

CUMULUS MEDIA INC  
Form 10-K  
March 12, 2012  
Table of Contents

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Form 10-K**

þ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2011**

“ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from                      to**

**Commission file number 00-24525**

**Cumulus Media Inc.**

**(Exact Name of Registrant as Specified in Its Charter)**

**Delaware**  
*(State of Incorporation)*

**36-4159663**  
*(I.R.S. Employer Identification No.)*

**3280 Peachtree Road, N.W.**

**Suite 2300**

**Atlanta, GA 30305**

Edgar Filing: CUMULUS MEDIA INC - Form 10-K

(404) 949-0700

(Address, including zip code, and telephone number, including area code, of registrant's principal offices)

**Securities Registered Pursuant to Section 12(b) of the Act:**

None

**Securities Registered Pursuant to Section 12(g) of the Act:**

**Class A Common Stock, par value \$.01 per share**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The aggregate market value of the registrant's outstanding voting and non-voting common stock held by non-affiliates of the registrant as of June 30, 2011, the last business day of the registrant's most recently completed second fiscal quarter, was approximately \$66.2 million, based on 18,913,957 shares outstanding and a last reported per share price of Class A common stock on the NASDAQ Global Select Market of \$3.50 on that date. As of March 2, 2012, the registrant had outstanding 151,607,744 shares of common stock consisting of (i) 138,523,206 shares of Class A common stock; (ii) 12,439,667 shares of Class B common stock; and (iii) 644,871 shares of Class C common stock.

**Table of Contents**

**CUMULUS MEDIA INC.**

**ANNUAL REPORT ON FORM 10-K**

**For the Fiscal Year Ended December 31, 2011**

Item Number		Page Number
<b><u>PART I</u></b>		
1.	<u>Business</u>	3
1A.	<u>Risk Factors</u>	26
1B.	<u>Unresolved Staff Comments</u>	35
2.	<u>Properties</u>	35
3.	<u>Legal Proceedings</u>	36
4.	<u>Mine Safety Disclosures</u>	36
<b><u>PART II</u></b>		
5.	<u>Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u>	37
6.	<u>Selected Financial Data</u>	38
7.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	40
7A.	<u>Quantitative and Qualitative Disclosures about Market Risk</u>	58
8.	<u>Financial Statements and Supplementary Data</u>	59
9.	<u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	59
9A.	<u>Controls and Procedures</u>	59
9B.	<u>Other Information</u>	60
<b><u>PART III</u></b>		
10.	<u>Directors, Executive Officers and Corporate Governance</u>	61
11.	<u>Executive Compensation</u>	61
12.	<u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	61
13.	<u>Certain Relationships and Related Transactions, and Director Independence</u>	61
14.	<u>Principal Accountant Fees and Services</u>	62
<b><u>PART IV</u></b>		
15.	<u>Exhibits, Financial Statement Schedules</u>	63
	<u>Signatures</u>	66

---

**Table of Contents**

**PART I**

**Item 1. Business**

**Description of Certain Definitions and Data**

In this annual report on Form 10-K (this Form 10-K or this Report ) the terms Company, Cumulus, we, us, and our refer to Cumulus and its consolidated subsidiaries.

We use the term local marketing agreement ( LMA ) in this Report. In a typical LMA, the licensee of a radio station makes available, for a fee and reimbursement of its expenses, airtime on its station to a party which supplies programming to be broadcast during that airtime, and collects revenues from advertising aired during such programming. In addition to entering into LMAs, we from time to time enter into management or consulting agreements that provide us with the ability, as contractually specified, to assist current owners in the management of radio station assets, subject to Federal Communications Commission ( FCC ) approval. In such arrangements, we generally receive a contractually specified management fee or consulting fee in exchange for the services provided.

Unless otherwise indicated, as disclosed herein:

we obtained total radio industry listener and revenue levels from the Radio Advertising Bureau (the RAB );

we derived historical market revenue statistics and market revenue share percentages from data published by Miller Kaplan, Arase & Co., LLP ( Miller Kaplan ), a public accounting firm that specializes in serving the broadcasting industry and BIA Financial Network, Inc. ( BIA ), a media and telecommunications advisory services firm;

we derived all audience share data and audience rankings, including ranking by population, except where otherwise stated to the contrary, from surveys of people ages 12 and over ( Adults 12+ ), listening Monday through Sunday, 6 a.m. to 12 midnight, and based on, for an individual market, either the Arbitron Market Report ( Arbitron s Market Report ), or the Nielsen Market Report ( Nielsen s Market Report ); and

all dollar amounts are rounded to the nearest million.

**Company Overview**

We own and operate commercial radio station clusters throughout the United States. We believe we are the largest pure-play radio broadcaster in the United States based on number of stations owned and operated. At December 31, 2011, we owned or operated approximately 570 radio stations (including under LMAs) in 120 United States media markets and operated nationwide radio networks serving over 4,500 affiliates. At December 31, 2011, under LMAs, we provided sales and marketing services for seven radio stations in the United States.

We are a Delaware corporation, organized in 2002, and successor by merger to an Illinois corporation with the same name that had been organized in 1997.

**Strategic Overview**

Our operating strategy is primarily focused on generating internal growth through improving the portfolio of stations we own and operate, while enhancing our station portfolio and our business as a whole, through the acquisition of individual stations or clusters that satisfy our acquisition criteria. We further seek to use our national platform to develop new media businesses that we believe are synergistic with radio broadcasting.

---

**Table of Contents**

Our Company was formed in 1997 with an initial strategic focus on mid-sized markets throughout the United States. We historically focused on such markets because it was our belief that these markets, as compared to large markets, have been characterized by a higher ratio of local advertisers to national advertisers and a larger number of smaller-dollar customers, both of which have historically led to lower volatility in the face of changing macroeconomic conditions. We believed that the attractive operating characteristics of mid-sized markets, together with the relaxation of radio station ownership limits under the Telecommunications Act of 1996 (the Telecom Act ) and FCC rules, created significant opportunities for growth from the formation of groups of radio stations within these markets. We focused on capitalizing on opportunities to acquire attractive markets at favorable purchase prices, taking advantage of the size and fragmented nature of ownership in those markets and to the greater attention historically given to the larger markets by radio station acquirers.

Although our historical focus was on mid-sized radio markets in the United States, we recognized that the large radio markets can provide an attractive combination of scale, stability and opportunity for future growth, particularly for emerging digital advertising initiatives. According to BIA, these markets typically have per capita and household income, and expected household after-tax effective buying income growth, in excess of the national average, which we believe makes radio broadcasters in these markets attractive to a broad base of radio advertisers, and allows a radio broadcaster to reduce its dependence on any one economic sector or specific advertiser. We also believe that having a national platform provides appropriate scale and additional opportunities to launch new digital media businesses and partner with other national media companies when appropriate. In furtherance of this strategy, in 2011, we completed our previously announced acquisition of the remaining 75.0% of the equity interests of Cumulus Media Partners, LLC ( CMP ) that we did not already own (the CMP Acquisition ) and our previously announced acquisition (the Citadel Acquisition ) of Citadel Broadcasting Corporation ( Citadel ), each as described in more detail below.

**2011 Developments in our Business*****CMP Acquisition***

In October 2005, we announced the formation of CMP, a private partnership that we formed with affiliates of Bain Capital Partners LLC, The Blackstone Group L.P. and Thomas H. Lee Partners, in connection with the acquisition of the radio broadcasting business of Susquehanna Pfaltzgraff Corp. CMP, through its indirect wholly-owned subsidiary, CMP Susquehanna Radio Holdings Corp., owned 32 radio stations in nine markets, including San Francisco, Dallas, Houston, Atlanta, Cincinnati, Indianapolis, and Kansas City at the time of the CMP Acquisition. We completed the CMP Acquisition on August 1, 2011, pursuant to which CMP became an indirect wholly owned subsidiary of the Company.

Pursuant to a management agreement, we had operated CMP's business since 2006. In connection with the CMP Acquisition, we issued 9.9 million shares of our common stock to affiliates of the three private equity firms that had collectively owned the 75.0% of CMP not owned by Cumulus (the CMP Sellers ). Also in connection with the CMP Acquisition, the 3.7 million outstanding warrants to purchase stock of a subsidiary of CMP were amended and restated to become exercisable for up to 8.3 million shares of our common stock. For additional information regarding the CMP Acquisition, see Note 1, Description of Business, Basis of Presentation and Summary of Significant Accounting Policies, and Note 2, Acquisitions and Dispositions.

***Citadel Acquisition and Related Financing Transactions***

We completed the Citadel Acquisition on September 16, 2011 for an aggregate purchase price of approximately \$2.3 billion, consisting of approximately \$1.4 billion in cash, the issuance of 23.6 million shares of our Class A common stock, par value \$0.01 per share (the Class A common stock ), including 0.9 million restricted shares, warrants to purchase 47.6 million shares of Class A common stock, 2.4 million warrants held in reserve for potential future issuance related to the pending final settlement of certain outstanding unsecured claims arising from Citadel's emergence from bankruptcy, and the consideration to repay the outstanding debt of Citadel. As a result of the Citadel Acquisition, Citadel became an indirect wholly owned subsidiary of Cumulus. At the time of the Citadel Acquisition, Citadel owned and operated 225 radio stations located in over 50 markets across the United States and a radio network, which produced and distributed a variety of radio programming and formats syndicated across approximately 4,000 station affiliates and 9,000 program affiliations.

Also on September 16, 2011 and in connection with the Citadel Acquisition, we issued and sold 51.8 million shares of Class A common stock and warrants to purchase 7.8 million shares of Class A common stock to an affiliate of Crestview Partners II, L.P. ( Crestview ), 125,000 shares of Series A preferred stock to an affiliate of Macquarie Capital (USA) Inc. ( Macquarie ), and 4.7 million shares of Class A common stock and immediately exercisable warrants to purchase 24.1 million shares of Class A common stock to UBS Securities LLC ( UBS ) and certain other entities.

In connection with the closing of the Citadel Acquisition and the completion of our previously announced related global refinancing (the Global Refinancing ), on September 16, 2011, we repaid approximately \$1.4 billion in outstanding senior or subordinated indebtedness and other obligations of (a) Cumulus, (b) certain of our other wholly-owned subsidiaries, and (c) Citadel. This Global Refinancing, and the cash portion of

the purchase price paid in the Citadel Acquisition, were funded with (i) \$1.325 billion in

---

## **Table of Contents**

borrowings under a new first lien term loan, \$200.0 million in borrowings under a new first lien revolving credit facility and \$790.0 million in borrowings under a new second lien term loan, all as described in more detail in Note 8, Long-Term Debt, and (ii) proceeds from the sale of \$475.0 million of our common stock, preferred stock and warrants to purchase common stock to certain investors (the Equity Investment ) in a private placement exempt from the registration requirements under the Securities Act of 1933 (the Securities Act ). The \$610.0 million of 7.75% Senior Notes due 2019 (the 7.75% Senior Notes ) issued by us in May 2011 remained outstanding (see Note 2, Acquisitions and Dispositions ).

Also in connection with the Citadel Acquisition and as part of the transactions contemplated by the Global Refinancing, the Company completed an internal restructuring into a holding company structure, which included transferring the remaining assets and operations held directly or indirectly by us, other than the equity interests of our direct wholly-owned subsidiary Cumulus Media Holdings Inc. ( Cumulus Holdings ), to Cumulus Holdings (the Internal Restructuring ). In connection with the Internal Restructuring, all obligations under the 7.75% Senior Notes were assigned to and assumed by Cumulus Holdings, which was substituted for us as the issuer and primary obligor thereunder, and we provided a guarantee of all such obligations of Cumulus Holdings.

## **Industry Overview**

The primary source of revenues for radio stations is the sale of advertising time to local, regional and national spot advertisers and national network advertisers. National spot advertisers assist advertisers in placing their advertisements in a specific market. National network advertisers place advertisements on a national network show and such advertisements will air in each market where the network has an affiliate. Over the past ten years, radio advertising revenue has represented a relatively stable 7.0% to 10.0% of the overall United States advertising market, and typically follows macroeconomic growth trends. In 2011, radio advertising revenues reached \$17.4 billion.

Generally, radio is considered an efficient, cost-effective means of reaching specifically identified demographic groups. Stations are typically classified by their on-air format, such as country, rock, adult contemporary, oldies and news/talk. A station's format and style of presentation enables it to target specific segments of listeners sharing certain demographic features. By capturing a specific share of a market's radio listening audience with particular concentration in a targeted demographic, a station is able to market its broadcasting time to advertisers seeking to reach a specific audience. Advertisers and stations use data published by audience measuring services, such as Nielsen Media Research, to estimate how many people within particular geographical markets and demographics listen to specific stations.

The number of advertisements that can be broadcast by a station without jeopardizing listening levels and the resulting ratings is limited in part by the format of a particular station and the local competitive environment. Although the number of advertisements broadcast during a given time period may vary, the total number of advertisements broadcast on a particular station generally does not vary significantly from year to year.

A station's local sales staff generates the majority of its local and regional advertising sales through direct solicitations of local advertising agencies and businesses. To generate national advertising sales, a station usually will engage a firm that specializes in soliciting radio-advertising sales on a national level. National sales representatives obtain advertising principally from advertising agencies located outside the station's market and receive commissions based on the revenue from the advertising they obtain.

Our stations compete for advertising revenue with other broadcast radio stations in the market (including low power FM ( LPFM ) radio stations that are required to operate on a noncommercial basis) as well as other media, including newspapers, broadcast television, cable television, magazines, direct mail, coupons and outdoor advertising. In addition, the radio broadcasting industry is subject to competition from services that use new media technologies that are being developed or have already been introduced, such as the Internet and satellite-based digital radio services. Such services reach nationwide and regional audiences with multi-channel, multi-format, digital radio services that have a sound quality equivalent to that of compact discs. Competition among broadcast radio stations has also been heightened by the introduction of broadcast digital audio broadcasting (which is digital audio broadcasting delivered through earth-based equipment rather than satellites). See Federal Regulation of Radio Broadcasting - New Services.

We cannot predict how existing, new or any future generated sources of competition will affect our performance and results of operations. The radio broadcasting industry historically has grown over the long term despite the introduction of new technologies for the delivery of entertainment and information, such as television broadcasting, cable television, audio tapes, compact discs and iPods. We believe population growth and greater availability of radios, particularly car and portable radios when combined with increased travel and commuting time, have contributed to this growth. There can be no assurance, however, that the development or introduction in the future of any new media technology will not have an adverse effect on the radio broadcasting industry in general or our stations in particular.



**Table of Contents**

**Advertising Sales**

Virtually all of our revenue is generated from the sale of local, regional, and national advertising for broadcast on our radio stations. In 2011, 2010 and 2009, approximately 72.6%, 84.5% and 89.5%, respectively, of our net broadcasting revenue was generated from the sale of local and regional advertising. Additional broadcasting revenue is generated from the sale of national advertising. The major categories of our advertisers consist of:

Amusement and recreation	Banking and mortgage	Furniture and home furnishings
Arts and entertainment	Food and beverage services	Healthcare services
Automotive dealers	Food and beverage stores	Telecommunications

Each station's local sales staff solicits advertising either directly from the local advertiser or indirectly through an advertising agency. We employ a tiered commission structure to focus our individual sales staffs on new business development. Consistent with our operating strategy of dedicated sales forces for each of our stations, we have also increased the number of salespeople per station. We believe that we can outperform the traditional growth rates of our markets by (1) expanding our base of advertisers, (2) training newly hired sales people and (3) providing a higher level of service to our existing customer base. This requires a larger sales staff than most of the stations employed at the time we acquired them. We support our strategy of building local direct accounts by employing personnel in each of our markets to produce custom commercials that respond to the needs of our advertisers. In addition, in-house production provides advertisers greater flexibility in changing their commercial messages with minimal lead-time.

Our national sales are made by a firm specializing in radio advertising sales on the national level, in exchange for a commission that is based on the gross revenue from the advertising obtained. Regional sales, which we define as sales in regions surrounding our markets to buyers that advertise in our markets, are generally made by our local sales staff and market managers. Whereas we seek to grow our local sales through larger and more customer-focused sales staffs, we seek to grow our national and regional sales by offering to key national and regional advertisers groups of stations within specific markets and regions that make our stations more attractive. Many of these large accounts have previously been reluctant to advertise in these markets because of the logistics involved in buying advertising from individual stations. Certain of our stations had no national representation before we acquired them.

Each of our stations has a general target level of on-air inventory available for advertising. This target level of inventory for sale may vary at different times of the day but tends to remain stable over time. Our stations strive to maximize revenue by managing their on-air inventory of advertising time and adjusting prices up or down based on supply and demand. We seek to broaden our advertiser base in each market by providing a wide array of audience demographic segments across our cluster of stations, thereby providing potential advertisers with an effective means to reach a targeted demographic group. Our selling and pricing activity is based on demand for our radio stations' on-air inventory and, in general, we respond to this demand by varying prices rather than by varying our target inventory level for a particular station. Most changes in revenue are explained by some combination of demand-driven pricing changes and changes in inventory utilization rather than by changes in the available inventory. Advertising rates charged by radio stations, which are generally highest during morning and afternoon commuting hours, are based primarily on:

a station's share of audiences and on the demographic groups targeted by advertisers (as measured by ratings surveys);

the supply and demand for radio advertising time and for time targeted at particular demographic groups; and

certain additional qualitative factors.

