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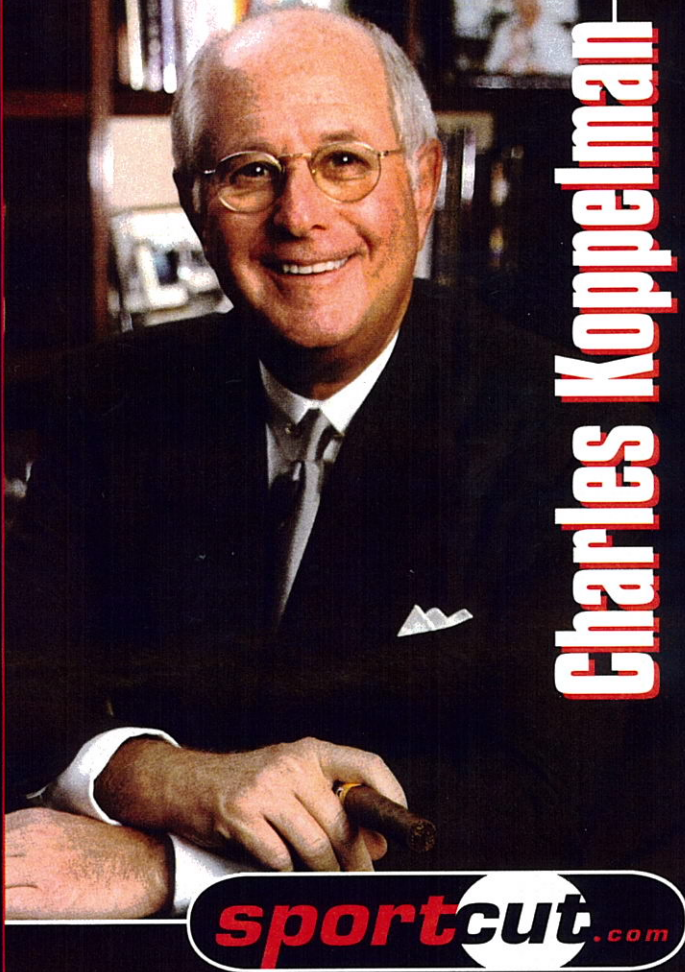
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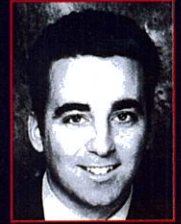
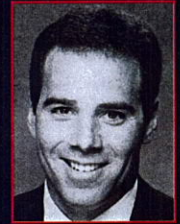
BRITNEY'S 'BOTTOM' IS TOPS!

He has long been one of music's most successful entrepreneurs. Now, find out how Charles Koppelman is putting his Midas touch to work in the world of online sports. It's a venture that could well be the template for all Internet start-ups. And, he says, it will make money...and soon! **pg. 15**

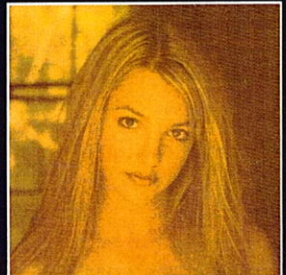
TOP 40 TIP SHEET
Early Fiddlers



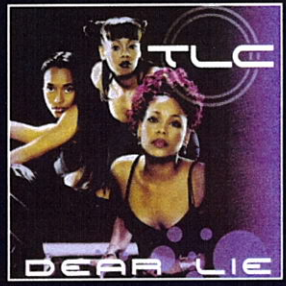
Charles Koppelman



Monte Lipman (left) has been promoted to president of Universal Rec's, while brother **Avery** (right) is named SVP and head of Republic Records, the imprint the brothers co-founded. See story on *Ear To The Ground*, page 38.



"From The Bottom Of My..."
BRITNEY SPEARS
(JIVE)
Grammy noms and the week's most added at Mainstream. You go, Brit!



"Dear Lie"
TLC
(LaFACE/ARISTA)
The week's most added at Street and among the most added at Mainstream while the ladies rake in the Grammy nominations.

