

Further Explanation Regarding Changes in Interest

The changes-in-interest dynamic of the proposed assignment cannot be fully explained within the graphical format of the Changes in Interest section of Form 316. This exhibit provides the further information needed for a complete response.

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Background. Until July 24, 2020, FM radio broadcast station KFRH was licensed to Silver State Broadcasting LLC (“Silver State”). The parent corporation of Silver State is Royce International Broadcasting LLC (“Royce”). Edward R. Stolz II is the sole member and owner of Royce.

On July 24, 2020, the Commission granted an application on Form 316 for its consent to the assignment of the FCC license for KFRH to W. Lawrence Patrick, Receiver (LMS File No. BALH-20200716AAB).¹ The receiver-licensee thereupon held a voting interest of 100 percent. In the nature of the case as a receivership, however, Mr. Patrick’s appointment was subject to the equity rights of Edward Stolz by way of Mr. Stolz’ ownership of Royce International, the 100 percent owner of Silver State. Accordingly, the equity interest remained as it had been prior to the assignment – *i.e.*, in the hands of Mr. Stolz.²

Thus, the structure of voting and equity interests at that juncture was:

| Name | Before Assignment | | After Assignment | |
|-------------------------------------------------------------------------------------------|-------------------|----------|------------------|----------|
| | Voting % | Equity % | Voting % | Equity % |
| Edward R. Stolz II (as 100% owner of Royce International, the 100% owner of Silver State) | 100 | 100 | 0 | 100 |
| W. Lawrence Patrick, Receiver | 0 | 0 | 100 | 0 |

The Proposed Involuntary Assignment. On October 19, 2021, Silver State filed a petition for protection under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Nevada. On February 7, 2022, the Bankruptcy Court issued an Order directing *inter alia* the

¹ Mr. Patrick had been appointed as Receiver by the United States District Court for the Central District of California. In addition to KFRH, the receivership included the licenses for FM radio broadcast station KREV, Alameda, California (FCC Facility ID 36029), licensed to Golden State Broadcasting LLC; and radio broadcast station KRCK-FM, Mecca, California (FCC Facility ID 52808), licensed to Major Market Radio LLC.

² Notably, Mr. Patrick was not appointed as receiver over Silver State Broadcasting LLC or the other limited liability companies that held the various station licenses; his authority was limited to the three stations themselves.

turnover of the license for KFRH to Silver State (the Chapter 11 debtor) as debtor in possession pursuant to the provisions of Chapter 11. See, Bankruptcy Court Orders, Attachment to Assignor Legal Certifications Exhibit. The instant Schedule 316 application is being filed in furtherance of the Bankruptcy Court’s February 7 Order.

Following the Commission’s grant of the instant application, the licensee will be Silver State Broadcasting LLC as Debtor in Possession. Inasmuch as Edward R. Stolz II is the sole Manager and 100 percent owner of Royce (the 100 percent owner of Silver State), the “before and after” structure of attributable voting and equity interests is:

| Name | Before Assignment | | After Assignment | |
|-------------------------------------------------------------------------------------------------------------------------------------|-------------------|----------|------------------|----------|
| | Voting % | Equity % | Voting % | Equity % |
| Edward R. Stolz II (as sole Manager and 100% owner of Royce International, the 100% owner of Silver State, as Debtor in Possession) | 0 | 100 | 100 | 100 |
| W. Lawrence Patrick, Receiver | 100 | 0 | 0 | 0 |