

The State Board of Regents met electronically on Wednesday, March 11, 1992.
The following were in attendance:

Members of State Board of Regents

Mr. Pomerantz, President
Mr. Berenstein
Mr. Dorr (joined while the meeting was in progress)
Mr. Fitzgibbon
Ms. Furgerson
Ms. Hatch
Ms. Johnson
Dr. Tyrrell
Mrs. Williams

Office of the State Board of Regents

Executive Director Richey
Deputy Executive Director Barak
Director Smith
Minutes Secretary Briggie

State University of Iowa

President Rawlings
Interim Vice President Willard
Interim General Counsel Schantz

Iowa State University

President Jischke
Vice President Madden
Executive Assistant to President Mack
Director Jensen

University of Northern Iowa

President Curris

Iowa School for the Deaf

Superintendent Johnson
Interpreter Cool

Iowa Braille and Sight Saving School

Superintendent Thurman

IOWA STATE UNIVERSITY

The State Board of Regents held an electronic Board meeting on Wednesday, March 11, 1992, commencing at 3:00 p.m. in accordance with Section 21.8 of the Code of Iowa. The meeting was not held in person because it was not feasible to have the Regents assemble in one location for this brief meeting. Each Regent in attendance was at a separate remote location. Public access was provided at the following locations:

Board of Regents Office, Old Historical Building, Des Moines
University of Iowa, Old Public Library Conference Room, Iowa City
Iowa State University, President's Office Conference Room, Ames
University of Northern Iowa, Board Room, Gilchrist Hall, Cedar Falls
Iowa School for the Deaf, Superintendent's Office, Council Bluffs
Iowa Braille and Sight Saving School, Superintendent's Area, Vinton

The conference operator called the roll and indicated that Regent Dorr had not been reached for inclusion in the conference call as of 3:00 p.m. when the meeting began.

CONSIDER REPORTS BY CONSULTANTS REGARDING SALE OF WOI-TV AND RECOMMENDATIONS OF BOARD OFFICE. The Board Office recommended that Iowa State University and Iowa State University Equities Corporation be directed to proceed with their efforts to sell WOI-TV by developing the necessary written procedures to continue the bidding process with any interested previous bidder in order to secure the most advantageous proposal. Iowa State University, Iowa State University Equities Corporation, and their representatives would develop the additional procedures in consultation with Duff and Phelps Financial Consulting Company and the Ahlers Law Firm and present the additional procedures for consideration by the Board at its next regularly-scheduled meeting on March 18.

The above action was recommended by Mr. Richey after consultation with Mr. Robert Allbee and Mr. Wade Hauser of the Ahlers Law Firm, Ms. Karen Brown of Duff and Phelps Financial Consulting Company and President Martin Jischke of Iowa State University.

Mr. Richey stated that present in the Board Office conference room for this telephonic meeting were David Belin, Gary Gerlach, a full contingent of press and representatives of the Legislative Fiscal Bureau and other agencies.

President Pomerantz welcomed Mr. Belin and Mr. Gerlach. He said it was his understanding that they would like to address the Board of Regents. They would be allowed to do so after Karen Brown of Duff and Phelps and Robert Allbee of the Ahlers law firm made their presentations. He said he would then ask President Jischke for his comments. He noted that President Jischke was prepared to make a recommendation to the Board of Regents.

President Pomerantz commented on his participation in this meeting. It was his intention to keep the meeting limited to a discussion of process. He would chair the meeting in that regard and would vote on issues around process. Should there be another motion and if it would involve what he perceived as a conflict of interest, he would abstain from that portion of the meeting.

Regent Fitzgibbon indicated that the previous night he had received a telephone call from Mr. Belin. He said the content of that call was similar to the content of a letter dated March 11, 1992, addressed to Mr. Richey. He said he heard Mr. Belin's message. Regent Fitzgibbon called Mr. Richey immediately after the conversation last night to make the conversation a matter of record. He said he wanted to make sure there was not an opportunity for anyone to perceive a conflict of interest.

