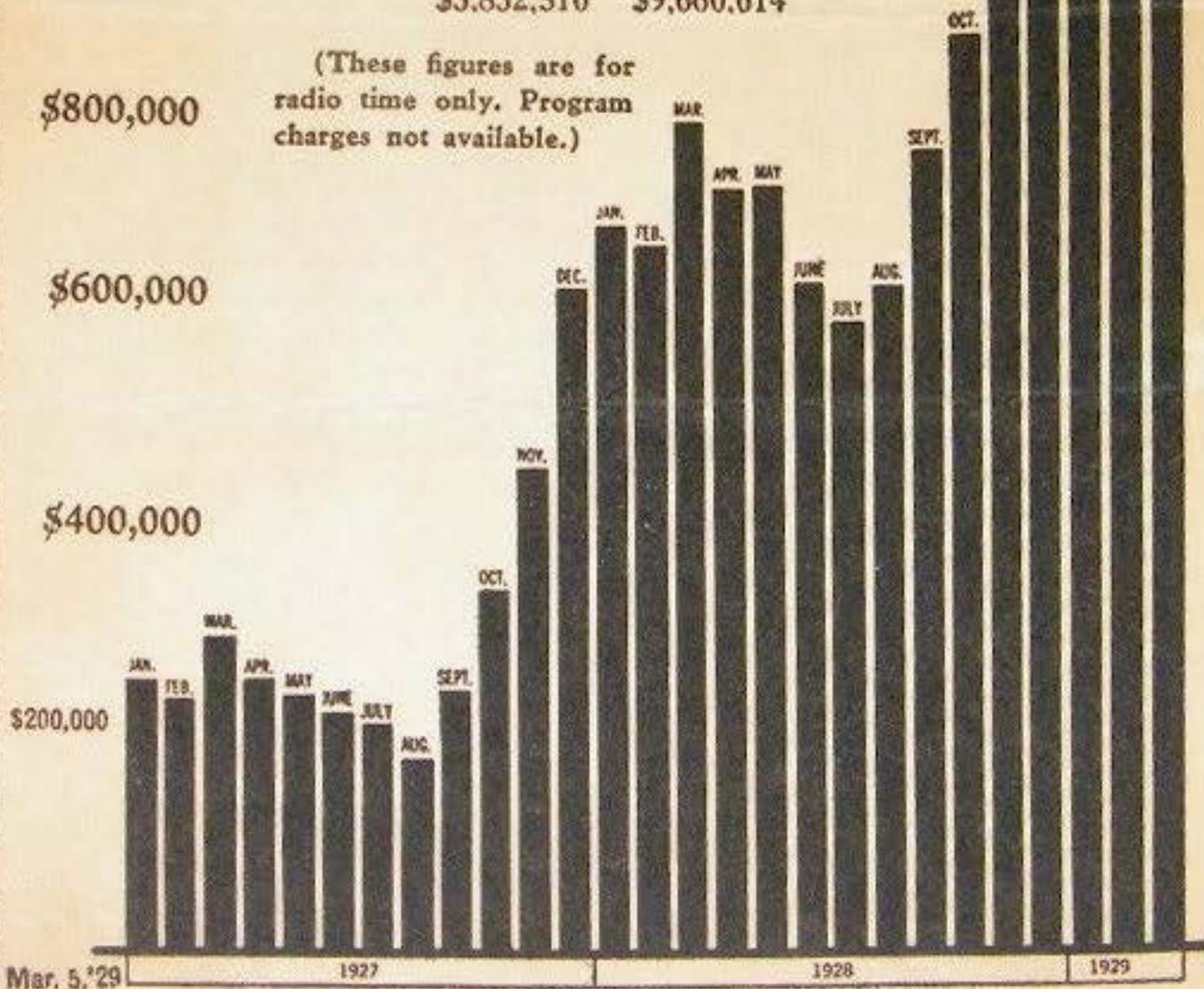
GROWTH of BROADCAST ADVERTISING Over Coast to Coast Networks

During the Past 27 Months
January 1927 to March 1929

Excludes \$598,000 worth of Political Broadcasting during
October and November 1928

	1927	1928	1929
\$1,600,000			
January	\$270,949	\$733,815	\$1,258,174
February	252,195	715,316	1,371,884
March	316,158	841,727	1,610,000
\$1,400,000			
April	273,209	773,364	
May	257,981	776,279	
June	241,930	679,566	
July	228,666	640,333	
\$1,200,000			
August	195,143	676,200	
September	264,725	813,874	
October	368,111	926,712	
November	491,711	999,080	
\$1,000,000			
December	671,732	1,084,408	
	<u>\$3,832,510</u>	<u>\$9,660,614</u>	

(These figures are for
radio time only. Program
charges not available.)



Mar. 5, '29