A station's listenership is reflected in ratings surveys that estimate the number of listeners tuned into the station, and the time they spend listening. Each station's ratings are used by its advertisers and advertising representatives to consider advertising with the station and are used by Cumulus to chart audience growth, set advertising rates and adjust programming.

**Competition**

## Edgar Filing: CUMULUS MEDIA INC - Form 10-K

The radio broadcasting industry is very competitive. The success of each of our stations depends largely upon rates it can charge for its advertising, the number of local advertising competitors, and the overall demand for advertising within individual markets. These conditions may fluctuate and are highly susceptible to macroeconomic conditions. Any adverse change in a particular market affecting

---

## **Table of Contents**

advertising expenditures or any adverse change in the relative market share of the stations located in a particular market could have a material adverse effect on the revenue of our radio stations located in that market. There can be no assurance that any one or all of our stations will be able to maintain or increase advertising revenue market share.

Our stations compete for listeners and advertising revenues directly with other radio stations within their respective markets, as well as with other advertising media as discussed below. Additionally, new online music services have begun selling advertising locally, creating additional competition for both listeners and advertisers. Radio stations compete for listeners primarily on the basis of program content that appeals to a particular demographic group. By building a strong brand identity with a targeted listener base consisting of specific demographic groups in each of our markets, we are able to attract advertisers seeking to reach those listeners. Companies that operate radio stations must be alert to the possibility of another station changing its format to compete directly for listeners and advertisers. Another station's decision to convert to a format similar to that of one of our radio stations in the same geographic area or to launch an aggressive promotional campaign may result in lower ratings and advertising revenue, increased promotion and other expenses and, consequently, lower our station Adjusted EBITDA (as defined under Advertising Revenues and Adjusted EBITDA).

Factors that affect a radio station's competitive position include station brand identity and loyalty, management experience, the station's local audience rank in its market, transmitter power and location, assigned frequency, audience characteristics, local program acceptance and the number and characteristics of other radio stations and other advertising media in the market area. We attempt to improve our competitive position in each market by extensively researching and improving our stations' programming, by implementing advertising campaigns aimed at the demographic groups for which our stations program and by managing our sales efforts to attract a larger share of advertising dollars for each station individually. However, we compete with some organizations that have substantially greater financial or other resources than we do.

Under federal laws and FCC rules, a single party can own and operate a number of stations in a local market, subject to certain limitations described below. We believe that companies that form groups of commonly owned stations or joint arrangements, such as LMAs, in a particular market may, in certain circumstances, have lower operating costs and may be able to offer advertisers in those markets more attractive rates and services. Although we currently operate multiple stations in each of our markets and intend to pursue the creation of additional multiple station groups in particular markets, our competitors in certain markets include other parties that own and operate as many or more stations than we do. We may also compete with those other parties or broadcast groups for the purchase of additional stations in those markets or new markets. Some of those other parties and groups are owned or operated by companies that have substantially greater financial or other resources than we do.

A radio station's competitive position can be enhanced by a variety of factors, including changes in the station's format and an upgrade of the station's authorized power. However, the competitive position of existing radio stations is protected to some extent by certain regulatory barriers to new entrants. The operation of a radio broadcast station requires an FCC license, and the number of radio stations that an entity can operate in a given market is limited under FCC rules that became effective in 2004. The number of radio stations that a party can own in a particular market is dictated largely by whether the station is in a defined Arbitron Metro (a designation designed by a private party for use in advertising matters), and, if so, the number of stations included in that Arbitron Metro. In those markets that are not in an Arbitron Metro, the number of stations a party can own in the particular market is dictated by the number of AM and FM signals that together comprise that FCC-defined radio market. For a discussion of FCC regulation (including recent changes), see Federal Regulation of Radio Broadcasting.

We cannot predict what other matters might be considered in the future by the FCC or Congress, nor can we assess in advance what impact, if any, the implementation of any of these proposals or changes might have on our business.

### **Employees**

At December 31, 2011, we employed approximately 6,323 people, 4,261 of whom are employed full time. As a result of the Citadel Acquisition, we now have employees covered by collective bargaining agreements. Overall, we consider our relations with our employees to be satisfactory.

We employ various on-air personalities with large loyal audiences in their respective markets. On occasion, we enter into employment agreements with these personalities to protect our interests in those relationships that we believe to be valuable. The loss of one or more of these personalities could result in a short-term loss of audience share, but we do not believe that any such loss would have a material adverse effect on our financial condition or results of operations, taken as a whole.

## **Table of Contents**

We generally employ one market manager for each radio market, or regional radio market, in which we own or operate stations. Historically, a market manager was responsible for all employees of the market and for managing all aspects of the radio operations. As we have reengineered our local sales strategy over the past year, the position of market manager has been significantly refocused on revenue achievement and many administrative functions are managed centrally by corporate employees. On occasion, we enter into employment agreements with market managers to protect our interests in those relationships that we believe to be valuable. The loss of a market manager could result in a short-term loss of performance in a market, but we do not believe that any such loss would have a material adverse effect on our financial condition or results of operations, taken as a whole.

### **Federal Regulation of Radio Broadcasting**

#### ***General***

The ownership, operation and sale of radio broadcast stations, including those licensed to us, are subject to the jurisdiction of the FCC, which acts under authority of the Communications Act of 1934, as amended (the Communications Act). The Telecommunications Act of 1996 (the Telecom Act) amended the Communications Act and directed the FCC to change certain of its broadcast rules. Among its other regulatory responsibilities, the FCC issues permits and licenses to construct and operate radio stations; assigns broadcast frequencies; determines whether to approve changes in ownership or control of station licenses; regulates transmission equipment, operating power, and other technical parameters of stations; adopts and implements regulations and policies that directly or indirectly affect the ownership, operation and employment practices of stations; regulates the content of some forms of radio broadcast programming; and has the authority under the Communications Act to impose penalties for violations of its rules.

The following is a brief summary of certain provisions of the Communications Act, the Telecom Act, and related FCC rules and policies (collectively, the Communications Laws). This description does not purport to be comprehensive, and reference should be made to the Communications Laws, public notices, and decisions issued by the FCC for further information concerning the nature and extent of federal regulation of radio broadcast stations. Failure to observe the provisions of the Communications Laws can result in the imposition of various sanctions, including monetary forfeitures and the grant of a short-term (less than the maximum term) license renewal. For particularly egregious violations, the FCC may deny a station's license renewal application, revoke a station's license, or deny applications in which an applicant seeks to acquire additional broadcast properties.

#### ***License Grant and Renewal***

Radio broadcast licenses are generally granted and renewed for additional terms of a maximum of eight years at a time. Licenses are renewed by filing an application with the FCC. Petitions to deny license renewal applications may be filed by interested parties, including members of the public. While we are not currently aware of any facts that would prevent the renewal of our licenses to operate our radio stations, there can be no assurance that all of our licenses will be renewed for a full term.

#### ***Service Areas***

The area served by AM stations is determined by a combination of frequency, transmitter power, antenna orientation, and soil conductivity. To determine the effective service area of an AM station, the station's power, operating frequency, antenna patterns and its day/night operating modes are required. The area served by an FM station is determined by a combination of effective radiated power (ERP), antenna height and terrain with stations divided into eight classes according to these technical parameters.

Each class of FM radio station has the right to broadcast with a certain amount of ERP from an antenna located at a certain height above average terrain. The most powerful FM radio stations are Class C FM stations, which operate with up to the equivalent of 100 kilowatts (kW) of ERP at an antenna height of 1,968 feet above average terrain. These stations typically provide service to a large area that covers one or more counties (which may or may not be in the same state). There are also Class C0, C1, C2 and C3 FM radio stations which operate with progressively less power and/or antenna height above average terrain. Class B FM stations operate with the equivalent of up to 50 kW ERP at an antenna height of 492 feet above average terrain. Class B stations can serve large metropolitan areas and their outer suburban areas. There are also Class B1 stations that can operate with up to the equivalent of 25 kW ERP at an antenna height of 328 feet above average terrain. Class A FM stations operate with up to the equivalent of 6 kW ERP at an antenna height of 328 feet above average terrain, and often (but not always) serve smaller cities or suburbs of larger cities.

The following table sets forth, as of March 2, 2012, the market, call letters, FCC license classification, antenna height above average terrain (for FM stations only), power and frequency of all our owned and/or operated stations, all pending station acquisitions operated under an LMA, and all other announced pending station acquisitions:



**Table of Contents**

Market	Stations	City of License	Frequency	Expiration Date of License	FCC Class	Height Above Average Terrain (in feet)	Power (in Kilowatts)	
							Day	Night
Abilene, TX	KBCY FM	Tye, TX	99.7	August 1, 2013	C1	745	100.0	100.0
	KCDD FM	Hamlin, TX	103.7	August 1, 2013	C0	984	100.0	100.0
	KHXS FM	Merkel, TX	102.7	August 1, 2013	C1	745	99.2	99.2
	KTLT FM	Anson, TX	98.1	August 1, 2013	C2	305	50.0	50.0
Albany, GA	WALG AM	Albany, GA	1590	April 1, 2012	B	N/A	5.0	1.0
	WEGC FM	Sasser, GA	107.7	April 1, 2012	C3	312	11.5	11.5
	WGPC AM	Albany, GA	1450	April 1, 2012	C	N/A	1.0	1.0
	WJAD FM	Leesburg, GA	103.5	April 1, 2012	C3	463	12.5	12.5
	WKAK FM	Albany, GA	104.5	April 1, 2012	C1	981	100.0	100.0
	WNUQ FM	Sylvester, GA	102.1	April 1, 2012	A	259	6.0	6.0
	WQVE FM	Albany, GA	101.7	April 1, 2012	A	299	6.0	6.0
	Albuquerque, NM	KKOB AM	Albuquerque, NM	770	October 1, 2013	B	N/A	50.0
	KKOB FM	Albuquerque, NM	93.3	October 1, 2013	C	4150	21.5	21.5
	KMGA FM	Albuquerque, NM	99.5	October 1, 2013	C	4131	22.5	22.5
	KNML AM	Albuquerque, NM	610	October 1, 2013	B	N/A	5.0	5.0
	KRST FM	Albuquerque, NM	92.3	October 1, 2013	C	4160	22.0	22.0
	KTBL AM	Los Ranchos, NM	1050	October 1, 2013	B	N/A	1.0	1.0
	KDRF FM	Albuquerque, NM	103.3	October 1, 2013	C	4242	20.0	20.0
Allentown, PA	WCTO FM	Easton, PA	96.1	August 1, 2014	B	499	50.0	50.0
	WLEV FM	Allentown, PA	100.7	August 1, 2014	B	1073	11.0	11.0
Amarillo, TX	KARX FM	Claude, TX	95.7	August 1, 2013	C1	390	100.0	100.0
	KPUR AM	Amarillo, TX	1440	August 1, 2013	B	N/A	5.0	1.0
	KPUR FM	Canyon, TX	107.1	August 1, 2013	A	315	6.0	6.0
	KQIZ FM	Amarillo, TX	93.1	August 1, 2013	C1	699	100.0	100.0
	KZRK AM	Canyon, TX	1550	August 1, 2013	B	N/A	1.0	0.2
	KZRK FM	Canyon, TX	107.9	August 1, 2013	C1	476	100.0	100.0
Ann Arbor, MI	WLBY AM	Saline, MI	1290	October 1, 2012	D	N/A	0.5	0.0
	WQKL FM	Ann Arbor, MI	107.1	October 1, 2012	A	289	3.0	3.0
	WTKA AM	Ann Arbor, MI	1050	October 1, 2012	B	N/A	10.0	0.5
	WWWW FM	Ann Arbor, MI	102.9	October 1, 2012	B	440	50.0	50.0
Appleton, WI	WNAM AM	Neenah Menasha, WI	1280	December 1, 2012	B	N/A	5.0	5.0
	WOSH AM	Oshkosh, WI	1490	December 1, 2012	C	N/A	1.0	1.0
	WPKR FM	Omro, WI	99.5	December 1, 2012	C2	495	25.0	25.0
	WVBO FM	Winneconne, WI	103.9	December 1, 2012	C3	328	25.0	25.0
Atlanta, GA	WKHX FM	Marietta, GA	101.5	April 1, 2012	C0	1079	100.0	100.0
	WYAY FM	Gainesville, GA	106.7	April 1, 2012	C	1657	77.0	77.0
	WWWQ FM	Atlanta, GA	99.7	April 1, 2012	C0	1116	96.6	96.6
	WNNX FM	College Park, GA	100.5	April 1, 2012	C2	978	12.5	12.5
Augusta, ME	WEBB FM	Waterville, ME	98.5	April 1, 2014	C1	305	61.0	61.0
	WJZN AM	Augusta, ME	1400	April 1, 2014	C	N/A	1.0	1.0
	WMME FM	Augusta, ME	92.3	April 1, 2014	B	499	50.0	50.0
	WTVL AM	Waterville, ME	1490	April 1, 2014	C	N/A	1.0	1.0
Bangor, ME	WBZN FM	Old Town, ME	107.3	April 1, 2014	C2	436	50.0	50.0
	WDEA AM	Ellsworth, ME	1370	April 1, 2014	B	N/A	5.0	5.0
	WEZQ FM	Bangor, ME	92.9	April 1, 2014	B	787	20.0	20.0
	WQCB FM	Brewer, ME	106.5	April 1, 2014	C	1079	100.0	100.0
Baton Rouge, LA	WWMJ FM	Ellsworth, ME	95.7	April 1, 2014	B	1030	11.5	11.5
	KQXL FM	New Roads, LA	106.5	June 1, 2012	C2	486	50.0	50.0

**Table of Contents**

Market	Stations	City of License	Frequency	Expiration		FCC Class	Height Above Average Terrain (in feet)	Power (in Kilowatts)	
				Date of License				Day	Night
	WCDV FM	Hammond, LA	103.3	June 1, 2012		C	1004	100.0	100.0
	WEMX FM	Kentwood, LA	94.1	June 1, 2012		C1	981	100.0	100.0
	WIBR AM	Baton Rouge, LA	1300	June 1, 2012		B	N/A	5.0	1.0
	WXOK AM	Port Allen, LA	1460	June 1, 2012		B	N/A	4.7	0.3
Battle Creek, MI	WBCK FM	Battle Creek, MI	95.3	October 1, 2012		A	269	3.0	3.0
	WBXX FM	Marshall, MI	104.9	October 1, 2012		A	328	6.0	6.0
Beaumont, TX	KAYD FM	Silsbee, TX	101.7	August 1, 2013		C3	503	10.5	10.5
	KBED AM	Nederland, TX	1510	August 1, 2013		D	N/A	5.0	0.0
	KIKR AM	Beaumont, TX	1450	August 1, 2013		C	N/A	1.0	1.0
	KFNC FM	Beaumont, TX	97.5	August 1, 2013		C	1955	100.0	100.0
	KQXY FM	Beaumont, TX	94.1	August 1, 2013		C1	600	100.0	100.0
	KSTB FM	Crystal Beach, TX	101.5	August 1, 2013		A	184	6.0	6.0
	KTCX FM	Beaumont, TX	102.5	August 1, 2013		C2	492	50.0	50.0
Binghamton, NY	WAAL FM	Binghamton, NY	99.1	June 1, 2014		B	955	8.7	8.7
	WHWK FM	Binghamton, NY	98.1	June 1, 2014		B	1296	6.7	6.7
	WNBF AM	Binghamton, NY	1290	June 1, 2014		B	N/A	9.3	5.0
	WYYL FM	Chenango Bridge, NY	104.1	June 1, 2014		A	833	0.9	0.9
	WYOS AM	Binghamton, NY	1360	June 1, 2014		B	N/A	5.0	0.5
Birmingham, AL	WAPI AM	Birmingham, AL	1070	April 1, 2012		B	N/A	50.0	5.0
	WJOX AM	Birmingham, AL	690	April 1, 2012		B	N/A	50.0	0.5
	WAPI FM	Helena, AL	100.5	April 1, 2012		C1	1014	69.0	69.0
	WUHT FM	Birmingham, AL	107.7	April 1, 2012		C1	1345	42.0	42.0
	WJOX FM	Birmingham, AL	94.5	April 1, 2012		C0	1014	100.0	100.0
	WZRR FM	Birmingham, AL	99.5	April 1, 2012		C0	1014	100.0	100.0
Bismarck, ND	KACL FM	Bismarck, ND	98.7	April 1, 2013		C1	837	100.0	100.0
	KBYZ FM	Bismarck, ND	96.5	April 1, 2013		C1	963	100.0	100.0
	KKCT FM	Bismarck, ND	97.5	April 1, 2013		C1	837	100.0	100.0
	KLXX AM	Bismarck- Mandan, ND	1270	April 1, 2013		B	N/A	1.0	0.3
	KUSB FM	Hazleton, ND	103.3	April 1, 2013		C1	965	100.0	100.0
Boise, ID	KBOI AM	Boise, ID	670	October 1, 2013		B	N/A	50.0	50.0
	KIZN FM	Boise, ID	92.3	October 1, 2013		C	2717	48.0	48.0
	KKGL FM	Nampa, ID	96.9	October 1, 2013		C	2717	48.0	48.0
	KQFC FM	Boise, ID	97.9	October 1, 2013		C	2717	48.0	48.0
	KTIK FM	New Plymouth, ID	93.1	October 1, 2013		C	2717	48.0	48.0
	KTIK AM	Nampa, ID	1350	October 1, 2013		B	N/A	5.0	0.6
Blacksburg, VA	WBRW FM	Blacksburg, VA	105.3	October 1, 2019		C3	479	12.0	12.0
	WFNR AM*	Blacksburg, VA	710	October 1, 2011		D	N/A	10.0	0.0
	WNMX FM	Christiansburg, VA	100.7	October 1, 2019		A	886	0.8	0.8
	WPSK FM	Pulaski, VA	107.1	October 1, 2019		C3	1207	1.8	1.8
	WRAD AM	Radford, VA	1460	October 1, 2019		B	N/A	5.0	0.5
	WWBU FM	Radford, VA	101.7	October 1, 2019		A	66	5.8	5.8
Bridgeport, CT	WEBE FM	Westport, CT	107.9	April 1, 2014		B	384	50.0	50.0
	WICC AM	Bridgeport, CT	600	April 1, 2014		B	N/A	1.0	0.5
Buffalo, NY	WEDG FM	Buffalo, NY	103.3	June 1, 2014		B	348	49.0	49.0
	WGRF FM	Buffalo, NY	96.9	June 1, 2014		B	712	24.0	24.0
	WHLD AM	Niagra Falls, NY	1270	June 1, 2014		B	N/A	5.0	1.0
	WHTT FM	Buffalo, NY	104.1	June 1, 2014		B	387	50.0	50.0
	WBBF AM	Buffalo, NY	1120	June 1, 2014		D	N/A	1.0	0.0
Cedar Rapids, IA	KDAT FM	Cedar Rapids, IA	104.5	February 1, 2013		C1	551	100.0	100.0

