

### **Description of Transaction/Changes in Interests/Attributable Parties**

This application is one of several filed contemporaneously on FCC Form 2100, Schedule 315 (the “Applications”), which collectively request Commission consent to the transfer of control of various radio station licenses held by indirect, wholly owned subsidiaries of Alpha Media Holdings Inc. (“New Alpha” or “Alpha”).

The Alpha licensee subsidiaries (the “Alpha Licensees”) that are concurrently filing transfer of control applications are as follows:

- Alpha Media Licensee LLC
- Alpha 3E Licensee LLC

On July 15, 2021, and pursuant to the FCC’s conditional grant of applications seeking consent to Alpha’s reorganization pursuant to Chapter 11 of the Bankruptcy Code, Alpha emerged from bankruptcy. In accordance with the company’s Joint Plan of Reorganization (the “Plan”)<sup>1</sup> and following its emergence from bankruptcy pursuant to the FCC’s approval,<sup>2</sup> New Alpha is owned by sponsors (the “Sponsors”) that held second lien note claims in Alpha Media Holdings LLC, Debtor-in-Possession (“Old Alpha”) prior to Alpha’s emergence from bankruptcy.

More specifically, at Alpha’s emergence from bankruptcy and in accordance with the Plan and the *Alpha Approval Order*, FCC licenses then-held by the Alpha Licensees as debtors-in-possession were assigned to those same licensees as non-debtors-in-possession. The Sponsors also exchanged their second lien note claims in Old Alpha for *pro rata* equity shares representing (1) New Alpha Common Stock (“Equity Interests”), which constitute voting interests, and (2) New Alpha Warrants (“Warrants”). The Plan and the Warrant Agreement governing the Warrants permits exercise of the Warrants for Equity Interests only upon the satisfaction of certain conditions, including compliance with the Communications Act and the FCC’s rules.<sup>3</sup>

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<sup>1</sup> All documents related to the Alpha Debtors’ bankruptcy and emergence can be found on a real-time basis in the Bankruptcy Court docket of the cases, available online at <https://pacer.uscourts.gov/>. The Alpha Debtors also maintain a website where these documents are available at no cost <https://cases.stretto.com/AlphaMedia>.

<sup>2</sup> *Alpha Media Licensee LLC, Debtor-in-Possession (Assignor) and Alpha Media Licensee LLC (Assignee)*, *Alpha 3E Licensee LLC, Debtor-in-Possession (Assignor) and Alpha 3E Licensee LLC (Assignee)*, FCC File Nos. 0000138519, 0000138678, 0000138727, 0000138774, DA 21-825 (July 13, 2021) (“*Alpha Approval Order*”).

<sup>3</sup> See FCC File Nos. 0000138519, 0000138678, 0000138727, 0000138774 (“Emergence Applications”), Description of the Transaction and Request for Waivers Exhibit. The Warrants carry no voting rights, and no rights to economic distributions. Rather, they are convertible instruments that by their terms may be exercised only if exercise will be consistent with the Communications Act and are not intended to confer any current equity interests. See Emergence Applications, Description of the Transaction and Request for Waivers Exhibit at 2; *Alpha Approval Order*, ¶ 5; see also *Estrella Broadcasting*, Declaratory Ruling, 35 FCC Rcd 14998, ¶ 2 (2020) (“*Estrella Declaratory Ruling*”) (noting that broadcast petitioner had been authorized to file its petition for declaratory ruling required by Section 1.5000(a)(1) after emerging from Chapter 11 bankruptcy and prior to conversion of pre-paid warrants); *iHeart Media, Inc.; Petition for Declaratory Ruling Under Section 310(b)(4) of the Communications Act of 1934, as Amended*, Declaratory Ruling, MB Docket No. 20-51, 35 FCC Rcd 12770, ¶ 16 (2020) (“*iHeartMedia Declaratory Ruling*”); *Cumulus Media Inc.; Petition for Declaratory Ruling Under Section 310(b)(4) of the Communications Act of 1934, as Amended*, Declaratory Ruling, MB Docket No. 19-143, 35 FCC Rcd 5461, ¶¶ 9-11 (2020) (“*Cumulus*

These steps were taken in connection with the emergence to ensure compliance with the 25 percent foreign ownership benchmark, as well as other Communications Act and FCC regulatory restrictions on ownership. Specifically, pursuant to the Plan, (a) New Alpha acquired 100 percent of the equity interests of Old Alpha, and (b) New Alpha Equity Interests and/or Warrants to purchase Equity Interests were allocated to Sponsors in a manner that ensured that no more than 23 percent (well below the Section 310(b) limit of 25 percent) of New Alpha's equity or voting rights were held by foreign entities.<sup>4</sup> The Sponsors holding direct attributable interests in New Alpha after its emergence from bankruptcy are:

