

### **Description of Transaction**

By this application, the licensee requests the Commission's consent to the *pro forma* transfer of control of Cox Enterprises, Inc. ("*CEI*") described below:

*From:* Dayton-Cox Trust A (the "*Dayton Trust*") (Anne Cox Chambers, James C. Kennedy, and Jimmy W. Hayes, Trustees)

*To:* Cox Family Voting Trust (Alexander Taylor, James C. Kennedy, and Jimmy W. Hayes, Voting Trustees)

CEI, a privately held, family-owned company, owns the Cox businesses that evolved from a local daily newspaper purchased in 1898 by former Ohio Governor James M. Cox. CEI indirectly controls the Cox subsidiaries, including the licensee in the instant application, that hold numerous FCC licenses used in the operation of the Cox broadcast, broadband, and telecommunications companies. These 100 percent family-owned and family-controlled enterprises will continue to be 100 percent family-owned and family-controlled following completion of the restructuring described below.

**Proposed Transfer:** The proposed *pro forma* transfer of control is part of a restructuring of the Cox family trusts. At present, 100 percent of the voting stock of CEI is voted by three trustees: (i) Anne Cox Chambers, Governor Cox's daughter; (ii) James Cox Kennedy, the Chairman of CEI and the son of Governor Cox's daughter Barbara Cox Anthony, now deceased; and (iii) Jimmy W. Hayes, the current CEO of CEI (collectively, the "*Current Trustees*"). In the event of a vacancy among the trustees, the remaining trustees appoint a successor trustee in consultation with the trust beneficiaries, who are descendants of Governor Cox. Prior to July 26, 2013, the Current Trustees voted all of the CEI voting stock directly through the Dayton Trust, a trust established in 1943 for the benefit of Governor Cox's descendants. Thereafter, the Current Trustees continued to vote all of the CEI voting stock, but as trustees of the Cox Family Voting Trust, which now holds legal title to all of CEI's voting stock, with the Dayton Trust as its sole beneficiary. From a control perspective, as well as from tax and estate planning perspectives, the Cox Family Voting Trust is entirely transparent and did not change the persons exercising voting control over CEI because the trustees of the Dayton Trust and the Cox Family Voting Trust are identical.

At the completion of the restructuring, the Dayton Trust will be dissolved and removed entirely from the chain of ownership and control of CEI, with voting control remaining in the Current Trustees as trustees of the Cox Family Voting Trust. Upon the dissolution of the Dayton Trust, the non-voting stock and the non-voting beneficial trust interests that the Dayton Trust currently holds will be distributed to members of the Cox family directly or to trusts or similar arrangements for their benefit. In addition, although it is not a formal part of the planned restructuring, Mrs. Chambers intends, concurrently with the consummation of the restructuring, to resign as trustee of the Cox Family Voting Trust, to be replaced by her grandson Alexander Taylor.

**Pro Forma Nature of Proposed Transfer of Control:** The Commission properly can approve these proposed minor ownership changes under *pro forma* transfer procedures. The

replacement of a family trust controlled by the Current Trustees with a family trust controlled by two of the three Current Trustees with a family member as the third trustee does not constitute a “substantial” change in control. Moreover, the new trustee, Mr. Taylor, like the other two trustees, Mr. Kennedy and Mr. Hayes, has had his qualifications favorably passed upon by the Commission.