**Table of Contents**

Market	Stations	City of License	Frequency	Expiration Date of License	FCC Class	Height Above Average Terrain (in feet)	Power (in Kilowatts)	
							Day	Night
Charleston, SC	KHAK FM	Cedar Rapids, IA	98.1	February 1, 2013	C1	459	100.0	100.0
	KRNA FM	Iowa City, IA	94.1	February 1, 2013	C1	981	100.0	100.0
	KRQN FM	Vinton, IA	107.1	February 1, 2013	A	371	4.7	4.7
	WSSX FM	Charleston, SC	95.1	December 1, 2019	C0	1001	100.0	100.0
	WVWF FM	Charleston, SC	96.9	December 1, 2019	C	1768	100.0	100.0
Chattanooga, TN	WTMA AM*	Charleston, SC	1250	December 1, 2011	B	N/A	5.0	1.0
	WWWZ FM*	Summerville, SC	93.3	December 1, 2011	C2	492	50.0	50.0
	WGOW AM	Chattanooga, TN	1150	August 1, 2012	B	N/A	5.0	1.0
	WGOW FM	Soddy-Daisy, TN	102.3	August 1, 2012	A	285	6.0	6.0
	WOGT FM	East Ridge, TN	107.9	August 1, 2012	C3	328	25.0	25.0
Chicago, IL	WSKZ FM	Chattanooga, TN	106.5	August 1, 2012	C	1079	100.0	100.0
	WLS AM	Chicago, IL	890	December 1, 2012	A	N/A	50.0	50.0
Cincinnati, OH	WLS FM	Chicago, IL	94.7	December 1, 2012	B	1535	4.4	4.4
	WNNF FM	Cincinnati, OH	94.1	October 1, 2012	B	866	16.0	16.0
	WOFX FM	Cincinnati, OH	92.5	October 1, 2012	B	866	16.0	16.0
	WRRM FM	Cincinnati, OH	98.5	October 1, 2012	B	807	18.0	18.0
	WGRR FM	Hamilton, OH	103.5	October 1, 2012	B	1037	11.0	11.0
Colorado Springs, CO	WFTK FM	Lebanon, OH	96.5	October 1, 2012	B	810	19.5	19.5
	KKFM FM	Colorado Springs, CO	98.1	April 1, 2013	C	2290	71.0	71.0
	KKMG FM	Pueblo, CO	98.9	April 1, 2013	C	2280	72.0	72.0
	KKPK FM	Colorado Springs, CO	92.9	April 1, 2013	C	2198	60.0	60.0
	KCSF AM	Colorado Springs, CO	1300	April 1, 2013	B	N/A	5.0	1.0
Columbia, MO	KVOR AM	Colorado Springs, CO	740	April 1, 2013	B	N/A	3.3	1.5
	KATC FM	Colorado Springs, CO	95.1	April 1, 2013	C	2280	58.0	58.0
	KBBM FM	Jefferson City, MO	100.1	February 1, 2013	C2	600	33.0	33.0
	KBXR FM	Columbia, MO	102.3	February 1, 2013	C3	856	3.5	3.5
	KFRU AM	Columbia, MO	1400	February 1, 2013	C	N/A	1.0	1.0
	KJMO FM	Linn, MO	97.5	February 1, 2013	A	328	6.0	6.0
	KLIK AM	Jefferson City, MO	1240	February 1, 2013	C	N/A	1.0	1.0
	KOQL FM	Ashland, MO	106.1	February 1, 2013	C1	958	69.0	69.0
	KPLA FM	Columbia, MO	101.5	February 1, 2013	C1	1063	42.0	42.0
	KZJF FM	Jefferson City, MO	104.1	February 1, 2013	A	348	5.3	5.3
Columbia, SC	WISW AM	Columbia, SC	1320	December 1, 2019	B	N/A	5.0	2.5
	WLXC FM*	Columbia, SC	103.1	December 1, 2011	A	308	6.0	6.0
	WNKT FM	Eastover, SC	107.5	December 1, 2019	C2	548	40.0	40.0
	WOMG FM	Lexington, SC	98.5	December 1, 2019	A	325	6.0	6.0
	WTCB FM	Orangeburg, SC	106.7	December 1, 2019	C1	787	100.0	100.0
Columbus-Starkville, MS	WJWF AM	Columbus, MS	1400	June 1, 2012	C	N/A	1.0	1.0
	WKOR FM	Columbus, MS	94.9	June 1, 2012	C2	492	50.0	50.0
	WMXU FM	Starkville, MS	106.1	June 1, 2012	C2	502	40.0	40.0
	WNMQ FM	Columbus, MS	103.1	June 1, 2012	C2	755	22.0	22.0
	WSMS FM	Artesia, MS	99.9	June 1, 2012	C2	505	47.0	47.0
Dallas, TX	WSSO AM	Starkville, MS	1230	June 1, 2012	C	N/A	1.0	1.0
	WBAP AM	Fort Worth, TX	820	August 1, 2013	A	N/A	50.0	50.0
	WBAP FM	Flower Mound, TX	96.7	August 1, 2013	C	2038	90.0	90.0
	KSCS FM	Fort Worth, TX	96.3	August 1, 2013	C	1611	99.0	99.0
	KLIF AM	Dallas, TX	570	August 1, 2013	B	N/A	5.0	5.0
	KPLX FM	Fort Worth, TX	99.5	August 1, 2013	C	1677	100.0	100.0
	KLIF FM	Haltom City, TX	93.9	August 1, 2013	C2	394	50.0	50.0
	KTCK AM	Dallas, TX	1310	August 1, 2013	B	N/A	25.0	5.0
Danbury, CT	KTDK FM	Sanger, TX	104.1	August 1, 2013	C3	630	6.2	6.2
	WDBY FM	Patterson, NY	105.5	June 1, 2014	A	610	0.9	0.9

**Table of Contents**

Market	Stations	City of License	Frequency	Expiration Date of License	FCC Class	Height Above Average Terrain (in feet)	Power (in Kilowatts)	
							Day	Night
Des Moines, IA	WINE AM	Brookfield, CT	940	April 1, 2014	D	N/A	0.7	0.0
	WPUT AM	Brewster, NY	1510	June 1, 2014	D	N/A	1.0	0.0
	WRKI FM	Brookfield, CT	95.1	April 1, 2014	B	636	29.5	29.5
	KBGG AM	Des Moines, IA	1700	February 1, 2013	B	N/A	10.0	1.0
	KHKI FM	Des Moines, IA	97.3	February 1, 2013	C1	469	105.0	105.0
	KGGO FM	Des Moines, IA	94.9	February 1, 2013	C0	1066	100.0	100.0
	KJJY FM	West Des Moines, IA	92.5	February 1, 2013	C2	541	41.0	41.0
Detroit, MI	KWQW FM	Boone, IA	98.3	February 1, 2013	C2	541	41.0	41.0
	WJR AM	Detroit, MI	760	October 1, 2012	A	N/A	50.0	50.0
	WDVD FM	Detroit, MI	96.3	October 1, 2012	B	787	20.0	20.0
	WDRQ FM	Detroit, MI	93.1	October 1, 2012	B	669	26.5	26.5
Dubuque, IA	KLYV FM	Dubuque, IA	105.3	February 1, 2013	C2	348	50.0	50.0
	KXGE FM	Dubuque, IA	102.3	February 1, 2013	A	308	2.0	2.0
	WDBQ AM	Dubuque, IA	1490	February 1, 2013	C	N/A	1.0	1.0
	WDBQ FM	Galena, IL	107.5	December 1, 2012	A	328	6.0	6.0
Erie, PA	WJOD FM	Asbury, IA	103.3	February 1, 2013	C3	643	6.6	6.6
	WXKC FM	Erie, PA	99.9	August 1, 2014	B	492	50.0	50.0
	WXTA FM	Edinboro, PA	97.9	August 1, 2014	B1	505	10.0	10.0
	WRIE AM	Erie, PA	1260	August 1, 2014	B	N/A	5.0	5.0
Eugene, OR	WQHZ FM	Erie, PA	102.3	August 1, 2014	A	614	1.7	1.7
	KEHK FM	Brownsville, OR	102.3	February 1, 2014	C1	919	100.0	100.0
	KNRQ FM	Aloha, OR	97.9	February 1, 2014	C	1011	100.0	100.0
	KSCR AM	Eugene, OR	1320	February 1, 2014	D	N/A	1.0	0.0
	KUGN AM	Eugene, OR	590	February 1, 2014	B	N/A	5.0	5.0
	KUJZ FM	Creswell, OR	95.3	February 1, 2014	C3	1207	0.6	0.6
	KZEL FM	Eugene, OR	96.1	February 1, 2014	C	1093	100.0	100.0
Faribault-Owatonna, MN	KDHL AM	Faribault, MN	920	April 1, 2013	B	N/A	5.0	5.0
	KQCL FM	Faribault, MN	95.9	April 1, 2013	A	328	3.0	3.0
	KRFO AM	Owatonna, MN	1390	April 1, 2013	D	N/A	0.5	0.1
	KRFO FM	Owatonna, MN	104.9	April 1, 2013	A	174	4.7	4.7
Fayetteville, AR	KAMO FM	Rogers, AR	94.3	June 1, 2012	C2	692	25.0	25.0
	KFAY AM	Farmington, AR	1030	June 1, 2012	B	N/A	10.0	1.0
	KQSM FM	Fayetteville, AR	92.1	June 1, 2012	C3	532	7.6	7.6
	KMCK FM	Prairie Grove, AR	105.7	June 1, 2012	C1	476	100.0	100.0
	KKEG FM	Bentonville, AR	98.3	June 1, 2012	C1	617	100.0	100.0
	KYNG AM	Springdale, AR	1590	June 1, 2012	D	N/A	2.5	0.1
Fayetteville, NC	WFNC AM	Fayetteville, NC	640	December 1, 2019	B	N/A	10.0	1.0
	WFVL FM	Lumberton, NC	102.3	December 1, 2019	A	279	6.0	6.0
	WMGU FM	Southern Pines, NC	106.9	December 1, 2019	C2	469	50.0	50.0
	WQSM FM	Fayetteville, NC	98.1	December 1, 2019	C1	830	100.0	100.0
	WRCQ FM	Dunn, NC	103.5	December 1, 2019	C2	502	48.0	48.0
Flint, MI	WDZZ FM	Flint, MI	92.7	October 1, 2012	A	328	3.0	3.0
	WWCK AM	Flint, MI	1570	October 1, 2012	D	N/A	1.0	0.2
	WWCK FM	Flint, MI	105.5	October 1, 2012	B1	328	25.0	25.0
	WFBE FM	Flint, MI	95.1	October 1, 2012	B	318	34.0	34.0
Florence, SC	WTRX AM	Flint, MI	1330	October 1, 2012	B	N/A	5.0	1.0
	WBZF FM	Hartsville, SC	98.5	December 1, 2019	A	328	6.0	6.0

**Table of Contents**

Market	Stations	City of License	Frequency	Expiration Date of License	FCC Class	Height Above Average Terrain (in feet)	Power (in Kilowatts)	
							Day	Night
	WCMG FM	Latta, SC	94.3	December 1, 2019	C3	502	10.5	10.5
	WHLZ FM	Marion, SC	100.5	December 1, 2019	C3	328	25.0	25.0
	WMXT FM	Pamplico, SC	102.1	December 1, 2019	C2	479	50.0	50.0
	WWFN FM	Lake City, SC	100.1	December 1, 2019	A	433	3.3	3.3
	WYMB AM	Manning, SC	920	December 1, 2019	B	N/A	2.3	1.0
	WYNN AM	Florence, SC	540	December 1, 2019	D	N/A	0.3	0.2
	WYNN FM	Florence, SC	106.3	December 1, 2019	A	328	6.0	6.0
Fort Smith, AR	KBBQ FM	Van Buren, AR	102.7	June 1, 2012	C2	574	17.0	17.0
	KLSZ FM	Fort Smith, AR	100.7	June 1, 2012	C2	459	50.0	50.0
	KOAI AM	Van Buren, AR	1060	June 1, 2012	D	N/A	0.5	0.0
	KOMS FM	Poteau, OK	107.3	June 1, 2013	C	1893	100.0	100.0
Fort Walton Beach, FL	WFTW AM	Ft. Walton Beach, FL	1260	February 1, 2020	D	N/A	2.5	0.1
	WKSM FM*	Ft. Walton Beach, FL	99.5	February 1, 2012	C2	438	50.0	50.0
	WNCV FM	Shalimar, FL	93.3	February 1, 2020	C2	469	50.0	50.0
	WYZB FM	Mary Esther, FL	105.5	February 1, 2020	C3	305	25.0	25.0
	WZNS FM	Ft. Walton Beach, FL	96.5	February 1, 2020	C1	438	100.0	100.0
Grand Junction, CO	KBKL FM	Grand Junction, CO	107.9	April 1, 2013	C	1486	100.0	100.0
	KEKB FM	Fruita, CO	99.9	April 1, 2013	C	1546	79.0	79.0
	KDBN FM	Parachute, CO	101.1	April 1, 2013	A	-1398	0.2	0.2
	KEXO AM	Grand Junction, CO	1230	April 1, 2013	C	N/A	1.0	1.0
	KKNN FM	Delta, CO	95.1	April 1, 2013	C0	1424	100.0	100.0
	KMXY FM	Grand Junction, CO	104.3	April 1, 2013	C0	1464	100.0	100.0
Grand Rapids, MI	WJRW AM	Grand Rapids, MI	1340	October 1, 2012	C	N/A	1.0	1.0
	WTNR FM	Holland, MI	94.5	October 1, 2012	B	499	50.0	50.0
	WLAV FM	Grand Rapids, MI	96.9	October 1, 2012	B	489	50.0	50.0
	WBBL FM	Greenville, MI	107.3	October 1, 2012	B	492	50.0	50.0
	WHTS FM	Coopersville, MI	105.3	October 1, 2012	B	794	20.0	20.0
Green Bay, WI	WDUZ AM	Green Bay, WI	1400	December 1, 2012	C	N/A	1.0	1.0
	WDUZ FM	Brillion, WI	107.5	December 1, 2012	C3	879	3.6	3.6
	WKRU FM	Allouez, WI	106.7	December 1, 2012	C3	328	25.0	25.0
	WQGB FM	Kaukauna, WI	103.1	December 1, 2012	C3	879	3.6	3.6
	WPCK FM	Denmark, WI	104.9	December 1, 2012	C3	515	10.0	10.0
	WQLH FM	Green Bay, WI	98.5	December 1, 2012	C1	499	100.0	100.0
Harrisburg, PA	WHGB AM	Harrisburg, PA	1400	August 1, 2014	C	N/A	1.0	1.0
	WNNK FM	Harrisburg, PA	104.1	August 1, 2014	B	725	22.5	22.5
	WWKL FM	Mechanicsburg, PA	93.5	August 1, 2014	A	719	1.3	1.3
	WDVY FM	Hershey, PA	106.7	August 1, 2014	B	929	14.0	14.0
	WQXA FM	York, PA	105.7	August 1, 2014	B	705	25.0	25.0
Houston, TX	KHJK FM	La Porte, TX	103.7	August 1, 2013	C	1936	94.9	94.9
	KRBE FM	Houston, TX	104.1	August 1, 2013	C	1919	92.2	92.2
Huntsville, AL	WHRP FM	Gurley, AL	94.1	April 1, 2012	A	945	0.7	0.7
	WUMP AM	Madison, AL	730	April 1, 2012	D	N/A	1.0	0.1
	WVNN AM	Athens, AL	770	April 1, 2012	B	N/A	7.0	0.3
	WVNN FM	Trinity, AL	92.5	April 1, 2012	A	423	3.1	3.1
	WWFF FM	New Market, AL	93.3	April 1, 2012	C2	914	14.5	14.5
	WZYP FM	Athens, AL	104.3	April 1, 2012	C	1116	100.0	100.0
Indianapolis, IN	WJJK FM	Noblesville, IN	104.5	August 1, 2012	B	492	50.0	50.0
	WAYI FM	Sellersburg, IN	93.9	August 1, 2012	A	499	2.7	2.7

