GRAY TELEVISION INC
Form 424B3
November 13, 2013
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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-192087

PROSPECTUS

Gray Television, Inc.

Offer to exchange up to $375,000,000

Aggregate Principal Amount of Newly

Issued 7 $^{1}/_{2}$% Senior Notes due 2020

For

a Like Principal Amount of Outstanding

Restricted 7 $^{1}/_{2}$% Senior Notes due 2020

issued in October 2013

On October 18, 2013, we issued $375.0 million aggregate principal amount of restricted 7 $^{1}/_{2}$% Senior Notes due 2020 in a private placement exempt from the registration requirements under the Securities Act of 1933 (the *Securities Act*). We refer to these as the *original notes*. The original notes are an additional issuance of, and rank equally and form a single series with, the $300.0 million aggregate principal amount of our 7 $^{1}/_{2}$% Senior Notes due 2020 which were issued on October 9, 2012, which we refer to as the *existing notes*. Following the consummation of this exchange offer (defined below), the exchange notes (defined below) and the existing notes will have the same CUSIP number and will be fully fungible with each other.

We are offering to exchange (the *exchange offer*) a new issue of 7 $^{1}/_{2}$% Senior Notes due 2020 (the *exchange notes*) and related guarantees for our outstanding original notes and related guarantees. We sometimes refer to the original notes, the existing notes and the exchange notes in this prospectus collectively as the *notes*. The terms of the exchange notes are substantially identical to the terms of the original notes, except that the exchange notes will be issued in a transaction registered under the Securities Act, and the transfer restrictions and registration rights and related special interest provisions applicable to the original notes will not apply to the exchange notes. The exchange notes will be exchanged for original notes in denominations of $2,000 and integral multiples of $1,000 in excess thereof. We will not receive any proceeds from the issuance of exchange notes in the exchange offer.

You may withdraw tenders of original notes at any time prior to the expiration of the exchange offer.

The exchange offer expires at 5:00 p.m., New York City time, on December 12, 2013, unless extended, which we refer to as the *expiration date*.

We do not intend to list the exchange notes on any national securities exchange or to arrange for quotation on any automated quotation system, and no active public market for the exchange notes is anticipated.

Each broker-dealer that receives exchange notes for its own account pursuant to the registered exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of exchange notes. The letter of transmittal accompanying this prospectus states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for original notes where the original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period ending on the earlier of (i) 90 days from the date on which the registration statement of which this prospectus forms a part is declared effective and (ii) the date on which a broker-dealer is no longer required to deliver a prospectus in connection with market-making or other trading activities, we will make this prospectus available to any broker-dealer for use in connection with these resales. See Plan of Distribution.

You should consider carefully the risk factors beginning on page 14 of this prospectus before deciding whether to participate in the exchange offer.

Neither the Securities and Exchange Commission (*SEC*) nor any state securities commission or other similar authority has approved these exchange notes or determined that this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is November 13, 2013

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This prospectus may only be used where it is legal to make the exchange offer and by a broker-dealer for resales of exchange notes acquired in the exchange offer where it is legal to do so.

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DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

From time to time, including in this prospectus and, in particular, in the section captioned Summary Our Company Business Strategy, and in the documents incorporated by reference in this prospectus, we make and may make forward-looking statements within the meaning of federal and state securities laws. Disclosures that use words such as believes, expects, anticipates, estimates, will, may or should and similar w expressions are generally intended to identify forward-looking statements. These forward-looking statements reflect our then-current expectations and are based upon data available to us at the time the statements are made. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from expectations. The most material, known risks are detailed in the section titled Risk Factors in this prospectus and the section entitled Management s Discussion and Analysis of Financial Condition and Results of Operations incorporated by reference into this prospectus. All forward-looking statements in, or incorporated by reference into, this prospectus are qualified by these cautionary statements and are made only as of the date of this prospectus or the date of the information incorporated by reference into this prospectus, as the case may be, and we undertake no obligation to update any information contained in, or incorporated by reference into, this prospectus or to publicly release any revisions to any forward-looking statements to reflect events or circumstances that occur, or that we become aware of, after the date of this prospectus. Any such forward-looking statements, whether made in or incorporated by reference into this prospectus or elsewhere, should be considered in context with the various disclosures made by us about our business. The following risks, among others, could cause actual results to differ materially from those described in any forward-looking statements:

- we have a significant amount of debt and we have the ability to incur significant additional debt, including senior secured debt that would effectively rank senior in priority to the notes, any of which could restrict our future operating and strategic flexibility and expose us to the risks of financial leverage;

- the agreements governing our various debt and other obligations restrict, and are expected to continue to restrict, our business and limit our ability to take certain actions;

- our ability to meet our debt service obligations on the notes and our other debt will depend on our future performance, which is, and will be, subject to many factors that are beyond our control;

- we are a holding company with no material independent assets or operations and we depend on our subsidiaries for cash;

- we are dependent on advertising revenues, which are seasonal and cyclical, and may also fluctuate as a result of a number of other factors, including any continuation of uncertain financial and economic conditions;

- we intend to seek to grow through strategic acquisitions, and acquisitions involve risks and uncertainties;

- we are highly dependent upon a limited number of advertising categories;

- we are highly dependent on network affiliations and may lose a significant amount of television programming if a network terminates or significantly changes its affiliation with us;

- we are dependent on our retransmission consent agreements with multichannel video programming distributors and any potential changes to the retransmission consent regime could materially adversely affect our business;

we purchase television programming in advance of earning any related revenue, and may not earn sufficient revenue to offset the costs thereof;

we are subject to risks of competition from local television stations as well as from cable systems, the Internet and other video providers;

we may incur significant capital and operating costs, including costs related to our obligations under our defined benefit pension plans;

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- we may incur impairment charges related to our assets;

- potential hostilities, terrorist attacks or similar events leading to broadcast interruptions could adversely affect our revenues and results of operations; and

- we are subject to risks and limitations due to government regulation of the broadcasting industry, including Federal Communications Commission (*FCC* or the *Commission*) control over the renewal and transfer of broadcasting licenses, which could materially adversely affect our operations and growth strategy.

We urge you to review carefully the information under the heading Risk Factors included elsewhere in this prospectus and in the documents incorporated by reference in this prospectus for a more complete discussion of the risks of participating in the exchange offer.

WHERE YOU CAN FIND MORE INFORMATION

Gray furnishes and files annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy materials that we have furnished to or filed with the SEC at the SEC s public reference room located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also available to the public on the SEC s Internet website at http://www.sec.gov. Those filings are also available to the public on our corporate website at http://www.gray.tv. The information contained on our website is not part of or incorporated by reference into this prospectus.

INCORPORATION BY REFERENCE

This prospectus incorporates important business and financial information about Gray Television, Inc. from documents that are not included in or delivered with this prospectus. You should rely only on the information contained or incorporated by reference into this prospectus. We have not authorized anyone to provide you with information that is different. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front cover of this prospectus and that any information we have incorporated by reference is accurate as of any date other than the date of the document incorporated by reference.

We incorporate by reference the documents listed below that we have filed with the SEC (File No. 1-13796) under the Securities Exchange Act of 1934 (the *Exchange Act*), as well as any filing that we make with the SEC on or after the date of this prospectus (unless such filing expressly states that it is not incorporated by reference herein) until the expiration date of this exchange offer:

- our Annual Report on Form 10-K for the year ended December 31, 2012 (*2012 Form 10-K*), filed on March 5, 2013;

- the portions of our proxy statement for our 2013 annual meeting of shareholders incorporated by reference into the 2012 Form 10-K, which proxy statement was filed on April 25, 2013;

- our Quarterly Reports on Form 10-Q filed on May 2, 2013, August 8, 2013 and November 7, 2013; and

- our Current Reports on Form 8-K filed on June 6, 2013, June 24, 2013, July 10, 2013, October 15, 2013, October 16, 2013 (only the information filed pursuant to Item 8.01 therein), October 21, 2013 and November 5, 2013.

Any statement contained in a document all or a portion of which is incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified will not be deemed to constitute a part of this prospectus, except as so modified, and any statement so superseded will not be deemed to constitute a part of this prospectus.

