

## DESCRIPTION OF TRANSACTION AND PARTIES TO APPLICATION

Satellite earth stations E0861076 and E870207 are licensed to Radio License Holdings LLC, an indirect wholly-owned licensee of Cumulus Media Inc. This application is one of several concurrently-filed long-form transfer of control applications (the “**Transfer Applications**”) requesting Commission consent to implement the Joint Plan of Reorganization of Cumulus Media Inc. and its debtor affiliates pursuant to Chapter 11 of the Bankruptcy Code (as amended, modified and supplemented from time to time, the “**Plan**”) <sup>1</sup> by which Cumulus Media Inc., Debtor-in-Possession (“**Cumulus**”) and certain of its direct and indirect subsidiaries will emerge from bankruptcy as reorganized entities (Cumulus as so reorganized, “**Reorganized Cumulus**” and such subsidiaries as so reorganized, collectively, the “**Reorganized Cumulus Subsidiaries**”). <sup>2</sup> The reorganization contemplated by the Plan is referred to herein as the “**Reorganization**.” <sup>3</sup> Each of the Transfer Applications requests Commission consent to the transfer of control (the “**Transfer of Control**”) of the Cumulus license subsidiaries from the shareholders of Cumulus to the shareholders of Reorganized Cumulus in connection with the Reorganization. <sup>4</sup>

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<sup>1</sup> *In re Cumulus Media, Inc., et. al.*, Case No. 17-13381 (SCC) (Bankr. SDNY) (Docket No. 446).

<sup>2</sup> Reorganized Cumulus may be a newly-formed Delaware corporation that will hold, indirectly through other newly-formed wholly-owned Delaware entities, all of the assets of Cumulus Media Holdings Inc. (a wholly-owned direct subsidiary of Cumulus, “**Cumulus Holdings**”), including the equity of the current subsidiaries of Cumulus Holdings as such subsidiaries may be converted to limited liability companies as described in footnote 3 and Section IV below.

<sup>3</sup> **Attachment A** hereto includes organization charts which show the current (Pre-Reorganization) structure of Cumulus and its subsidiaries that directly or indirectly through other subsidiaries hold Commission licenses and the proposed (Post-Reorganization) structure of Reorganized Cumulus and the Reorganized Cumulus Subsidiaries that directly or indirectly through other Reorganized Cumulus Subsidiaries are expected to hold Commission licenses. For each such entity a long-form transfer of control application is being filed with the Commission in connection with the Reorganization and the Transfer of Control. In addition, applications regarding non-broadcast licenses held by subsidiaries of Cumulus are also being filed with the Commission.

Contemporaneously with the Transfer of Control, Cumulus will also convert its direct and indirect wholly-owned subsidiaries (other than Cumulus Holdings) that are currently corporations into limited liability companies. Commission consent to the pro forma transfers of control and assignments resulting from such conversions are also sought in this application. *See* Section IV below.

<sup>4</sup> The parties intend that the applications filed in connection with the Transfer of Control include all of the licenses and other FCC authorizations held by Cumulus and its subsidiaries. Such companies may now have on file, and may hereafter file, additional requests for authorizations for new or modified facilities that may be granted before the Commission takes action on this application. Accordingly, Cumulus requests that any Commission approval of the applications filed in connection with the Transfer of Control include authority for the shareholders of Reorganized Cumulus to acquire control of: (1) any authorization issued to Cumulus or its subsidiaries relating to their non-broadcast businesses while the applications for the Transfer of Control are pending before the Commission and during the period required for consummation of the Transfer of Control; and (2) any applications filed by Cumulus or its subsidiaries relating to their non-broadcast businesses that are pending at the time of consummation. Such action would be consistent with prior decisions of the Commission. *See, e.g., Applications of AT&T Inc. and Cellco Partnership d/b/a Verizon Wireless*, Memorandum Opinion and Order, 25 FCC Rcd 8704, 8773, ¶ 165 (2010); *SBC Communications Inc. and AT&T Corp. Applications for Approval of Transfer of Control*, Memorandum Opinion and Order, 20 FCC Rcd 18290, 18392, ¶ 212 (2005); *Applications of*

