

**Statement of Commissioner James H. Quello
Concurring in Part & Dissenting in Part**

In re: Application for Consent to Interim Transfer of Control
of John Blair and Company.

I agree with my colleagues' conclusion that the grant of an STA to Reliance should be denied. My position on the unlawfulness of using an STA under these circumstances is well documented, see e.g., my dissent in One Two Corporation 58 RR 2d. 924 (1985), and, therefore, there is no need for any further legal discussion on the subject. There is reason for comment, however.

The Commission's Order finds that Reliance's proposed use of four Blair directors is inconsistent with the Commission's Takeover Policy and, therefore, the STA must be denied. The Order also concludes that Reliance's acceptance for purchase of tendered stock before grant of an STA was neither a violation of 47 U.S.C. § 310(d) of the Communications Act nor inconsistent with the Commission's Takeover Policy. These are very difficult and close questions and if I were in agreement with the majority's STA procedure then I would not deny an STA to Reliance based on its past conduct. Where I part company is with the majority's conclusion that in the future acceptance of tendered stock for purchase, even before grant of an STA, is perfectly consistent with this agency's responsibility to assure an orderly transfer of ownership and control. In fact, the position the Commission has now reached strongly reinforces my opinion that our takeover procedure is not only legally deficient, but is bad public policy as well.

In an effort to remain neutral, the Commission has in reality become totally mired in corporate takeover battles. The Commission has now not only twice denied STAs in the Reliance/Blair/Macfadden feud, but has also condoned conduct that can only serve to further create confusion and uncertainty. In my opinion, what this whole affair demonstrates is that the Commission's efforts to accommodate securities law is unnecessarily jeopardizing the continuity and stability of broadcast service, a public interest objective that for so long has been highly valued. Although this is a friendly takeover, in the guise of remaining neutral, the Commission has now made it even easier for the initiator of a hostile takeover both to undermine the stability and continuity of an existing service and to deprive shareholders and existing management of the opportunity to find a buyer more to their liking. I believe it is irresponsible to allow this to happen simply by saying that these are matters for other agencies or the courts. It offends my sense of public interest responsibility. In any event, if the majority persists in misapplying the statute, it will provide me some comfort if and when Reliance is granted an STA so that Blair will be able to defend itself against a hostile tender offer.