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IN 2022

JANUARY/FEBRUARY 2022

TFM

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MANAGER

ALSO INSIDE

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BROADCAST STATIONS

THOSE 'FAKING IT'
FEELINGS

BECOMING A
TRUSTED ADVISOR

THE MEDIA EQUALIZER

One-time comic Byron Allen is dead serious about diversity and changing the balance of power.



BYRON ALLEN

has ambitions the size of America. His acquisitions and lawsuits all add up to a burning desire for racial justice. And he's not done yet.

He started out as a teenage standup comedian and joke writer for sitcom star Jimmie Walker, part of a writing team that also included then-unknown Jay Leno and David Letterman. But today Byron Allen is well known for his aggressive tactics to expand his portfolio of video properties and obtain what he considers to be a fair share of advertising revenue.

Allen is founder, chairman and CEO of Allen Media Group. In the following interview he unabashedly states that he's creating the world's biggest media company "to help effectuate change for the greater good of America." As part of his mandate, Allen Media reportedly raised \$10 billion in a bid to purchase the large group of TV stations owned by TEGNA. Whether or not Allen and TEGNA would strike a deal was unknown as this article went to press.

Among Allen Media's holdings is The Weather Channel and related properties like the streaming platform Local Now. Allen Media is currently home to 33 TV stations with Big 4 affiliations. And it is also partnered with Sinclair Broadcasting Group in 21 regional sports networks.

In this exclusive conversation with contributor Krista Van Lewen and *TFM* editor Janet Stilson, Allen riffs on topics ranging from his early days in show business to his lawsuits and acquisition goals. An edited transcript follows.



REBEL

WITH A VERY BIG CAUSE

TFM: What's the long-range vision for Allen Media? What do you expect it will look like five or 10 years down the road?

ALLEN: Almost 20 years ago, everybody was dotcom, dotcom, dotcom. Dotcom was more or less [about] reading. I said, "The human animal watches more than it reads, so I don't believe the internet's going to be used so much for reading, but it's going to be used quite a bit for watching."

So, 15 to 20 years ago, I started buying all the premium dot TVs – the beachfront digital real estate. That's why I own Cars.tv, Sports.tv, Comedy.tv, Pets.tv, Recipe.tv, News.tv, Kids.tv and MyDestination.tv.

We're better positioned to go direct to 4 billion

connected devices worldwide than anyone because we own all of these premium dot TVs. And over the years, we have produced enormous amounts of content in HD, most of it without a host. Why? So you could swap out the American English voiceover and use artificial intelligence and swap in voiceovers with over 200 different languages and go direct to 4 billion connected devices worldwide.

I believe we will be the world's biggest media company because nobody is better positioned for direct-to-the-consumer verticals. People are passionate about cars and pets and food and travel and comedy and weather. In five years, I think

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people will see [Allen Media] as one of the largest portfolios of streaming assets. We have some very strong platforms [such as] Local Now. When I bought The Weather Channel in 2018, they said, "You own something that's the equivalent of a fully distributed broadcast network and uses artificial intelligence and proprietary software to curate, aggregate and stream local news, weather, sports and traffic, and geofence to the users' ZIP code."

But then they said, "You're probably going to want to shut it down because it loses over \$25 million a year." And I said, "I'm disappointed I wasn't clever enough to come up with the idea, but I'm certainly not dumb enough to shut it down." So, I invested over \$100 million of my capital over the last three-and-a-half years to reposition the asset.

TFM: Was there an event in your life that made you realize you could be more effective as a media owner than as an entertainer?

ALLEN: I was born in Detroit in 1961, and Motown was such a great source of pride to me – the greatest record company ever. Berry Gordy is one of my heroes. And when he sold Motown, I cried. Because what little we [African Americans] owned, was sold. When they murdered Martin Luther King, I was seven years old.

My mother got pregnant with me when she was 16. [We moved to L.A.] and she was able to get into UCLA and get her master's degree in cinema TV production. That education and that opportunity allowed her to get a job working for free at NBC in the publicity and marketing department. She couldn't afford childcare, so that allowed me to be with her there and get exposure to the [entertainment] industry.

My mother and father got a divorce when I was seven years old. I used to watch my mother cry herself to sleep over bills and money and food. I wired myself to go make money, and to do it legally, so I wouldn't get in trouble and be a burden to my mother.

I decided that I was going to own something that was quite significant, that would be the world's biggest media company, because that's never been achieved in America, and certainly not in Black America.

[My goal] is to be bigger than The Walt Disney Co., to be bigger than Comcast-Universal. There's no reason not to be. I'm creating the world's biggest media company to help effectuate change for the greater good of America, which is to help achieve the one America that Martin Luther King taught us.

TFM: Do you think you have enough financial support to go up against Apollo Global Management and anyone else who may be interested in bidding on the TV stations owned by TEGNA?

ALLEN: Money is not an issue. There's plenty of money out there. There's over \$20 trillion in the system – a lot of money out there from baby boomers who had

worked, and trillions of dollars looking for a safe place to go.

Our deal is a very safe place. Money's not an issue. It's all about other things that have nothing to do with money. Money is the easy part. Raising \$11 billion, not hard at all. There's plenty of capital out there looking for good deals.

TFM: Let's discuss your interest in changing the Federal Communication Commission's (FCC's) ownership rules. You are among those who would like an incentive for companies to sell to minority-owned companies. Given the current FCC makeup, do you see it moving anytime soon?

ALLEN: I'm highly confident the FCC is in support of diversity and ownership. I'm the only African American that owns a Big Four network affiliate, and I don't think that's a great statement for America. I happen to be the largest owner of Big Four network affiliates, Black or white, that's not publicly traded or a multi-generational family. I currently own a little less than 5% of the country in terms of the footprint.