Edgar Filing: CUMULUS MEDIA INC - Form 10-K

**Table of Contents**

Market	Stations	City of License	Frequency	Expiration Date of License	FCC Class	Height Above Average Terrain (in feet)	Power (in Kilowatts)	
							Day	Night
Johnson City, TN	WFMS FM	Fishers, IN	95.5	August 1, 2012	B	991	13.0	13.0
	WXSM AM	Blountville, TN	640	August 1, 2012	B	N/A	10.0	0.8
	WJCW AM	Johnson City, TN	910	August 1, 2012	B	N/A	5.0	0.1
	WGOC AM	Kingsport, TN	1320	August 1, 2012	B	N/A	5.0	0.5
	WKOS FM	Kingsport, TN	104.9	August 1, 2012	A	492	2.8	2.8
Kalamazoo, MI	WQUT FM	Johnson City, TN	101.5	August 1, 2012	C	1499	100.0	100.0
	WKFR FM	Battle Creek, MI	103.3	February 1, 2012	B	482	50.0	50.0
	WKMI AM	Kalamazoo, MI	1360	October 1, 2012	B	N/A	5.0	1.0
Kansas City, MO	WRKR FM	Portage, MI	107.7	October 1, 2012	B	486	50.0	50.0
	KCFX FM	Harrisonville, MO	101.1	February 1, 2013	C0	1099	100.0	100.0
	KCHZ FM	Ottawa, KS	95.7	June 1, 2013	C1	981	98.0	98.0
	KCJK FM	Garden City, MO	105.1	February 1, 2013	C1	1145	69.0	69.0
	KCMO AM	Kansas City, MO	710	February 1, 2013	B	N/A	10.0	5.0
Killeen-Temple, TX	KCMO FM	Shawnee, KS	94.9	June 1, 2013	C0	1119	100.0	100.0
	KMJK FM	North Kansas City, MO	107.3	February 1, 2013	C1	981	100.0	100.0
	KLTD FM	Temple, TX	101.7	August 1, 2013	C3	410	16.5	16.5
	KOOC FM	Belton, TX	106.3	August 1, 2013	C3	489	11.5	11.5
	KSSM FM	Copperas Cove, TX	103.1	August 1, 2013	C3	558	8.6	8.6
Knoxville, TN	KTEM AM	Temple, TX	1400	August 1, 2013	C	N/A	1.0	1.0
	KUSJ FM	Harker Heights, TX	105.5	August 1, 2013	C2	600	33.0	33.0
	WIVK FM	Knoxville, TN	107.7	August 1, 2012	C	2077	91.0	91.0
	WNML AM	Knoxville, TN	990	August 1, 2012	B	N/A	10.0	10.0
	WNML FM	Friendsville, TN	99.1	August 1, 2012	A	328	6.0	6.0
Kokomo, IN	WOKI FM	Oliver Springs, TN	98.7	August 1, 2012	C3	571	8.0	8.0
	WNRX FM	Jefferson City, TN	99.3	August 1, 2012	A	653	0.9	0.9
	WWKI FM	Kokomo, IN	100.5	August 1, 2012	B	469	50.0	50.0
Lafayette, LA	KNEK AM	Washington, LA	1190	June 1, 2012	D	N/A	0.3	0.0
	KRRQ FM	Lafayette, LA	95.5	June 1, 2012	C2	443	50.0	50.0
	KSMB FM	Lafayette, LA	94.5	June 1, 2012	C	1079	100.0	100.0
	KXKC FM	New Iberia, LA	99.1	June 1, 2012	C0	984	100.0	100.0
	KNEK FM	Washington, LA	104.7	June 1, 2012	C3	328	25.0	25.0
Lake Charles, LA	KAOK AM	Lake Charles, LA	1400	June 1, 2012	C	N/A	1.0	1.0
	KBIU FM	Lake Charles, LA	103.3	June 1, 2012	C2	479	35.0	35.0
	KKGB FM	Sulphur, LA	101.3	June 1, 2012	C3	479	12.0	12.0
	KQLK FM	De Ridder, LA	97.9	June 1, 2012	C2	492	50.0	50.0
	KXZZ AM	Lake Charles, LA	1580	June 1, 2012	B	N/A	1.0	1.0
Lancaster, PA	KYKZ FM	Lake Charles, LA	96.1	June 1, 2012	C1	479	100.0	100.0
	WIOV FM	Ephrata, PA	105.1	August 1, 2014	B	702	25.0	25.0
Lansing, MI	WIOV AM	Reading, PA	1240	August 1, 2014	C	N/A	1.0	1.0
	WFMK FM	East Lansing, MI	99.1	October 1, 2012	B	600	28.0	28.0
	WITL FM	Lansing, MI	100.7	October 1, 2012	B	643	26.5	26.5
	WJIM AM	Lansing, MI	1240	October 1, 2012	C	N/A	0.9	0.9
	WJIM FM	Lansing, MI	97.5	October 1, 2012	B	512	45.0	45.0
Lexington, KY	WMMQ FM	East Lansing, MI	94.9	October 1, 2012	B	492	50.0	50.0
	WVFN AM	East Lansing, MI	730	October 1, 2012	D	N/A	0.5	0.1
	WCYN FM	Cynthiana, KY	102.3	August 1, 2012	A	400	3.4	3.4
	WLTO FM	Nicholasville, KY	102.5	August 1, 2012	A	373	4.6	4.6
	WLXX FM	Lexington, KY	92.9	August 1, 2012	C1	850	100.0	100.0

**Table of Contents**

Market	Stations	City of License	Frequency	Expiration Date of License	FCC Class	Height Above Average Terrain (in feet)	Power (in Kilowatts)	
							Day	Night
Little Rock, AR	WVLK AM	Lexington, KY	590	August 1, 2012	B	N/A	5.0	1.0
	WVLK FM	Richmond, KY	101.5	August 1, 2012	C3	541	9.0	9.0
	WXZZ FM	Georgetown, KY	103.3	August 1, 2012	A	328	6.0	6.0
	KAAY AM	Little Rock, AR	1090	June 1, 2012	A	N/A	50.0	50.0
	KARN AM	Little Rock, AR	920	June 1, 2012	B	N/A	5.0	5.0
	KIPR FM	Pine Bluff, AR	92.3	June 1, 2012	C1	938	100.0	100.0
	KLAL FM	Wrightsville, AR	107.7	June 1, 2012	C1	742	100.0	100.0
	KPZK AM	Little Rock, AR	1250	June 1, 2012	B	N/A	2.0	1.2
	KURB FM	Little Rock, AR	98.5	June 1, 2012	C0	1286	100.0	100.0
Los Angeles, CA	KARN FM	Sheridan, AR	102.9	June 1, 2012	C2	492	50.0	50.0
	KABC AM	Los Angeles, CA	790	December 1, 2013	B	N/A	5.0	5.0
Macon, GA	KLOS FM	Los Angeles, CA	95.5	December 1, 2013	B	3130	63.0	63.0
	WAYS AM	Macon, GA	1500	April 1, 2012	D	N/A	1.0	0.0
Melbourne, FL	WDDO AM	Macon, GA	1240	April 1, 2012	C	N/A	1.0	1.0
	WDEN FM	Macon, GA	99.1	April 1, 2012	C1	581	100.0	100.0
	WROK FM	Macon, GA	105.5	April 1, 2012	C3	659	6.1	6.1
	WLZN FM	Macon, GA	92.3	April 1, 2012	A	328	3.0	3.0
	WMAC AM	Macon, GA	940	April 1, 2012	B	N/A	50.0	10.0
	WMGB FM	Montezuma, GA	95.1	April 1, 2012	C2	390	46.0	46.0
	WPEZ FM	Jeffersonville, GA	93.7	April 1, 2012	C1	679	100.0	100.0
	WAOA FM	Melbourne, FL	107.1	February 1, 2020	C1	486	100.0	100.0
	WHKR FM*	Rockledge, FL	102.7	February 1, 2012	C2	433	50.0	50.0
Memphis, TN	WINT AM*	Melbourne, FL	1560	February 1, 2012	D	N/A	5.0	0.0
	WSJZ FM	Sebastian, FL	95.9	February 1, 2020	C3	289	25.0	25.0
	WRBO FM	Como, MS	103.5	June 1, 2012	C1	587	100.0	100.0
Minneapolis, MN	WGKX FM	Memphis, TN	105.9	August 1, 2012	C	993	100.0	100.0
	WXMN FM	Millington, TN	98.1	August 1, 2012	C1	869	100.0	100.0
	WKIM FM	Munford, TN	98.9	August 1, 2012	C1	614	100.0	100.0
	KQRS FM	Golden Valley, MN	92.5	April 1, 2013	C	1034	100.0	100.0
Mobile, AL	KXXR FM	Minneapolis, MN	93.7	April 1, 2013	C	1034	100.0	100.0
	WGVX FM	Lakeville, MN	105.1	April 1, 2013	A	499	2.6	2.6
	WGVY FM	Cambridge, MN	105.3	April 1, 2013	C3	299	25.0	25.0
	WGVZ FM	Eden Prairie, MN	105.7	April 1, 2013	A	833	1.0	1.0
	WBLX FM	Mobile, AL	92.9	April 1, 2012	C	1708	98.0	98.0
	WDLT FM	Chickasaw, AL	98.3	April 1, 2012	C2	548	40.0	40.0
	WGOK AM	Mobile, AL	900	April 1, 2012	B	N/A	1.0	0.4
Modesto, CA	WXQW AM	Fairhope, AL	660	April 1, 2012	B	N/A	10.0	0.9
	WABD FM	Atmore, AL	104.1	April 1, 2012	C	1708	98.0	98.0
	KATM FM	Modesto, CA	103.3	December 1, 2013	B	499	50.0	50.0
	KDJK FM	Mariposa, CA	103.9	December 1, 2013	A	2047	0.1	0.1
	KESP AM	Modesto, CA	970	December 1, 2013	B	N/A	1.0	1.0
	KHKK FM	Modesto, CA	104.1	December 1, 2013	B	499	50.0	50.0
	KHOP FM	Oakdale, CA	95.1	December 1, 2013	B	633	29.5	29.5
Muncie, IN	KWNN FM	Turlock, CA	98.3	December 1, 2013	A	390	2.0	2.0
	WLTI AM	New Castle, IN	1550	August 1, 2012	B	N/A	0.3	0.3
Muskegon, MI	WMDH FM	New Castle, IN	102.5	August 1, 2012	B	499	50.0	50.0
	WLCS FM	North Muskegon, MI	98.3	October 1, 2012	A	456	1.6	1.6
	WKLQ AM	Whitehall, MI	1490	October 1, 2012	C	N/A	1.0	1.0

**Table of Contents**

Market	Stations	City of License	Frequency	Expiration Date of License	FCC Class	Height Above Average Terrain (in feet)	Power (in Kilowatts)	
							Day	Night
Montgomery, AL	WVIB FM	Holton, MI	100.1	October 1, 2012	A	472	2.9	2.9
	WLAW FM	Newaygo, MI	92.5	October 1, 2012	A	541	2.3	2.3
	WWSN FM	Whitehall, MI	97.5	October 1, 2012	A	427	1.7	1.7
	WHHY FM	Montgomery, AL	101.9	April 1, 2012	C0	1096	100.0	100.0
	WLWI AM	Montgomery, AL	1440	April 1, 2012	B	N/A	5.0	1.0
	WLWI FM	Montgomery, AL	92.3	April 1, 2012	C0	1096	100.0	100.0
	WMSP AM	Montgomery, AL	740	April 1, 2012	B	N/A	10.0	0.2
	WMXS FM	Montgomery, AL	103.3	April 1, 2012	C	1096	100.0	100.0
Myrtle Beach, SC	WXFX FM	Prattville, AL	95.1	April 1, 2012	C2	1095	5.4	5.4
	WDAI FM*	Pawley s Island, SC	98.5	December 1, 2011	C3	666	6.1	6.1
	WTOD AM*	Hartsville, SC	1450	December 1, 2011	C	N/A	1.0	1.0
	WLFF FM*	Georgetown, SC	106.5	December 1, 2011	C2	492	50.0	50.0
	WSEA FM*	Atlantic Beach, SC	100.3	December 1, 2011	C3	476	12.0	12.0
	WSYN FM*	Surfside Beach, SC	103.1	December 1, 2011	C3	528	8.0	8.0
Nashville, TN	WHSC AM*	Conway, SC	1050	December 1, 2011	B	N/A	5.0	0.5
	WQK FM	Goodlettsville, TN	92.1	August 1, 2012	A	461	3.1	3.1
	WSM FM	Nashville, TN	95.5	August 1, 2012	C	1230	100.0	100.0
	WWTN FM	Hendersonville, TN	99.7	August 1, 2012	C0	1296	100.0	100.0
	WGFX FM	Gallatin, TX	104.5	August 1, 2012	C1	1207	58.0	58.0
	WKDF FM	Nashville, TN	103.3	August 1, 2012	C0	1234	100.0	100.0
New Bedford, MA	WBSM AM	New Bedford, MA	1420	April 1, 2014	B	N/A	5.0	1.0
	WFHN FM	Fairhaven, MA	107.1	April 1, 2014	A	345	5.4	5.4
New London, CT	WQGN FM	Groton, CT	105.5	April 1, 2014	A	276	3.0	3.0
	WXML AM	Groton, CT	980	April 1, 2014	D	N/A	1.0	0.1
	WMOS FM	Stonington, CT	102.3	April 1, 2014	A	345	5.4	5.4
New Orleans, LA	KMEZ FM	Port Sulphur, LA	106.7	June 1, 2012	C1	981	100.0	100.0
	KKND FM	Belle Chasse, LA	102.9	June 1, 2012	C3	604	4.7	4.7
	WRKN FM	Laplace, LA	92.3	June 1, 2012	C	1946	100.0	100.0
	WMTI FM	Picayune, MS	106.1	June 1, 2012	C2	659	28.0	28.0
New York, NY	WABC AM	New York, NY	770	June 1, 2014	A	N/A	50.0	50.0
	WPLJ FM	New York, NY	95.5	June 1, 2014	B	1339	6.7	6.7
Odessa-Midland, TX	KBAT FM	Monahans, TX	99.9	August 1, 2013	C1	574	100.0	100.0
	KGEE FM	Pecos, TX	97.3	August 1, 2013	A	70	0.3	0.3
	KMND AM	Midland, TX	1510	August 1, 2013	D	N/A	2.4	0.0
	KNFM FM	Midland, TX	92.3	August 1, 2013	C	984	100.0	100.0
	KODM FM	Odessa, TX	97.9	August 1, 2013	C1	361	100.0	100.0
	KRIL AM	Odessa, TX	1410	August 1, 2013	B	N/A	0.9	0.2
	KZBT FM	Midland, TX	93.3	August 1, 2013	C1	440	100.0	100.0
	KATT FM	Oklahoma City, OK	100.5	June 1, 2013	C1	1542	28.9	28.9
Oklahoma City, OK	KKWD FM	Bethany, OK	104.9	June 1, 2013	A	328	6.0	6.0
	WWLS FM	The Village, OK	98.1	June 1, 2013	C	1542	28.9	28.9
	KQOB FM	Enid, OK	96.9	June 1, 2013	C	1480	98.0	98.0
	KYIS FM	Oklahoma City, OK	98.9	June 1, 2013	C	1542	100.0	100.0
	WWLS AM	Moore, OK	640	June 1, 2013	B	N/A	5.0	1.0
	WKY AM	Oklahoma City, OK	930	June 1, 2013	B	N/A	5.0	5.0
	KBBY FM	Ventura, CA	95.1	December 1, 2013	B	876	12.5	12.5
	KHAY FM	Ventura, CA	100.7	December 1, 2013	B	1211	39.0	39.0
Oxnard-Ventura, CA	KVEN AM	Ventura, CA	1450	December 1, 2013	C	N/A	1.0	1.0
	KVYB FM	Santa Barbara, CA	103.3	December 1, 2013	B	2969	105.0	105.0
	WCOA AM*	Pensacola, FL	1370	February 1, 2012	B	N/A	5.0	5.0
	WJLQ FM*	Pensacola, FL	100.7	February 1, 2012	C	1708	98.0	98.0
	WRRX FM*	Gulf Breeze, FL	106.1	February 1, 2012	A	407	3.9	3.9