Regent Berenstein stated that he had also received a telephone call from David Belin the previous night. He said he subsequently spoke with Mr. Richey and Warren Madden this morning about that telephone conversation. Mr. Madden has done some investigation pursuant to that telephone call. He then said he was taking the same stance as Regent Fitzgibbon. He has reported the conversation and wanted to clear up any possibility that someone might think there was a conflict of interest.

The conference operator reported that Regent Dorr was added to the conference call at this time.

President Pomerantz recognized Karen Brown of Duff and Phelps.

Ms. Brown said it was her understanding that the Regents had received a copy of the Duff and Phelps report which was to have been faxed the previous night. She proceeded to summarize that report. She said the Board of Regents retained independent legal and financial advisors to review the proposed transaction for the sale of WOI-TV. Duff and Phelps served as financial advisor which she said was a very standard-type of engagement for the firm. They are not brokers. They have no financial interest in the transaction or its consummation. In their review of the bidding process and the offer initially selected by Iowa State University, Duff and Phelps representatives:

1) examined the process to solicit proposals based on an examination of written correspondence only, 2) were to ascertain whether university officials had selected the best offer to pursue which was indicated to be the Belin offer, 3) assessed the fairness of the Belin offer as it related to price and terms of the offer, and 4) offered an opinion as to the adequacy of the collateral put forth for the seller note. Ms. Brown asked Dan Bayston to summarize Duff and Phelps' conclusions on each of those areas.

Mr. Bayston stated that in terms of the examination of the solicitation process, their review was based on written correspondence and discussions with the brokers. Their review of the process determined that it did not appear to be exclusionary. Sixty buyers were contacted which resulted in six written offers being received by the university. He noted that the potential buyers were not provided with specific written instructions regarding the structure of any proposed transaction. Duff and Phelps officials were assured by the broker that all prospective bidders were requested to submit their best proposal by January 28, 1992. He noted that in some of the correspondence that was provided to Duff and Phelps that notwithstanding the fairness of the offer itself, there did seem to be some implication that could be inferred to suggest a maximum selling price. He said that any inference about a possible maximum purchase price may have compromised the solicitation process.

In the Duff and Phelps review of the initial proposal and independent selection of the best offer, Mr. Bayston stated that both Citadel and the original Belin offer were equally superior to the other offers. The two offers provided substantially similar value to the university. He noted that all the offers should be viewed as though the university's note would retain a first security collateral position and a collateral of stocks, which he said is common in transactions of this type. Their valuations of the individual offers determined that, while taking into account the specific differences that the buyer would provide in terms of consideration to the university, in the final analysis both the Belin original proposal and the Citadel proposal, in the opinion of Duff and Phelps, offered superior value.

In terms of the adequacy of the value offered, Mr. Bayston said it was their opinion that the offers represented adequate and fair consideration to the university. That determination was made through an exhaustive and thorough analytical, quantitative and qualitative assessment of the prospects of WOI-TV. He said the future outlook was based upon not only financial projections but also on similar sales of television stations of similar size with similar investment opportunities and investment risks. As a result, Duff and Phelps concluded that the adequacy of the two superior offers represented fair offers.

Mr. Bayston then reviewed the adequacy of the collateral. He said the Belin revised proposal included up to 60 percent of the voting stock of the corporate general partner. The sellers would also be granted in the revised proposal not less than a secondary security interest in all the buyer's after-

acquired assets. Duff and Phelps officials expressed some concern that the collateral position as articulated in the revised Belin proposal was less favorable than the collateral position provided in the original Belin proposal. Their concern was fact that Iowa State University would be granted a secondary security interest in all the buyer's after-acquired assets. The structure of the collateral position in the revised offer may not allow the university to have as strong of a position to obtain the value of the underlying broadcast license as it would if it had a first security position. The structure of the revised offer may mean some increased credit risk to the university in comparison with the first proposal.

Regent Hatch noted that Duff and Phelps referred to the original Belin offer as being equivalent to the Citadel offer. She asked if there was an opinion on the revised offer. Ms. Brown stated that Duff and Phelps officials were concerned that the collateral had actually reduced the credit-worthiness of the note that was offered to the university. In addition, there were some aspects relating to payment of rent on the property that were not addressed in the original proposal. When addressed in the second proposal, they actually lowered the value of the offer.