The information related to us contained in this prospectus should be read together with the information contained in the documents incorporated by reference. We will provide without charge to each person to whom a

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copy of this prospectus is delivered, upon the written or oral request of any such person, a copy of any or all of the documents incorporated into this prospectus by reference, other than exhibits to those documents unless the exhibits are specifically incorporated by reference into those documents, or referred to in this prospectus. Requests should be directed to:

Gray Television, Inc. 4370 Peachtree Road, N.E. Atlanta, Georgia 30319 (404) 504-9828 Attention: Investor Relations

In order to receive timely delivery of any requested documents in advance of the expiration date of the exchange offer, you should make your request no later than December 5, 2013, which is five full business days before you must make a decision regarding the exchange offer.

INDUSTRY AND MARKET DATA

This prospectus includes industry data regarding station rank, in-market share and television household data that we obtained from periodic reports published by The Nielsen Company (*Nielsen*). Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable. We have not independently verified any of the data from third-party sources nor have we ascertained the underlying economic assumptions relied upon therein.

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SUMMARY

This summary contains basic information about our Company and the exchange offer. This summary highlights selected information contained elsewhere in or incorporated by reference into this prospectus. This summary is not complete and does not contain all of the information that you should consider before deciding whether or not to participate in the exchange offer. For a more complete understanding of our Company and the exchange offer, you should read this entire prospectus, including Risk Factors included herein, and the documents incorporated herein by reference. The summary contains forward-looking statements that involve risk and uncertainties. Our actual results may differ based upon certain factors, including those set forth under the caption Risk Factors herein and in documents incorporated by reference in this prospectus. Unless otherwise indicated or required by the context, the terms Gray, we, our, us and the Company refer to Gray Television, Inc. and its subsidiaries. Our discussion of the television (or TV) stations that we own and operate does not include our minority equity interest in the television and radio stations owned by Sarkes Tarzian, Inc.

Our Company

General

We are a television broadcast company headquartered in Atlanta, Georgia, that owns and operates television stations in 31 television markets broadcasting 46 channels affiliated with one of the Big 4 Networks (ABC, CBS, FOX and NBC) and 42 additional channels of programming. We also operate additional television stations that broadcast channels affiliated with ABC, CBS, NBC, CW, and Telemundo. Our owned and/or operated television stations collectively broadcast twenty-three channels affiliated with the CBS Network, fourteen channels affiliated with the NBC Network, nine channels affiliated with the ABC Network and five channels affiliated with the FOX Network. In addition to these Big 4 Network channels, our stations broadcast channels affiliated with networks such as MyNetworkTV, CW Network and CW Plus Network, MeTV Network, This TV Network, Live Well Network, Antenna TV, and Telemundo. We also broadcast eight local news/weather channels in certain of our existing markets. Our combined TV station group reaches approximately 6.5% of total United States households.

Our operating revenues are derived primarily from broadcast and internet advertising and from other sources such as production of commercials, tower rentals, retransmission consent fees and management fees. For the nine months ended September 30, 2013 and the year ended December 31, 2012, we generated revenue of $250.7 million and $404.8 million, respectively.

We were incorporated in 1897, initially to publish the Albany Herald in Albany, Georgia, and entered the broadcasting industry in 1953. We have a dedicated and experienced senior management team.

Markets and Stations

Gray operates in designated market areas (*DMAs*) ranked between 61 and 208 and primarily focuses its operations on university towns and state capitals. Our markets include 17 university towns, representing enrollment of approximately 474,000 students, and eight state capitals. We believe university towns and state capitals provide significant advantages as they generally offer more favorable advertising demographics, more stable economics and a stronger affinity between local stations and university sports teams.

We have a strong, market leading position in our markets. Our combined station group has 23 markets with stations ranked #1 in local news audience and 22 markets with stations ranked #1 in overall audience within their respective markets, based on the results of the average of the Nielsen February, May, July and November 2012 ratings reports. Of the 31 markets that we serve, we operate the #1 or #2 ranked station in 29 of those markets. We believe a key driver for our strong market position is the strength of our local news and information programs. Our news audience share significantly over indexes the national average of the networks audience share based on the Nielsen Station Index (*NSI*) national average market share in November 2012 for both early evening and late night news. We believe that our market position and our strong local revenue streams have enabled us to maintain more stable revenues in recent challenging economic conditions compared to many of our peers.

We are diversified across our markets and network affiliations. Our largest market by Company revenue is Charleston/Huntington, WV, which contributed 7% and 8% of our revenue for the nine months ended September 30, 2013 and the year ended December 31, 2012, respectively. Our top 10 markets by Company

revenue contributed 50% of our revenue for each of the nine months ended September 30, 2013 and the year ended December 31, 2012. For the nine months ended September 30, 2013 and the year ended December 31, 2012, our CBS-affiliated channels accounted for 44% and 42%, respectively, of our revenue, our NBC-affiliated channels accounted for 34% and 39%, respectively, of our revenue, our ABC-affiliated channels accounted for 14% and 15%, respectively, of our revenue and our FOX-affiliated channels accounted for 2% of our revenue.

Business Strategy

Our success is based on the following strategies for growing our revenues and operating cash flows:

Maintain and Grow our Market Leadership Position. We have the #1 ranking in overall audience share in 22 of the 31 markets in which we own television stations. We are ranked #2 in seven of our other markets. We have the #1 ranking in local news audience in 23 of our markets and our news audience share significantly over indexes the national average of the networks audience share for both early evening and late night news.

We believe there are significant advantages in operating the #1 or #2 television broadcasting stations. Strong audience and market share allows us to enhance our advertising revenue through price discipline and leadership. We believe a top-rated news platform is critical to capturing incremental sponsorship and political advertising revenue. Our high-quality station group allows us to generate high operating margins, which allows us additional opportunities to reinvest in our business to further strengthen our network and news ratings. Furthermore, we believe operating the top ranked stations in our various markets allows us to attract and retain top talent.

We also believe that our leadership position in the markets in which we operate gives us additional leverage to negotiate retransmission contracts with cable multiple system operators, telephone video distributors, direct broadcast satellite (*DBS*) operators, and other multichannel video programming distributors (collectively, *MVPDs*). We also believe it helps us in our negotiations with networks when negotiating our network affiliation agreements with them.

We intend to maintain our market leadership position through continued prudent investment in our news and syndicated programs, as well as continued technological advances and program improvements. We continue to convert our local studios in select markets to be able to provide high definition digital broadcasting (*HD*) to further enhance the visual quality of our local programs, which we believe will drive incremental viewership, and we expect to continue to invest in local HD conversion over the next few years.

Pursue New Media Opportunities. We currently operate web, mobile and desktop applications in all of our markets. We have focused on expanding relevant local content, such as news, weather and sports, on our websites to drive increased page views. We have experienced strong growth in internet page views in the past, with page views growing at approximately a 46.3% compound annual growth rate from 2003 to 2012, and we anticipate continued growth in the future. We believe increased page views will result in increased internet revenue.

Our aggregate internet revenue is derived from two sources. The first source is advertising or sponsorship opportunities directly on our websites, referred to as direct internet revenue. The other source is television advertising time purchased by our clients to directly promote their involvement in our websites, referred to as internet-related commercial time sales.

In addition, in September 2013 we launched live video streaming of our local programming in our markets on the Syncbak mobile application.

Monetize Digital Spectrum. We currently broadcast 44 secondary channels. We created our secondary channels to better utilize our excess broadcast spectrum. Our secondary channels are affiliated with networks different from those affiliated with our primary channels and are operated by us to make better use of our broadcast spectrum by providing additional supplemental and/or alternative programming to our primary

channels. Certain of our secondary channels are affiliated with more than one network simultaneously. In the nine months ended September 30, 2013 and the year ended December 31, 2012, we generated $13.9 million and $14.9 million in revenues, respectively, from our digital second channels.

Our strategy includes expanding upon our digital offerings, and we evaluate potential opportunities from time to time either on our own and/or in partnership with other companies, as such opportunities present themselves. We intend to aggressively pursue the use of our spectrum for additional opportunities such as local video on demand, music on demand and other digital downloads. We also evaluate opportunities to use spectrum for future delivery of television broadcasts to handheld and other mobile devices.