Under the Plan, Cumulus proposes to cancel the existing debt of Cumulus and to issue, in exchange therefor, among other things, securities in Reorganized Cumulus, which securities shall consist of a combination of (i) Class A Common Stock, which will entitle holders to vote for directors of Reorganized Cumulus, (ii) Class B Common Stock, which will not entitle holders to vote for directors of Reorganized Cumulus, and (iii) Special Warrants which will be exercisable for common stock of Reorganized Cumulus subject to certain conditions (clauses (i) – (iii), collectively, the “**New Securities**”). Upon Cumulus’ emergence from bankruptcy, all of the existing capital stock of Cumulus will be cancelled, and all of the New Securities will be distributed to holders of debt and other creditors of Cumulus and/or their designees. Following the Transfer of Control, no single person or entity, or group of commonly-controlled persons or entities, shall hold a controlling interest in Reorganized Cumulus. Cumulus’s current President and Chief Executive Officer Mary G. Berner will continue to serve in that same capacity for Reorganized Cumulus upon emergence.

## I. DESCRIPTION OF TRANSACTION

### A. The Bankruptcy and Reorganization

In November 2017, Cumulus and a number of its direct and indirect subsidiaries filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”).<sup>5</sup> Since the filing of such petitions, Cumulus has continued to manage its properties and operate its businesses as a “debtor-in-possession” under the jurisdiction of the Bankruptcy Court.<sup>6</sup> On December 9, 2017, Cumulus filed the initial version of the Plan with the Bankruptcy Court, and on February 12, 2018, filed the solicitation version of

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*AT&T Wireless Services, Inc. and Cingular Wireless Corp. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 19 FCC Rcd 21522, 21626 ¶ 275 (2004). Cumulus also requests that Commission approval include any authorizations that may have been inadvertently omitted. Similarly, pursuant to Sections 1.927(h), 1.929(a)(2), and 1.933(b) of the Commission’s Rules, to the extent necessary, Cumulus requests a blanket exemption from any applicable cut-off rules in cases where the Cumulus license subsidiaries file amendments to pending applications in order to reflect consummation of the proposed Transfer of Control so that such amendments are not treated as disqualifying amendments. The nature of the proposed Transfer of Control demonstrates that the ownership changes are not being made for the purpose of acquiring any particular pending application, but as part of a larger transaction undertaken for an independent and legitimate business purpose. Grant of this request would be consistent with prior Commission decisions that routinely have granted a blanket exemption in cases involving multiple-license transactions. *See, e.g., Applications of PacifiCorp Holdings, Inc., and Century Telephone Enterprises, Inc. for Consent to Transfer Control of Pacific Telecom, Inc., a Subsidiary of PacifiCorp Holdings, Inc.*, Memorandum Opinion and Order, 13 FCC Rcd 8891, 8915 ¶ 47 (1997); *Applications of NYNEX Corp. and Bell Atlantic Corp.*, Memorandum Opinion and Order, 12 FCC Rcd 19985, 20091, 20092 ¶ 234 (1997).

<sup>5</sup> *In re Cumulus Media, Inc., et. al.*, Case No. 17-13381 (SCC) (Bankr. SDNY).

<sup>6</sup> On December 1, 2017, each of the Cumulus license subsidiaries filed applications on FCC Form 312 requesting Commission consent to the involuntary transfer of control of such licenses from Cumulus Media Inc. to Cumulus Media Inc., Debtor-in-Possession. *See, e.g., SES-ASG-20171204-01300*. Each of those *pro forma* applications was granted on December 12, 2017. With the exception of Westwood One, Inc., none of the Cumulus license subsidiaries have filed chapter 11 petitions and are not debtors in possession in any of the chapter 11 cases.

the Plan. Certain creditors of Cumulus will have the right to vote on the Plan and the Plan remains subject to confirmation by the Bankruptcy Court.

Assuming the Plan is confirmed by the Bankruptcy Court, following such confirmation the Reorganization and the concomitant Transfer of Control will be consummated. The date of such consummation is referred to herein as the “**Effective Date.**” On the Effective Date, Reorganized Cumulus will issue, among other things, the New Securities in exchange for the cancellation of certain debt obligations of Cumulus. As of the Effective Date, all of Reorganized Cumulus’ common stock will be held by holders of debt of Cumulus and other Cumulus creditors. As of the Effective Date, no single person or entity, or group of commonly-controlled persons or entities, shall hold a controlling interest in Reorganized Cumulus.

