

**DESCRIPTION OF PRO FORMA TRANSACTION AND  
PUBLIC INTEREST STATEMENT**

Digital Generation, Inc., a Delaware corporation (“Digital Generation”) and The New Online Company, a Delaware corporation (“New Online”) request authority for the *pro forma* assignment to New Online of the earth station licenses held by Digital Generation.

Digital Generation is the licensee of transmit/receive earth station facilities licensed under call signs E980336 and E090202 (the “Licenses”). The contemplated *pro forma* transaction is part of a corporate restructuring that will enable these earth stations and other parts of Digital Generation’s existing business to remain under the ownership and control of Digital Generation’s current shareholders and management once other business operations and assets of Digital Generation are acquired by a third party. The applicants wish to effectuate this restructuring on or about February 3, 2014, and anticipate doing so in conjunction with closing the disposition of Digital Generation’s other business.

To effectuate this corporate restructuring, Digital Generation will assign the Licenses and transfer the associated earth station facilities to its wholly-owned subsidiary, New Online, just prior to closing. Through a series of integrated transactions at closing, the current stockholders of Digital Generation, a publicly traded company whose stock is widely held, will become the stockholders of New Online. Immediately after closing, the owners of New Online’s capital stock, New Online’s senior officers, and a majority of New Online’s directors, will be the same as Digital Generation’s immediately prior to closing. Therefore, the proposed assignment is *pro forma* in nature.

New Online is a Delaware corporation headquartered at 750 West John Carpenter Freeway, Suite 700, Irving, Texas 75039.<sup>1</sup> Upon the closing of the *pro forma* transaction, New Online will be a publicly traded company owned by the public stockholders of Digital Generation in existence just prior to closing. The parties expect that Alex Meruelo will beneficially own approximately 14.4% of New Online’s voting stock, based on holdings of Digital Generation stock as of January 3, 2014.<sup>2</sup> Alex Meruelo is a U.S. citizen whose address of record is 9550 Firestone Blvd, Suite 105, Downey, CA 90241. Currently, no other person or entity holds 10 percent or more of Digital Generation’s voting stock, and no other person or entity is expected to hold more than 10 percent of New Online’s voting stock immediately following the closing of the *pro forma* transaction.

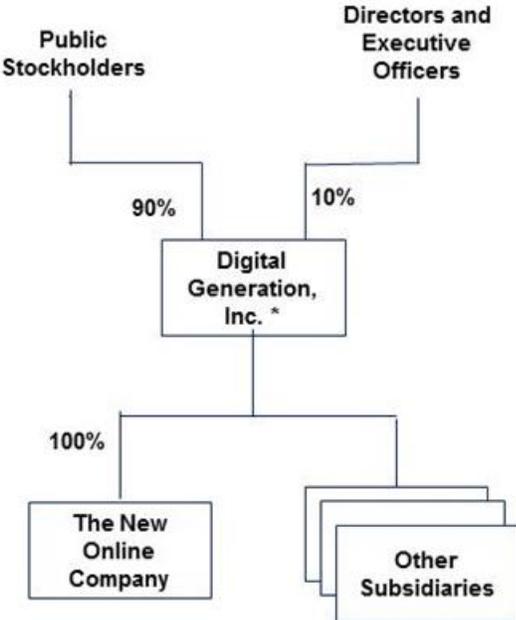
The ownership and control of the Licenses before and after the proposed transaction are depicted below:

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<sup>1</sup> The name of New Online may be changed prior to or in connection with closing. The parties will update the Commission of any name change at the appropriate time.

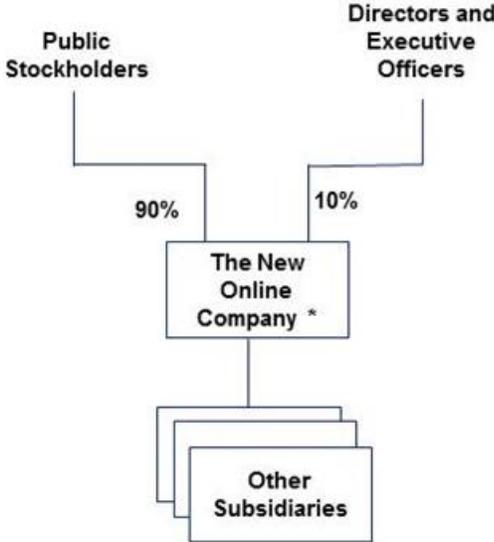
<sup>2</sup> Mr. Meruelo holds his interests through control of Meruelo Investment Partners LLC, a Delaware limited liability company, and as the trustee of the Alex Meruelo Living Trust, which is a California trust.

# Pre-Closing Structure



Note: \* FCC license holder.

# Post-Closing Structure



Note: \* FCC license holder.

Upon the closing, the following individuals are expected to be the directors and senior officers of New Online, all of whom can be reached c/o New Online, 750 West John Carpenter Freeway, Suite 700, Irving, Texas 75039. Those who currently serve in that capacity for Digital Generation are indicated with an asterisk (\*):

| <b>Name</b>         | <b>Title</b>   |
|---------------------|--|
| Scott K. Ginsburg*  | Director   |
| Xavier A. Gutierrez | Director   |
| John R. Harris*     | Director   |
| Adam Klein          | Director   |
| Cecil H. Moore Jr.* | Director   |
| Neil H. Nguyen*     | Director, Chief Executive Officer & President        |
| Craig A. Holmes*    | Executive Vice President and Chief Financial Officer |
| Andy Ellenthal*     | Executive Vice President – Sales and Operations      |
| Sean N. Markowitz*  | General Counsel and Corporate Secretary              |

An additional director will be appointed shortly before the closing of the transaction.

Grant of the requested authority will serve the public interest by enabling the corporate restructuring of the existing licensee and the continued use of the licensed facilities.