INSIDE:

- 42nd Annual Grammy nominations announced
- Satter to head Beyond promo
- Y2K glitch delays Fall Arbs



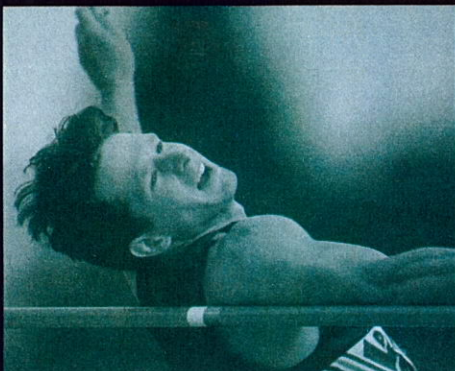
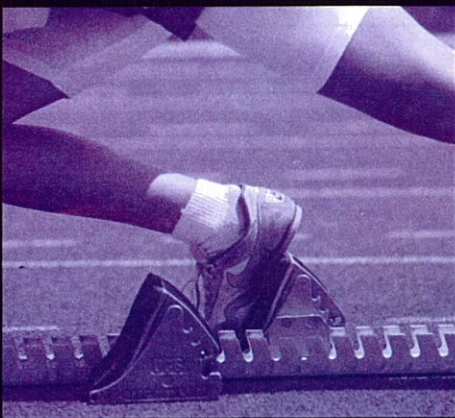
bring it all to me

- #1* Rhythmic Top 40 Monitor (6 weeks in a row!)
- #9* Top 40 Mainstream Monitor
- #4* Crossover Monitor

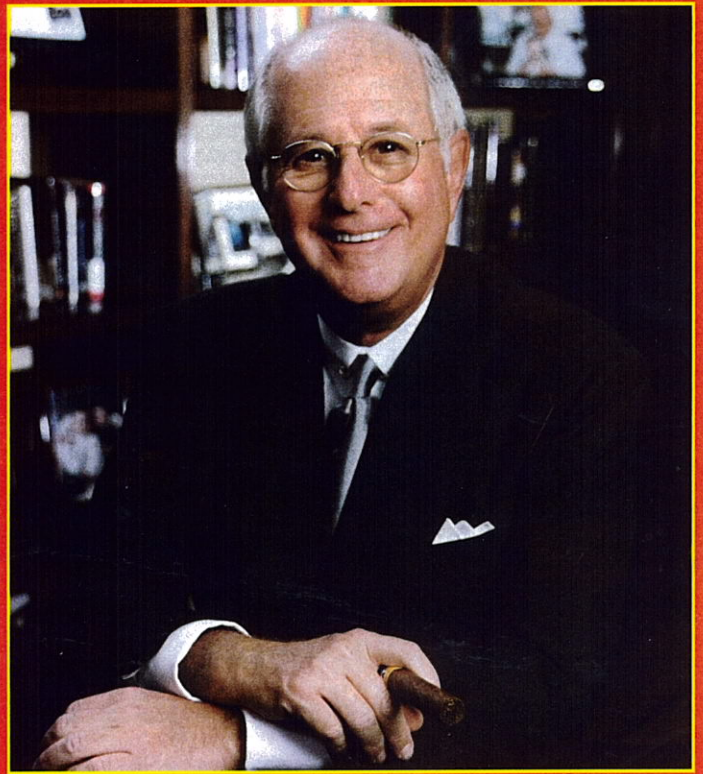
10* Billboard Hot 100 • 4* Billboard Hot 100 Audience

Top 5 Call-out:
KHTS WIOQ WPXY KMXV KOAR
KKRZ KQKQ WBLI WNKS WXXL





An Exclusive Interview with



Charles Koppelman of



Charles Koppelman was barely out of his teens when he began his career as an entertainment entrepreneur. While attending Long Island's Adelphi University he teamed up with a pair of fraternity brothers and formed the Ivy Three, a vocal trio that recorded the novelty song "Yogi" (about the famous cartoon bear) that reached the top 10 on Billboard's Hot 100 in September of 1960. Compared to his later achievements, that shot at Pop stardom might seem rather dubious, but it was the start of a career which has seen him as publishing magnate, label impresario (he was a co-founder of SBK Records) and chairman/CEO of EMI Records Group North America.

