

Description of Transaction

By this and other concurrently-filed applications, Evening Post Industries, Inc. (“EPI”) requests the Commission’s consent to the concurrent (i) *pro forma* conversion of the EPI licensee subsidiaries listed on Exhibit A hereto (the “Licensees”) and of Cordillera Communications, Inc. (“Cordillera”), the direct corporate parent of the Licensees, from their current business forms into limited liability companies (the “LLC Conversions”); and (ii) *pro forma* distribution of certain preferred membership interests in Cordillera to EPI Preferred, LLC (“EPI Preferred”), a new, wholly-owned subsidiary of EPI (the “Reorganization”). Organizational charts reflecting the current and proposed structures are attached as Exhibit B. EPI is filing the instant applications as “assignment of license” applications to reflect the change in the names and business forms of the Licensees.

Upon the LLC Conversions, (i) the issued and outstanding shares of capital stock of the Licensees would be exchanged for limited liability membership interests, (ii) the issued and outstanding shares of capital stock of Cordillera would be exchanged for two classes of limited liability membership interests, preferred and common.¹ The LLC Conversions qualify for *pro forma* treatment because they involve no substantial change in the ownership or control of the Licensees. Currently, EPI controls and owns 100% of the capital stock of Cordillera, and Cordillera controls and owns 100% of the capital stock of the Licensees. Following the LLC Conversion, EPI will control and own 100% of the membership interests in Cordillera, and Cordillera will directly control and own 100% of the membership interests in the Licensees.

The LLC Conversions will occur substantially concurrently with the Reorganization. To accomplish the Reorganization, EPI will contribute 100% of the preferred membership interests in Cordillera to EPI Preferred and will retain 100% of the common membership interests in Cordillera. Like the LLC Conversion, the Reorganization qualifies for *pro forma* treatment because it involves no substantial change in the ownership or control of the Licensees. Prior to the Reorganization, EPI will own and control 100% of the membership interests in Cordillera directly. After the Reorganization, EPI will own and control 100% of the membership interests either directly or indirectly through EPI Preferred, its wholly owned subsidiary.

In connection with this transaction, the parties intend to enter into (i) agreements regarding organization and governance of the newly-created entities; and (ii) a financing agreement with their lender. These agreements, which will comply with the Commission’s rules and policies, have not been finalized but will be filed with the Commission upon execution to the extent required by Section 73.3613 of the Commission’s rules.

¹ WLEX Communications, L.L.C. currently is a Kentucky limited liability company. To effect its conversion, a new South Carolina limited liability company named “WLEX Communications, LLC” will be created. The two entities will merge, with the South Carolina entity being the surviving entity.