Prudent Cost Management. Historically, we have closely managed our costs to maintain and improve our margins. We believe that our market leadership position also gives us additional negotiating leverage to enable us to lower our syndicated programming costs. We have increased the efficiency of our stations by automating processes as a part of the conversion of local studios to digital. We believe that we will be able to further benefit from our cost and operational efficiencies as we continue to grow our Company.

Recent Developments

Announcement of New Management Structure. In order to more efficiently capitalize on recent growth and opportunities for future growth, we recently announced certain changes to our management structure intended to streamline internal operations and focus on both maximizing the value of our existing portfolio of stations while prudently pursuing strategic growth opportunities. Our senior management team is comprised of the following:

Hilton H. Howell, Jr.	President and Chief Executive Officer	
James C. Ryan	Senior Vice President and Chief Financial Officer	
Kevin P. Latek	Senior Vice President	Business Affairs
Nick Waller	Senior Vice President	Mid-Atlantic & South
Robert Smith	Senior Vice President	Midwest & West
Jason Effinger	Senior Vice President	Media & Technology

Focus on Strategic Growth and Acquisitions. The television broadcasting industry has been characterized recently by a high level of acquisition activity. We believe that there are a number of television stations, and station groups, that have similar operating profiles and characteristics, and that share the same commitment to local news coverage, to the communities in which they operate and to creating high quality, locally-driven content, as we do. We intend to selectively pursue acquisitions of television stations or station groups, primarily in markets below the Top 50 generally recognized television markets, that fit our strategic and operational objectives, and where we believe that we can improve revenue, efficiencies and cash flow through active management and cost controls. As we consider potential acquisitions, we primarily evaluate potential station audience and revenue shares and the extent to which the target would positively impact our existing station operations.

From time to time, we are engaged in ongoing discussions with respect to various acquisitions of television stations or station groups, and we expect to continue to pursue strategic acquisition opportunities. While Gray does not, as of the date hereof, have any definitive agreements with respect to any material acquisition, we expect to continue to engage in ongoing discussions with various companies and to continue assessing those and other strategic opportunities.

At September 30, 2013, after giving effect to the issuance of the original notes and our use of proceeds therefrom, Gray would have had the ability to incur significant additional indebtedness, including at least $541.0 million of additional senior secured indebtedness, which included $40.0 million under its existing revolving credit facility. In the event that Gray enters into one or more definitive agreements in the future for any acquisitions as described above, Gray expects that it may incur significant additional indebtedness, which may be

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senior secured indebtedness that would effectively rank senior in priority to the notes, to finance, in whole or in part, any such acquisitions. In addition, and subject to the terms of any credit facilities or other indebtedness then in effect, and the indenture (defined below), Gray may also seek to obtain financing for such purposes through additional borrowings or offerings of debt or equity securities.

Strategic Shared Services Relationship with Excalibur Broadcasting, LLC. We also intend to seek to achieve operational efficiencies and economies of scale in programming, overhead and/or capital expenditures through the use of duopolies, local marketing agreements (*LMAs*), joint sales agreements (*JSAs*), and shared services agreements (*SSAs*). We believe that these types of arrangements allow us to reach larger audiences and better serve viewers in our communities, while permitting the stations to decrease expenses and increase operating margins.

For example, on November 1, 2013, we announced that Gray and Excalibur Broadcasting, LLC (*Excalibur*) had consummated the previously announced acquisition of KJCT(TV) and associated low power stations (collectively, *KJCT*) broadcasting ABC, CW, Telemundo and local programming in the Grand Junction, Colorado, market. In that transaction, Excalibur acquired the license assets of KJCT, and Gray acquired various other assets related to KJCT. Gray now provides back office, engineering and sales support services to Excalibur pursuant to a shared services agreement. In addition, Gray has an option to purchase the assets and assume the liabilities of KJCT, subject to FCC consent. Excalibur is wholly owned by an independent third party, and Excalibur maintains complete responsibility for and control over programming, finances, personnel and operations of KJCT and any other stations that it acquires. In connection with the consummation of the acquisition of KJCT, Gray has guaranteed approximately $3.0 million of Excalibur s debt. In accordance with GAAP, Excalibur will be included in Gray s consolidated financial statements.

We intend to evaluate opportunities for additional strategic relationships with Excalibur and other partners in the future.

Acquisition of Yellowstone Television, LLC. On November 4, 2013, Gray announced that it had entered into an agreement to acquire Yellowstone Television, LLC (Yellowstone). Yellowstone owns the following stations:

KGNS-TV in the Laredo, Texas market (DMA 184). Its channels are affiliated with NBC, CW, and Telemundo;

KGWN-TV in the Cheyenne, Wyoming-Scottsbluff, Nebraska market (DMA 196). Its channels are affiliated with CBS and CW. KGWN-TV extends throughout the market on KSTF (TV) in Scottsbluff, Nebraska, and K19FX in Laramie, Wyoming;

KCHY-LP is the NBC affiliate for the Cheyenne-Scottsbluff market. It will now integrate its operations with KGWN-TV; and

KCWY-TV in the Casper, Wyoming market (DMA 197). Its primary channel is affiliated with NBC.

This acquisition represents Gray s first stations in each of these markets. Gray used cash on hand of $23.0 million to acquire a 99% non-voting interest in the parent company of Yellowstone, and it began operating the Yellowstone stations pursuant to a LMA. Subject to the receipt of regulatory and other approvals, Gray expects to acquire voting control of Yellowstone by the first quarter of 2014.

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Corporate Information

Gray Television, Inc. is a Georgia corporation. Our executive offices are located at 4370 Peachtree Road, NE, Atlanta, GA 30319, and our telephone number at that location is (404) 504-9828. Our website address is http://www.gray.tv. The information on our web site, other than the documents incorporated by reference into this prospectus, is not a part of or incorporated by reference into this prospectus.

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The Exchange Offer

The Exchange Offer	We are offering to exchange up to $375.0 million aggregate principal amount of our registered 7 1/2% Senior Notes due 2020 (the *exchange notes*) and related guarantees for an equal principal amount of our outstanding restricted 7 1/2% Senior Notes due 2020 (the *original notes*) and related guarantees that were issued in October 2013. The terms of the exchange notes are identical in all material respects to those of the original notes, except that the exchange notes will be issued in a transaction registered under the Securities Act, and the transfer restrictions, registration rights and related special interest provisions relating to the original notes will not apply to the exchange notes. The exchange notes will be of the same class as the outstanding original notes. Holders of original notes do not have any appraisal or dissenters rights in connection with the exchange offer.
Purpose of the Exchange Offer	The exchange notes and related guarantees are being offered to satisfy our obligations under the registration rights agreement entered into at the time we issued and sold the original notes and related guarantees.
Expiration Date; Withdrawal of Tenders; Return of Original Notes Not Accepted for Exchange	The exchange offer will expire at 5:00 p.m., New York City time, on December 12, 2013, or on a later date and time to which we extend it (the *expiration date*). Tenders of original notes in the exchange offer may be withdrawn at any time prior to the expiration date. As soon as practicable following the expiration date, we will exchange the exchange notes for validly tendered original notes. Any original notes that are not accepted for exchange for any reason will be returned without expense to the tendering holder promptly after the expiration or termination of the exchange offer.
Procedures for Tendering Original Notes	For all original notes held in book-entry form, the holder must tender its original notes by means of The Depository Trust Company s (*DTC*) Automated Tender Offer Program (*ATOP*), subject to the terms and procedures of that program. Each holder of original notes in certificated form wishing to participate in the exchange offer must complete, sign and date the accompanying letter of transmittal, or its facsimile, in accordance with its instructions, and mail or otherwise deliver it, or its facsimile, together with the original notes and any other required documentation to the exchange agent at the address in the letter of transmittal. See The Exchange Offer Procedures for Tendering Original Notes.
Conditions to the Exchange Offer	The exchange offer is not conditioned upon any minimum aggregate principal amount of original notes being tendered for exchange. The exchange offer is subject to customary conditions, which may be waived by us in our discretion. We currently expect that all of the conditions will be satisfied and that no waivers will be necessary.
Exchange Agent	U.S. Bank National Association.

