

Description of Transaction

By this and other concurrently-filed applications, Evening Post Industries, Inc. (“EPI”), on behalf of the EPI licensee subsidiaries listed on Exhibit A hereto (the “Licensees”), requests the Commission’s consent to the concurrent (i) *pro forma* creation of a new, wholly-owned holding company in the EPI ownership chain, EPI Group, LLC (“EPI Group”); and (ii) *pro forma* transfer of non-voting membership interests in Cordillera Communications, LLC (“Cordillera”) from EPI to EPI Group (collectively, the “Reorganization”). Organizational charts reflecting the pre- and post-transaction structures are attached as Exhibit B.

Upon the Reorganization, which is subject to shareholder approval, (i) existing EPI shareholders would contribute all of their stock in EPI to EPI Group and would receive, in exchange, LLC membership interests in EPI Group,¹ (ii) EPI would merge with an existing wholly-owned subsidiary of EPI Group, with EPI surviving the merger as a wholly-owned subsidiary of EPI Group, and (iii) non-voting LLC membership interests in Cordillera currently held by EPI would be transferred to EPI Group.

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 shareholders control the Licensees by virtue of their capital stock in EPI, which ultimately owns and controls the Licensees. While current EPI shareholders will have the option to vote against the Reorganization and exchange their shares for cash, it is expected that all currently-attributable EPI shareholders will elect to exchange their shares for voting interests in EPI Group. Thus, following the Reorganization, current EPI shareholders, including the attributable shareholders in EPI, will control the Licensees by virtue of their ownership and control of 100% of the membership interests in EPI Group, which ultimately will own and control the Licensees.

In connection with this transaction, the parties intend to enter into agreements regarding organization and governance of EPI Group. 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 As described in more detail in Exhibit 12, EPI shareholders that currently are non-attributable would be subject to customary LLC insulation provisions in the EPI Group operating agreement upon consummation of the Reorganization.