Interview and Intro by Chris Ruh

In the wake of massive restructuring in 1997, Koppelman parted with EMI and today, after a brief hiatus from the business, he's back as chairman and CEO of CAK Universal Credit Corp. With the financial backing of Prudential Securities, the company originates and warehouses loans secured by revenues from intellectual property and is affording Koppelman new entrepreneurial opportunities, one of which is SportCut.com. With his usual flair and savvy, and (by his own admission) a little luck, Koppelman has quickly made SportCut a serious contender in the online sports arena. Just prior to the holidays, I spoke with Charles about this unique venture. If you've ever thought about one day striking out on your own (and/or you love baseball), you've gotta read this.

Interview starts on next page.

CHARLES, OF ALL THE SEEMINGLY INFINITE INTERNET BUSINESS POSSIBILITIES, WHY IS YOUR LATEST VENTURE INVOLVED IN THE WORLD OF SPORTS?

Well, first of all, I've always been a sports fan and about six months ago I got involved with WWES, World Wide Sports – a Nasdaq company – as a member of its board. At that time, the company had decided to start an Internet strategy. As you probably know, sports-related sites are now the most frequented part of the 'Net, having just overtaken pornography or adult entertainment with something like 52% of all web hits

A MEMORABLE NAME IS AN IMPORTANT FACTOR IN BRANDING ANY PRODUCT OR SERVICE, AND MOST PARTICULARLY SO ON THE 'NET, WHERE YOUR NAME IS ALSO YOUR ADDRESS. HOW DID YOU COME UP WITH SPORTCUT.COM? WAS IT THE RESULT OF EXTENSIVE RESEARCH OR JUST SOMETHING YOU FELT WAS CATCHY?

Well, we just talked a lot about it and after going through a gazillion different presentations we came up with the name SportCut. And, of course, the good news

could, if you will, build a better mousetrap and could put together a business that would enable a sports fan to have a unique experience on the Internet. But, again, how were we going to make people aware of us? In order to do that, obviously, many companies are spending many millions of dollars to establish a brand name. Instead of doing that, however, we wanted to do something that would make people take notice. To that end, we organized a deal with Pete Rose about two months before the World Series and because of that we're now branded. There's no sports fan who doesn't know about SportCut. The amount of press that we've gotten, the

GENERATE REVENUE, THEY FAIL TO TURN A PROFIT. DO YOU SEE THAT TREND CHANGING AND PERHAPS SOME OF THESE COMPANIES BEGINNING TO RATIONALIZE THEIR FINANCIAL STRUCTURES GOING INTO THE NEXT YEAR?

I can't speak about other companies. Different people have different strategies. Speaking for SportCut, I think you all and your readers know that any business I've ever gotten involved with has made a lot of money, and the model for SportCut is one that should have us turning a profit in a relatively short

“ Factor in the Jim Gray thing and I can certainly say from a press and P.R. perspective we were quite fortunate. We were obviously smart to do a deal with Pete a couple of months before the World Series, but we were lucky that all this attention was drawn to Pete at the very moment that we were getting ready to do our launch. ”

going to sites involved in or about sports. So we knew that sports sites generate a lot of traffic, but we wanted to build a site that you'd never have to leave. If you're a sports fanatic or a sports fan and you show up at SportCut.com, which will be fully operational by just about the time this goes to press, you'll never have to leave. If you want scores, you've got scores. Now, of course, you can get scores at ESPN or several other places, but you get scores at SportCut. If you want irreverent content and stories about the underbelly of the world of sports, we have 40 stringers who work with our editor on a daily basis. So we're going to give you a lot more than just the headlines that you see on some other sports sites. If you want to buy something from the world of sports, there are places you can go to do that. Sure, you can do that at fogdog.com or a number of other sports-related e-commerce sites, but that's all they offer. So, for example, if you want to buy a specific golf club, those sites will let you do that, but once you do, you're gone. With SportCut, you can do all of that and more. If you're into online sports games, we've got those as well for hockey, baseball, football, etc.