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U.S. Federal Income Tax Considerations	Your exchange of an original note for an exchange note will not constitute a taxable exchange. The exchange will not result in taxable income, gain or loss being recognized by you or by us. Immediately after the exchange, you will have the same adjusted basis and holding period in each exchange note received as you had immediately prior to the exchange in the corresponding original note surrendered. See U.S. Federal Income Tax Considerations.
Risk Factors	You should consider carefully the risk factors beginning on page 14 of this prospectus before deciding whether to participate in the exchange offer.

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The Exchange Notes

The terms of the exchange notes will be identical in all material aspects to those of the original notes, except for the transfer restrictions and registration rights and related special interest provisions relating to the original notes that will not apply to the exchange notes.

Issuer	Gray Television, Inc.
Notes Offered	\$375.0 million aggregate principal amount of 7 1/2% Senior Notes due 2020. The original notes were issued, and the exchange notes will be issued, as additional notes under the indenture, dated as of October 9, 2012, governing our outstanding 7 1/2% senior notes due 2020 issued in October 2012 (the *existing notes* and, together with the original notes and the exchange notes, the *notes*), as supplemented by a supplemental indenture providing for the issuance of the original notes (together, the *indenture*). The exchange notes will be treated as a single class with the original notes and the existing notes for all purposes under the indenture, including, without limitation, with respect to waivers, amendments, redemptions, and offers to purchase.
Maturity Date	October 1, 2020.
Interest	Interest on the exchange notes will accrue at a rate of 7.500% per annum, payable semi-annually, in cash in arrears, on April 1 and October 1 of each year, commencing April 1, 2014.
Guarantees	The exchange notes will be fully and unconditionally guaranteed on a senior unsecured basis by all of our existing and certain future domestic restricted subsidiaries, with certain exceptions (the *exchange guarantees* and, together with the guarantees of the existing notes and the original notes, the *guarantees*).
Ranking	The exchange notes and the exchange guarantees will be our and the guarantors senior unsecured obligations and will rank: equally in right of payment with all of our and the guarantors existing and future senior debt, including under the original notes and the existing notes, and the guarantees thereof; senior in right of payment to our and the guarantors existing and future subordinated debt; effectively junior to any of our and the guarantors debt (including under our senior credit facility) that is secured to the extent of the value of the assets securing such debt; and

structurally junior to any debt and liabilities of our subsidiaries, if any, that do not guarantee the notes.

After giving effect to the issuance of the original notes and our use of the proceeds therefrom, at September 30, 2013, the Company and the guarantors would have had approximately $834.0 million aggregate principal amount of total indebtedness (excluding intercompany indebtedness), all of which would have been senior debt (including the original notes), and of which approximately $159.0 million would have ranked effectively senior to the exchange notes to the extent of the assets securing such debt.

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Optional Redemption	On or after October 1, 2015, we may redeem the exchange notes, as well as the existing notes and the original notes, in whole or in part, at any time, at the redemption prices described under Description of Notes Redemption Optional Redemption. In addition, we may redeem up to 35% of the aggregate principal amount of the exchange notes, as well as the existing notes and the original notes, before October 1, 2015 with the net cash proceeds from certain equity offerings at a redemption price of 107.500% of the principal amount plus accrued and unpaid interest, if any, to the redemption date. We may also redeem some or all of the exchange notes, as well as the existing notes and the original notes, before October 1, 2015 at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, to the redemption date, plus a make whole premium.
Change of Control	If we experience certain kinds of changes of control, we will be required to offer to purchase the exchange notes, as well as the existing notes and the original notes, at 101% of their principal amount, plus accrued and unpaid interest. For more details, see Description of Notes Change of Control.
Mandatory Offer to Repurchase Following Certain Asset Sales	If we sell certain assets under certain circumstances, we will be required to use the net proceeds resulting from such sale to offer to purchase the exchange notes, as well as the existing notes and the original notes, at 100% of their principal amount, plus accrued and unpaid interest, as described under Description of Notes Certain Covenants Limitation on Asset Sales.
Certain Covenants	The indenture contains covenants that limit, among other things, our ability and the ability of our restricted subsidiaries to:

- incur additional debt;
- declare or pay dividends, redeem stock or make other distributions to stockholders;
- make investments;
- create liens or use assets as security in other transactions;
- enter into agreements restricting our or our subsidiaries ability to pay dividends or make certain other payments;
- merge or consolidate, or sell, transfer, lease or dispose of substantially all of our assets;
- engage in transactions with affiliates; and
- sell or transfer assets.

	These covenants are subject to a number of important qualifications and limitations. See Description of Notes Certain Covenants.
Absence of Public Market for the Exchange Notes	There is currently no public trading market for the exchange notes and we do not intend to apply for listing of the exchange notes on any national securities exchange or for quotation of the exchange notes on

	any automated dealer quotation system. Although the initial purchasers of the original notes have informed us that they make a market in the original notes and the existing notes, such initial purchasers are not obligated to do so, and may discontinue market-making activities at any time without notice. Accordingly, we cannot assure you that a liquid market for the exchange notes will develop or be maintained.
Use of Proceeds	We will not receive any cash proceeds from the issuance of the exchange notes. See Use of Proceeds.
CUSIP Number	The existing notes and the original notes have different CUSIP numbers. Following the completion of this exchange offer, the exchange notes and the existing notes are expected to share a single CUSIP number, and such notes are thereafter expected to be fully fungible with each other. Any original notes remaining outstanding after the completion of this exchange offer will continue to have a different CUSIP number than the exchange notes and the existing notes.

You should refer to the section entitled Risk Factors beginning on page 14 for an explanation of certain risks of participating in the exchange offer.

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Summary Historical Consolidated Financial and Other Data

We have derived the following summary historical consolidated financial and other data as of and for each of the years ended December 31, 2012, 2011 and 2010 from our audited consolidated financial statements and related notes, and as of and for each of the nine months ended September 30, 2013 and 2012, from our unaudited condensed consolidated financial statements and related notes, each of which (other than data as of December 31, 2010 and September 30, 2012) is incorporated by reference in this prospectus. You should not consider our results for the nine month periods, or our financial condition as of any such dates, to be indicative of our results or financial condition to be expected for or as of any other interim period or any full year period. The summary historical consolidated financial and other data presented below does not contain all of the information you should consider before deciding whether or not to participate in the exchange offer, and should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements, and notes thereto, incorporated by reference in this prospectus.

	Year Ended December 31,			Nine Months Ended September 30, (unaudited)	
	2012	2011	2010	2013	2012
			(In thousands)		
Statement of Operations Data(1):					
Revenues (less agency commissions)	$ 404,831	$ 307,131	$ 346,058	$ 250,742	$ 278,244
Operating expenses before depreciation, amortization, impairment, and gains on disposal of assets, net:					
Broadcast	212,286	194,196	196,353	158,817	155,635
Corporate and administrative	15,927	14,173	13,545	13,587	10,745
Depreciation	23,133	26,183	30,630	17,762	17,332
Amortization of intangible assets	75	125	479	40	56
Gain on disposals of assets, net	(31)	(2,894)	(1,909)	(56)	(454)
Operating expenses	$ 251,390	$ 231,783	$ 239,098	$ 190,150	$ 183,314
Operating income	$ 153,411	$ 75,348	$ 106,960	$ 60,592	$ 94,930
Other income (expense):					
Miscellaneous income, net	2	3	44		2
Interest expense	(59,443)	(61,777)	(70,045)	(37,790)	(45,444)
Loss from early extinguishment of debt(2)	(46,683)		(349)		
Income before income taxes	$ 47,317	$ 13,574	$ 36,610	$ 22,802	$ 49,488
Income tax expense	19,188	4,539	13,447	9,715	19,250
Net income	$ 28,129	$ 9,035	$ 23,163	$ 13,087	$ 30,238
Preferred stock dividends (includes accretion of issuance cost of $1,081, $1,045, $4,489, $0 and $633, respectively)(3)	4,095	7,240	14,582		3,591
Net income available to common stockholders	$ 24,034	$ 1,795	$ 8,581	$ 13,087	$ 26,647

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	Year Ended December 31,			Nine Months Ended September 30, (unaudited)	
	2012	2011	2010	2013	2012
			(In thousands)		
Balance Sheet Data (at end of period):					
Cash	$ 11,067	$ 5,190	$ 5,431	$ 43,320	$ 45,695
Working capital	48,666	29,818	26,145	76,223	50,911
Net intangible assets, broadcast licenses and goodwill	990,347	990,215	990,340	991,635	990,363
Total assets	1,249,788	1,233,980	1,242,293	1,285,329	1,274,000
Total debt	832,867	832,233	826,704	833,073	820,632
Redeemable preferred stock(3)		24,841	37,181		13,199
Total stockholders equity	143,935	122,953	129,407	158,786	149,943
Cash Flow Data:					
Net cash provided by (used in):					
Operating activities	$ 89,372	$ 38,173	$ 38,126	$ 51,590	$ 90,338
Investing activities	(23,306)	(21,869)	(19,506)	(19,603)	(17,227)
Financing activities	(60,189)	(16,545)	(29,189)	266	(32,606)
Other Financial and Operating Data:					
Capital expenditures, net of insurance proceeds	$ 23,714	$ 21,044	$ 19,395	$ 18,441	$ 16,941
Ratio of earnings to fixed charges(4)	1.60	1.04	1.14	1.60	N/A

(1) Our operating results fluctuate significantly between years, in accordance with, among other things, increased political advertising expenditures in even-numbered years.

