

Redmond's PlayNetwork buying Channel M retail network

Redmond's **PlayNetwork** is becoming Muzak 2.0 with the acquisition of Los Angeles-based Channel M, another big player in the business providing dynamic audio-visual to retail stores. The combination will extend PlayNetwork's reach to more than 185 brands, including 25 global brands, with 65,000 locations in 60 countries.

"Today marks a significant day in PlayNetwork's history as we take another major step towards achieving our corporate vision of delivering the total brand experience," PlayNetwork's chief executive, Lon Troxel, said in the release. "PlayNetwork and Channel M share this common goal and together we help make this vision a reality by combining our complementary music, messaging and video media services with Channel M's rich video content production and advertising services."

Channel M's networks are used to display ads to millions of customers in retail locations including Nordstrom, Marc Ecko and Steve Madden.

Terms of the deal weren't disclosed, but the release noted that Channel M brings "additional investor interests from Vintage Fund Management, Ascend Venture Group and Intel Capital," suggesting it's not a sale as much as a roll-up of complementary businesses. It's supposed to close Oct. 30.

A spokesman said the deal "is an asset acquisition in exchange for stock. It's a strategic acquisition to help with PlayNetwork's growth model."

The release said the combined company will maintain its offices in Redmond; Sherman Oaks, Calif.; New York and Chicago. Channel M has 31 employees and PlayNetwork has 120.