Edgar Filing: CUMULUS MEDIA INC - Form 10-K

**Table of Contents**

Market	Stations	City of License	Frequency	Expiration Date of License	FCC Class	Height Above Average Terrain (in feet)	Power (in Kilowatts)	
							Day	Night
Portland, ME	WBLM FM	Portland, ME	102.9	April 1, 2014	C0	1427	100.0	100.0
	WCYY FM	Biddeford, ME	94.3	April 1, 2014	B1	482	11.5	11.5
	WHOM FM	Mount Washington, NH	94.9	April 1, 2014	C	3744	48.0	48.0
	WJBQ FM	Portland, ME	97.9	April 1, 2014	B	889	16.0	16.0
Portsmouth, NH	WOKQ FM	Dover, NH	97.5	April 1, 2014	B	492	50.0	50.0
	WPKQ FM	North Conway, NH	103.7	April 1, 2014	C	3803	21.5	21.5
	WSAK FM	Hampton, NH	102.1	April 1, 2014	A	328	3.0	3.0
	WSHK FM	Kittery, ME	105.3	April 1, 2014	A	371	2.2	2.2
Poughkeepsie, NY	WALL AM	Middletown, NY	1340	June 1, 2014	C	N/A	1.0	1.0
	WCZX FM	Hyde Park, NY	97.7	June 1, 2014	A	1030	0.3	0.3
	WEOK AM	Poughkeepsie, NY	1390	June 1, 2014	D	N/A	5.0	0.1
	WKNY AM	Kingston, NY	1490	June 1, 2014	C	N/A	1.0	1.0
	WKXP FM	Kingston, NY	94.3	June 1, 2014	A	545	2.3	2.3
	WPDA FM	Jeffersonville, NY	106.1	June 1, 2014	A	627	1.6	1.6
	WPDH FM	Poughkeepsie, NY	101.5	June 1, 2014	B	1539	4.4	4.4
	WRRB FM	Arlington, NY	96.9	June 1, 2014	A	1007	0.3	0.3
	WRRV FM	Middletown, NY	92.7	June 1, 2014	A	269	6.0	6.0
	WZAD FM	Wurtsboro, NY	97.3	June 1, 2014	A	719	0.6	0.6
Presque Isle, ME	WBPW FM	Presque Isle, ME	96.9	April 1, 2014	C1	430	100.0	100.0
	WOZI FM	Presque Isle, ME	101.9	April 1, 2014	C2	1207	7.9	7.9
	WQHR FM	Presque Isle, ME	96.1	April 1, 2014	C	1280	95.0	95.0
Providence, RI	WPRO AM	Providence, RI	630	April 1, 2014	B	N/A	5.0	5.0
	WPRO FM	Providence, RI	92.3	April 1, 2014	B	551	39.0	39.0
	WPRV AM	Providence, RI	790	April 1, 2014	B	N/A	5.0	5.0
	WEAN FM	Wakefield-Peacedale, RI	99.7	April 1, 2014	A	535	2.3	2.3
	WWLI FM	Providence, RI	105.1	April 1, 2014	B	499	50.0	50.0
	WWKX FM	Woonsocket, RI	106.3	April 1, 2014	A	518	1.2	1.2
Quad Cities, IA	KBEA FM	Muscatine, IA	99.7	February 1, 2013	C1	869	100.0	100.0
	KBOB FM	DeWitt, IA	104.9	February 1, 2013	C3	469	12.5	12.5
	KJOC AM	Davenport, IA	1170	February 1, 2013	B	N/A	1.0	1.0
	KQCS FM	Bettendorf, IA	93.5	February 1, 2013	A	318	6.0	6.0
	WXLP FM	Moline, IL	96.9	December 1, 2012	B	499	50.0	50.0
Reno, NV	KBUL FM	Carson City, NV	98.1	October 1, 2013	C	2293	74.0	74.0
	KKOH AM	Reno, NV	780	October 1, 2013	B	N/A	50.0	50.0
	KNEV FM	Reno, NV	95.5	October 1, 2013	C	2280	60.0	60.0
Rochester, MN	KWYL FM	South Lake Tahoe, CA	102.9	December 1, 2013	C	2927	39.0	39.0
	KDCZ FM	Eyota, MN	103.9	April 1, 2013	A	567	1.3	1.3
	KFIL AM	Preston, MN	1060	April 1, 2013	D	N/A	1.0	0.0
	KFIL FM	Chatfield, MN	103.1	April 1, 2013	C3	522	3.5	3.5
	KDZZ FM	Saint Charles, MN	107.7	April 1, 2013	A	571	2.0	2.0
	KOLM AM	Rochester, MN	1520	April 1, 2013	B	N/A	10.0	0.8
	KROC AM	Rochester, MN	1340	April 1, 2013	C	N/A	1.0	1.0
	KROC FM	Rochester, MN	106.9	April 1, 2013	C0	1109	100.0	100.0
	KVGO FM	Spring Valley, MN	104.3	April 1, 2013	C3	512	10.0	10.0
	KWWK FM	Rochester, MN	96.5	April 1, 2013	C2	528	43.0	43.0
Rockford, IL	KYBA FM	Stewartville, MN	105.3	April 1, 2013	C2	492	50.0	50.0
	WKGL FM	Loves Park, IL	96.7	December 1, 2012	A	551	2.2	2.2
	WROK AM	Rockford, IL	1440	December 1, 2012	B	N/A	5.0	0.3
	WXXQ FM	Freeport, IL	98.5	December 1, 2012	B1	492	11.0	11.0
	WZOK FM	Rockford, IL	97.5	December 1, 2012	B	452	50.0	50.0

**Table of Contents**

Market	Stations	City of License	Frequency	Expiration Date of License	FCC Class	Height Above Average Terrain (in feet)	Power (in Kilowatts)	
							Day	Night
Saginaw, MI	WHNN FM	Bay City, MI	96.1	October 1, 2012	C	1020	100.0	100.0
	WILZ FM	Saginaw, MI	104.5	October 1, 2012	A	413	2.9	2.9
	WIOG FM	Bay City, MI	102.5	October 1, 2012	B	801	86.0	86.0
	WKQZ FM	Midland, MI	93.3	October 1, 2012	C2	554	39.0	39.0
Salt Lake City, UT	KKAT AM	Salt Lake City, UT	860	October 1, 2013	D	N/A	10.0	0.2
	KBEE FM	Salt Lake City, UT	98.7	October 1, 2013	C	2933	34.5	34.5
	KBER FM	Ogden, UT	101.1	October 1, 2013	C	3740	25.0	25.0
	KENZ FM	Ogden, UT	101.9	October 1, 2013	C	3740	25.0	25.0
	KHTB FM	Provo, UT	94.9	October 1, 2013	C	2799	48.0	48.0
	KFNZ AM	Salt Lake City, UT	1320	October 1, 2013	B	N/A	5.0	5.0
	KJQS AM	Murray, UT	1230	October 1, 2013	C	N/A	1.0	1.0
	KUBL FM	Salt Lake City, UT	93.3	October 1, 2013	C	3740	25.0	25.0
San Francisco, CA	KGO AM	San Francisco, CA	810	December 1, 2013	A	N/A	50.0	50.0
	KSFO AM	San Francisco, CA	560	December 1, 2013	B	N/A	5.0	5.0
	KFFG FM	Los Altos, CA	97.7	December 1, 2013	A	410	4.0	4.0
	KFOG FM	San Francisco, CA	104.5	December 1, 2013	B	1506	7.1	7.1
	KNBR AM	San Francisco, CA	680	December 1, 2013	A	N/A	50.0	50.0
	KSAN FM	San Mateo, CA	107.7	December 1, 2013	B	1161	8.9	8.9
Santa Barbara, CA	KTCT AM	San Mateo, CA	1050	December 1, 2013	B	N/A	50.0	10.0
	KRUZ FM	Goleta, CA	97.5	December 1, 2013	B	2920	17.5	17.5
Savannah, GA	KRRF FM	Oak View, CA	106.3	December 1, 2013	A	827	0.9	0.9
	WBMQ AM	Savannah, GA	630	April 1, 2012	D	N/A	4.8	0.0
	WEAS FM	Springfield, GA	93.1	April 1, 2012	C1	981	96.6	96.6
	WIXV FM	Savannah, GA	95.5	April 1, 2012	C1	988	98.0	98.0
	WJCL FM	Savannah, GA	96.5	April 1, 2012	C	1161	100.0	100.0
	WJLG AM	Savannah, GA	900	April 1, 2012	D	N/A	4.4	0.2
Shreveport, LA	WZAT FM	Tybee Island, GA	102.1	April 1, 2012	C0	1328	98.0	98.0
	KMJJ FM	Shreveport, LA	99.7	June 1, 2012	C2	533	23.5	23.5
	KQHN FM	Waskom, TX	97.3	August 1, 2013	C2	533	42.0	42.0
	KRMD AM	Shreveport, LA	1340	June 1, 2012	C	N/A	1.0	1.0
	KRMD FM	Oil City, LA	101.1	June 1, 2012	C0	1134	97.7	97.7
Sioux Falls, SD	KVMA FM	Shreveport, LA	102.9	June 1, 2012	C2	535	42.0	42.0
	KDEZ FM	Brandon, SD	100.1	April 1, 2013	A	558	2.2	2.2
	KIKN FM	Salem, SD	100.5	April 1, 2013	C1	940	100.0	100.0
	KKLS FM	Sioux Falls, SD	104.7	April 1, 2013	C1	981	100.0	100.0
	KMXC FM	Sioux Falls, SD	97.3	April 1, 2013	C1	840	100.0	100.0
	KSOO AM	Sioux Falls, SD	1140	April 1, 2013	B	N/A	10.0	5.0
	KSOO FM	Lennox, SD	99.1	April 1, 2013	C3	328	25.0	25.0
	KXRB AM	Sioux Falls, SD	1000	April 1, 2013	D	N/A	10.0	0.1
Springfield, MA	KYBB FM	Canton, SD	102.7	April 1, 2013	C2	486	50.0	50.0
	WHLL AM	Springfield, MA	1450	April 1, 2014	C	N/A	1.0	1.0
Stockton, CA	WMAS FM	Enfield, CT	94.7	April 1, 2014	B	180	50.0	50.0
	KJOY FM	Stockton, CA	99.3	December 1, 2013	A	322	4.0	4.0
Syracuse, NY	KWIN FM	Lodi, CA	97.7	December 1, 2013	A	328	6.0	6.0
	WAQX FM	Manlius, NY	95.7	June 1, 2014	B1	299	25.0	25.0
	WXTL FM	Syracuse, NY	105.9	June 1, 2014	A	200	4.0	4.0
	WSKO AM	Syracuse, NY	1260	June 1, 2014	B	N/A	5.0	5.0
	WNTQ FM	Syracuse, NY	93.1	June 1, 2014	B	659	97.0	97.0
Tallahassee, FL	WBZE FM	Tallahassee, FL	98.9	February 1, 2020	C1	604	99.2	99.2

**Table of Contents**

Market	Stations	City of License	Frequency	Expiration Date of License	FCC Class	Height Above Average Terrain (in feet)	Power (in Kilowatts)	
							Day	Night
Toledo, OH	WGLF FM	Tallahassee, FL	104.1	February 1, 2020	C0	1411	92.2	92.2
	WHBT AM	Tallahassee, FL	1410	February 1, 2020	D	N/A	5.0	0.0
	WHBX FM*	Tallahassee, FL	96.1	February 1, 2012	C2	479	37.0	37.0
	WWLD FM	Cairo, GA	102.3	April 1, 2012	C2	604	27.0	27.0
	WKKO FM	Toledo, OH	99.9	October 1, 2012	B	500	50.0	50.0
	WLQR AM	Toledo, OH	1470	October 1, 2012	B	N/A	1.0	1.0
	WRQN FM	Bowling Green, OH	93.5	October 1, 2012	B1	397	7.0	7.0
	WLQR FM	Delta, OH	106.5	October 1, 2012	A	367	4.8	4.8
	WWWM FM	Sylvania, OH	105.5	October 1, 2012	A	389	4.3	4.3
Topeka, KS	WXKR FM	Port Clinton, OH	94.5	October 1, 2012	B	617	30.0	30.0
	WMIM FM	Luna Pier, MI	98.3	October 1, 2012	A	443	3.4	3.4
	KDVB FM	Effingham, KS	96.9	June 1, 2013	A	227	0.1	0.1
	KDVV FM	Topeka, KS	100.3	June 1, 2013	C0	984	100.0	100.0
	KMAJ AM	Topeka, KS	1440	June 1, 2013	B	N/A	5.0	1.0
	KMAJ FM	Carbondale, KS	107.7	June 1, 2013	C1	772	53.0	53.0
	KTOP FM	St. Marys, KS	102.9	June 1, 2013	C2	598	30.0	30.0
	KRWP FM	Stockton, MO	107.7	February 1, 2013	C3	479	11.7	11.7
	KTOP AM	Topeka, KS	1490	June 1, 2013	C	N/A	1.0	1.0
Tucson, AZ	KWIC FM	Topeka, KS	99.3	June 1, 2013	C3	538	6.8	6.8
	KCUB AM	Tucson, AZ	1290	October 1, 2013	B	N/A	1.0	1.0
	KHYT FM	Tucson, AZ	107.5	October 1, 2013	C	2034	92.0	92.0
	KIIM FM	Tucson, AZ	99.5	October 1, 2013	C	2038	93.0	93.0
	KSZR FM	Oro Valley, AZ	97.5	October 1, 2013	A	305	6.0	6.0
	KTUC AM	Tucson, AZ	1400	October 1, 2013	C	N/A	1.0	1.0
Tuscaloosa, AL	WBEL FM	Reform, AL	101.7	April 1, 2012	C2	725	22.5	22.5
	WDGM FM	Greensboro, AL	99.1	April 1, 2012	C3	623	3.2	3.2
	WFFN FM	Coaling, AL	95.3	April 1, 2012	C2	840	17.5	17.5
	WTSK AM	Tuscaloosa, AL	790	April 1, 2012	D	N/A	5.0	0.0
	WTUG FM	Northport, AL	92.9	April 1, 2012	C1	980	100.0	100.0
	WMAL AM*	Washington, DC	630	October 1, 2011	B	N/A	10.0	5.0
Washington, DC	WRQX FM*	Washington, DC	107.3	October 1, 2011	B	807	19.5	19.5
	WMAL FM*	Woodbridge, VA	105.9	October 1, 2011	B	650	28.0	28.0
	WRQX FM*	Washington, DC	107.3	October 1, 2011	B	807	19.5	19.5
Waterloo, IA	KCRF FM	Grundy Center, IA	97.7	February 1, 2013	C3	407	16.0	16.0
	KKHQ FM	Oelwein, IA	92.3	February 1, 2013	C	991	100.0	100.0
	KOEL AM	Oelwein, IA	950	February 1, 2013	B	N/A	5.0	0.5
Westchester, NY	KOEL FM	Cedar Falls, IA	98.5	February 1, 2013	C3	423	15.0	15.0
	WDVY FM	Mount Kisco, NY	106.3	June 1, 2014	A	443	1.0	1.0
	WFAS AM	White Plains, NY	1230	June 1, 2014	C	N/A	1.0	1.0
Wichita Falls, TX	WFAS FM	Bronxville, NY	103.9	June 1, 2014	A	667	0.6	0.6
	KLUR FM	Wichita Falls, TX	99.9	August 1, 2013	C1	808	100.0	100.0
	KOLI FM	Electra, TX	94.9	August 1, 2013	C2	492	50.0	50.0
Wilkes-Barre, PA	KQXC FM	Wichita Falls, TX	103.9	August 1, 2013	C2	807	19.0	19.0
	KYYI FM	Burkburnett, TX	104.7	August 1, 2013	C1	1017	92.0	92.0
	WARM AM	Scranton, PA	590	August 1, 2014	B	N/A	5.0	5.0
	WBHT FM	Mountain Top, PA	97.1	August 1, 2014	A	1102	0.5	0.5
	WBSX FM	Hazleton, PA	97.9	August 1, 2014	B	1335	6.3	6.3
	WSJR FM	Dallas, PA	93.7	August 1, 2014	A	679	1.5	1.5
	WBHD FM	Olyphant, PA	95.7	August 1, 2014	A	1011	0.6	0.6
	WMGS FM	Wilkes-Barre, PA	92.9	August 1, 2014	B	1385	5.3	5.3
Wilmington, NC	WAAV AM	Leland, NC	980	December 1, 2019	B	N/A	5.0	5.0

**Table of Contents**

Market	Stations	City of License	Frequency	Expiration Date of License	FCC Class	Height Above Average Terrain (in feet)	Power (in Kilowatts)	
							Day	Night
Worcester, MA	WGNI FM	Wilmington, NC	102.7	December 1, 2019	C1	981	100.0	100.0
	WKXS FM	Leland, NC	94.5	December 1, 2019	A	416	3.8	3.8
	WMNX FM	Wilmington, NC	97.3	December 1, 2019	C1	884	100.0	100.0
	WWQQ FM*	Wilmington, NC	101.3	December 1, 2011	C2	545	40.0	40.0
	WORC FM	Webster, MA	98.9	April 1, 2014	A	410	1.9	1.9
	WVFX FM	Southbridge, MA	100.1	April 1, 2014	A	479	2.9	2.9
Youngstown, OH	WXLO FM	Fitchburg, MA	104.5	April 1, 2014	B	564	37.0	37.0
	WBBW AM	Youngstown, OH	1240	October 1, 2012	C	N/A	1.0	1.0
	WHOT FM	Youngstown, OH	101.1	October 1, 2012	B	705	24.5	24.5
	WLLF FM	Mercer, PA	96.7	August 1, 2014	A	486	1.4	1.4
	WPIC AM	Sharon, PA	790	August 1, 2014	D	N/A	1.3	0.1
	WQXK FM	Salem, OH	105.1	October 1, 2012	B	446	88.0	88.0
York, PA	WSOM AM	Salem, OH	600	October 1, 2012	D	N/A	1.0	0.0
	WWIZ FM	West Middlesex, PA	103.9	August 1, 2014	A	295	6.0	6.0
	WYFM FM	Sharon, PA	102.9	August 1, 2014	B	604	33.0	33.0
	WSOX FM	Red Lion, PA	96.1	August 1, 2014	B	951	13.5	13.5
	WSBA AM	York, PA	910	August 1, 2014	B	N/A	5.0	1.0
	WGLD AM	Manchester Township, PA	1440	August 1, 2014	D	N/A	0.7	0.1
	WARM FM	York, PA	103.3	August 1, 2014	B	1306	6.4	6.4

\* Represents stations for which a renewal application has been timely filed with the FCC and is currently pending before the FCC. The Communications Act expressly provides that a radio station is authorized to continue to operate after the expiration date of its existing license until the FCC acts on a pending renewal application.