SO IN A SECTOR WHERE OTHERS HAVE BEEN CARVING OUT NICHES, YOU'VE REALLY TRIED TO CREATE SOMETHING OF A ONE-STOP WEBSITE FOR THE SPORTS ENTHUSIAST.

Absolutely, and really it's about providing the user with interesting, ever-changing interactivity, fresh content and the kind of memorabilia and auction and store items that they are attracted to and really want to buy.

is that we've only been operational since November 30 and as of the moment we are doing this we've already had something like 17 million hits.

WHICH IS A REMARKABLE NUMBER.

And even more significant, and you'll know this probably better than I do, is that we are now approaching something like one million unique users. So we've created this immense database in just a very short period of time and we're not really fully operational yet. At the moment we've really been mostly about the Pete Rose petition.

CHARLES, BEFORE WE DELVE TOO FAR INTO THE PETE ROSE ANGLE, I WANT TO ASK YOU ABOUT THE TIMELINE INVOLVED HERE. HOW LONG WAS THE PERIOD BETWEEN THE IDEA FOR SPORTCUT TO THE MOMENT IT WAS ACTUALLY LAUNCHED?

It took us about six months and a lot of money. Even saying that I should note that we won't be fully operational until about the Super Bowl.

DID YOU HAVE ANY SIGNIFICANT INTERNET OR E-COMMERCE EXPERIENCE PRIOR TO YOUR INVOLVEMENT WITH SPORTCUT.COM?

No, this is my first business venture on the Internet and I'll tell you, the biggest challenge that I saw, before I really jumped in full bore, concerned making people aware of the fact that we even existed. In my mind, I knew we

amount of television we've gotten has been terrific. I just finished an interview with *Forbes* and we've been all over every network, every cable channel, even *Sports Illustrated*. Because of the Pete Rose petition, SportCut has now been branded significantly and that would otherwise have cost us anywhere from \$20 million to \$50 million to do that. As I said, the branding issue – making people aware of us – was my biggest issue initially and, fortunately, it's often better to be lucky than smart, and between the Pete Rose petition and Pete being such a great guy, we certainly got very lucky.

PART OF THAT LUCK, I'M ASSUMING, WAS THE NATIONAL FLAP OVER THE CONTENTIOUS INTERVIEW OF PETE BY CBS' JIM GRAY.

Well, of course. That was the luck part. Like I said, we made a deal with Pete a couple of months earlier to have him involved with our launch, and when the Jim Gray thing happened...first of all, the ovation Pete received was unbelievable. Then you factor in the Jim Gray thing and I can certainly say from a press and P.R. perspective, we were quite fortunate. We were obviously smart to do a deal with Pete a couple of months before the World Series, but we were lucky that all this attention was drawn to Pete at the very moment that we were getting ready to do our launch.

CHARLES, WHILE THE 'NET IS AN INCREDIBLE BUSINESS FRONTIER, THE CURRENT MODEL FOR MANY INTERNET START-UPS IS THAT, EVEN IF THEY

period of time. Now, having said that, had we had to go out and spend \$20 million dollars to brand our name, that would certainly have impacted that goal. But we've been fortunate that, in a very short amount of time, there's no one who doesn't know the name SportCut.

SO YOU'VE BEEN ABLE TO TAKE ADVANTAGE OF NOT ONLY A LITTLE BIT OF LUCK BUT SOME OBVIOUS GOOD PLANNING AS WELL.

Absolutely, and through my experience in the music business and the entertainment business, I've learned how to work with the press, as evidenced by this interview. I've always been a believer in working with the press. If I can get my story featured on *Dateline*, for example, that's more valuable than spending five million dollars on advertising. Getting a front page article in *USA Today*, and they've run some great pictures of SportCut and Pete, is simply invaluable.