Regent Fitzgibbon asked if it was correct that Citadel had made an original offer and then modified that offer on January 28, 1992. Mr. Bayston responded affirmatively. He said they had correspondence from Mr. Hepburn of Hepburn Associates dated January 28 which modified some key terms of the Citadel offer.

Regent Fitzgibbon inquired about the nature of Citadel's modifications. Ms. Brown noted that the Citadel modifications were submitted prior to the deadline of January 28, 1992; therefore, the Citadel offer was analyzed based on the entire information that was submitted on January 28. The Belin offer was revised subsequent to the January 28 deadline when the university made the decision to engage in further negotiations with Belin. She said that was the reason for the two proposals being analyzed for Belin and only one proposal for Citadel.

Regent Dorr asked, in reference to the Belin revised proposal, if the building rental agreement of \$215,000 was decreased from the original value. Mr. Bayston said that was a direct negative impact from the original Belin proposal. He emphasized that in the revised Belin proposal they increased the amount of the note payable; however, because it was felt that the credit-worthiness of the note payable had declined, the actual value of the note payable was not different between the two proposals.

President Pomerantz recognized Judge Allbee for his report.

Judge Allbee stated that the direction given the Ahlers firm was to review and critique the proposed Letter of Intent. He said the Letter of Intent was rather detailed and lengthy, approximately 18 pages in length. The firm

endeavored to comment as to the specific provisions, pointing out the legal effect, what remains to be negotiated and what was unclear, without attempting to make judgments regarding the value of the offer or the policy decisions concerning the offer. He then asked if there were specific questions or concerns regarding particular items of the Letter of Intent.

Regent Dorr asked for an opinion relative to the university's access and cost of access to the tower for continued use for the radio station. Mr. Richey noted that Iowa State University officials would be best prepared to answer those questions.

Vice President Madden responded that the proposal outlined in the Letter of Intent drafted with the Belin organization would provide the university with access to the tower for a 5-year period at no cost except maintenance and repair for the university's radio equipment. After the 5 years the university would have continued access by paying fair market value to utilize the tower.

Mr. Richey asked for the estimated fair market value. Vice President Madden responded that current rates are between \$0.50 to \$1.00/foot. The transmitter is roughly 1,700 feet; therefore, the cost would be between \$800 - \$1,700/year.

Mr. Bayston noted that Duff and Phelps representatives pursued the issue of the tower in detail. The Letter of Intent provided value to the university of free rent of approximately \$50,000 to \$55,000/year for radio tower access for the radio operations.

Regent Dorr asked if Mr. Bayston was saying the value was \$55,000/year for the 5 years of free access. Mr. Bayston responded affirmatively.

Regent Dorr asked for the difference between the \$55,000/year and \$1,700/year figures. Vice President Madden responded that he had misspoke earlier concerning the \$1,700 figure. The \$1,700 figure is the monthly operating cost.

Regent Dorr noted that the \$1,700/month would equal approximately \$20,000/year. What was the reason for the \$30,000 to \$35,000 difference with the \$55,000 figure? Mr. Bayston said it was his belief that the station was including the services they are providing in Ames as part of the radio's worth. There will be the need to maintain transmission capability for the radio station. He factored into his cost estimate the cost of replacing the radio.

Regent Hatch referred to the Ahlers' opinion which stated that the interest as outlined in the Letter of Intent was to have a variable rate equal to the greater of 9 percent or the Norwest prime interest not to exceed 10 percent. Ahlers stated that was a very narrow range and appeared somewhat unusual. She asked for clarification of that opinion. Judge Allbee said it was his

understanding that the remark was intended to suggest that it was narrow in the sense that it had a rather low cap on it in light of the period of time over which the note would be in place.

Mr. David Belin of the Iowa Television Group requested permission to speak and was recognized by President Pomerantz.