I don't think you have a real democracy when women don't really own their networks, when Black people don't own networks. And you have a bunch of white guys that own Spanish-language networks, and they can't even speak Spanish.

Asian people are pretty much invisible in this country. Until we all have a seat at the table, and we all control how we're produced and how we're depicted, and all of our voices are widely heard and distributed, it's a fake democracy. I think media ownership plays a key role in that.

The FCC can't do it alone. You're going to need legislation, because a tax incentive goes beyond the FCC. The House and the Senate have to get involved in that. If you don't foster diversity and ownership, then all the media is given to you through the filter of the white male, and no one else matters; no one else exists.

It will take time, but it can't take much longer because time is a weapon against real progress.

TFM: Are there more lawsuits down the road? Have you done everything you want to do on that front?

ALLEN: Absolutely, there will be a lot more suits. Those lawsuits need to occur so we can flush the bad characters out of the system. The greatest trade deficit in America is the trade deficit between white corporate America and Black America. That trade deficit is the economic genocide against Black America.

Black Americans make up 14% of the population, but over 40% of the incarceration in prisons. That's a direct correlation with the lack of access to a proper education and economic inclusion. America kills Black America in the schoolroom by making sure we don't have a proper education. America kills Black America in the

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courtroom by making sure we don't have equal justice. And America kills Black America in the boardroom by making sure we don't have economic inclusion. [And it began] long before you showed the world with your knee on our neck.

I didn't sue McDonald's for \$10 billion because they weren't doing business with Black folks. I sued them because they weren't doing enough with us in the way of advertising.

Chris Kempczinski's [CEO of McDonald's] personal compensation is approximately \$11 million. That's more than [McDonald's] spends on all of Black-owned media combined. That is unacceptable. You take in \$100 billion in revenue, a lot of it from Black people. You have a huge ad budget and very little goes to Black-owned media.

[McDonald's] hired a brilliant lawyer, who happens to be Black and the former Attorney General of the United States, Loretta Lynch. I said to her, "You're on the wrong side of history. You're going to lose this. Because Coretta Scott King told me our greatest weapon is the truth. I'm undefeated because I bring the truth." And guess what? The judge said, "This \$10 billion lawsuit will not be dismissed," and gave us a court date. That's history.

[After this interview took place, a U.S. District Court judge dismissed the McDonald's case. Skip Miller, Partner at Miller Barondess, LLP, attorneys for plaintiffs, responded: "At the invitation of Judge Olguin, we will amend the complaint to add greater detail. And when we do so, we firmly believe that the case will go forward."]

I want to clear something up. People think I lost in the Supreme Court; I did not. When I sued the cable industry, we went downtown [the U.S. District Court for the Central District of California] and downtown said, "This case is solid. It's going forward." [My opponents] were upset. They said, "Let's go to the Ninth Circuit." The Ninth Circuit said, "This case is solid. It's going forward."

[My opponents] were upset that downtown and the Ninth Circuit agreed with me, so they said, "Well, we're going to take it to the Supreme Court." The Supreme Court didn't rule on my case. They ruled on the scrutiny, and they went with the highest level versus the motivating factor. It had to be 100% that you were discriminated against because you're Black.

After they ruled that was the level of scrutiny, they sent it back to downtown, and the judge said, "Byron Allen achieved that level of scrutiny, and this \$10 billion lawsuit is going forward." And that's when all of the industry settled with me. The entire industry settled with my \$40 billion in lawsuits.

TFM: How does your acquisition of The Weather Channel

affect those who you believe are disproportionately affected by climate change?

ALLEN: Climate change and global warming are the greatest threat to human beings on planet Earth, period. People are starting to connect the dots as they're watching their cars float down the middle of Manhattan. We're breaking records every single week. We're seeing extreme weather events that are really catastrophic.

There are over 200 million viruses out there that don't even have a name, a much higher mortality rate than 2%, like COVID-19. And as we melt the ice [caps], there are viruses that we've never shared the planet with and don't even know if we can.

It's going to create all kinds of economic problems. You're going to see a lot of food shortages, water shortages, goods and services [shortages]. There are countries that know there aren't enough resources to support a global population approaching 10 billion people. And as we hit that number, the top 3 to 4 billion will be okay. But that bottom 5, 6, 7 billion will get wiped out.

TFM: Who were your heroes when you first started in comedy, and what did they teach you?

ALLEN: There were so, so many brilliant minds. I love Redd Foxx, Johnny Carson, Flip Wilson, George Burns, Richard Pryor, George Carlin, David Brenner and Joan Rivers. They were just great American gifts.

I wanted to be a comedian at age 14 and started writing. I was on Jimmie Walker's staff with David Letterman and Jay Leno, who were unknowns. They were getting 200 bucks a week, and I was getting 25 bucks a joke. I was the youngest comedian to do *The Tonight Show With Johnny Carson*, so it was such an honor when they gave me a star on the Hollywood Walk of Fame. They put me right next to Johnny.

If you really think about comedians, they're media owners. They own their voice; they own their IP; they own their image. They create it; they produce it; they manage it. They are industries unto themselves. They have a great relationship with the customer – the consumer. They may not be considered great businesspeople in the technical sense, but they are great business brands and managers. That's how they become successful comedians.

They work hard, and they're creative. It takes a lot of creativity to start a business and to grow a business because every day you're going to have many, many obstacles, and you have to come up with creative solutions to overcome those obstacles. That's how I've been able to use creativity in building my business.

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