- MetLife Private Equity Holdings, LLC ("MPEH"), a Delaware limited liability company, which holds a 41.7 percent equity and voting interest;
- Florida Growth Fund LLC ("FGF"), a Delaware limited liability company, which holds a 27.4 percent equity and voting interest;
- Hamilton Lane Strategic Opportunities 2016 Fund LP ("HLSOF"), a Delaware limited partnership, which holds a 21.6 percent equity and voting interest; and
- IGC North America Holdings Ltd. ("ICGNA"), a Cayman Islands corporation, which holds a 5.7 percent equity and voting interest.<sup>5</sup>

Certain of the Sponsors listed above also hold Warrants, as do several other Sponsors that hold non-attributable equity and voting interests in New Alpha.

The Plan further contemplates that, following grant of a petition for declaratory ("PDR") ruling by the FCC and subject to any conditions imposed by the FCC in such a ruling, a substantial majority of the New Alpha Warrants will be exercised for New Equity Interests in an amount that would cause (a) New Alpha's aggregate foreign ownership to exceed 25 percent; and (b) certain foreign Sponsors to hold equity and/or voting interests in New Alpha that would require specific approval. Accordingly, the *Alpha Approval Order* granted a request for a temporary waiver of Section 1.5000(a)(1) of the Commission's rules, 47 C.F.R. § 1.5000(a)(1), and conditioned the grant of the Emergence Applications upon the filing of the PDR pursuant to Section 310(b)(4) of the Communications Act within 30 days of closing of the transaction authorized by such grant. New Alpha is filing the PDR concurrently herewith in satisfaction of that condition and pursuant to 47 C.F.R. § 1.5000(a)(1). Moreover, as a result of the attendant

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*Declaratory Ruling*").

<sup>4</sup> See Emergence Applications, Description of the Transaction and Request for Waivers Exhibit; 47 U.S.C. § 310(b)(4).

<sup>5</sup> The percentages of New Alpha's equity and voting rights distributed to these Sponsors differ in immaterial respects from the percentages provided in the Emergence Applications due to adjustments made in order to ensure compliance with the 23 percent foreign ownership benchmark set by the Plan. As of emergence, New Alpha has a foreign voting percentage of approximately 15 percent and a foreign equity percentage of approximately 22.7 percent.

restructuring of the New Alpha, the company is seeking the Commission's consent to the transfer of control of the Alpha Licensees.

Upon exercise of these New Alpha Warrants for New Equity Interests following grant of the instant transfer of control applications and the accompanying PDR, the Alpha Licensees will continue to be controlled indirectly by New Alpha, as reorganized, through wholly owned subsidiaries. The PDR contains complete information pertaining to the parties to the Applications. Attachment B to the PDR contains complete information concerning the individuals and entities that will directly and indirectly hold attributable interests in New Alpha following grant of the requested declaratory ruling, as well as the attributable interest holders of its subsidiaries and the Alpha Licensees. Attachment C contains ownership diagrams that illustrate New Alpha's vertical ownership structure and its subsidiaries that hold broadcast licenses.

### **Waiver Request**

One or more radio stations that are the subject of the instant applications will have a renewal pending before the Commission during the time that the applications are pending. Consistent with the Commission's policy permitting consummation of a multi-station transfer of control or assignment overlapping with a renewal cycle, New Alpha as transferee hereby assents to succeeding to the place of the transferor as currently structured for any pending renewal applications for those radio broadcast stations over which New Alpha as transferee will acquire control. *See ION Media Networks Liquidating Trust (Transferors) and Media Holdco, LP (Transferee) For Transfer of Control of ION Media Networks, Inc., and Certain Subsidiaries, Licensees of Station WPXN-TV, New York, NY, et al.*, Memorandum Opinion and Order, 24 FCC Rcd 14579 (2009) ("[I]n multi-station transactions, [the FCC] will grant the transfer of control application while [a] renewal application is pending as long as there are no basic qualification issues pending against the transferor or transferee that could not be resolved in the context of the transfer proceeding, and the transferee explicitly assents to standing in the stead of the transferor in the pending renewal proceeding.") (quoting *Shareholders of CBS Corporation, Memorandum Opinion and Order*, 16 FCC Rcd 16072, 16072-3 ¶¶ 3-4 (2001)); *Cumulus Media, Inc. and Citadel Broadcasting Corp.*, Memorandum Opinion and Order, 26 FCC Rcd 12956, 12959 ¶ 6 (2011) (assignment of license subject to renewal proceedings is permissible when assignee agrees to accede to the position of the assignor with respect to such proceedings).