

Structural Reorganization

This application seeks Commission consent to a wholly intramural restructuring of the licensee of Station KZEP-FM, San Antonio, Texas from one affiliate, Texas Lotus Ltd., to another affiliate, Texas Lotus, Corp., of Lotus Communications Corp. ("Communications Corp."). The later corporation is both an operating and a holding company, and ultimately controls KZEP-FM and such control shall remain unchanged as a result of the contemplated transaction. Likewise, control of Communications Corp. itself will remain unchanged; Howard A. Kalmenson of Los Angeles, California, votes all the equity in Communications Corp. and its affiliates, without limitation or condition, and his exclusive control over Communications Corp. and its affiliates will remain unchanged following consummation of the contemplated transaction.

The transaction does not involve the exchange and/or of any arms-length consideration.