**Regulatory Approvals**

The Communications Laws prohibit the assignment or transfer of control of a broadcast license without the prior approval of the FCC. In determining whether to grant an application for assignment or transfer of control of a broadcast license, the Communications Act requires the FCC to find that the assignment or transfer would serve the public interest. The FCC considers a number of factors in making this determination, including (1) compliance with various rules limiting common ownership or control of media properties, (2) the financial and character qualifications of the assignee or transferee (including those parties holding an attributable interest in the assignee or transferee), (3) compliance with the Communications Act's foreign ownership restrictions, and (4) compliance with other Communications Laws, including those related to programming and filing requirements.

As discussed in greater detail below, the FCC may also review the effect of proposed assignments and transfers of broadcast licenses on economic competition and diversity. See Antitrust and Market Concentration Considerations.

In connection with the Citadel Acquisition, we agreed to divest certain stations to comply with FCC ownership limits. These stations were assigned to a trustee under divestiture trusts that comply with FCC rules. The trust agreements stipulate that we must fund any operating shortfalls from the activities of the stations in the trusts, and any excess cash flow generated by such stations will be distributed to us. For additional information see Note 2, Acquisitions and Dispositions.

As a component of the CMP Acquisition, we acquired CMP KC, LLC (KC LLC), an indirectly wholly-owned subsidiary of CMP. On February 2, 2011, the direct parent company of KC LLC entered into a restructuring support agreement (the Restructuring Agreement) regarding the restructuring of KC LLC's debt with the lenders under KC LLC's credit facilities (the Restructuring). As part of the Restructuring, KC LLC was renamed AR Broadcasting. The Restructuring was completed in February 2012. As a result of the completion of the Restructuring, we no longer have an ownership interest in AR Broadcasting. However, we have entered into a management agreement, similar to an LMA, pursuant to which we will provide corporate management and other services to AR Broadcasting and its subsidiaries, on a basis that is renewable annually by the owner. For additional information see Note 2, Acquisitions and Dispositions.

---

## **Table of Contents**

### ***Ownership Matters***

The Communications Act restricts us from having more than one-fourth of our capital stock owned or voted by non-U.S. persons, foreign governments or non-U.S. corporations. We are required to take steps to monitor the citizenship of our stockholders periodically through representative samplings of stockholder citizenship or other appropriate means to establish a reasonable basis for certifying compliance with the foreign ownership restrictions of the Communications Act.

The Communications Laws also generally restrict (1) the number of radio stations one person or entity may own, operate or control in a local market, (2) the common ownership, operation or control of radio broadcast stations and television broadcast stations serving the same local market, and (3) the common ownership, operation or control of a radio broadcast station and a daily newspaper serving the same local market.

None of these multiple and cross ownership rules requires any change in our current ownership of radio broadcast stations or precludes consummation of our pending acquisitions. The Communications Laws limits the number of additional stations that we may acquire in the future in our existing markets as well as new markets.

Because of these multiple and cross ownership rules, a purchaser of our voting stock who acquires an attributable interest in us (as discussed below) may violate the Communications Laws if such purchaser also has an attributable interest in other radio or television stations, or in daily newspapers, depending on the number and location of those radio or television stations or daily newspapers. Such a purchaser also may be restricted in the companies in which it may invest to the extent that those investments give rise to an attributable interest. If one of our attributable stockholders violates any of these ownership rules, we may be unable to obtain from the FCC one or more authorizations needed to conduct our radio station business and may be unable to obtain FCC consents for certain future acquisitions.

The FCC generally applies its television/radio/newspaper cross-ownership rules and its broadcast multiple ownership rules by considering the attributable or cognizable interests held by a person or entity. With some exceptions, a person or entity will be deemed to hold an attributable interest in a radio station, television station or daily newspaper if the person or entity serves as an officer, director, partner, stockholder, member, or, in certain cases, a debt holder of a company that owns that station or newspaper. Whether that interest is attributable and thus subject to the FCC's multiple ownership rules, is determined by the FCC's attribution rules. If an interest is attributable, the FCC treats the person or entity that holds that interest as the owner of the radio station, television station or daily newspaper in question, and that interest thus counts against the person in determining compliance with the FCC's ownership rules.

With respect to a corporation, officers, directors and persons or entities that directly or indirectly hold 5% or more of the corporation's voting stock (20% or more of such stock in the case of insurance companies, investment companies, bank trust departments and certain other passive investors that hold such stock for investment purposes only) generally are attributed with ownership of the radio stations, television stations and daily newspapers owned by the corporation. As discussed below, participation in an LMA or a joint sales agreement ( JSA ) also may result in an attributable interest. See Local Marketing Agreements.

With respect to a partnership (or limited liability company), the interest of a general partner (or managing member) is attributable. The following interests generally are not attributable: (1) debt instruments, non-voting stock, options and warrants for voting stock, partnership interests, or membership interests that have not yet been exercised; (2) limited partnership or limited liability company membership interests where (a) the limited partner or member is not materially involved in the media-related activities of the partnership or limited liability company, and (b) the limited partnership agreement or limited liability company agreement expressly insulates the limited partner or member from such material involvement by inclusion of provisions specified in FCC rules; and (3) holders of less than 5% of an entity's voting stock. Non-voting equity and debt interests which, in the aggregate, constitute more than 33% of a station's enterprise value, which consists of the total equity and debt capitalization, are considered attributable in certain circumstances.

On June 2, 2003, the FCC adopted new rules and policies (the New Rules ) which modified the ownership rules and policies then in effect (the Existing Rules ). Among other changes, the New Rules (1) changed the methodology used to determine the boundaries of radio markets, (2) required that JSAs involving radio stations (but not television stations) be deemed to be an attributable ownership interest under certain circumstances, (3) authorized the common ownership of radio stations and daily newspapers under certain specified circumstances, and (4) eliminated the procedural policy of flagging assignment or transfer of control applications that raised potential anticompetitive concerns (namely, those applications that would permit the buyer to control 50% or more of the radio advertising dollars in the market, or would permit two entities (including the buyer), collectively, to control 70% or more of the radio advertising dollars in the market). Certain private parties challenged the New Rules in court, and the court issued an order which



## **Table of Contents**

prevented the New Rules from going into effect until the court issued a decision on the challenges. On June 24, 2004, the court issued a decision which upheld some of the FCC's New Rules (for the most part, those that relate to radio) and concluded that other New Rules (for the most part, those that relate to television and newspapers) required further explanation or modification. The court left in place, however, the order which precluded all of the New Rules from going into effect. On September 3, 2004, the court issued a further order which granted the FCC's request to allow certain New Rules relating to radio to go into effect. The New Rules that became effective (1) changed the definition of the radio market for those markets that are rated by Arbitron Inc. ( Arbitron ), (2) modified the Existing Rules' methodology for defining a radio market in those markets that are not rated by Arbitron, and (3) made JSAs an attributable ownership interest under certain circumstances.

On February 4, 2008, the FCC issued a *Report and Order on Reconsideration* in conjunction with the quadrennial review of its broadcast ownership rules mandated by the Telecom Act and changed FCC rules to allow common ownership of a radio station or a television station and a daily newspaper in the top 20 Designated Market Areas ( DMAs ) and to consider waivers to allow cross-ownership of a radio or television station with a daily newspaper in other DMAs. The FCC retained all other rules related to radio ownership without change. On July 7, 2011, the same court which overturned the New Rules issued a decision vacating the relaxation of the radio/television-newspaper cross-ownership rule because the FCC had failed to permit public comment on the change as required by the Administrative Procedure Act. At the same time, the court voided a portion of another FCC order which continued to use the Small Business Administration's definition of "eligible entity" to identify minorities and women who could be entitled to certain benefits under FCC broadcast ownership rules that would not be available to other parties. The court concluded that the FCC had not demonstrated a sufficient link between the use of that term and its stated goal of increasing minority and female ownership of broadcast properties.

On December 22, 2011, the FCC issued a *Notice of Proposed Rulemaking* based on its 2010 quadrennial review of broadcast ownership rules. The FCC tentatively concluded that (1) the existing limitations on the number of radio stations a party can own in a particular market remain necessary to serve the public interest, (2) it should retain the AM/FM subcaps which limit the number of radio stations a single party can own in a particular service (AM or FM) in an individual market, (3) it should reinstate a rule adopted in 2008 to relax the radio/television-newspaper cross-ownership rule in the top 20 DMAs under certain conditions, and (4) it should repeal the radio-television cross ownership rule which restricted a party's ability to own radio and television stations in the same market. In each case, the FCC requested comment on these tentative conclusions, and, more specifically, whether the change in the competitive landscape over the last fifteen years—including the advent of satellite radio, the Internet, and radio's use of digital technology—warranted different conclusions and changes to its broadcast ownership rules. The FCC also requested comments concerning the impact of its local radio ownership rule on minority and female broadcast ownership. We cannot predict the timing or outcome of this proceeding or whether any new rules adopted by the FCC will have a material adverse effect on us.

### ***Programming and Operation***

The Communications Act requires broadcasters to serve the public interest. To satisfy that obligation broadcasters are required by FCC rules and policies to present programming that is responsive to community problems, needs and interests and to maintain certain records demonstrating such responsiveness. FCC rules require that each radio broadcaster place a list in its public inspection file at the end of each quarter which identifies important community issues and the programs the radio broadcaster used in the prior quarter to address those issues. The FCC adopted rules for television broadcasters in 2008 which require the use of a standard form in providing similar information and also require that a television station's public inspection file be made available on the internet. That proposal is being challenged in court. On October 27, 2011, the FCC issued an *Order on Reconsideration and Further Notice of Proposed Rulemaking* in which it concluded that there were some radio-specific concerns that needed to be addressed prior to implementing the online public file requirements for radio stations. We cannot predict at this time to what extent, if any, the FCC's proposals will be adopted or the impact which adoption of any one or more of those proposals will have on the Company.

Complaints from listeners concerning a station's programming may be filed at any time and will be considered by the FCC both at the time they are filed and in connection with a licensee's renewal application. FCC rules also require broadcasters to provide equal employment opportunities ( EEO ) in the hiring of new personnel, to abide by certain procedures in advertising employment opportunities, to make information available on employment opportunities on their website (if they have one), and maintain certain records concerning their compliance with EEO rules. The FCC will entertain individual complaints concerning a broadcast licensee's failure to abide by the EEO rule but also conducts random audits on broadcast licensees' compliance with EEO rules. We have been subject to numerous EEO audits. To date, none of those audits has disclosed any major violation that would have a material adverse effect on our operations. Stations also must follow provisions in the Communications Laws that regulate a variety of other activities, including political advertising, the broadcast of obscene or indecent programming, sponsorship identification, the broadcast of contests and lotteries, and technical operations (including limits on radio frequency radiation). We are and have been subject to listener complaints from time to time, and, while none of them has had a material adverse effect on our operations as a whole to date, we cannot predict whether any future complaint might have a material adverse effect on our financial condition or results of operations.



---

## **Table of Contents**

On January 24, 2008, the FCC proposed the adoption of certain rules and other measures that the FCC said were designed to enhance the ability of radio and television stations to provide programming responsive to the needs and interests of their respective communities. The measures proposed include the creation of community advisory boards, requiring a broadcaster to maintain a main studio in the community of license of each station it owns, and the establishment of processing guidelines in FCC rules to evaluate the nature and quantity of non-entertainment programming provided by the broadcaster. Those proposals generated considerable public comment and are still pending before the FCC.

### ***Local Marketing Agreements***

A number of radio stations, including certain of our stations, have entered into LMAs. In a typical LMA, the licensee of a station makes available, for a fee and reimbursement of its expenses, airtime on its station to a party which supplies programming to be broadcast during that airtime, and collects revenues from advertising aired during such programming. LMAs are subject to compliance with the antitrust laws and the Communications Laws, including the requirement that the licensee must maintain independent control over the station and, in particular, its personnel, programming, and finances. The FCC has held that such agreements do not violate the Communications Laws as long as the licensee of the station receiving programming from another station maintains ultimate responsibility for, and control over, station operations and otherwise ensures compliance with the Communications Laws.

A station that brokers more than 15% of the weekly programming hours on another station in its market will be considered to have an attributable ownership interest in the brokered station for purposes of the FCC's ownership rules. As a result, a radio station may not enter into an LMA that allows it to program more than 15% of the weekly programming hours of another station in the same market that it could not own under the FCC's multiple ownership rules.

### ***Joint Sales Agreements***

From time to time, radio stations enter into JSAs. A typical JSA authorizes one station to sell another station's advertising time and retain the revenue from the sale of that airtime. A typical JSA is an agreement that authorizes one party or station to sell another station's advertising time and retain the revenue from the sale of that airtime in exchange for a periodic payment to the station whose airtime is being sold (which may include a share of the revenue collected from the sale of airtime). Like LMAs, JSAs are subject to compliance with antitrust laws and the Communications Laws, including the requirement that the licensee must maintain independent control over the station and, in particular, its personnel, programming, and finances. The FCC has held that such agreements do not violate the Communications Laws as long as the licensee of the station whose time is being sold by another station maintains ultimate responsibility for, and control over, station operations and otherwise ensures compliance with the Communications Laws.

Under the FCC's New Rules, a radio station that sells more than 15% of the weekly advertising time of another radio station in the same market will be attributed with the ownership of that other station. In that situation, a radio station cannot have a JSA with another radio station in the same market if the FCC's ownership rules would otherwise prohibit that common ownership.

### ***New Services***

Digital technology also may be used by radio stations on their existing frequencies. In October 2002, the FCC released a *Report and Order* in which it selected in-band, on channel (IBOC) as the technology that will permit radio stations to introduce digital operations. The FCC now permits operating radio stations to commence digital operation immediately on an interim basis using the IBOC systems developed by iBiquity Digital Corporation (iBiquity), called HD Radio. In March 2004, the FCC (1) approved an FM radio station's use of two separate antennas (as opposed to a single hybrid antenna) to provide both analog and digital signals if the FM owner secured Special Temporary Authorization (STA) from the FCC and (2) released a Public Notice seeking comment on a proposal by the National Association of Broadcasters to allow all AM stations with nighttime service to provide digital service at night. In April 2004, the FCC inaugurated a rule making proceeding to establish technical, service, and licensing rules for digital broadcasting. On May 31, 2007, the FCC released a *Second Report and Order* which authorized AM stations to use an IBOC system at night, authorized FM radio stations to use separate antennas without the need for an STA, and established certain technical and service rules for digital service. The FCC also released another rulemaking notice to address other related issues. On January 29, 2010, the FCC released another *Order* which authorized FM radio stations to increase the power of their digital signal to 10% of the ERP of the analog signal. That *Order* became effective in March 2010. The inauguration of digital broadcasts by FM and perhaps AM stations

---

**Table of Contents**

requires us to make additional expenditures. On December 21, 2004, we entered into an agreement with iBiquity pursuant to which we committed to implement HD Radio™ systems on 240 of our stations by June, 2012. In exchange for reduced license fees and other consideration, we, along with other broadcasters, purchased perpetual licenses to utilize iBiquity's HD Radio™ technology. On March 5, 2009, we entered into an amendment to our agreement with iBiquity to reduce the number of planned conversions, extend the build-out schedule, and increase the license fees to be paid for each converted station. At this juncture, we cannot predict how successful our implementation of HD Radio™ technology within our platform will be, or how that implementation will affect our competitive position.