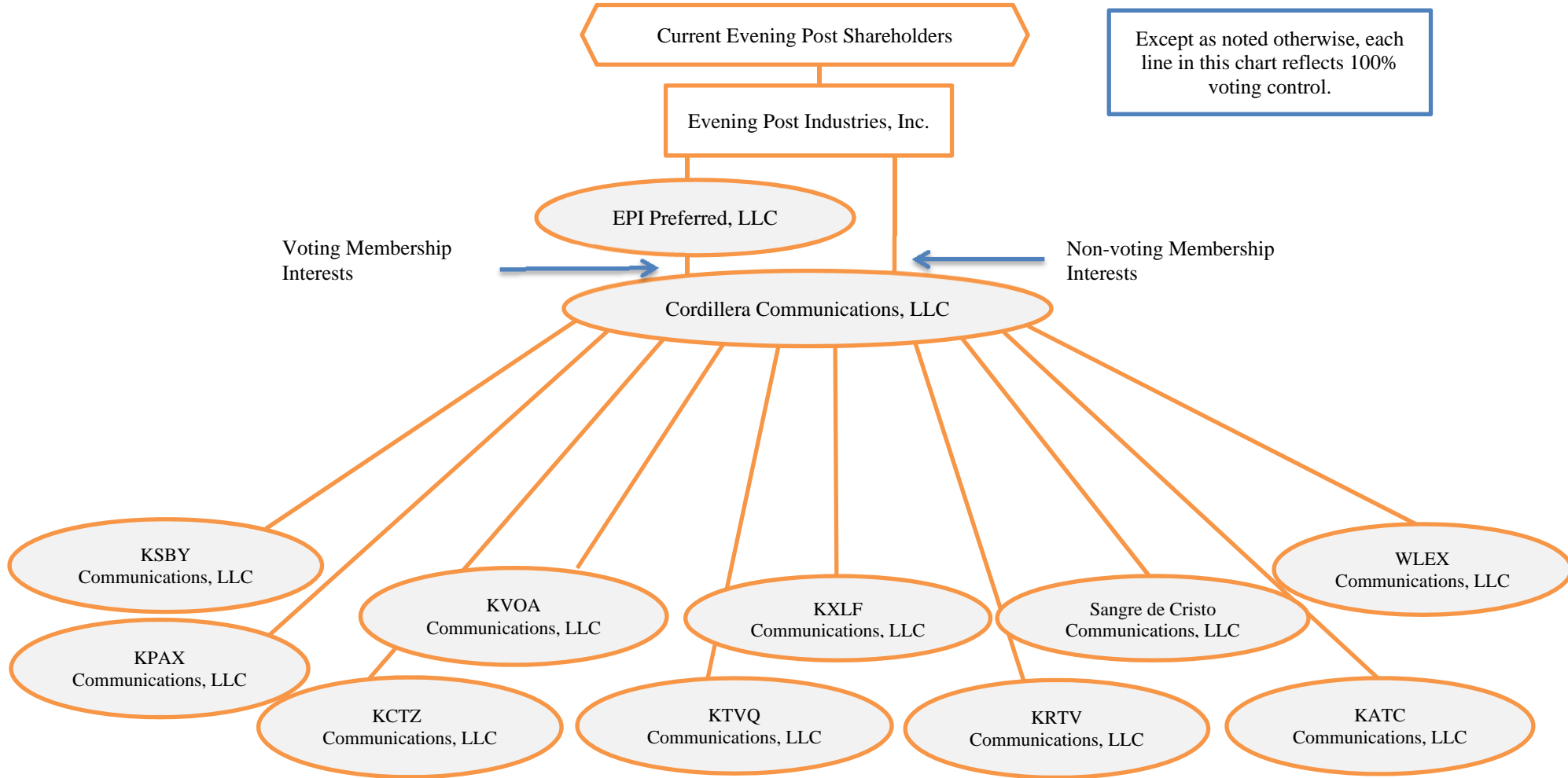
Exhibit A

Licensees

KSBY Communications, LLC
KCTZ Communications, LLC
KPAX Communications, LLC
KVOA Communications, LLC
KATC Communications, LLC
KTVQ Communications, LLC
KXLF Communications, LLC
KRTV Communications, LLC
Sangre de Cristo Communications, LLC
WLEX Communications, LLC

Exhibit B

Pre-Transaction Organizational Chart



Except as noted otherwise, each line in this chart reflects 100% voting control.

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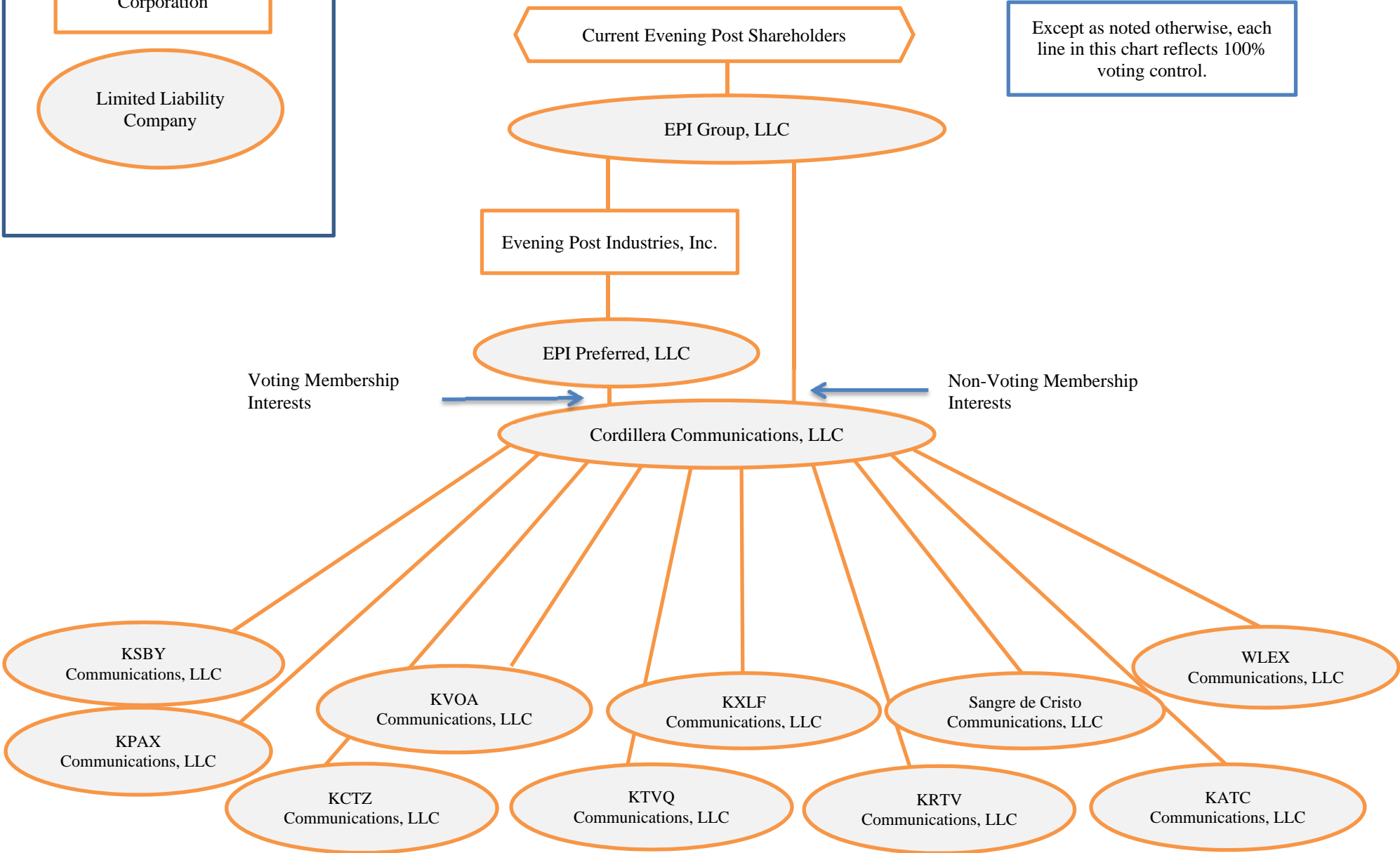
Corporation

Limited Liability Company

Exhibit B

Post-Transaction Organizational Chart

Except as noted otherwise, each line in this chart reflects 100% voting control.