Mr. Belin stated that this was the first conversation he has had with President Pomerantz since mid-December. He said that Iowa Television Group was chosen as the highest bidder and met at Iowa State University with the university's representatives, the question of pre-payment came up. The broker had said that a provision for the note to last less than 10 years would be appropriate. All bidders had analyzed the property on the basis of how a commercially-run television station with a network affiliation would perform if it were well run. The property was analyzed from the perspective of what the cash flow would be. Mr. Hepburn estimated that in five years the cash flow should be \$3.5 million. That figure was greater than what Iowa Television Group officials thought but he said they realized that the cash flow would substantially increase. Accordingly, the revised Letter of Intent on page 6 contains a provision for prepayment. It provides that if cash flow gets to \$2.5 million Iowa Television Group would have to pay one-fourth of the principal. If cash flow gets to \$3 million they would have to pay the note off. Mr. Hepburn believed that would take place in five years, 6 at the most. Iowa Television Group representatives found there was no analysis of this in Duff and Phelps' review. Their analysis of the Iowa Television Group proposal said it assumed no principal amortization.

Mr. Belin stated that his primary reason for attending this meeting concerned his belief that something had happened that violates the spirit and the letter of the bidding process. The process was that interested bidders submit their highest best written bid. The brokers were to take the highest best bid and reserved the right to negotiate with that bidder to attempt to reach a final agreement. It was not said they would accept the high bid but that they would negotiate with the highest bidder. Mr. Belin noted that he has said from the beginning that if Iowa State University wants to sell the station, he felt it was important that Iowans control the station. That was one of the reasons the Iowa Television Group "stretched" its bid.

Iowa Television Group officials were informed initially that the deadline for submission of bids was Friday, January 24, 1992. Mr. Belin said they received a subsequent communication from the brokers stating that instead of January 24 bids had to be received by January 23. Iowa Television Group met the requirement for bids to be submitted by January 23. He felt there was no doubt that if the second bid of Citadel was ignored, no matter which way Duff and Phelps analyzed it, the Iowa Television Group bid met the requirement of being the highest bid. He said Citadel, after spending weeks to prepare and submit an initial bid, on January 28 after the deadline that Iowa Television Group was told, submitted a bid that was significantly higher than its initial

bid. He questioned what would cause them, after weeks of investigation to arrive at one written bid, to submit another bid that was higher. It seemed to him that information, either intentionally, inadvertently or negligently, was leaked so that Citadel knew its bid had been surpassed by at least one other bid. Mr. Belin said that was an area that the Regents had an obligation to investigate. They should rely on their own investigation to determine whether that had occurred. Mr. Belin said he also did not understand why Iowa Television Group officials were told a different closing date.

Mr. Belin said the question now was where do the Regents go from here. He suggested they could investigate whether or not there was any inside information leaked. If it is found to have happened, he said they should disqualify Citadel. Another alternative he said the Regents had was to reopen the bidding process and let everyone bid all over again. The problem with that alternative is that it changes the rules. If they would have told bidders from the very beginning that they were going to get sealed bids and then negotiate with everyone all over again, Iowa Television Group would not have gotten involved. They got involved in it because they relied on the procedures that written bids were to be submitted on a confidential basis and they would negotiate with the highest bidder. He said Iowa Television Group was the highest bidder because they wanted it more, because it was an Iowa property and they "stretched" more for it.

Mr. Belin stated the process had been very unfair. That was why he took the liberty to call the two previously-mentioned Regents last night to tell them how unfair he thought it was and that they ought to investigate. He then referred to letters he submitted to the Regents which basically asked that they not throw everything out because one bidder might have been a "bad egg".

With regard to the option of negotiating with both Iowa Television Group and Citadel, Mr. Belin said it was his position that one bidder may be very close because it may have received inside information. If that happened, that bidder should be disqualified and they should continue negotiations with the other bidder that was clearly ahead of the others.

Mr. Belin concluded by stating the Iowa Television Group very much wants to purchase the station. They hope eventually to have a corporate headquarters of a media group in Iowa. WOI-TV was to be the anchor. He reiterated that if the Regents start changing the rules and changing the process it is very unlikely that Iowa Television Group would continue to participate.