As of the Effective Date, the board of directors of Reorganized Cumulus will consist of seven members, one of whom shall be Cumulus’ current President and Chief Executive Officer, Ms. Berner. All of such directors are listed on **Attachment B** hereto.

#### B. Proposed Transfer of Control

The applicants seek Commission consent to the Transfer of Control of each of the Cumulus license subsidiaries which will result from the change in ownership of Cumulus in the Reorganization. As a result of the Reorganization, Reorganized Cumulus will be the successor to Cumulus and will be owned by new stockholders. None of the Cumulus license subsidiaries which hold broadcast authorizations is a debtor-in-possession, and consequently there will no change in the name or status of those license subsidiaries (except as a result of the conversion of such subsidiaries that are currently corporations into limited liability companies as described in Section IV below), but only in the ownership of subsidiaries of Cumulus.

## II. PARTIES TO THE APPLICATION

Following consummation of the Transfer of Control, it is anticipated that the capital stock of Reorganized Cumulus will be widely held. Cumulus anticipates that, apart from its officers and directors, only one other party will have an attributable interest,<sup>7</sup> stemming from its right to vote approximately 11% of the Class A Common Stock of Reorganized Cumulus.<sup>8</sup> The Plan provides for an “Equity Allocation Mechanism” to ensure that only parties which have been identified in the transferee portion of this Application as attributable parties (the “**Attributable Entities**”) will be issued Class A Common Stock in an amount equal to five percent (5%) or

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<sup>7</sup> SP Signal, LLC would have the right to vote 11.1% of the Class A Common Stock of Reorganized Cumulus, if all the issued New Securities were Class A Common Stock. SP Signal, LLC will have the right to vote a greater percentage of Class A Common Stock if some of the New Securities that are issued consist of Class B Common Stock and Special Warrants. Two other entities will have the right to vote more than 5% of the Class A Common Stock, but those interests will not be attributable because they will be for less than 20% of the Class A Common Stock, and one of the entities is an indirect subsidiary of an insurance company and the other is a family of investment companies. *See* 47 C.F.R. 73.3555, Note 2.b (investment companies, insurance companies, and banks holding stock through their trust department in trust accounts will be considered to have a cognizable interest only if they hold 20% or more of the outstanding stock).

<sup>8</sup> The Class A Common Stock will be the only class of capital stock of Reorganized Cumulus entitled to vote for the election of directors.

more of the outstanding Class A Common Stock as of the Effective Date. To the extent other parties are eligible to receive equity securities of Reorganized Cumulus in an amount that would meet or exceed the five percent (5%) mark, such parties will receive either Class B Common Stock, which is not entitled to vote for directors, or Special Warrants exercisable for common stock.<sup>9</sup> Accordingly, no entities other than the Attributable Entities will receive Class A Common Stock of Reorganized Cumulus in an amount that would result in such entity holding an attributable interest in Reorganized Cumulus. **Attachment B** hereto provides the information with respect to the Attributable Entities as well as with respect to the directors and officers of Reorganized Cumulus.

### III. COMPLIANCE WITH FOREIGN OWNERSHIP LIMITATIONS

Pursuant to the Plan, prior to the Effective Date each holder of a claim which would entitle it to receive New Securities of Reorganized Cumulus in the Reorganization will be asked to submit a certification to Cumulus as to the amount of its foreign ownership. Those certifications will enable Cumulus to determine the aggregate percentage of foreign ownership that would exist in Reorganized Cumulus, both as a percentage of voting rights and of equity. To ensure that foreign ownership will not exceed the 25% benchmark under Section 310(b)(4) of the Communications Act of 1934, as amended (the “**Communications Act**”), with respect to either voting rights or equity, claims holders with foreign ownership may receive Class B Common Stock and/or Special Warrants in an amount with respect to all claims holders with foreign ownership sufficient to cause the foreign ownership of Reorganized Cumulus, on both a voting and equity basis, not to exceed 22.5% in the aggregate.