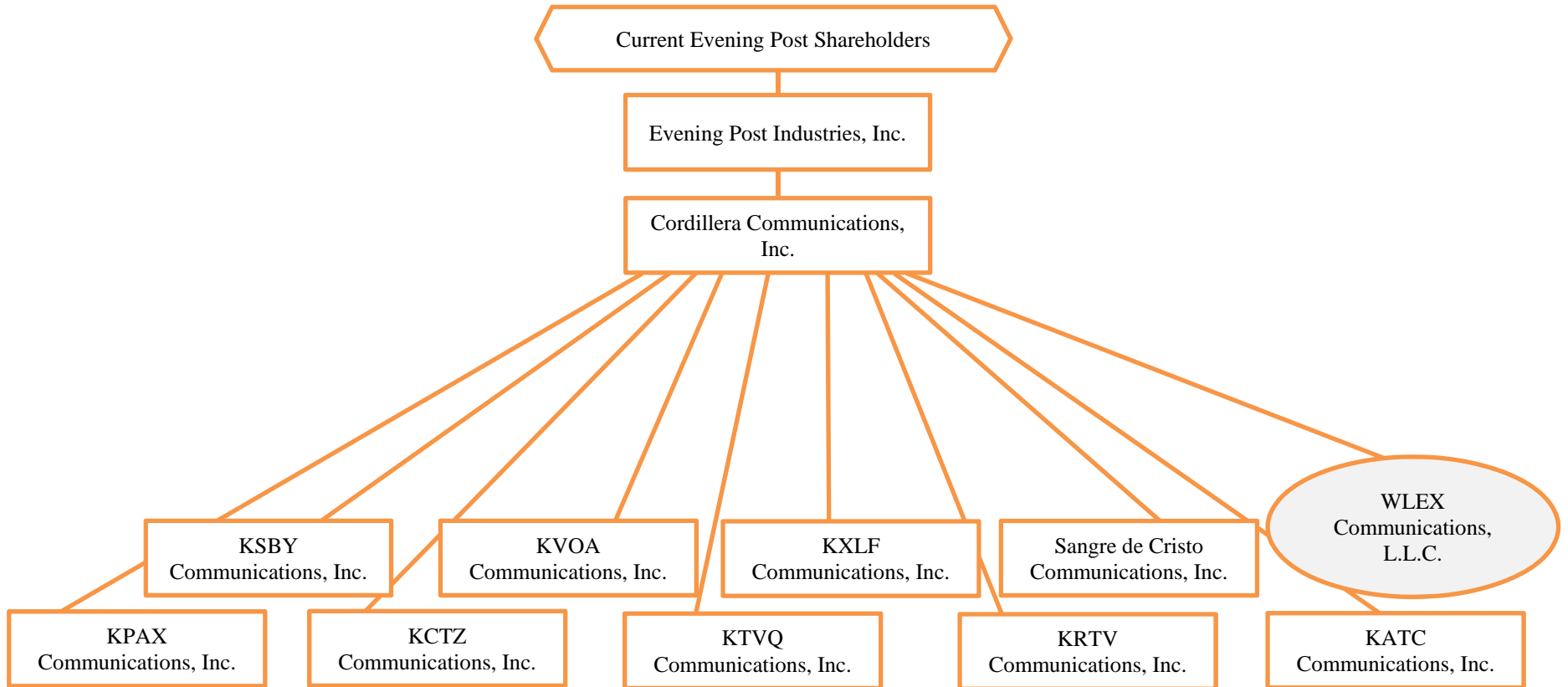
Exhibit A

Licensees

KSBY Communications, Inc.
KCTZ Communications, Inc.
KPAX Communications, Inc.
KVOA Communications, Inc.
KATC Communications, Inc.
KTVQ Communications, Inc.
KXLF Communications, Inc.
KRTV Communications, Inc.
Sangre de Cristo Communications, Inc.
WLEX Communications, L.L.C.

