Saga Subsidiary *Pro Forma* Transfer of Control Application September 2022

**DESCRIPTION OF INVOLUNTARY CHANGES**

**WHY FORM 316 IS APPROPRIATE**

This application is one of 12 similar applications for consent to the *pro forma* transfer of control of subsidiaries of Saga Communications, Inc. (“Saga”). Saga, through those subsidiaries, owns or operates broadcast properties in 27 markets, including 79 FM radio stations, 35 AM radio stations and 80 FM translator stations. The Class A stock of Saga is publicly traded.

Until his death on August 19, 2022, Saga was controlled by Edward K. Christian, who was the single majority stockholder of Saga, with approximately 63.7% of the voting power and approximately 15.95% of the equity. Until his death, Mr. Christian held Class B stock. Pursuant to Saga’s organizational documents, each share of Class B stock was entitled to 10 votes, and each share of Class A stock was entitled to one vote. Upon his death, Mr. Christian’s Class B stock automatically reverted to one vote per share, thereby resulting in the relinquishment of control of Saga by Mr. Christian.

Because Saga’s Class A stock is publicly traded and widely held, following Commission approval of this application (and the 11 other “sister” applications), now that all of the Class B stock has been converted to Class A stock, no party will obtain control of Saga – either *de facto* or *de jure*, affirmative or negative. Furthermore, Saga’s current Board of Directors will remain the same, except for Mr. Christian. Therefore, it is appropriate to request consent for this proposed change on Form 2100, Schedule 316.

Specifically, by this application, Commission approval is sought for the involuntary *pro forma* transfer of control of each of the licensee subsidiary companies, from Mr. Christian to the general public; *i.e*., the Class A stockholders of Saga.

# Use of a *pro forma* application for this procedure was first approved in *Application of The Committee for Full Value of Storer Communications, Inc.; For Consent to Transfer of Control*, 101 FCC 2d 434, 436 (1985), *aff’d* *Storer Communications, Inc. v. FCC*, 763 F.2d 436 (1985).

In *Storer*, the Commission authorized the relinquishment of *de facto* control of the corporation from the Storer family interests to “the general public” using FCC Form 316. The Commission construed the phrase “the general public” to mean the company’s stockholders. The Commission concluded: “We believe that the use of a short form in this case to permit shareholders to exercise their voting rights as to the internal affairs of the corporation is entirely appropriate. To hold that a long form (along with the procedures associated with the processing of long-form applications) must be submitted and approved before the exercise of the shareholders’ ultimate authority to control the corporation may well thwart the exercise of shareholders’ rights and insulate the Board from shareholder control.”

In 2021, in an analogous transaction, the Commission approved use of a series of “short form” applications associated with the transfer of control of Townsquare Media (e.g., File No. 0000135340). In that matter, Townsquare explained that, prior to the transfer, Townsquare was controlled by Oaktree Capital Group (“Oaktree”). Pursuant to a Stock Repurchase Agreement between Townsquare and Oaktree, Townsquare underwent a reorganization in two phases. The first phase, which was accomplished via the series of *pro forma* applications, Oaktree ceded control of Townsquare. Because Townsquare’s stock not previously owned by Oaktree was publicly-traded, the end result was that no party had control of Townsquare following Townsquare’s repurchase of Oaktree’s stock – either *de facto* or *de jure*, affirmative or negative. Furthermore, as Townsquare explained, there were no changes to Townsquare’s Board of Directors following the consummation of the initial stock repurchase. Accordingly, the Commission confirmed that the use of “short form” applications was appropriate.

Just as in the Townsquare proceeding (and *Storer*), following Mr. Christian’s passing, there will be no party that has control of Saga – just its Class A shareholders who are members of the “general public.” And, just as in the Townsquare proceeding, no changes will be proposed to Saga’s Board of Directors. Accordingly, Saga requests similar treatment from the Commission of the 12 pro forma applications being filed today that were afforded to other broadcast licensees. *See Melody Music, Inc. v. FCC*, 345 F.2d 730, 732-33 (D.C. Cir. 1965).