The methodology for effecting the distribution of New Securities of Reorganized Cumulus described above is set forth in the “Equity Allocation Mechanism” included as Exhibit A to the Plan. The Special Warrants, as convertible instruments, will not be deemed to constitute stock or equity instruments for purposes of Section 310(b) of the Communications Act.<sup>10</sup> The use of warrants as part of an equity distribution system is designed to ensure that foreign ownership of broadcast licensees which are emerging from bankruptcy has been approved by the Commission in a number of transactions.<sup>11</sup>

Subsequent to the filing of this Application, Cumulus will file with the Commission a Petition for Declaratory Ruling requesting that the aggregate amount of equity and voting interests in Reorganized Cumulus to be held by foreign parties generally be allowed to exceed the 25% benchmark set forth in Section 310(b)(4) of the Communications Act. However, because action on the Petition for Declaratory Ruling is not required before the Effective Date,

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<sup>9</sup> Although the Class B Common Stock and the Special Warrants will have certain approval rights over fundamental corporate matters, such rights will be consistent with Commission precedent which permits holders of non-voting securities to hold such approval rights without potentially triggering attribution. *See, e.g., Shareholders of Hispanic Broadcasting Corporation and Univision Communications, Inc.*, 18 FCC Rcd 18834, 18849-18850 (2003); *Paxson Management Corporation and Lowell W. Paxson*, 22 FCC Rcd 22224, 22231-32 (2007).

<sup>10</sup> *See, e.g., Univision Holdings, Inc.*, 7 FCC Rcd 6672, n.6 (1992); *Una Vez Mas Texas Holdings, LLC*, 25 FCC Rcd 13409 (MB 2010).

<sup>11</sup> *See, e.g., Tribune Company and its License Subsidiaries, Debtors-in-Possession*, 27 FCC Rcd 14239 (MB 2012); *Citadel Broadcasting Company, Debtor-in-Possession*, BTC-20100318ABL, *et. seq.*

the Plan provides that the distribution of New Securities of Reorganized Cumulus on the Effective Date will be subject to the 22.5% limitation (with respect to voting rights and equity ownership) on foreign holdings of stock of Reorganized Cumulus as set forth in the Equity Allocation Mechanism. Following the Transfer of Control, the stock of Reorganized Cumulus will continue to be publically held and traded, and Reorganized Cumulus will continue to monitor and assess compliance with the foreign ownership limitations.

#### **IV. CONSENT TO PRO FORMA ASSIGNMENTS/TRANSFERS**

In connection with the Reorganization, Cumulus intends to convert all of its direct and indirect wholly-owned subsidiaries (other than Cumulus Holdings) that are currently corporations, including such subsidiaries which hold Commission licenses, into limited liability companies. This internal reorganization will require the Commission's prior consent to the pro forma assignment or transfer of control of the licenses held by those entities as a result of such conversions, but there will be no substantial change in control of any license subsidiary solely as a result of such conversions.<sup>12</sup> A list of the Cumulus license subsidiaries and the Cumulus subsidiaries that directly or indirectly own equity interests in such Cumulus license subsidiaries which, in each case, are being converted from corporations into limited liability companies is attached as **Attachment C** hereto.