(2) In 2012, we recorded a loss on early extinguishment of debt related to: (i) the amendment and restatement of our senior credit facility; and (ii) the redemption of our outstanding 10 $^{1}/_{2}$% senior secured second lien notes due 2015. In 2010, we recorded a loss on early extinguishment of debt related to amendments to our senior credit facility.

(3) In 2010, we repurchased approximately $60.7 million in face amount of Series D Perpetual Preferred Stock, and paid $14.9 million in accrued dividends thereon, in exchange for $50.0 million in cash and 8.5 million shares of common stock. In 2011, we repurchased approximately $13.4 million in face amount of Series D Perpetual Preferred Stock, and paid $6.6 million in accrued dividends thereto. In 2012, we repurchased the remaining approximately $25.9 million in face amount of Series D Perpetual Preferred Stock, and paid $16.7 million in accrued dividends related thereto. Prior to the redemption of all of the shares of Series D Perpetual Preferred Stock, $8.4 million of original issue discount, transaction fees and expenses were being accreted over a seven-year period ending June 30, 2015.

Amounts exclude unamortized original issuance costs, including original issue discount, and accrued and unpaid dividends. Such costs and dividends aggregated $14.8 million, $16.2 million and $9.4 million as of December 31, 2011 and 2010, and September 30, 2012, respectively.

(4) For purposes of this ratio:

The term fixed charges means the sum of: (i) interest expensed and capitalized, (ii) amortized premiums, discounts and capitalized expenses related to indebtedness, (iii) an estimate of the interest within rental expense, and (iv) preference security dividend requirements of consolidated subsidiaries.

The term preference security dividend is the amount of pre-tax earnings required to pay the dividends on outstanding preference securities. The dividend requirement is computed as the amount of the dividend divided by (1 minus the effective income tax rate applicable to continuing operations).

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The term earnings is the amount resulting from adding and subtracting the following items. We add the following: (i) pre-tax income from continuing operations; (ii) fixed charges; (iii) amortization of capitalized interest; (iv) distributed income of equity investees; and (v) our share of pre-tax losses of equity investees for which charges arising from guarantees are included in fixed charges. From the total of the added items, we subtract the following: (i) interest capitalized and (ii) preference security dividend requirements of consolidated subsidiaries.

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RISK FACTORS

The terms of the exchange notes will be identical in all material aspects to those of the original notes and the existing notes, except for the transfer restrictions and registration rights and related special interest provisions relating to the original notes that will not apply to the exchange notes. However, you should carefully consider the following risks before deciding whether or not to participate in the exchange offer. These risks are not the only ones we face. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations, financial condition and results of operations. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. The value of the exchange notes could decline due to any of these risks, and you may lose all or part of your investment. This prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in forward-looking statements as a result of certain factors, including the occurrence of one or more of the factors described in the following risk factors.

Risks Related to the Exchange Notes and the Exchange Offer

The exchanges notes will be effectively subordinated to our and our guarantors indebtedness under our senior credit facility and any other secured indebtedness to the extent of the value of the property securing that indebtedness.

The exchange notes will not be secured by any of our or the guarantors assets. As a result, the exchange notes and the guarantees will be effectively subordinated to our and the guarantors indebtedness under our senior credit facility with respect to the assets that secure that indebtedness. The indenture and our senior credit facility provide that we may incur additional secured debt in the future and we have the ability to incur significant additional secured indebtedness, including in connection with potential future acquisitions. The effect of this subordination is that upon a default in payment on, or the acceleration of, any of our secured indebtedness, or in the event of bankruptcy, insolvency, liquidation, dissolution or reorganization of the Company or the guarantors, the proceeds from the sale of assets securing our secured indebtedness would be available to pay obligations on the notes only after all indebtedness under our senior credit facility and any other secured debt has been paid in full. As a result, the holders of the exchange notes may receive less, ratably, than the holders of secured debt in the event of our and the guarantors bankruptcy, insolvency, liquidation, dissolution or reorganization.

A court could avoid our subsidiaries guarantees of the exchange notes under fraudulent transfer laws.

Although the exchange guarantees will provide holders of the exchange notes with a direct claim against the assets of the subsidiary guarantors on a pari passu basis with the guarantees of the existing notes and the original notes, the guarantees will not be secured by the collateral owned by the guarantors. In addition, under the federal bankruptcy laws and comparable provisions of state fraudulent transfer laws, a guarantee could under certain circumstances be avoided, or claims with respect to a guarantee could be subordinated to all other debts of that guarantor. In addition, a bankruptcy court could potentially avoid (*i.e.*, recover) any payments by that guarantor pursuant to its guarantee and require those payments to be returned to the guarantor or to a fund for the benefit of the other creditors of the guarantor. Each guarantee of the existing and original notes contains, and each exchange guarantee will contain, a provision intended to limit the guarantor s liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent transfer. This provision may not be effective to protect the guarantees from being avoided under fraudulent transfer law, or may eliminate a guarantor s obligations or reduce a guarantor s obligations to an amount that effectively makes the guarantee worthless. In a Florida bankruptcy case (which was recently reinstated by the United States Court of Appeals for the Eleventh Circuit on other grounds), this type of provision was found to be ineffective to protect guarantors.

The bankruptcy court might take these actions if it found, among other things, that when a subsidiary guarantor executed its guarantee (or, in some jurisdictions, when it became obligated to make payments under its guarantee):

- such subsidiary guarantor received less than reasonably equivalent value or fair consideration for the incurrence of its guarantee; and

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such subsidiary guarantor:

- was (or was rendered) insolvent by the incurrence of the guarantee;
- was engaged or about to engage in a business or transaction for which its assets constituted unreasonably small capital to carry on its business;
- intended to incur, or believed that it would incur, obligations beyond its ability to pay as those obligations matured; or
- was a defendant in an action for money damages, or had a judgment for money damages docketed against it and, in either case, after final judgment, the judgment was unsatisfied.

A bankruptcy court would likely find that a subsidiary guarantor received less than fair consideration or reasonably equivalent value for its guarantee to the extent that it did not receive a direct or indirect benefit from the issuance of the notes. A bankruptcy court could also avoid a guarantee if it found that the subsidiary issued its guarantee with actual intent to hinder, delay or defraud creditors.

Although courts in different jurisdictions measure solvency differently, in general, an entity would be deemed insolvent if the sum of its debts, including contingent and unliquidated debts, exceeds the fair value of its assets, or if the present fair salable value of its assets is less than the amount that would be required to pay the expected liability on its debts, including contingent and unliquidated debts, as they become due.

If a court avoided a guarantee, it could enter a judgment against noteholders ordering them to return any amounts previously paid under such guarantee. If any guarantee were avoided, noteholders would cease to have a direct claim against the applicable subsidiary guarantor, but they would retain their rights against us and any other subsidiary guarantors, although there is no assurance that our entities respective assets would be sufficient to pay the notes in full.

The exchange notes will be effectively subordinated to the claims of the creditors of our non-guarantor subsidiaries.