In January 2000, the FCC released a *Report and Order* adopting rules for a new LPFM radio service consisting of two classes of stations, one with a maximum power of 100 watts and the other with a maximum power of 10 watts. On December 11, 2007, the FCC released a *Report and Order* which made changes in the rules and provided further protection for LPFM radio stations and, in certain circumstances, required full power stations (like the ones we own) to provide assistance to LPFM stations in the event they are subject to interference or required to relocate their facilities to accommodate the inauguration of new or modified service by a full power radio station. The FCC has limited ownership and operation of LPFM stations to persons and entities that do not currently have an attributable interest in any FM station and has required that LPFM stations be operated on a non-commercial educational basis. The FCC has granted numerous construction permits for LPFM stations and many LPFM stations are now operating around the country. To date, LPFM radio stations have not had a material adverse effect on our operations. On January 5, 2011, the President signed into law the Local Radio Community Act of 2010 which, among other changes, requires the FCC to (1) modify its rules to authorize LPFM stations to operate on second-adjacent channels to full-power radio stations, and (2) waive second-adjacent channel separation requirements if the proposed operation of an LPFM station would not cause interference to any authorized full-power station. The new law required the FCC to complete a study within one year of enactment to assess the economic impact that LPFM stations have on full-power radio stations like the stations we own. In compliance with the new law, the FCC issued a Report on January 5, 2012 in which it found that LPFM stations generally serve areas that are substantially smaller in size and population than those served by full-service commercial radio stations, that LPFM stations generally have not been operating as long as full-power commercial stations, that LPFM stations have less of an Internet presence than full-power stations, that LPFM stations offer program formats different than full-power stations, and that the average LPFM station located in an Arbitron market has negligible ratings and a significantly smaller audience than most full-power stations in the same market.

Despite the FCC's findings, the new law could increase the number of LPFM stations in markets where we have stations, and that increase could increase interference from LPFM stations to our stations. We cannot predict at this time whether the new law will have a material adverse impact on our operations in the future. Nor can we predict whether LPFM service could increase competition for listeners and revenues and have a material adverse effect on our operations.

In April 2009, the FCC issued a notice of proposed rulemaking that proposed a number of changes in the FCC's policies for allocating radio stations to particular markets and preferences that would be accorded to applicants to implement the command of Section 307(b) of the Communications Act that radio services be distributed fairly throughout the country. One set of proposals would limit the ability of companies like ours to relocate a radio station from a rural community to a community closer to or in an urban area. The FCC did not address that latter issue when it released its *First Report and Order* on February 3, 2010. Instead, that report and order only concerned (1) a priority to be given to American Indian Tribes and Alaska Native Villages and their members in any auction or other distribution of radio stations to serve tribal lands and (2) certain technical changes in the processing of applications for AM radio stations. Those changes have not had a material adverse effect on our operations, and we do not expect any of those changes to have any material adverse impact on us in the future.

On March 3, 2011, the FCC issued a new order in that same rulemaking proceeding establishing a rebuttable presumption that would limit the ability of a broadcaster to move a radio station from one community to another. The FCC created a presumption that, when a proposed community is located in an urbanized area or when the broadcaster could cover more than 50 percent of an urbanized area by filing a minor modification application, the broadcaster intends to serve the entire urbanized area rather than the specified community and, therefore, would not be able to relocate the station to a community closer to the urban area. To overcome the presumption, a broadcaster would have to present a compelling showing that (1) the proposed community is truly independent of the urbanized area, (2) the proposed community has a specific need for an outlet for local expression separate from the urbanized area, and (3) the station would be able to serve the community's need for a local outlet. The compelling showing may be based on an existing three-pronged test provided for by an FCC decision; however, the factors in that test will be subject to more rigorous scrutiny than they have been in the past. The FCC announced (1) that in no event would it approve any proposal that would create an area that had no access to radio services or access to only one radio service, and (2) that the FCC would strongly disfavor any community change that would result in the loss of third, fourth or fifth radio service to more than 15 percent of the population within a station's existing service area or that would deprive any community of substantial size (meaning a community with a population of 7,500 or greater) of its second local service. The FCC's adoption of these proposals, as well as other proposals in that rulemaking proceeding, could limit our options in relocating or acquiring radio stations and, to that extent, may have an adverse impact on our operations.



## Table of Contents

In addition, from time to time Congress and the FCC have considered, and may in the future consider and adopt, new laws, regulations and policies regarding a wide variety of matters that could, directly or indirectly, affect the operation, ownership and profitability of our radio stations, result in the loss of audience share and advertising revenues for our radio stations, and affect our ability to acquire additional radio stations or finance such acquisitions.

### *Antitrust and Market Concentration Considerations*

Potential future acquisitions, to the extent they meet specified size thresholds, will be subject to applicable waiting periods and possible review under the HSR Act, by the DOJ or the Federal Trade Commission (the "FTC"), either of whom can be required to evaluate a transaction to determine whether that transaction should be challenged under the federal antitrust laws. Transactions are subject to the HSR Act only if the acquisition price or fair market value of the stations to be acquired is \$68.2 million or more. Historically, most of our acquisitions have not met this threshold. Acquisitions that are not required to be reported under the HSR Act may still be investigated by the DOJ or the FTC under the antitrust laws before or after consummation. At any time before or after the consummation of a proposed acquisition, the DOJ or the FTC could take such action under the antitrust laws as it deems necessary, including seeking to enjoin the acquisition or seeking divestiture of the business acquired or certain of our other assets. The DOJ has reviewed numerous potential radio station acquisitions where an operator proposed to acquire additional stations in its existing markets or multiple stations in new markets, and has challenged a number of such transactions. Some of these challenges have resulted in consent decrees requiring the sale of certain stations, the termination of LMAs or other relief. In general, the DOJ has more closely scrutinized radio mergers and acquisitions resulting in local market shares in excess of 35% of local radio advertising revenues, depending on format, signal strength and other factors. There is no precise numerical rule, however, and certain transactions resulting in more than 35% revenue shares have not been challenged, while certain other transactions may be challenged based on other criteria such as audience shares in one or more demographic groups as well as the percentage of revenue share. We estimate that we have more than a 35% share of radio advertising revenues in many of our markets.

We are aware that the DOJ commenced, and subsequently discontinued, investigations of several of our prior acquisitions. The DOJ can be expected to continue to enforce the antitrust laws in this manner, and there can be no assurance that one or more of our pending or future acquisitions are not or will not be the subject of an investigation or enforcement action by the DOJ or the FTC. Similarly, there can be no assurance that the DOJ, the FTC or the FCC will not prohibit such acquisitions, require that they be restructured, or in appropriate cases, require that we divest stations we already own in a particular market. In addition, private parties may under certain circumstances bring legal action to challenge an acquisition under the antitrust laws.

As part of its review of certain radio station acquisitions, the DOJ has stated publicly that it believes that commencement of operations under LMAs, JSAs and other similar agreements customarily entered into in connection with radio station ownership assignments and transfers prior to the expiration of the waiting period under the HSR Act could violate the HSR Act. In connection with acquisitions subject to the waiting period under the HSR Act, we will not commence operation of any affected station to be acquired under an LMA, a JSA, or similar agreement until the waiting period has expired or been terminated.

### **Executive Officers of the Company**

The following table sets forth certain information with respect to our executive officers as of February 28, 2012:

Name	Age	Position(s)
Lewis W. Dickey, Jr.	50	Chairman, President, and Chief Executive Officer
Joseph P. Hannan	40	Senior Vice President, Treasurer and Chief Financial Officer
John G. Pinch	63	Executive Vice President and Co-Chief Operating Officer
John W. Dickey	45	Executive Vice President and Co-Chief Operating Officer
Richard S. Denning	46	Senior Vice President, Secretary and General Counsel

**Lewis W. Dickey, Jr.** is our Chairman, President and Chief Executive Officer. Mr. L. Dickey has served as Chairman, President and Chief Executive Officer since December 2000. Mr. Dickey was one of our founders and initial investors, and served as Executive Vice Chairman from March 1998 to December 2000. Mr. L. Dickey is a nationally regarded consultant on radio strategy and the author of *The Franchise Building Radio Brands*, published by the National Association of Broadcasters, one of the industry's

**Table of Contents**

leading texts on competition and strategy. Mr. L. Dickey also serves as a member of the National Association of Broadcasters Radio Board of Directors. He holds Bachelor of Arts and Master of Arts degrees from Stanford University and a Master of Business Administration degree from Harvard University. Mr. L. Dickey is the brother of John W. Dickey.

**Joseph P. Hannan** is our Senior Vice President, Treasurer and Chief Financial Officer. He was appointed Interim Chief Financial Officer on July 1, 2009 and became our Chief Financial Officer in March 2010. Prior to that, he served as our Vice President and Controller since joining our company in April 2008. From May 2006 to July 2007, he served as Vice President and Chief Financial Officer of the radio division of Lincoln National Corporation (NYSE: LNC) and from March 1995 to November 2005 he served in a number of executive positions including Chief Operating Officer and Chief Financial Officer of Lambert Television, Inc., a privately held television broadcasting, production and syndication company. Mr. Hannan has served on a number of private and public company boards, including Regent Communications, International Media Group, and iBlast, Inc. Mr. Hannan received his Bachelor of Science degree in Business Administration from the University of Southern California.

**John G. Pinch** is our Executive Vice President and Co-Chief Operating Officer. Mr. Pinch has served as Executive Vice President and Co-Chief Operating Officer since May 2007, and prior to that served as our Chief Operating Officer since December 2000, after serving as the President of Clear Channel International Radio ( CCU International ). At CCU International, Mr. Pinch was responsible for the management of all CCU radio operations outside of the United States, which included over 300 properties in 9 countries. Mr. Pinch is a 30-year broadcast veteran and has previously served as Owner/President of WTVK-TV Ft. Myers-Naples, Florida, General Manager of WMTX-FM/WHBO-AM Tampa, Florida, General Manager/Owner of WKLH-FM Milwaukee, and General Manager of WXJY Milwaukee.

**John W. Dickey** is our Executive Vice President and Co-Chief Operating Officer. Mr. J. Dickey has served as Executive Vice President since January 2000 and as Co-Chief Operating Officer since May 2007. Mr. J. Dickey joined Cumulus in 1998 and, prior to that, served as the Director of Programming for Midwestern Broadcasting from 1990 to March 1998. Mr. J. Dickey holds a Bachelor of Arts degree from Stanford University. Mr. J. Dickey is the brother of Lewis W. Dickey, Jr.

**Richard S. Denning** is our Senior Vice President, Secretary and General Counsel. Prior to joining the Company, Mr. Denning was an attorney with Dow, Lohnes & Albertson, PLLC ( DL&A ) within DL&A s corporate practice group in Atlanta, advising a number of media and communications companies on a variety of corporate and transactional matters. Mr. Denning also spent four years in DL&A s Washington, D.C. office and has extensive experience in regulatory proceedings before the FCC. Mr. Denning has been a member of the Pennsylvania Bar since 1991, the District of Columbia Bar since 1993, and the Georgia Bar since 2000. He is a graduate of The National Law Center, George Washington University.

**Available Information**

Our Internet site address is [www.cumulus.com](http://www.cumulus.com). On our site, we have made available, free of charge, our most recent annual report on Form 10-K and our proxy statement. We also provide a link to an independent third-party Internet site, which makes available, free of charge, our other filings with the Securities and Exchange Commission ( SEC ), as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

**Item 1A. Risk Factors**

Many statements contained in this Report are forward-looking in nature. These statements are based on our current plans, intentions or expectations, and actual results could differ materially as we cannot guarantee that we will achieve these plans, intentions or expectations. See Cautionary Statement Regarding Forward-Looking Statements. Forward-looking statements are subject to numerous risks and uncertainties, including those specifically identified below.

**Risks Related to Our Business**

*Our results of operations have been, and could continue to be, adversely affected by the recent downturn in the U.S. economy and in the local economies of the markets in which we operate.*

Revenue generated by our radio stations depends primarily upon the sale of advertising. Advertising expenditures, which we believe to be largely a discretionary business expense, declined significantly during the recent economic recession, and have only recently begun to improve, partially in light of continued economic uncertainty. Furthermore, because a substantial portion of our revenue is derived from local advertisers, our ability to generate advertising revenue in specific markets is directly affected by local or regional



---

## **Table of Contents**

economic conditions, many of which have not returned to pre-recessionary levels. Consequently, the recent recession in the national economy and continued uncertainty in the economies of several individual geographic markets in which we own or operate stations continue to adversely affect our advertising revenue and, therefore, our results of operations.

In light of the limited and ongoing recovery from the recent recession, certain individual business sectors that may have historically spent more on advertising than other sectors might be forced to reduce their advertising expenditures or not return them to pre-recessionary levels if that sector fails to recover on pace with the overall economy. If that sector's spending would otherwise have represented a significant portion of our advertising revenues, any reduction in its expenditures may adversely affect our revenue.

***We operate in a very competitive business environment and a decrease in our ratings or market share would adversely affect our revenues.***

The radio broadcasting industry is very competitive. The success of each of our stations depends largely upon rates it can charge for its advertising, the number of local advertising competitors, and the overall demand for advertising within individual markets. These conditions are subject to change and highly susceptible to macroeconomic conditions. Any adverse change in a particular market affecting advertising expenditures, or any adverse change in the relative market share of the stations located in a particular market, could have a material adverse effect on the revenue of our radio stations located in that market. There can be no assurance that any one or all of our stations will be able to maintain or increase advertising revenue market share.

Audience ratings and market shares fluctuate, and any adverse change in a particular market could have a material adverse effect on the revenue of stations located in that market. While we already compete with other stations with comparable programming formats in many of our markets, any one of our stations could suffer a reduction in ratings or revenue and could require increased promotion and other expenses, and, consequently, could have a lower Adjusted EBITDA, if:

another radio station in the market was to convert its programming format to a format similar to our station or launch aggressive promotional campaigns;

a new station were to adopt a competitive format;

there is a shift in population, demographics, audience tastes or other factors beyond our control; or

an existing competitor was to strengthen its operations.

The Telecom Act allows for the consolidation of ownership of radio broadcasting stations in the markets in which we operate or may operate in the future. Some competing consolidated owners may be larger and have substantially more financial and other resources than we do. In addition, increased consolidation in our target markets may result in greater competition for acquisition candidates and a corresponding increase in purchase prices we pay for these acquisitions, which would adversely impact our ability to complete or profit from acquisitions.

***The loss of affiliation agreements by our radio networks could materially adversely affect our financial condition and results of operations.***

Our radio networks have approximately 4,500 station affiliates and 9,000 program affiliations. They receive advertising inventory from their affiliated stations, either in the form of stand-alone advertising time within a specified time period or commercials inserted by our radio networks into their programming. In addition, primarily with respect to satellite radio providers, we receive a fee for providing such programming. The loss of network affiliation agreements by our radio networks could adversely affect our results of operations by reducing the reach of our network programming and, therefore, their attractiveness to advertisers. Renewals of such agreements on less favorable terms may also adversely affect our results of operations through reduction of advertising revenue.

***We must respond to the rapid changes in technology, services and standards that characterize our industry in order to remain competitive.***

The radio broadcasting industry is subject to technological change, evolving industry standards and the emergence of new media technologies and services. In some cases, our ability to compete will be dependent on our acquisition of new technologies and our provision of new services, and there can be no assurance that we will have the resources to acquire those new technologies or provide



---

**Table of Contents**

those new services; in other cases, the introduction of new technologies and services, including online music services, could increase competition and have an adverse effect on our revenue. Recent new media technologies and services include the following:

audio programming by cable television systems, direct broadcast satellite systems, Internet content providers (both landline and wireless), Internet-based audio radio services, smart phone and other mobile applications, satellite delivered digital audio radio service and other digital audio broadcast formats;

HD Radio™ digital radio, which could provide multi-channel, multi-format digital radio services in the same bandwidth currently occupied by traditional AM and FM radio services; and

LPFM radio, which could result in additional FM radio broadcast stations in markets where we have stations.

In the future, there may be additional technologies or services developed that compete with radio broadcasting, and that could have a material adverse effect on our revenues and results of operations. We also cannot provide any assurances that we will continue to have the resources to acquire any necessary new technologies or to introduce new services that could compete with any new technologies. We cannot predict the effect, if any, that competition arising from new technologies may have on the radio broadcasting industry or on our business.