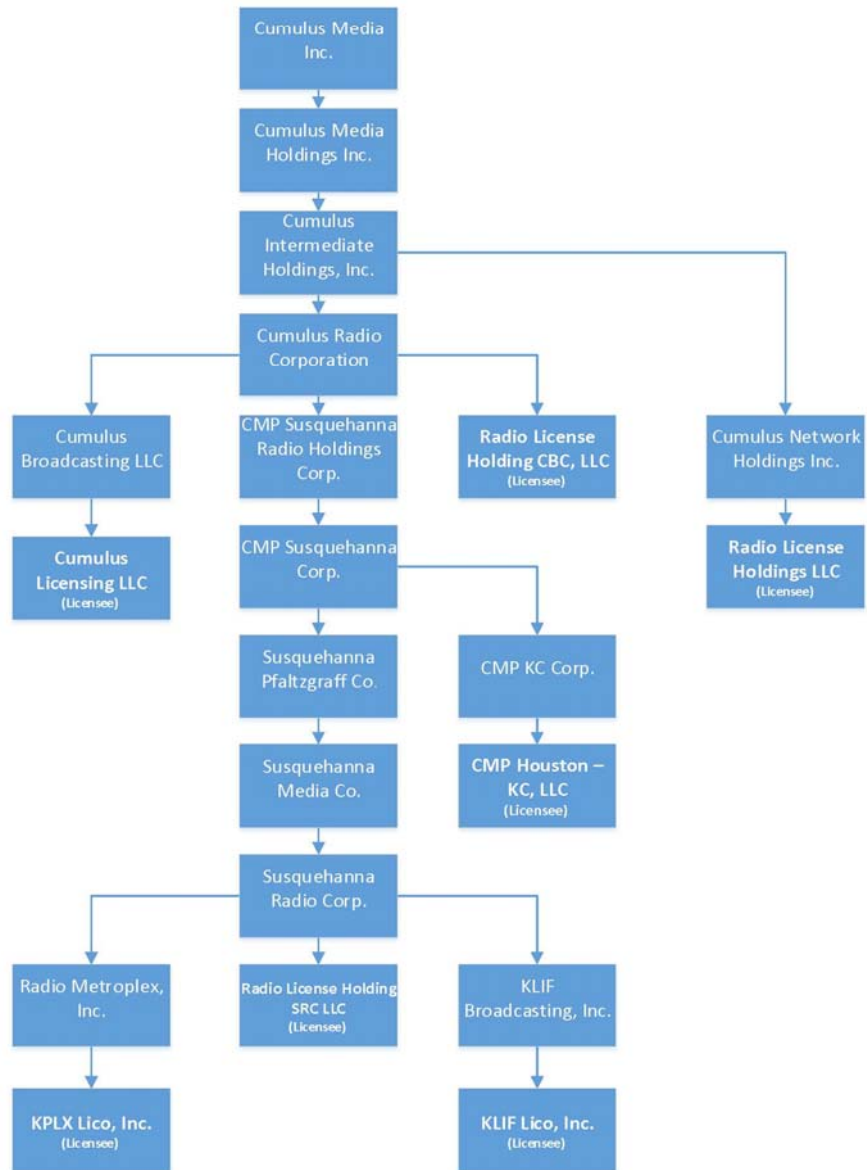
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<sup>12</sup> See 47 C.F.R. 73.3540(f)(4).