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	EPI Group, LLC
2.	U.S.	South Carolina Limited Liability Company	South Carolina Limited Liability Company
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%	0%	0%
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%	0%	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.	0%	0%	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%	0%	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.	0%	0%	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	EPI Group, LLC	
2.	U.S.	South Carolina Limited Liability Company	
3.	Director	Stockholder	
4.	0%	100%	
5.	N/A	N/A	

Line 1 – Name of officers, directors and stockholders
Line 2 – Citizenship
Line 3 – Positional interest
Line 4 – Percentage of votes in EPI Group, LLC (*percentage of votes in Evening Post Industries, Inc.*)³
Line 5 – Percentage of Total Assets (Equity Plus Debt)

Ownership of EPI Group, LLC

	(a)	(b)	(c)
1.	EPI Group, LLC	John Barnwell	Margaret Garrett
2.	South Carolina Limited Liability Company	U.S.	U.S.
3.	N/A	President, CEO, Manager	Secretary, Manager
4.	N/A	0% (0%)	0% (0%)
5.	N/A	N/A	N/A
	(d)	(e)	(f)
1.	Edward Gilbreth	Mary Manigault Gilbreth	Rebecca Herres
2.	U.S.	U.S.	U.S.
3.	Manager	Manager	Manager
4.	3% (2%)	40% (28%)	3% (2%)
5.	N/A	N/A	N/A
	(g)	(h)	(i)
1.	Terrance Hurley	Patricia Manigault	Pierre Manigault
2.	U.S.	U.S.	U.S.
3.	Manager	Manager	Manager
4.	0% (0%)	0% (0%)	1% (1%)
5.	N/A	N/A	N/A
	(j)	(k)	(l)
1.	Joseph McGee	Ronald Owens	Wilbur Prezzano
2.	U.S.	U.S.	U.S.
3.	Manager	Vice President, Treasurer, Chief Financial Officer, Manager	Manager
4.	3% (2%)	0% (0%)	0% (0%)
5.	N/A	N/A	N/A
	(m)	(n)	(o)
1.	Katherine Salmons	Joseph Waring	Thomas Waring
2.	U.S.	U.S.	U.S.
3.	Manager	Attributable Member	Manager
4.	1% (1%)	0% (0%)	4% (3%)
5.	N/A	N/A	N/A

³ As part of the Reorganization, holders of voting stock in EPI that do not hold attributable interests in EPI prior to the Reorganization will, upon consummation of the Reorganization, be subject to insulation provisions in the EPI Group operating agreement that will cause such holders to be non-attributable owners of EPI Group. Thus, the attributable shareholders that hold approximately 71% of the voting shares in EPI will, upon consummation of the Reorganization, hold 100% of the voting interests in EPI Group, and the non-attributable shareholders that currently hold 29% of the voting shares of EPI will not hold a voting interest in EPI Group. The chart above reflects the proportional increase in voting power that results from this change by including, for each attributable person, both the voting interest in EPI Group they will hold and, in parentheses and italics, the voting interest in EPI they currently hold.

The EPI Group operating agreement will provide that, after the Reorganization, insulated members may elect to exercise voting rights with respect to their interests, subject to the prior approval of EPI Group based a review of their FCC qualifications. Members making such an election will be reported on subsequent ownership reports reflecting EPI Group ownership. Additionally, while current EPI shareholders will have the option to vote against the Reorganization and exchange their shares for cash, it is expected that all currently-attributable holders of voting shares in EPI will elect to exchange their shares for voting interests in EPI Group.

- Line 1 – Name of officers, directors and stockholders
- Line 2 – Citizenship
- Line 3 – Positional interest
- Line 4 – Percentage of votes in EPI Group, LLC (*percentage of votes in Evening Post Industries, Inc.*)
- Line 5 – Percentage of Total Assets (Equity Plus Debt)

Ownership of EPI Group, LLC (cont.)

	(a)	(b)	(c)
1.	Arthur Wilcox	H. Laurence Fritz	The Patricia Lucas Bennett Marital Trust
2.	U.S.	U.S.	U.S.
3.	Manager	Manager	Member
4.	3% (2%)	0% (0%)	42% (30%)
5.	N/A	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	