Regent Williams asked Iowa State University officials for the operating deadline for bids. Vice President Madden responded that Iowa State University officials asked the brokers to submit all proposals by January 28 at which time they would continue evaluation of the bids. University officials met with the brokers the next day, January 29, to review all of the bids that had been received. The deadlines were determined to meet a submission in February to the Board of Regents.

Regent Williams questioned whether all the bidders were informed that January 28 was the final date. Vice president Madden responded that he would need to ask the brokers what communications they had with all of the bidders.

Ms. Brown noted that Duff and Phelps officials were told that the deadline was January 28 for submission of all bids. She said one of the problems was that there was no written correspondence of the deadline date. Duff and Phelps officials had to rely on their discussions with the brokers indicating that January 28 was the submission deadline. Based on that information Duff and Phelps included the additional Citadel modifications.

Mr. Belin said he would state under oath that Iowa Television Group officials were told initially that the deadline was January 24. They were subsequently informed that the deadline was January 23. He noted that every other bid except Grant's and the second bid of Citadel was submitted before January 24.

Regent Hatch asked Mr. Belin if it was the broker who gave him the two dates. Mr. Belin responded affirmatively. The broker initially gave him the January 24 date and then around January 20 or 21 the broker called and said they were moving the submission deadline up a day, to January 23.

Regent Hatch questioned why the broker told Duff and Phelps that the deadline was January 28. Mr. Belin stated that the broker may have told Duff and Phelps the date was January 28 but that certainly was not what they told Iowa Television Group.

President Pomerantz recognized President Jischke.

President Jischke stated that he had reviewed the reports of Duff and Phelps and the Ahlers firm regarding the sale of WOI-TV. Both reports provided additional analyses that were not available earlier. These reports also included a number of useful suggestions. After reading the reports, he was pleased the Board had sought this additional independent advice and analysis. The Regents' wisdom in this regard was now clear. He said Iowa State University officials' earlier recommendation to the Board for the sale of WOI-TV was based on the counsel and analysis of two independent consultants, two brokers, legal counsel both here and in Washington, D.C., as well as the work of university staff. Their earlier recommendation for sale derived from that advice and analysis, and was consistent with the Board's direction to university officials.

President Jischke said these new reports include financial analyses based on different assumptions, reasonable but different assumptions, that lead to somewhat different conclusions regarding the best offer. Differences in discount rates and other assumptions led Duff and Phelps to conclude that there were two best offers essentially indistinguishable from each other.

They also concluded that the two offers were fair reflections of the value of the station.

In light of this new information, President Jischke agreed with Duff and Phelps' recommendation to give the bidders additional guidelines regarding the university's expectations and an opportunity to revise their bids. He believes the Board should instruct the university to work with the Ahlers firm and Duff and Phelps to develop guidelines, to establish a protocol by which opportunities to revise bids can be conducted, and to return to the Board of Regents at its meeting in Council Bluffs next week to seek the Regents' approval for this protocol. He said taking the time to go the extra mile to ensure fairness and to assure that the university receives the very best offer was a wise and prudent thing to do.

President Pomerantz asked if any Regent cared to offer a comment.

Mr. Richey stated that he had referred the letters from Mr. Belin outlining the information he presented at this meeting to Mr. Allbee and Mr. Hauser for review and appropriate recommendations.

President Pomerantz stated that if the allegations made regarding Citadel prove to be correct, the Regents would ask for recommendations from the Ahlers firm regarding the legitimacy of Citadel's bid position. He directed the Ahlers firm to investigate, with the brokers and other appropriate parties, whether or not there was a break down in communications or an infraction of the rules and regulations around this bid opportunity. He also asked Duff and Phelps officials to coordinate and cooperate with the Ahlers firm in that investigation. He said it was a serious allegation that ought to be investigated by the Board.

Regent Hatch pointed out that Citadel had also made allegations that their offer was shared with Iowa Television Group.

President Pomerantz agreed and said the investigation should include any other bidders in that process. He then said the request for an investigation was a separate action and should not detract from the suggestion of President Jischke.