Exhibit B

Current Organizational Chart

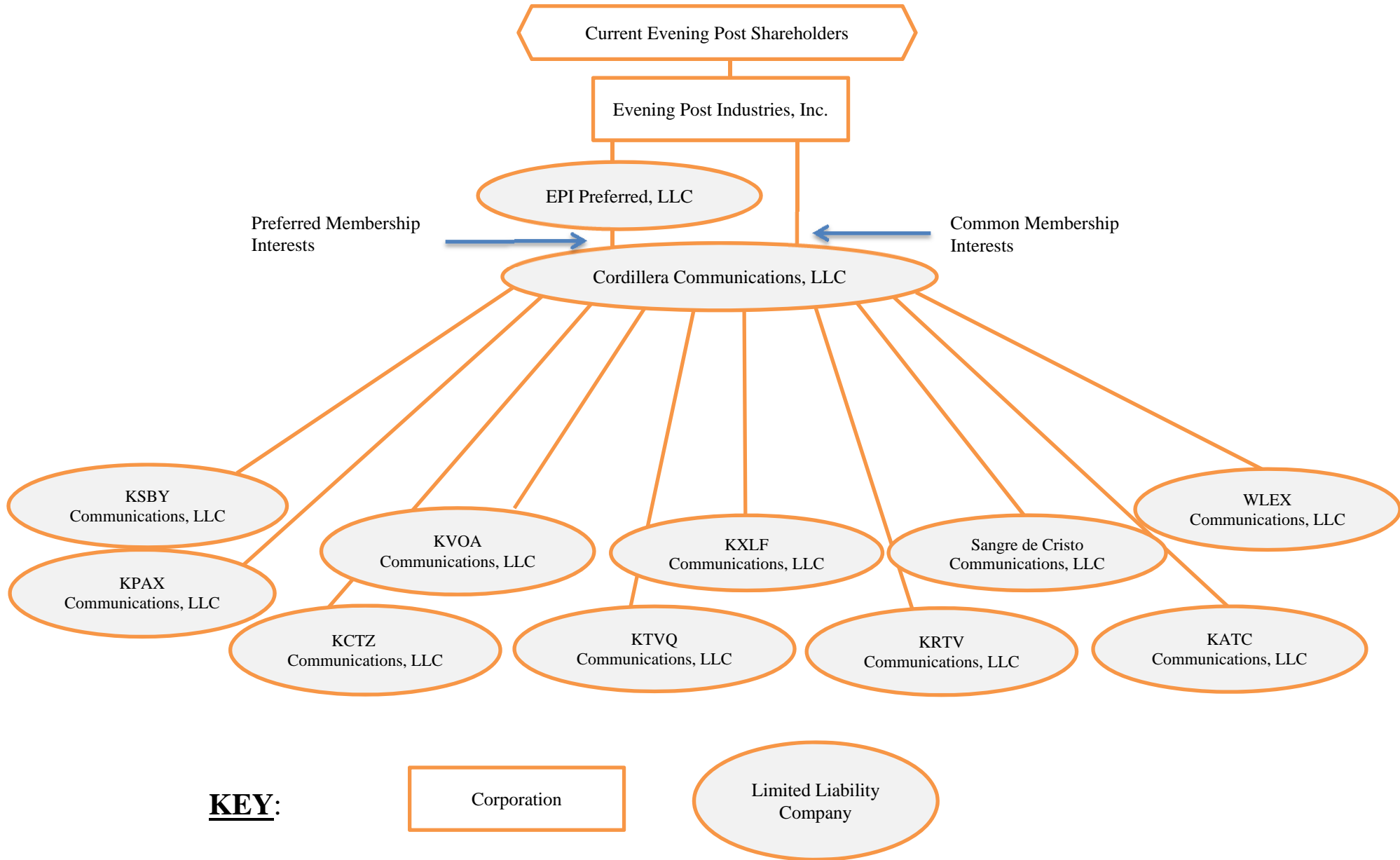


KEY:



Exhibit B

Proposed Organizational Chart



Changes in Interest – Parties to the Application

Unless otherwise noted, all attributable parties to the application can be reached at 134 Columbus Street, Charleston, SC 29403-4800.

- Line 1 – Name of officers, directors and members
- Line 2 – Citizenship
- Line 3 – Positional interest
- Line 4 – Percentage of votes
- Line 5 – Percentage of Total Assets (Equity Plus Debt) ¹

Ownership of Licensee Entities

Licensees:			
<i>KATC Communications, LLC</i>			
<i>KCTZ Communications, LLC</i>			
<i>KPAX Communications, LLC</i>			
<i>KRTV Communications, LLC</i>			
<i>KSBY Communications, LLC</i>			
<i>KTVQ Communications, LLC</i>			
<i>KVOA Communications, LLC</i>			
<i>KXLF Communications, LLC</i>			
<i>Sangre de Cristo Communications, LLC</i>			
<i>WLEX Communications, LLC</i>			
	(a)	(b)	(c)
1.	Licensee	John Barnwell	Terrance Hurley
2.	South Carolina Limited Liability Company	U.S.	U.S.
3.	N/A	Vice President, Manager	Vice President, Manager
4.	N/A	0%	0%
5.	N/A	N/A	N/A
	(d)	(e)	(f)
1.	Ronald Owens	General Manager ²	Cordillera Communications, LLC
2.	U.S.	U.S.	South Carolina Limited Liability Company
3.	Secretary, Treasurer, Manager	President	Member
4.	0%	0%	100%
5.	N/A	N/A	N/A

¹ The respondent interprets Question 5 in Item 4(a) as seeking information about any parties, whose interests are otherwise non-attributable, who acquire attributable status as a result of operation of the “equity debt plus” rule (47 C.F.R. § 73.3555, Note 2(i)). There are no such parties in the reporting entities. As a result, Line 5 has been answered “N/A.”

² The General Manager and President for each licensee is as follows:
KATC Communications, LLC-Andrew Shenkan
KCTZ Communications, LLC-Jon Saunders
KPAX Communications, LLC-Robert Hermes
KRTV Communications, LLC-Jon Saunders
KSBY Communications, LLC-Kathleen Choal
KTVQ Communications, LLC-John Hurley
KVOA Communications, LLC-Bill Shaw
KXLF Communications, LLC-Jon Saunders
Sangre de Cristo Communications, LLC-Evan Pappas
WLEX Communications, LLC-Patrick Dalbey

- Line 1 – Name of officers, directors and members
- Line 2 – Citizenship
- Line 3 – Positional interest
- Line 4 – Percentage of votes
- Line 5 – Percentage of Total Assets (Equity Plus Debt)