***We have written off, and could in the future be required to write off, a significant portion of the fair market value of our FCC broadcast licenses and goodwill, which may adversely affect our financial condition and results of operations.***

As of December 31, 2011, our FCC licenses and goodwill comprised 73.0% of our assets. Each year, and on an interim basis if appropriate, we are required by Accounting Standards Codification Topic 350, Intangibles – Goodwill and Other (ASC 350), to assess the fair market value of our FCC broadcast licenses and goodwill to determine whether the carrying value of those assets is impaired. During the year ended December 31, 2011 we did not have any impairment. During the years ended December 31, 2010 and 2009 we recorded impairment charges of approximately \$0.7 million, and \$175.0 million, respectively, in order to reduce the carrying value of certain broadcast licenses and goodwill to their respective fair market values. Our future impairment reviews could result in additional impairment charges. Such additional impairment charges would reduce our reported earnings for the periods in which they are recorded.

***There are risks associated with our acquisition strategy.***

We intend to continue to grow by acquiring radio station clusters and individual radio stations in the future. We cannot predict whether we will be successful in pursuing any acquisitions or what the consequences of these acquisitions would be. In addition, there can be no assurances that we will continue to identify suitable acquisition candidates. Consummation of any acquisitions would be subject to various conditions, such as compliance with FCC and antitrust regulatory requirements. The FCC requirements include:

approval of license assignments and transfers;

limits on the number of stations a broadcaster may own in a given local market; and

other rules or policies, such as the ownership attribution rules, that could limit our ability to acquire stations in certain markets where one or more of our stockholders, officers or directors has other media interests.

The antitrust regulatory requirements currently include:

filings with the DOJ and the FTC under the HSR Act, where applicable;

## Edgar Filing: CUMULUS MEDIA INC - Form 10-K

expiration or termination of the waiting period under the HSR Act; and

possible review by the United States DOJ or the FTC of antitrust issues under the HSR Act or otherwise.

We cannot be certain that any of these conditions will be satisfied, the timing thereof or the potential impact that any such conditions may have on us. In addition, the FCC has in the past asserted the authority to review levels of local radio market concentration as part of its acquisition approval process, even where proposed assignments would comply with the numerical limits on local radio station ownership in the FCC's rules and the Communications Act.

---

**Table of Contents**

Our acquisition strategy involves numerous other risks, including risks associated with:

identifying suitable acquisition candidates and negotiating definitive purchase agreements on satisfactory terms;

integrating operations and systems and managing a large and geographically diverse group of stations;

diverting our management's attention from other business concerns;

potentially losing key employees at acquired stations;

potential changes in the regulatory approval process that may make it materially more expensive, or materially delay our ability, to consummate any proposed acquisitions; and

a diminishing number of properties available for sale in appropriately sized and located markets.

We cannot be certain that we will be able to successfully integrate any acquisitions or manage the resulting business effectively, or that any acquisition will achieve the benefits that we anticipate. In addition, we are not certain that we will be able to acquire properties at valuations as favorable as those of previous acquisitions. Depending upon the nature, size and timing of potential future acquisitions, we may be required to raise additional financing in order to consummate additional acquisitions. We cannot assure you that our debt agreements, as may be in place at any time, will permit us to consummate an acquisition or access the necessary additional financing because of certain covenant restrictions or that additional financing will be available to us or, if available, that financing would be on terms acceptable to our management.

***We are required to obtain prior Federal approval for each radio station acquisition, which approvals may be subject to our compliance with certain conditions possibly including asset divestitures, which may be material.***

Acquisitions have been, and may continue to be, a critical component of our overall strategy. The acquisition of a radio station requires the prior approval of the FCC and may require approvals by other governmental agencies, such as the DOJ or the FTC. To obtain that approval, a proposed acquirer is required to file a transfer of control or assignment application with the FCC. The Communications Act and FCC rules allow members of the public and other interested parties to file petitions to deny or other objections to the FCC with respect to the grant of any transfer or assignment application. The FCC could rely on those objections or its own initiative to deny a transfer or assignment application or to require changes in the transaction, including the divestiture of radio stations and other assets that we already own or propose to acquire, as a condition to having the application granted. The FCC could also change its existing rules and policies to reduce the number of stations that we would be permitted to acquire in some markets. For these and other reasons, there can be no assurance that the FCC will approve potential future acquisitions that we deem material to our business.

***Disruptions in the capital and credit markets could restrict our ability to access further financing.***

We rely in significant part on the capital and credit markets to meet our financial commitments and short-term liquidity needs if internal funds from operations are not sufficient for these purposes. Disruptions in the capital and credit markets, such as have been experienced over the past several years, could adversely affect our ability to draw on our credit facilities or access capital. Access to funds under credit facilities is dependent on the ability of our lenders to meet their funding commitments. Those lenders may not be able to meet their funding commitments if they experience shortages of capital and liquidity or if they experience excessive volumes of borrowing requests from their borrowers within a short period of time. Disruptions in the capital and credit markets have also resulted in increased costs associated with bank credit facilities. Continued disruptions could increase our interest expense and adversely affect our results of operations.

Longer term disruptions in the capital and credit markets as a result of uncertainty, changing or increased regulation, reduced alternatives or failures of significant financial institutions, could adversely affect our access to financing. Any such disruption could require us to take measures to conserve cash until the markets stabilize or until alternative credit arrangements or other funding can be arranged. Such measures could

include deferring capital expenditures and reducing or eliminating future uses of cash, any of which could materially adversely affect our business and results of operations.

## **Table of Contents**

***We are exposed to credit risk on our accounts receivable. This risk is heightened during periods when economic conditions worsen.***

Our outstanding trade receivables are not covered by collateral or credit insurance. While we have procedures to monitor and limit exposure to credit risk on our receivables, which risk is heightened during periods when economic conditions worsen, there can be no assurance such procedures will effectively limit our credit risk and avoid losses, which could have a material adverse effect on our financial condition and operating results.

***Counterparties to derivative transactions we enter into may not be able to perform their obligations under such transactions.***

Although we evaluate the credit quality of potential counterparties to derivative transactions and only enter into agreements from time to time with those deemed to have minimal credit risk at the time the agreements are executed, there can be no assurances that such counterparties will be able to perform their obligations under the relevant agreements. If our counterparties fail to perform their obligations, we may not be able to receive the expected benefits from such derivative transactions, which could adversely affect our financial condition and results of operations.

***We are dependent on key personnel.***

Our business is managed by a small number of key management and operating personnel, and our loss of one or more of these individuals could have a material adverse effect on our business. We believe that our future success will depend in large part on our ability to attract and retain highly skilled and qualified personnel and to expand, train and manage our employee base. Although we have entered into employment agreements with some of our key management personnel that include provisions restricting their ability to compete with us under specified circumstances, we cannot assure you that all of those restrictions would be enforced if challenged in court.

We also employ several on-air personalities with large loyal audiences in their individual markets. On occasion, we enter into employment agreements with these personalities to protect our interests in those relationships that we believe to be valuable. The loss of one or more of these personalities could result in losses of audience share in that particular market which, in turn, could adversely affect revenues in that particular market.

***The broadcasting industry is subject to extensive and changing Federal regulation.***

The radio broadcasting industry is subject to extensive regulation by the FCC under the Communications Act. We are required to obtain licenses from the FCC to operate our stations. Licenses are normally granted for a term of eight years and are renewable. Although the vast majority of FCC radio station licenses are routinely renewed, we cannot assure you that the FCC will grant our existing or future renewal applications or that the renewals will not include conditions out of the ordinary course of our operations. The non-renewal, or renewal with conditions, of one or more of our licenses could have a material adverse effect on us.

We must also comply with the extensive FCC regulations and policies in the ownership and operation of our radio stations. FCC regulations limit the number of radio stations that a licensee can own in a market, which could restrict our ability to acquire radio stations that could be material to our overall financial performance or our financial performance in a particular market.

The FCC also requires radio stations to comply with certain technical requirements to limit interference between two or more radio stations. Despite those limitations, a dispute could arise whether another station is improperly interfering with the operation of one of our stations or another radio licensee could complain to the FCC that one of our stations is improperly interfering with that licensee's station. There can be no assurance as to how the FCC might resolve that dispute. These FCC regulations and others may change over time, and we cannot assure that those changes would not have a material adverse effect on us.

***The FCC has been vigorous in its enforcement of its indecency rules against the broadcast industry, a violation of which could have a material adverse effect on our business.***

FCC regulations prohibit the broadcast of obscene material at any time, and indecent material between the hours of 6:00 a.m. and 10:00 p.m. The FCC has increased its enforcement efforts over the last few years with respect to these regulations. The FCC regulatory oversight has been augmented by legislation that substantially increased the penalties for broadcasting indecent programming (up to \$325,000 for each incident), and subjected broadcasters to license revocation, renewal or qualification proceedings under certain circumstances in the event that they broadcast indecent or obscene material. However, the FCC has



---

**Table of Contents**

refrained from processing and disposing of thousands of complaints that have been filed because of uncertainty concerning the validity of prior FCC rulings, which are now being challenged in various courts. It is impossible to predict when courts will finally resolve outstanding issues and what, if any, impact those judicial decisions will have on any complaints that have been or may be filed against our stations. Whatever the impact of those judicial decisions, we may in the future become subject to new FCC inquiries or proceedings related to our stations' broadcast of allegedly indecent or obscene material. To the extent that such an inquiry or proceeding results in the imposition of fines, a settlement with the FCC, revocation of any of our station licenses or denials of license renewal applications, our results of operation and business could be materially adversely affected.

***Proposed legislation requires radio broadcasters to pay royalties to record labels and recording artists.***

We currently pay royalties to song composers and publishers through Broadcast Music Inc., the American Society of Composers, Authors and Publishers and SESAC, Inc. Congress has been considering legislation which would change the copyright fees and the procedures by which the fees are determined. The legislation has been the subject of considerable debate and activity by the broadcast industry and other parties affected by the legislation. It cannot be predicted whether any proposed legislation will become law or what impact it would have on our results from operations, cash flows or financial position.

***We are a holding company with no material independent assets or operations and we depend on our subsidiaries for cash.***

We are a holding company with no material independent assets or operations, other than our investments in our subsidiaries. Because we are a holding company, we are dependent upon the payment of dividends, distributions, loans or advances to us by our subsidiaries to fund our obligations. These payments could be subject to restrictions on dividends or other payment restrictions under applicable laws in the jurisdictions in which our subsidiaries operate. Payments by our subsidiaries are also contingent upon the subsidiaries' earnings. If we are unable to obtain sufficient funds from our subsidiaries to fund our obligations, our financial condition and ability to meet our obligations may be adversely affected.

**Risks Related to Our Indebtedness**

***The level of our outstanding debt may make it more difficult to comply with the covenants in our debt instruments, including the financial covenants in our First Lien Facility (as defined below), which could cause a default or an event of default under such debt instruments and could result in the loss of our sources of liquidity, acceleration of our indebtedness and, in some instances, the foreclosure on some or all of our assets, any of which could have a material adverse effect on our financial condition and results of operations.***

The instruments governing our outstanding indebtedness contain restrictive covenants. In addition, our First Lien Credit Agreement (the First Lien Facility), dated as of September 16, 2011, among the Company, Cumulus Holdings, as Borrower, certain lenders, JPMorgan Chase Bank, N.A., as Administrative Agent (JPMorgan), UBS, Macquarie, Royal Bank of Canada and ING Capital LLC, as Co-Syndication Agents, and U.S. Bank National Association and Fifth Third Bank, as Co-Documentation Agents, subjects us to a financial covenant if any amounts are outstanding under the Revolving Credit Facility (as defined below) or any letters of credit are outstanding that have not been collateralized by cash. As of December 31, 2011, we had \$150.0 million outstanding under the Revolving Credit Facility, and, as result, were subject to the financial covenant. Our ability to comply with the covenants in the (i) indenture governing the 7.75% Senior Notes (the Indenture), (ii) First Lien Facility and (iii) Second Lien Credit Agreement (the Second Lien Facility and, together with the First Lien Facility, the 2011 Credit Facilities), dated as of September 16, 2011, among the Company, Cumulus Holdings, as Borrower, certain lenders, JPMorgan, as Administrative Agent, and UBS, Macquarie, Royal Bank of Canada and ING Capital LLC, as Co-Syndication Agents will depend upon our future performance and various other factors, such as business, competitive, technological, legislative and regulatory factors, some of which are beyond our control. As of December 31, 2011 we were in compliance with all covenants required under our debt obligations, including the financial covenant under our First Lien Facility. We may not be able to maintain compliance with all of our covenants in the future. In that event, we would need to seek an amendment or waiver to the applicable agreement, or a refinancing of such obligations. There can be no assurance that we will be able obtain any amendment or waiver of any such facilities and, even if so, it is likely that such relief would only last for a specified period, potentially necessitating additional amendments, waivers or refinancings in the future.

In the event that we do not maintain compliance with the covenants under the 2011 Credit Facilities, lenders could declare an event of default, subject to applicable notice and cure provisions, resulting in a material adverse impact on our financial position. Upon the occurrence of an event of default, the lenders could elect to declare all amounts outstanding under the 2011 Credit Facilities to be immediately due and payable and terminate all commitments to extend further credit. In addition, lenders under any of our indebtedness to which a cross-default or cross-acceleration provision applies may then be entitled to take certain similar actions. In the event any of our lenders or noteholders, accelerate the repayment of our borrowings, we may not have sufficient assets to repay such indebtedness.



---

## **Table of Contents**

The lenders under the 2011 Credit Facilities have taken security interests in substantially all of our consolidated assets, and we have pledged the stock of certain of our subsidiaries to secure the debt under the 2011 Credit Facilities. If the lenders accelerate the repayment of borrowings, we may be forced to liquidate certain assets to repay all or part of such borrowings, and we cannot assure you that sufficient assets will remain after we have paid all of the borrowings under such 2011 Credit Facilities. If we were unable to repay those amounts, the lenders could proceed against the collateral granted to them to secure that indebtedness and we could be forced into bankruptcy or liquidation. Our ability to liquidate assets could also be affected by the regulatory restrictions associated with radio stations, including FCC licensing, which may make the market for these assets less liquid and increase the chances that these assets will be liquidated at a significant loss. We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful. Our ability to make scheduled payments on or refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. The 2011 Credit Facilities restrict our ability to dispose of assets and use the proceeds from those dispositions, and may also restrict our ability to raise debt or equity capital to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or obtain proceeds in an amount sufficient to meet any debt service obligations then due.

***Despite our current level of indebtedness, we may still be able to incur additional debt. This could further exacerbate the risks to our financial condition described above.***

We may be able to incur additional indebtedness in the future. Although the Indenture and the 2011 Credit Facilities contain, and credit facilities we enter into in the future may contain, restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and any additional indebtedness incurred in compliance with these restrictions could be material. These restrictions also will not prevent us from incurring obligations that do not constitute indebtedness. As of December 31, 2011, we had borrowing availability of \$650.0 million remaining under the 2011 Credit Facilities, \$150.0 million under our revolver and \$500.0 million under our incremental term loan facility.

***Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.***

Borrowings under the First Lien Facility and the Second Lien Facility are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income would decrease. As a result, a significant increase in interest rates could have a material adverse effect on our financial condition.

***The terms of the Indenture and the 2011 Credit Facilities restrict our current and future operations, particularly our ability to respond to changes or to take certain actions.***

The Indenture and the 2011 Credit Facilities contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interest, including restrictions on our ability to:

incur additional indebtedness and guarantee indebtedness;

pay dividends or make other distributions or repurchase or redeem capital stock;

prepay, redeem or repurchase certain debt;

issue certain preferred stock or similar equity securities;



**Table of Contents**

make loans and investments;

sell assets;

incur liens;

enter into transactions with affiliates;

alter the businesses we conduct;

enter into agreements restricting our restricted subsidiaries' ability to pay dividends; and

consolidate, merge or sell all or substantially all of our assets.

In addition, the restrictive covenants in the 2011 Credit Facilities require us to maintain compliance with specified financial ratios and satisfy other financial condition tests. Under the First Lien Facility, Cumulus Holdings and its restricted subsidiaries were required to maintain compliance with a consolidated total net leverage ratio no higher than 7.75 to 1 as of December 31, 2011 (with stepdowns beginning in the quarter ending June 30, 2012, if amounts remain outstanding under the Revolving Credit Facility). Our ability to meet those financial ratios and tests can be affected by events beyond our control. A breach of the covenants or restrictions under the Indenture or the 2011 Credit Facilities could result in an event of default under the applicable indebtedness. Such a default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. In addition, an event of default under the 2011 Credit Facilities would permit the lenders under those facilities to terminate all commitments to extend further credit under those facilities. Furthermore, if we were unable to repay the amounts due and payable under the 2011 Credit Facilities, the lenders could proceed against the collateral granted to them to secure that indebtedness. In the event our lenders or noteholders accelerate the repayment of our borrowings, we may not have sufficient assets to repay that indebtedness.

As a result of these restrictions, we may be:

limited in how we conduct our business;

unable to raise additional debt or equity financing to operate during general economic or business downturns; or

unable to compete effectively or to take advantage of new business opportunities.

These restrictions may adversely affect our ability to operate our current and planned business, or make certain changes in our bu