MOTION:

Regent Dorr moved that 1) Iowa State University and Iowa State University Equities Corporation proceed with reference to selling WOI-TV by developing the necessary written procedures to continue the bidding process with any previous bidder in order to secure the most advantageous proposal, 2) Iowa State University and Iowa State University Equities Corporation representatives develop the additional procedures in consultation with

Duff and Phelps and the Ahlers firm, and 3) the additional procedures be presented for consideration by the Board at its next regularly-scheduled meeting. Regent Johnson seconded the motion.

Regent Fitzgibbon said it ought to be made clear that Duff and Phelps and Ahlers represent the Board of Regents. Judge Allbee stated it was his understanding that the Ahlers firm represents the Board of Regents.

President Pomerantz asked with whom negotiations were to be renewed. President Jischke responded that university officials proposed to come back to the Board with written guidelines and with a protocol that would include a schedule by which revisions to bids could be made and a schedule by which the bids could be evaluated. Whatever negotiations appear appropriate could then be carried out. He proposed that the schedule and protocol be approved by the Board at its next meeting.

President Pomerantz requested that both the Ahlers firm and Duff and Phelps in conjunction with Iowa State University officials coordinate and cooperate in working toward the protocol. He asked that a beginning generic definitive agreement be included in the protocol. He felt that the worst that could happen would be that negotiations break down over the contract. They should either have a very clearly delineated Letter of Intent that can quickly be translated into a contract to purchase or, better still, to have a beginning generic definitive contract that is included as part of the bid process. Whoever buys the property would know the terms and conditions of the contract. There could be some small areas of negotiation.

Mr. Belin stated, for the record, that he would be prepared to move forward on a generic contract. With regard to what the Regents were attempting to accomplish, he stated that if it is determined that Citadel should be disqualified, he hoped the Regents would proceed with the Iowa Television Group bid that he said was "head and shoulders" above all other bids, before deciding whether to rebid.

President Pomerantz said the investigation would go forward and then there are multiple possibilities. He noted that the disqualification issue may apply to more than one bidder. Duff and Phelps, the Ahlers firm and Iowa State University officials will make a determination as to whether or not any of the bidders violated any of the guidelines to the extent that should cause them to be disqualified. If that is not the case, the Regents will review the proposed procedures and protocol at its next meeting and take whatever action is appropriate under those circumstances.

Regent Dorr stated that his understanding of Dr. Jischke's recommendation addressed the problem experienced due to a lack of written procedures. The intent of his motion was to request university officials to develop both

procedures and the protocol in order to continue the bidding process for any of the six bidders.

President Pomerantz said that was his understanding unless there had been such a breach of procedure, regulation or law as to cause one or more of the bidders to be disqualified.

Regent Dorr said he agreed with President Pomerantz' understanding, and emphasized that the Regents are authorizing development of the necessary procedures and protocol to be approved at the next Board meeting. This may, in fact, involve opening this back up to everyone involved in the bidding process.

President Pomerantz said he was not sure what "all" means. It may involve the six bidders and it may be only two bidders. That has yet to be determined.

Regent Tyrrell asked who would make that determination. President Pomerantz said the Board would ultimately determine that based on recommendations of the consultants.

Regent Tyrrell asked what instructions they were giving the consultants concerning whether to consider two bids or to consider all bidders. President Pomerantz said that would be part of the recommendations of the consultants presented to the Board at its next meeting.

Regent Hatch questioned whether that was the intent of President Jischke's recommendation. President Jischke responded that the intent of his recommendation was that after developing the written guidelines and protocol, the six bidders would be given the opportunity to revise their bids within the schedule that the Board would approve. The schedule, protocol and guideline would be presented to the Board next week for their approval.

Regent Hatch asked Regent Dorr if his motion incorporated the six bidders as per President Jischke's recommendation. President Pomerantz said that was not germane. The Regents are awaiting the recommendations of the consultants as to the process, the procedure and the protocol. That will determine the number of bidders. He did not think it was appropriate to include that until the regular meeting when the consultants' recommendations are brought forward.