We conduct substantially all of our business through our subsidiaries, substantially all of which are guarantors under the existing notes and the original notes, and will be guarantors of the exchange notes. However, certain of our subsidiaries are not currently guarantors of the existing notes or the original notes, and initially will not be guarantors of the exchange notes. The indenture in certain circumstances permits additional non-guarantor subsidiaries. The indenture also permits the incurrence of certain additional indebtedness by our non-guarantor subsidiaries. See Description of Notes Subsidiary Guarantees and Description of Notes Certain Covenants Limitation on Incurrence of Indebtedness. Claims of creditors of any non-guarantor subsidiaries, including trade creditors, will generally have priority with respect to the assets and earnings of such subsidiaries over the claims of creditors of the Company, including holders of the exchange notes.

We may be unable to repurchase the exchange notes upon a change of control.

Upon the occurrence of a change of control, as defined in the indenture, we will be required to offer to repurchase the exchange notes, and are required to offer to repurchase the existing notes and the original notes, in cash at a price equal to 101% of the principal amount of the notes, plus accrued and unpaid interest, if any. A change of control will also constitute an event of default under our senior credit facility that will permit the lenders to accelerate the maturity of the borrowings thereunder and may trigger similar rights under our other indebtedness then outstanding. Our senior credit facility may prohibit us from repurchasing any notes. The failure to repurchase the notes would result in an event of default under the notes. In the event of a change of control, we may not have sufficient funds to repurchase all of the notes and to repay the amounts outstanding under our senior credit facility or other indebtedness.

We cannot be sure as to the existence of any trading market for the exchange notes.

We cannot assure you as to:

the liquidity of any trading market for the exchange notes;

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- your ability to sell your exchange notes; or
- the price at which you may be able to sell your exchange notes.

Prior to this offering, there have not been any exchange notes outstanding. Upon issuance, the exchange notes will have the same CUSIP number as, and will be fully fungible with, the original notes. To date, there has only been a limited trading market for the existing notes and the original notes. We do not intend to apply for listing of the notes on any national securities exchange or for the quotation thereof on any automated dealer quotation system. The initial purchasers of the existing notes and the original notes currently make a market in such notes, and we have been advised by the initial purchasers that they intend to continue to make a market in such notes, together with the exchange notes, after this exchange offer is completed. However, this market is limited, and they are not obligated to make a market, and the initial purchasers of the original notes may cease their market-making activities at any time. In addition, the liquidity of any trading market for the notes and the market price quoted for the notes may be adversely affected by changes in the overall market for high yield securities and by changes in our financial performance or prospects or in the financial performance or prospects of companies in the automotive industry. If an active market does not develop or is not maintained, the market price of the notes may decline and you may not be able to resell the notes.

Risks Related to Our Indebtedness

We have substantial debt and have the ability to incur significant additional debt. The principal and interest payment obligations on such debt may restrict our future operations and impair our ability to meet our obligations under our long-term debt obligations.

After giving effect to the issuance of the original notes and our use of the proceeds therefrom, at September 30, 2013, we and the guarantors would have had approximately $834.0 million in aggregate principal amount of outstanding indebtedness (excluding intercompany indebtedness), all of which would have constituted senior debt (including the notes), and of which approximately $159.0 million would have effectively ranked senior to the original notes and the exchange notes, to the extent of the assets securing such debt. We have the ability to incur significant additional secured debt under our senior credit facility. In addition, the terms of the indenture also permit us to incur additional indebtedness, subject to our ability to meet certain borrowing conditions.

Our substantial debt may have important consequences to you. For instance, it could:

- make it more difficult for us to satisfy our financial obligations, including those relating to the notes;
- require us to dedicate a substantial portion of any cash flow from operations to the payment of interest and principal due under our debt, which would reduce funds available for other business purposes, including capital expenditures and acquisitions;
- place us at a competitive disadvantage compared to some of our competitors that may have less debt and better access to capital resources; and
- limit our ability to obtain additional financing required to fund working capital and capital expenditures and for other general corporate purposes.

Our ability to service our significant financial obligations depends on our ability to generate significant cash flow. This is partially subject to general economic, financial, competitive, legislative, regulatory, and other factors that are beyond our control. We cannot assure you that our business will generate cash flow from operations, that future borrowings will be available to us under our senior credit facility or any other credit facilities, or that we will be able to complete any necessary financings, in amounts sufficient to enable us to fund our operations or pay our debts and other obligations, or to fund other liquidity needs. If we are not able to generate sufficient cash flow to service our obligations, we may need to refinance or restructure our debt, sell assets, reduce or delay capital investments, or seek to raise additional capital. Additional debt or equity financing may not be available in sufficient amounts, at times or on terms acceptable to us, or at all. If we are unable to implement one or more of these alternatives, we may not be able to service our debt or other obligations, which could result in us being in default thereon, in which circumstances our lenders could cease making loans to us,

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and lenders or other holders of our debt could accelerate and declare due all outstanding obligations due under the respective agreements, which could have a material adverse effect on us. In addition, the current volatility in the capital markets may also impact our ability to obtain additional financing, or to refinance our existing debt, on terms or at times favorable to us.

The agreements governing our various debt obligations impose restrictions on our business and limit our ability to undertake certain corporate actions.

The agreements governing our various debt obligations, including the indenture and the agreements governing our senior credit facility, include covenants imposing significant restrictions on our business. These restrictions may affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities as they arise. These covenants place restrictions on our ability to, among other things:

- incur additional debt, subject to certain limitations;
- declare or pay dividends, redeem stock or make other distributions to stockholders;
- make investments or acquisitions;
- create liens or use assets as security in other transactions;
- issue guarantees;
- merge or consolidate, or sell, transfer, lease or dispose of substantially all of our assets;
- amend our articles of incorporation or bylaws;
- engage in transactions with affiliates; and
- purchase, sell or transfer certain assets.

Any of these restrictions and limitations could make it more difficult for us to execute our business strategy.

The indenture and our senior credit facility also require us to comply with a number of financial ratios and covenants.

We are required to comply with a number of financial and operational covenants under the indenture and our senior credit facility. Our ability to comply with these requirements may be affected by events beyond our control, including prevailing general economic, financial and industry conditions. These covenants could have an adverse effect on our business by limiting our ability to take advantage of financing, merger and acquisition or other corporate opportunities. The breach of any of these covenants or restrictions could result in a default under the indenture or our senior credit facility. An event of default under any of our debt agreements could permit some of our lenders, including the lenders under our senior credit facility, to declare all amounts borrowed from them, together with accrued and unpaid interest, to be immediately due and payable, which could, in turn, trigger defaults under other debt obligations and could result in the termination of commitments of the lenders to make further extensions of credit under our senior credit facility. If we were unable to repay debt to our lenders, or were otherwise in default under any provision governing our outstanding secured debt obligations, our secured lenders could proceed against us and the subsidiary guarantors and against the collateral securing that debt. In addition, acceleration of our other indebtedness may cause us to be unable to make interest payments

on the notes and repay the principal amount of or repurchase the notes or may cause the subsidiary guarantors to be unable to make payments under the guarantees, in which event, you could lose part or all of the value of your investment in the notes.

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

Borrowings under our senior credit facility are at variable rates of interest and expose us to interest rate risk. If the London Interbank Offered Rate (*LIBOR*) were to exceed certain levels, our debt service obligations on our variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash available to service our obligations, including making payments on the notes, would decrease.

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Risks Related to Our Business

The success of our business is dependent upon advertising revenues, which are seasonal and cyclical, and will also fluctuate as a result of a number of factors, some of which are beyond our control.

Our main source of revenue is the sale of advertising time and space. Our ability to sell advertising time and space depends on, among other things:

- economic conditions in the areas where our stations are located and in the nation as a whole;
- the popularity of the programming offered by our television stations;
- changes in the population demographics in the areas where our stations are located;
- local and national advertising price fluctuations, which can be affected by the availability of programming, the popularity of programming, and the relative supply of and demand for commercial advertising;
- our competitors activities, including increased competition from other advertising-based mediums, particularly cable networks, MVPDs and the internet;
- the duration and extent of any network preemption of regularly scheduled programming for any reason;
- decisions by advertisers to withdraw or delay planned advertising expenditures for any reason;
- labor disputes or other disruptions at major national advertisers, programming providers or networks; and
- other factors beyond our control.