Ownership of Cordillera Communications, LLC

	(a)	(b)	(c)
1.	Cordillera Communications, LLC	John Barnwell	Terrance Hurley
2.	South Carolina Limited Liability Company	U.S.	U.S.
3.	N/A	Vice President, Manager	President, Manager
4.	N/A	0%	0%
5.	N/A	N/A	N/A
	(d)	(e)	(f)
1.	Ronald Owens	EPI Preferred, LLC	Evening Post Industries, Inc.
2.	U.S.	South Carolina Limited Liability Company	South Carolina Corporation
3.	Secretary, Treasurer, Manager	Member	Member
4.	0%	100%	0%
5.	N/A	N/A	N/A

- Line 1 – Name of officers, directors and members
- Line 2 – Citizenship
- Line 3 – Positional interest
- Line 4 – Percentage of votes
- Line 5 – Percentage of Total Assets (Equity Plus Debt)

Ownership of EPI Preferred, LLC

	(a)	(b)	(c)
1.	EPI Preferred, LLC	John Barnwell	Ronald Owens
2.	South Carolina Limited Liability Company	U.S.	U.S.
3.	N/A	President, Manager	Secretary, Treasurer, Manager
4.	N/A	0%	0%
5.	N/A	N/A	N/A
	(d)	(e)	(f)
1.	Evening Post Industries, Inc.		
2.	South Carolina Corporation		
3.	Member		
4.	100%		
5.	N/A		

Line 1 – Name of officers, directors and stockholders
Line 2 – Citizenship
Line 3 – Positional interest
Line 4 – Percentage of votes
Line 5 – Percentage of Total Assets (Equity Plus Debt)

Ownership of Evening Post Industries, Inc.

	(a)	(b)	(c)
1.	Evening Post Industries, Inc.	John Barnwell	PJ Browning
2.	South Carolina Corporation	U.S.	U.S.
3.	N/A	President, CEO, Director	Senior Vice President, President of Newspaper Division
4.	N/A	0%	0%
5.	N/A	N/A	N/A
	(d)	(e)	(f)
1.	Margaret Garrett	Edward Gilbreth	Mary Manigault Gilbreth
2.	U.S.	U.S.	U.S.
3.	Secretary, Director	Vice-Chairman of the Board, Director	Director
4.	0%	2%	28%
5.	N/A	N/A	N/A
	(g)	(h)	(i)
1.	Daniel Herres	Rebecca Herres	Patricia Manigault
2.	U.S.	U.S.	U.S.
3.	Executive Vice President	Assistant Secretary, Director	Director
4.	0%	2%	0%
5.	N/A	N/A	N/A
	(j)	(k)	(l)
1.	Pierre Manigault	Joseph McGee	Ronald Owens
2.	U.S.	U.S.	U.S.
3.	Chairman of the Board, Director	Director	Chief Financial Officer, Director
4.	1%	2%	0%
5.	N/A	N/A	N/A
	(m)	(n)	(o)
1.	Wilbur Prezzano	Katherine Salmons	Paul Sharry
2.	U.S.	U.S.	U.S.
3.	Director	Director	Senior Vice President of Human Resources
4.	0%	1%	0%
5.	N/A	N/A	N/A
	(p)	(q)	(r)
1.	Thomas Waring	Arthur Wilcox	Terrance Hurley
2.	U.S.	U.S.	U.S.
3.	Director	Director	Director
4.	3%	2%	0%
5.	N/A	N/A	N/A

Line 1 – Name of officers, directors and stockholders
 Line 2 – Citizenship
 Line 3 – Positional interest
 Line 4 – Percentage of votes
 Line 5 – Percentage of Total Assets (Equity Plus Debt)

Ownership of Evening Post Industries, Inc. (cont.)

	(a)	(b)	(c)
1.	H. Laurence Fritz	The Patricia Lucas Bennett Marital Trust	
2.	U.S.	U.S.	
3.	Director	Stockholder	
4.	0%	30%	
5.	N/A	N/A	

- Line 1 – Name of trustees and beneficiary
- Line 2 – Citizenship
- Line 3 – Positional interest
- Line 4 – Percentage of votes
- Line 5 – Percentage of Total Assets (Equity Plus Debt)

Ownership of The Patricia Lucas Bennett Marital Trust

	(a)	(b)	(c)
1.	The Patricia Lucas Bennett Marital Trust	Patricia Manigault	Pierre Manigault
2.	South Carolina Trust	U.S	U.S
3.	N/A	Trustee, Beneficiary	Trustee
4.	N/A	25%	25%
5.	N/A	N/A	N/A
	(d)	(e)	(f)
1.	Ivan V. Anderson, Jr.	Richard Braunstein	
2.	U.S	U.S	
3.	Trustee	Trustee	
4.	25%	25%	
5.	N/A	N/A	