SO PART OF YOUR MARKETING PLAN IS ABOUT CREATING NEWSWORTHY EVENTS.

Yes, and, by the way, on SportCut we're going to have one of those every month. You want to create events that are newsworthy, and if you have a good relationship with the media and they know you're for real, they'll be interested in writing and talking about it because, as you know, newspapers have to fill white space every day; cable channels, news channels and radio have airtime to fill. If we can create special events that get people talking about and excited about SportCut, that will make the media want to report about us. As a

result, we'll be reaching many more people than we could reach with a 15-second commercial on CNBC.

CHARLES, JUST AS RECORD LABELS AND BROADCAST COMPANIES WOULD SEEM TO HAVE A LEG UP ON COMPANIES TRYING TO GO INTO THE ONLINE MUSIC WORLD, SPORTS LEAGUES, BROADCASTERS, EVEN NEWSPAPER PUBLISHERS WOULD SEEM TO HAVE A LEG UP ON COMPANIES LIKE YOURS TRYING TO ENTER THE SPORTS WEB SECTOR. WHAT'S GOING TO GIVE YOU AN EDGE OVER THOSE ORGANIZATIONS?

Well, that's a great point. And to give you an answer, I need to use the record business as an example, where small, aggressive, well-managed, independent record companies usually find the next wave. They usually find the artists that will be the next big thing, whether it's the Master P's and his label or Interscope when Jimmy (Iovine) was starting it or SBK or Geffen when it was David and his guys in the earlier days. They can move much quicker than the big, established labels. We at SportCut can move much quicker than many well-established sports media entities, and our involvement with Pete Rose is a great example. If someone at one of the major players decided they wanted to do something with Pete Rose, by the time they got to it, by the time they contacted their legal department and spoke with someone at standards & practices, etc., etc., Pete would already be in the Hall of Fame. So an entrepreneurial spirit in an independent company can move much freer and much faster and can make things happen, and that's how we're going to succeed. That's why we're not going to compete in real terms with

ming. Their website is just an extension of the network. CBS SportsLine is a little bit different but it's never going to be, in my view, what SportCut is going to be, which is irreverent and entertaining, and a site that you won't want to leave because it's going to give you everything you want.

The Internet is a great equalizer. Everyone can come to you. It really puts everybody on a level playing field. So, if you start a business and can get the attention of your target users and they like what you offer and come back regularly, then you're in business.

EVERYBODY'S STORE IS IN THE SAME MALL, IF YOU WILL. YOU JUST HAVE TO HAVE A BETTER SIGN AND A BETTER PRODUCT.

Yes. Exactly right. But you have to know what your market is and you have to know who your competition is and you have to set what I consider to be realistic goals. A realistic goal for us is not to replace ESPN or CBS SportsLine. It's to be, if you will, that site that real sports fanatics want to go to because they're going to find stuff that they can't find anywhere else.

CHARLES, ONE OF THE WAYS INTERNET COMPANIES HAVE BEEN ABLE TO CAPITALIZE THEIR GROWTH HAS BEEN THROUGH IPOs. WITHOUT GETTING INTO ANY SUCH STRATEGY AS IT PERTAINS TO YOUR COMPANY, DO YOU SEE THIS TREND CONTINUING INTO THE NEW YEAR?

First of all, I do think it's going to continue and at a point in time we will do an IPO with SportCut. But what's going to happen is a lot of the companies

Sure. On the music side of it, I'm sure there's going to be a significant consolidation of all these various music retail sites that are all over the place. And when you look at those deals, what the companies doing to buying will be acquiring will be other companies that have terrific, aggressive management and a business plan that is unique that the majors haven't quite figured out yet.

IN ADDITION TO THE PETE ROSE ANGLE AND INTERVIEWS SUCH AS THIS ONE, WHAT OTHER MARKETING TACTICS HAVE YOU EMPLOYED TO GENERATE SUCH TREMENDOUS INITIAL AWARENESS OF SPORTCUT?