Our results are also subject to seasonal and cyclical fluctuations that we expect to continue. Seasonal fluctuations typically result in higher broadcast operating income in the second and fourth quarters than in the first and third quarters of each year. This seasonality is primarily attributable to (i) advertisers increased expenditures in the spring and in anticipation of holiday season spending and (ii) an increase in television viewership during this period. In addition, we typically experience fluctuations in our revenue between even and odd numbered years. In years in which there are impending elections for various state and national offices, which primarily occur in even numbered years, political advertising revenue tends to increase, often significantly, and particularly during presidential election years. Also, our NBC network affiliated stations typically experience increased viewership and revenue during coverage of Olympic Games, which also occur in even numbered years. As a result of the seasonality and cyclicality of our revenue, and the historically significant increase in our revenue during even-numbered years, potential investors are cautioned that it has been, and is expected to remain, difficult to engage in period-over-period comparisons of our revenue and results of operations.

Continued uncertain financial and economic conditions may have an adverse impact on our business, results of operations or financial condition.

Current financial and economic conditions continue to be uncertain and the continuation or worsening of such conditions could reduce consumer confidence and have an adverse effect on our business, results of operations and/or financial condition. If consumer confidence were to decline,

this decline could negatively affect our advertising customers businesses and their advertising budgets. In addition, continued volatile economic conditions could have a negative impact on our industry or the industries of our customers who advertise on our stations, resulting in reduced advertising sales. Furthermore, it may be possible that actions taken by any governmental or regulatory body for the purpose of stabilizing the economy or financial markets will not achieve their intended effect. In addition to any negative direct consequences to our business or results of operations arising from these financial and economic developments, some of these actions may adversely affect financial institutions, capital providers, advertisers or other consumers on whom we rely, including for access to future capital or financing arrangements necessary to support our business. Our inability to obtain financing in amounts and at times necessary could make it more difficult or impossible to meet our obligations or otherwise take actions in our best interests.

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Our dependence upon a limited number of advertising categories could adversely affect our business.

We consider broadcast advertising revenue to be revenue earned from the sale of advertisements broadcast by our stations. Although no single customer represented more than 5% of our broadcast advertising revenue for the year ended December 31, 2012 or the nine months ended September 30, 2013, we derived a material portion of our non-political broadcast advertising revenue from advertisers in a limited number of industries, particularly the automotive industry. For the year ended December 31, 2012 and the nine months ended September 30, 2013, we derived approximately 18% and 25%, respectively, of our total broadcast advertising revenue from customers in the automotive industry. Our results of operations and financial condition could be materially adversely affected if broadcast advertising revenue from the automotive, or certain other industries, such as the medical, restaurant, communications, or furniture and appliances, industries, declined.

We consider political broadcast advertising revenue to be revenue earned from the sale to political candidates, political parties and special interest groups of advertisements broadcast by our stations. In even numbered years, we derive a material portion of our broadcast advertising revenue from political broadcast advertisers. For the year ended December 31, 2012 and the nine months ended September 30, 2013, we derived approximately 21% and 1%, respectively, of our total revenue from political broadcast advertisers. If political broadcast advertising revenue declined, especially in an even numbered year, our results of operations and financial condition could also be materially adversely affected.

We seek to selectively evaluate growth opportunities through strategic acquisitions, and there are significant risks associated with an acquisition strategy.

We intend to continue to evaluate opportunities for growth through selective acquisitions of television stations or station groups. There can be no assurances that we will be able to identify any suitable acquisition candidates, and we cannot predict whether we will be successful in pursuing or completing any acquisitions, or what the consequences of not completing any acquisitions would be. Consummation of any proposed acquisition at any time may also be subject to various conditions such as compliance with FCC rules and policies. Consummation of acquisitions may also be subject to antitrust regulatory requirements.

An acquisition strategy involves numerous other risks, which may include 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;
- obtaining financing to complete acquisitions, which financing may not be available to us at times, in amounts, or at rates acceptable to us, if at all, and potentially the related risks associated with increased debt;
- diverting our management s attention from other business concerns;
- potentially losing key employees at acquired stations; and
- potential changes in the regulatory approval process that may make it materially more expensive, or materially delay our ability, to consummate any proposed acquisitions.

From time to time, we are engaged in ongoing discussions with respect to various acquisitions of television stations or station groups, and we expect to continue to pursue strategic acquisition opportunities. While Gray does not, as of the date hereof, have any definitive agreements with respect to any material acquisition, we expect to continue to engage in ongoing discussions with various companies and to continue assessing those and other strategic opportunities. Our failure to identify acquisition candidates, or to complete or integrate any acquired business, or to obtain the expected benefits therefrom, could materially adversely affect our business, financial condition and results of operations. In addition, and subject to the terms of any credit facilities or other indebtedness then in effect, and the indenture, we expect to seek to obtain financing for such acquisitions through additional borrowings, which may include secured indebtedness, or offerings of debt or equity securities.

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

We are a holding company with no independent assets or operations, other than our investments in our subsidiaries. Because we are a holding company, we are dependent upon payment of dividends, distributions, loans or advances to us by our subsidiaries to fund our obligations. These payments could be or become subject to dividend or other 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.

We must purchase television programming in advance of knowing whether a particular show will be popular enough for us to recoup our costs.

One of our most significant costs is for the purchase of television programming. If a particular program is not sufficiently popular among audiences in relation to the cost we pay for such program, we may not be able to sell enough related advertising time for us to recoup the costs we pay to broadcast the program. We also must usually purchase programming several years in advance, and may have to commit to purchase more than one year s worth of programming, resulting in the incurrence of significant costs in advance of our receipt of any related revenue. We may also replace programs that are performing poorly before we have recaptured any significant portion of the costs we incurred in obtaining such programming or fully expensed the costs for financial reporting purposes. Any of these factors could reduce our revenues, result in the incurrence of impairment charges or otherwise cause our costs to escalate relative to revenues.

We are highly dependent upon our network affiliations, and may lose a large amount of television programming if a network (i) terminates its affiliation with us, (ii) significantly changes the economic terms and conditions of any future affiliation agreements with us or (iii) significantly changes the type, quality or quantity of programming provided to us under an affiliation agreement.

Our business depends in large part on the success of our network affiliations. Each of our stations is affiliated with at least one major network pursuant to affiliation agreements. Each affiliation agreement provides the affiliated station with the right to broadcast all programs transmitted by the affiliated network during the term of the related agreement. Our affiliation agreements generally expire at various dates through December 31, 2016. See Business Markets and Stations included in our Annual Report on Form 10-K for the year ended December 31, 2012 incorporated by reference into this prospectus for additional information on all of our affiliation agreements and their respective expiration dates.

If we cannot enter into affiliation agreements to replace any expiring agreements, we would no longer be able to carry the affiliated network s programming. This loss of programming would require us to seek to obtain replacement programming. Such replacement programming may involve higher costs and may not be as attractive to our target audiences, thereby reducing our ability to generate advertising revenue. Furthermore, our concentration of CBS and/or NBC affiliates makes us particularly sensitive to adverse changes in our business relationship with, and the general success of, CBS and/or NBC.

We can give no assurance that any future affiliation agreements would have economic terms or conditions equivalent to or more advantageous to us than our current agreements. Among other things, one or more networks may require in the future that we pay compensation in exchange for providing our stations with programming and/or for permitting MVPD retransmission of network programming via our stations. If in the future a network or networks imposed more adverse economic terms upon us, such event or events could have a material adverse effect on our business and results of operations.

In addition, if we are unable to renew or replace any existing affiliation agreements, we may be unable to satisfy certain obligations under our existing or any future retransmission consent agreements with MVPDs and/or secure payment of retransmission consent fees under such agreements. Furthermore, if in the future a network limited or removed our ability to retransmit network programming to MVPDs, we may be unable to satisfy certain obligations or criteria for fees under any existing or any future retransmission consent agreements. In either case, such an event could have a material adverse effect on our business and results of operations.

We are also dependent upon our retransmission consent agreements with MVPDs, and we cannot predict the outcome of potential regulatory changes to the retransmission consent regime.

