

Factiva Dow Jones & Reuters

Barron's Mailbag: Fair Proceeding

288 words

17 July 2006

Barron's

W34

English

(c) 2006 Dow Jones & Company, Inc.

To the Editor:

Regarding Frank Martin's July 10 Other Voices piece, "Unequal Proposition:" Barron's readers and Emmis shareholders deserve better.

Mr. Martin asserts that while the founders of certain media companies can hold special voting stock, Emmis Chief Executive Jeffrey Smulyan should not. He omits that Mr. Smulyan founded Emmis. Mr. Martin also implies that this dual-class voting structure is a surprise, notwithstanding that Emmis has had two classes of stock since going public in 1994.

Mr. Martin then accuses Mr. Smulyan of "mismanagement." This claim is plainly spurious, as evidenced by the numerous management and ethics awards Emmis has received.

Mr. Smulyan's offer to acquire Emmis is currently under review by a Special Committee of the board. To portray the committee's work as a "ruse," as Mr. Martin does, is an affront to the seasoned business and financial experts who are the committee's members. Despite Mr. Martin's contentions, the committee members' fees are in line with those paid in comparable situations. An effective committee also requires independent advisers to ensure that any recommendation is in the best interests of the corporation. Not engaging such advisers in this situation would be atypical, even reckless.

And while the ultimate valuation of the company is a matter for the Special Committee to determine, the article contains suspect calculations about that question, too. Mr. Martin should allow the Special Committee to proceed with its process to ensure a fair and equitable outcome.

J. Scott Enright

Senior Vice President, Associate General Counsel and Secretary

Emmis Communications

Indianapolis, Ind.

---

For Barron's subscription information call 1-888-BARRONS ext. 685 or inquire online at <http://www.barronsmag.com/subscription/subscription.html> .

Document B000000020060715e27h00004