We've been doing some guerrilla marketing and, for example, we're one of the few start-up sites that before launch had a deal with 24-7. We made a deal with them a month or so ago and I believe it's unprecedented. Normally they wait for a site to be up and running.

WHAT IS 24-7 EXACTLY?

It's a company that provides all the advertising and all the streaming, etc. So we've put together a lot of strategic relationships that have brought attention to SportCut, but the reality is that the launch of SportCut with Pete Rose is what has given us this incredible amount of attention, which has resulted in the name SportCut being known and recognized all over the place.

I WOULD BE REMISE IF I DIDN'T ASK YOU, AN AVOWED SPORTS FAN, YOUR THOUGHTS ON PETE ROSE AND HIS INDUCTION INTO BASEBALL'S HALL OF FAME. DOES HE BELONG THERE?

AND HE SEEMS TO HAVE THE FANS BEHIND HIM.

Well, he has the fans behind him because he was great.

AS A SEASONED EXECUTIVE AND, IF YOU WILL, MEDIA ENTREPRENEUR, WHAT, IN YOUR OPINION, MAKES A GOOD WEB BUSINESS?

Well, it's like everything else: a great idea, implementation and money. If you have a great idea and you can implement it and you have the resources, then you're going to have a successful business.

TWO FINAL QUESTIONS. YOUR COMPANY IS OFF TO OBVIOUSLY AN AUSPICIOUS START. WHAT CAN WE LOOK FORWARD TO IN THE NEXT SAY 12 MONTHS FROM SPORTCUT.COM?

Well, you're going to witness a great deal of excitement every month with various events. For example, WWES represents over 100 great athletes: Shannon Briggs, whose next fight will probably be against Mike Tyson; Antonio Freeman of the Green Bay Packers; Casey Atwood, the youngest winning Nascar driver. So we have kind of a built-in reservoir of athletes who are ready, willing and able to help us create some exciting events and interaction between the fans and SportCut.

ANY THOUGHTS ON WHO'S GOING TO WIN THE SUPER BOWL?

I'm trying to figure out who's going to be in the Super Bowl.

EVEN THOUGH I HATE THE FACT THAT THEY'RE IN ST.

“

If we can create special events that get people talking about and excited about SportCut, that will make the media want to report about us. As a result, we'll be reaching many more people than we could reach with a 15-second commercial on CNBC.

”

ESPN or even in real terms with CBS SportsLine. They've got these 50-year-old franchises, if you will, in their name, and they have these enormous resources.

AND THESE WEB ENTITIES ARE SIMPLY BRAND EXTENSIONS OF THOSE NAMES.

But you know what? If you're a real sports fan, when you go to espn.com, you're just seeing the same thing you already saw on ESPN's TV program-

out there are going to be acquired by other companies. Some, which should never have gone public in the first place, will go out of business, but those that have a decent business plan and have a niche in their particular marketplace will be acquired by other companies looking to expand or integrate something new into their business.

AN EXAMPLE MIGHT BE THE RECENT ACQUISITION OF GEOCITIES BY YAHOO!

I think he does. There are an awful lot of people in the Hall of Fame who have done a lot worse things than Pete is alleged to have done. When you think of baseball, you think of Pete Rose. And when you think of Pete Rose, you think of baseball. Joe DiMaggio, Babe Ruth, only a handful of names have the kind of recognition with the sport of baseball that Pete's name does. He certainly has the records, the stats and proved himself on the field as a player and a manager.

LOUIS, AS A DIE-HARD RAMS FAN, I'M THINKING THEY HAVE A GREAT SHOT.

Well, the Rams look pretty good but Jacksonville is not too bad either.

CHARLES, NO MATTER WHO IS PLAYING IN THE SUPER BOWL, WE'LL BE HITTING SPORTCUT.COM TO STAY TAPPED INTO ALL THE ACTION. THANKS.