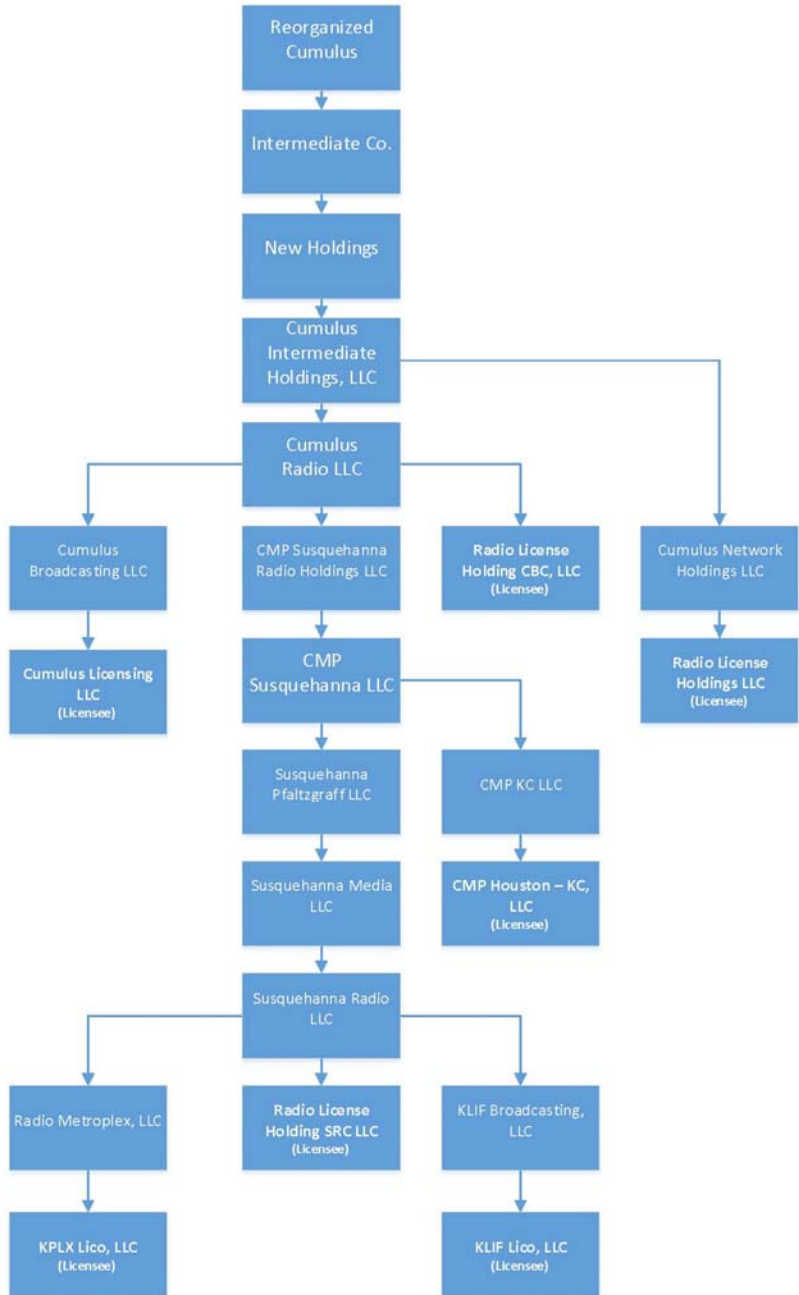
**ATTACHMENT A**

Organization Charts

**Cumulus Ownership Structure (Pre-Reorganization)**  
 (Each subsidiary is 100% owned by its immediate parent)



**Cumulus Ownership Structure (Post-Reorganization)**  
 (Each subsidiary is 100% owned by its immediate parent)





## ATTACHMENT B

### Parties to Application

#### Ownership Information for Cumulus Media Inc. and Subsidiaries<sup>13</sup>

<b>Name &amp; Address</b>	<b>Citizenship</b>	<b>Positional Interest</b>	<b>% of Votes</b>	<b>% of Total Assets</b>
Cumulus Media Inc. 3280 Peachtree Road, NW Suite 2200 Atlanta, GA 30305	U.S. (Delaware corporation)	Ultimate Parent		
Mary G. Berner c/o Cumulus Media Inc. 3280 Peachtree Road, NW Suite 2200 Atlanta, GA 30305	U.S.	CEO, President and Director of Cumulus Media Inc. and Subsidiaries	Less than 5%	Less than 5%
Andrew W. Hobson c/o Cumulus Media Inc. 3280 Peachtree Road, NW Suite 2200 Atlanta, GA 30305	U.S.	Director	Less than 5%	Less than 5%
Brian G. Kushner c/o Cumulus Media Inc. 3280 Peachtree Road, NW Suite 2200 Atlanta, GA 30305	U.S.	Director	Less than 5%	Less than 5%
Joan H. Gillman c/o Cumulus Media Inc. 3280 Peachtree Road, NW Suite 2200 Atlanta, GA 30305	U.S.	Director	Less than 5%	Less than 5%
Thomas H. Castro c/o Cumulus Media Inc. 3280 Peachtree Road, NW Suite 2200 Atlanta, GA 30305	U.S.	Director	Less than 5%	Less than 5%
Matthew C. Blank c/o Cumulus Media Inc. 3280 Peachtree Road, NW Suite 2200 Atlanta, GA 30305	U.S.	Director	Less than 5%	Less than 5%

<sup>13</sup> This Attachment sets forth the post-consummation ownership information for Reorganized Cumulus and assumes all the issued New Securities are Class A Common Stock.

