

**50,000 Shares**  
**AMERICAN BROADCASTING COMPANY**

*Capital Stock*  
*Without Par Value*  
*Non-assessable*  
**Trust Certificates**

Transfer Agent: American Broadcasting Company  
Seattle, Washington

Registrar: National Bank of Commerce  
Seattle, Washington



**Board of Directors**

**Gaylord Adams**  
*President, First National Bank of Hoquiam*

**A. W. Leonard**  
*President, Puget Sound and Light Co.*

**A. M. Berry**  
*Regional Director, Sears Roebuck and 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-transferrable 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**

# 50,000 Shares

## AMERICAN BROADCASTING COMPANY

*Capital Stock*  
*Without Par Value*

The following information regarding the American Broadcasting Company is prepared from Adolph F. Linden's

<b>Business:</b>	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 population centers of the country. Its Articles of Incorporation permit it to engage in all forms of radio activities, entertainment, concerts, recordings and advertising.		
<b>Capital-ization:</b>	The capitalization of the company, upon completion of the financial arrangements as planned will be as follows:		
		Authorized	To be presently
	Bonds	None	None
	Preferred stock	None	None
	Common stock (no par value)	1,500,000 shares	1,400,000 shares

<b>Development of American Broadcast System:</b>	<p>The American Broadcasting Company's growth has been phenomenal.</p> <p>On October 3, 1928, less than 8 months ago, it originated its first chain programs connecting the cities of Seattle, Spokane and Portland.</p> <p>On December 28, 1928, less than seven weeks later, it extended its facilities to take in San Francisco, and Los Angeles, California.</p> <p>On January 6, 1929 its extension into Salt lake City and Denver became effective.</p> <p>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.</p> <p>On July 15, Memphis, Tennessee; Little Rock, Arkansas; New Orleans, Louisiana and Waterloo, Iowa will be added.</p> <p>On August 1, Oklahoma City, Oklahoma joins the network.</p> <p>On October 1, the complete transcontinental network will be in operation.</p> <p>In less than 10 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 net-</p>
<b>Revenue:</b>	<p>The potential, due to this expansion, is best expressed by comparing the income now received after 6 p.m. on the 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.</p> <p>At present the rates we receive for station time only on sponsored programs are: Pacific Coast including Denver and Salt Lake —</p> <p style="text-align: center;">\$1850.00 per hour \$1,475.00 per half-hour</p> <p>Including Chicago, Minneapolis, Lincoln, Kansas City, St. Louis, Muscatine, Iowa this rate is increased to:</p> <p style="text-align: center;">\$3,250.00 per hour \$2,032.00 per half-hour</p> <p>When the complete transcontinental system is in place the network revenue will be</p> <p style="text-align: center;">\$9,000 per hour \$5,652 per half-hour</p> <p>The above rates are in keeping with the prices now received by competitive chains.</p>

In addition to the above charges, every firm sponsoring a broadcast pays the costs of the artists appearing on 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

- (a) Comedy sketches produced in talking pictures.
- (b) Mechanical recordings.
- (c) Outside bookings for leading artists and orchestras.
- (d) Production of vaudeville sketches.
- (e) Publication of comedy feature rewritten in book form.
- (f) Syndicated features for serial production in newspapers, and magazines

The revenue received by national chain broadcasting systems has increased 100% 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 in America, made the following statement in an address delivered before the American Association of Advertising Agencies:

“I believe that all the leading hours on the leading chains will soon be spoken for by national advertisers, and then we will 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 all 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 exclude Sunday. One doesn't need 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 —

**Purpose of Issue:**

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

**Management:**

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

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

Price: \$12.50 per share

## AMERICAN BROADCASTING COMPANY

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 in Political Broadcasting during October and November 1928