Regent Hatch stated she thought all they were doing was moving on President Jischke's recommendation. Regent Dorr said he was moving President Jischke's recommendation to develop written procedures and protocol regarding the overall bidding process and that the Regents would act on that written procedure and protocol issue at their next meeting. It was his understanding that may, in fact, allow this to be opened up for rebidding for the six bidders.

President Pomerantz agreed that was where they were.

VOTE ON THE MOTION:

Upon the roll being called, the following voted:

AYE: Berenstein, Dorr, Fitzgibbon,
Furgerson, Hatch, Johnson, Pomerantz,
Tyrrell, Williams.

NAY: None.

ABSENT: None.

Regent Fitzgibbon stressed that they keep in mind the Board's integrity in this whole process. There have been rumors of some conflicts of interest. He suggested that any contact with the bidders by any Board members that could be perceived as a conflict of interest ought to be disclosed to the full Board.

Regent Hatch stated that the Ahlers firm had likened this bidding process to a corporate bond-type of investment. She suggested that Section 262.14 of the Code of Iowa be reviewed in terms of the amount of money required down and some of the other requirements that they would look at if they were indeed buying a corporate bond.

President Pomerantz asked Judge Allbee to take that suggestion into account and respond at the next meeting. Judge Allbee responded that he would take that into account and respond accordingly.

Regent Dorr stated that another issue had evolved out of this whole matter. That issue is whether or not the WOI-TV station has a central mission to Iowa State University's programs. He said that judgment and decision was made 5 or 6 years ago. Everyone involved in this should look onward and forward to the new areas and new issues in which resources could be reallocated. He encouraged Iowa State University officials to not get bogged down in the details of the sale process but to be sure to explain to the public why they are reallocating these resources. The issue of the sale of WOI-TV is not something new to those who have been involved, and particularly to persons previously appointed to the Board of Regents. There is a need for some clarification and education relative to what it is they are trying to do and why. He hoped that over the next month this could be clarified.

Regent Tyrrell asked when the requested information would be available for review. President Jischke responded that university officials would try to have the information in the hands of the Regents at least 24 hours before the Board meeting.

President Pomerantz asked Mr. Richey, to the degree possible, to send out drafts and preliminary information to the Regents. If at the meeting they decide they want to delay the process that will be one of their alternatives.

Regent Hatch questioned whether development of the protocol includes development of a generic contract. President Pomerantz stated that as far as

he was concerned that is part of the motion unless they specifically want it deleted. President Jischke said that was his understanding.

Regent Dorr said he would like it clearly delineated what costs are involved in the tower and the satellite uplink and downlink. President Pomerantz stated that a position regarding the towers, uplink and down link and whatever other equipment is essential to other activities and operations of the university should be established within the protocol.

Regent Dorr agreed and said he wanted to make sure it is quite clear what they are getting and what they are selling.

Ms. Brown said she understood what Duff and Phelps' role will be going forward with regard to establishing the protocol with Ahlers firm. She did not understand any direction, if there was to be one, with regard to any investigation of the original process concerning the question of inside information.

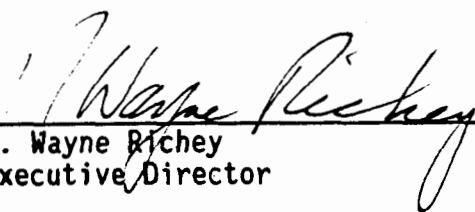
President Pomerantz asked that the Ahlers firm and Duff and Phelps collaborate and decide the best process to investigate those issues and then come forward with a joint recommendation. There are two simultaneous concurrent paths. They are not going to delay developing the protocol and the procedures. The investigation is a separate track and it can go forward on its own momentum.

Mr. Bayston said they would do the best they can with it. It is a very short time frame. Also, the investigation depended somewhat on the cooperation of others.

President Pomerantz asked that they do the best they can.

President Pomerantz then asked Board members and institutional executives if there were additional items for discussion pertaining to Iowa State University. There were none.

ADJOURNMENT. The telephonic meeting of the State Board of Regents adjourned at 4:08 p.m., on Wednesday, March 11, 1992.



R. Wayne Richey
Executive Director