<b>Name &amp; Address</b>	<b>Citizenship</b>	<b>Positional Interest</b>	<b>% of Votes</b>	<b>% of Total Assets</b>
David M. Baum c/o Cumulus Media Inc. 3280 Peachtree Road, NW Suite 2200 Atlanta, GA 30305	U.S.	Director	Less than 5%	Less than 5%
John F. Abbot c/o Cumulus Media Inc. 3280 Peachtree Road, NW Suite 2200 Atlanta, GA 30305	U.S.	Executive Vice President, CFO and Treasurer of Cumulus Media Inc. and Subsidiaries	0%	0%
Richard S. Denning c/o Cumulus Media Inc. 3280 Peachtree Road, NW Suite 2200 Atlanta, GA 30305	U.S.	Senior Vice President, General Counsel and Secretary of Cumulus Media Inc. and Subsidiaries	Less than 5%	Less than 5%
Suzanne M. Grimes c/o Cumulus Media Inc. 3280 Peachtree Road, NW Suite 2200 Atlanta, GA 30305	U.S.	Executive Vice President of Corporate Marketing & President of Westwood One Division of Cumulus Media Inc. <sup>14</sup>	Less than 5%	Less than 5%
Todd McCarty c/o Cumulus Media Inc. 3280 Peachtree Road, NW Suite 2200 Atlanta, GA 30305	U.S.	Chief Human Resource Officer & Senior Vice President – Human Resources of Cumulus Media Inc.	0%	0%
Suzanne G. Smith c/o Cumulus Media Inc. 3280 Peachtree Road, NW Suite 2200 Atlanta, GA 30305	U.S.	Vice President & Chief Accounting Officer of Cumulus Media Inc.	0%	0%
SP Signal, LLC 2 Greenwich Plaza Greenwich, CT 06830	U.S. (Delaware limited liability company)	Holder of 5% or More of the Votes	11.1%	0%

<sup>14</sup> Westwood One, Inc. is an indirect wholly-owned subsidiary of Cumulus which does not hold any attributable media interests.

**Ownership Information for SP Signal, LLC**

<b>Name &amp; Address</b>	<b>Citizenship</b>	<b>Positional Interest</b>	<b>% of Votes</b>	<b>% of Total Assets</b>
SP Signal, LLC 2 Greenwich Plaza Greenwich, CT 06830	U.S. (Delaware limited liability company)			
SP Signal Manager, LLC 2 Greenwich Plaza Greenwich, CT 06830	U.S. (Delaware limited liability company)	Voting Member	100	0%

The other members of SP Signal, LLC are not materially involved, directly or indirectly, in the management or operation of the media-related activities of SP Signal, LLC, and SP Signal, LLC complies with the Commission’s restrictions relating to the insulation and non-participation of non-party investors.

**Ownership Information for SP Signal Manager, LLC**

<b>Name &amp; Address</b>	<b>Citizenship</b>	<b>Positional Interest</b>	<b>% of Votes</b>	<b>% of Total Assets</b>
SP Signal Manager, LLC 2 Greenwich Plaza Greenwich, CT 06830	U.S. (Delaware limited liability company)			
Edward A. Mulé c/o SP Signal Manager, LLC 2 Greenwich Plaza Greenwich, CT 06830	U.S.	Member	100%	100%

**ATTACHMENT C**

Entities to be Converted to LLCs

<b>Current Name of Pre-Reorganization Subsidiaries</b>	<b>Intended Name of Post-Reorganization Subsidiaries</b>
Cumulus Intermediate Holdings Inc.	Cumulus Intermediate Holdings LLC
Cumulus Radio Corporation	Cumulus Radio LLC
CMP Susquehanna Radio Holdings Corp.	CMP Susquehanna Radio Holdings LLC
CMP Susquehanna Corp.	CMP Susquehanna LLC
Susquehanna Pfaltzgraff Co.	Susquehanna Pfaltzgraff LLC
Susquehanna Media Co.	Susquehanna Media LLC
Susquehanna Radio Corp.	Susquehanna Radio LLC
Cumulus Network Holdings Inc.	Cumulus Network Holdings LLC
CMP KC Corp.	CMP KC LLC
KLIF Broadcasting Inc.	KLIF Broadcasting LLC
KLIF Lico, Inc.	KLIF Lico, LLC
Radio Metroplex, Inc.	Radio Metroplex LLC
KPLX Lico, Inc.	KPLX Lico, LLC