We are also dependent, in significant part, on our retransmission consent agreements. Our current retransmission consent agreements are set to expire at various times through March 2015. No assurances can be provided that we will be able to renegotiate all of such agreements on favorable terms, on a timely basis, or at all. The failure to renegotiate such agreements could have a material adverse effect on our business and results of operations.

Our ability to successfully negotiate future retransmission consent agreements may be hindered by potential legislative or regulatory charges to the framework under which these agreements are negotiated. For example, in March 2011, the FCC issued a Notice of Proposed Rulemaking (the *2011 NPRM*) to consider changes to its rules governing the negotiation of retransmission consent agreements. The FCC concluded that it lacked statutory authority to impose mandatory arbitration or interim carriage obligations in the event of a dispute between broadcasters and pay television operators. The FCC, however, sought comment on whether it should (1) strengthen the existing regulatory provision requiring broadcasters and MVPDs to negotiate retransmission consent in good faith, (2) enhance notice obligations to consumers of potential disruptions in service, and/or (3) extend the prohibition on ceasing carriage of a broadcast station s signal during an audience measurement period to DBS systems. The 2011 NPRM also questioned whether the FCC should eliminate the network non-duplication and syndicated exclusivity rules. The FCC has not yet issued a decision in this proceeding, and we cannot predict the outcome of any FCC regulatory action in this regard.

In addition, certain online video distributors and other over-the-top video distributors (*OVDs*) have begun to stream broadcast programming over the Internet without the consent of the broadcast station. In one case, a federal district court issued a preliminary injunction enjoining an OVD from streaming broadcast programming because the court concluded that the OVD was unlikely to demonstrate that it was eligible for the statutory copyright license that provides cable operators with the requisite copyrights to retransmit broadcast programming, and in August 2012, the Second Circuit affirmed the district court s decision. In another case, a preliminary injunction against another entity providing access to broadcast programming over the Internet was denied. There the federal district court for the Southern District of New York concluded that the operator was likely to prevail in demonstrating that the leasing of antennas and other equipment that enables a consumer to access broadcast programming over the Internet is not a copyright violation. That ruling has been sustained by the Second Circuit and the case returned to the district court for trial. In a case against another entity presenting similar facts, the federal district court for the Central District of California, rejecting the rationale of the New York district court, enjoined operations, finding that the transmissions were copyright infringements. That decision has been appealed to the Ninth Circuit. In September 2013, a district court in Washington D.C. reached a similar decision as the California district court in a separate lawsuit against the same OVD, finding that broadcast networks have a protectable copyright that appears to be violated by the internet distribution. That court imposed a nationwide injunction (exempting the Second Circuit) against that OVD. In October 2013, broadcasters in Salt Lake City, Utah, filed suit against the same OVD challenging the legality of the OVD s service. Also in October 2013, the district court in Massachusetts denied another broadcaster s request for an injunction against the OVD. On October 11, 2013, the four major networks filed a petition with the U.S. Supreme Court seeking review of the Second Circuit s decision upholding the denial of their request for an injunction against that OVD. In 2010, the FCC s Media Bureau, in a program access proceeding, tentatively concluded that one OVD had not shown that it was an MVPD for purposes of demonstrating eligibility for the program access rules, and in March 2012, the FCC, recognizing that the classification could also have implications under the retransmission consent requirements, issued a public notice seeking comment on, among other things, the proper interpretation of the term MVPD under FCC rules. We cannot predict the outcome of the pending litigation or of the FCC s interpretive proceedings. However, if the courts determine that consent of the broadcast station or copyright owners is not required and if the FCC determines that an OVD is not an MVPD, our business and results of operations could be materially and adversely affected.

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We operate in a highly competitive environment. Competition occurs on multiple levels (for audiences, programming and advertisers) and is based on a variety of factors. If we are not able to successfully compete in all relevant aspects, our revenues will be materially adversely affected.

Television stations compete for audiences, certain programming (including news) and advertisers. Signal coverage and carriage on MVPD systems also materially affect a television station s competitive position. With respect to audiences, stations compete primarily based on broadcast program popularity. We cannot provide any assurances as to the acceptability by audiences of any of the programs we broadcast. Further, because we compete with other broadcast stations for certain programming, we cannot provide any assurances that we will be able to obtain any desired programming at costs that we believe are reasonable. Cable-network programming, combined with increased access to cable and satellite TV, has become a significant competitor for broadcast television programming viewers. Cable networks viewership and advertising share have increased due to the growth in MVPD penetration (the percentage of television households that are connected to a MVPD system). Further increases in the advertising share of cable networks could materially adversely affect the advertising revenue of our television stations.

In addition, technological innovation and the resulting proliferation of programming alternatives, such as internet websites, mobile apps and wireless carriers, direct-to-consumer video distribution systems, and home entertainment systems have further fractionalized television viewing audiences and resulted in additional challenges to revenue generation.

Our inability or failure to broadcast popular programs, or otherwise maintain viewership for any reason, including as a result of increases in programming alternatives, could result in a lack of advertisers, or a reduction in the amount advertisers are willing to pay us to advertise, which could have a material adverse effect on our business, financial condition and results of operations.

Our pension plan obligations are currently underfunded, and, if certain factors worsen, we may have to make significant cash payments to some or all of these plans, which could reduce the cash available for our business.

We have underfunded obligations under our defined benefit pension plans. The funded status of our pension plans is dependent upon many factors, including returns on invested assets, the level of certain market interest rates and the discount rate used to determine pension obligations. Unfavorable returns on the plan assets or unfavorable changes in applicable laws or regulations may materially change the timing and amount of required plan funding, which could reduce the cash available for our business. In addition, a decrease in the already historically low discount rate used to determine pension obligations could result in an increase in the valuation of pension obligations, which could affect the reported funding status of our pension plans and future contributions, as well as the periodic pension cost in subsequent fiscal years.

We may be unable to maintain or increase our internet advertising revenue, which could have a material adverse effect on our business and operating results.

We generate a portion of our advertising revenue from the sale of advertisements on our internet sites. Our ability to maintain or increase this advertising revenue is largely dependent upon the number of users actively visiting our internet sites. We believe we must increase user engagement with our internet sites in order to increase our advertising revenue. Because internet advertising techniques are evolving, if our technology and advertisement serving techniques do not evolve to meet the changing needs of advertisers, our advertising revenue could also decline. Changes in our business model, advertising inventory or initiatives could also cause a decrease in our internet advertising revenue.

In addition, internet advertisements are reportedly becoming a means to distribute viruses over the internet and obtain users private information. If this practice becomes more prevalent, it could result in consumers becoming less inclined to click through online advertisements, which could adversely affect the demand for internet advertising. We do not have long-term agreements with most of our internet advertisers. Any termination, change or decrease in our advertising relationships could have a material adverse effect on our revenue and profitability. If we do not maintain or increase our advertising revenue, our business, results of operations and financial condition could be materially adversely affected.

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If we are unable to protect our domain names, our reputation and brands could be adversely affected.

We currently hold various domain name registrations relating to our brands. The registration and maintenance of domain names generally are regulated by governmental agencies and their designees. Governing bodies may establish additional top-level domains, appoint additional domain name registrars or modify the requirements for holding domain names. As a result, we may be unable to register or maintain relevant domain names. In addition, we may be unable, without significant cost or at all, to prevent third parties from registering domain names that are similar to, infringe upon or otherwise decrease the value of, our trademarks and other proprietary rights. Failure to protect our domain names could adversely affect our reputation and brands, and make it more difficult for users to find our websites and our services.

Any potential hostilities or terrorist attacks, or similar events leading to broadcast interruptions, may affect our revenues and results of operations.

If the United States engages in additional foreign hostilities or existing hostilities escalate, or if the United States experiences a terrorist attack or experiences any similar event resulting in interruptions to regularly scheduled broadcasting, we may lose advertising revenue and/or incur increased expenses due to pre-emption, delay or cancellation of advertising campaigns, and increased costs of covering such events. We cannot predict the (i) extent or duration of any future disruption to our programming schedule, (ii) amount of advertising revenue that would be lost or delayed or (iii) amount by which our broadcasting expenses would increase as a result. Any such loss of revenue and increased expenses could negatively affect our future results of operations.

We have, in the past, incurred impairment charges on our goodwill and/or broadcast licenses, and any such future charges may have a material effect on the value of our total assets.

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