

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In re Applications of)	
)	
KRCA LICENSE LLC)	
)	
For Displacement Channel 13)	
WASA-LD, Port Jervis, NY (FID 167320))	File No. 0000053954
)	
For Displacement Channel 31)	
WESV-LD, Chicago, IL (FID 68043))	File No. 0000053952
)	
and)	
)	
HC2 LPTV HOLDINGS, INC.)	
)	
For Displacement Channel 13)	
WKOB-LD, New York, NY (FID 51441))	File No. 0000054730
)	
For Displacement Channel 31)	
W25DW-D, Arbury Hills, IL (FID 61692))	File No. 0000052810
)	
and)	
)	
VENTURE TECHNOLOGIES GROUP, LLC)	
)	
For Displacement Channel 13)	
W28ES-D, New York, NY (FID 130477))	File No. 0000054808
)	
For Displacement Channel 31)	
WCHU-LD, Chicago, IL (FID 129745))	File No. 0000054814
)	

To: Office of the Secretary
Attn: Video Division, Media Bureau

JOINT REQUEST FOR APPROVAL OF SETTLEMENT AGREEMENT

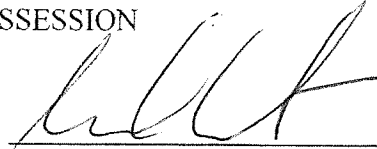
KRCA License LLC, Debtor-in-Possession (“KRCA License”), licensee of low-power television stations WASA-LD, Port Jervis, NY (FID 167320) and WESV-LD, Chicago, IL (FID 68043), HC2 LPTV Holdings, Inc. (“HC2”), licensee of low-power television stations WKOB-LD, New York, NY (FID 51441) and W25DW-D, Arbury Hills, IL (FID 61692), and Venture Technologies Group, LLC. (“VTG”), licensee of low-power television stations W28ES-D, New York, NY (FID 130477) and WCHU-LD, Chicago, IL (FID 129745), pursuant to Section 73.3525 of the Commission’s Rules, hereby request that the FCC approve the Settlement Agreement attached as Exhibit 1.¹ The parties request that the Commission accept this solution and grant KRCA License’s displacement application for WESV-LD and HC2’s displacement application for WKOB-LD.² In support of this request, KRCA License, HC2, and VTG are submitting, as Exhibits 2, 3, and 4 respectively, the declarations required by Section 73.3525 of the Commission’s Rules.

¹ The above-captioned applications are assigned to MX Group Nos. MX23 and MX76. *See* Public Notice, “Incentive Auction Task Force and Media Bureau Announce Settlement Opportunity for Mutually Exclusive Displacement Applications Filed During the Special Displacement Window,” DA 18-1108 at A-8 (rel. Oct. 30, 2018) (“Settlement PN”).

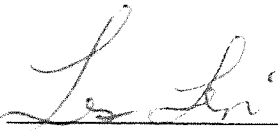
² *See* Settlement PN at ¶8.

Respectfully Submitted,

KRCA LICENSE LLC, DEBTOR-IN-
POSSESSION

By: _____

HC2 LPTV HOLDINGS, INC.

By: _____

VENTURE TECHNOLOGIES GROUP, LLC

By: _____

January 9, 2019

Respectfully Submitted,

KRCA LICENSE LLC, DEBTOR-IN-
POSSESSION

By: _____

HC2 LPTV HOLDINGS, INC.

By: _____

VENTURE TECHNOLOGIES GROUP, LLC

By:  _____

January 9, 2019

EXHIBIT 1

SETTLEMENT AGREEMENT

MUTUAL EXCLUSIVITY SETTLEMENT AGREEMENT

This MUTUAL EXCLUSIVITY SETTLEMENT AGREEMENT (this “Agreement”), dated as of January 9, 2019, is entered into by and between HC2 LPTV Holdings, Inc., a Delaware corporation (“HC2”) and KRCA License LLC, a California limited liability company (“KCRA”), and Venture Technologies Group, LLC (“VTG”), a Delaware limited liability company.

Recitals

- A. HC2 holds the FCC broadcast licenses for W25DW-D (facility ID 61692) in Arbury Hill, IL and WKOB-LD (facility ID 51441) in New York, NY.
- B. KCRA holds the FCC broadcast licenses for WESV-LD (facility ID 68043) in Chicago, IL and WASA-LD (facility ID 167320) in Port Jervis, NY.
- C. VTG holds the FCC broadcast licenses for WCHU-LD (facility ID 129745) in Chicago, IL and W28ES-D (facility ID 130477) in New York, NY.
- D. During the Federal Communication Commission (“FCC”) Special Displacement Window, each of HC2, KRCA, and VTG submitted displacement applications for television broadcast channel 31 in Chicago, which the FCC has designated as part of MX Group MX23; and broadcast television channel 13 in New York, which the FCC has designated as part of MX Group MX76.
- E. HC2 and KRCA have agreed to resolve their respective mutual exclusivities by entering into channel sharing agreements with respect to channel 31 in Chicago (the “Chicago CSA”) and channel 13 in New York (the “New York CSA” and, together with the Chicago CSA, the “CSAs”).
- F. VTG has agreed to withdraw its displacement application for WCHU-LD in exchange for reimbursement of its legitimate and prudent expenses.
- G. VTG has agreed to assign to HC2 the license for W28ES-D on mutually agreeable terms to be negotiated and memorialized in an Asset Purchase Agreement. Upon consummation of its acquisition of W28ES-D, HC2 has agreed to seek dismissal of the pending displacement application for W28ES-D.

Agreement

NOW, THEREFORE, pursuant to the terms and conditions of this Agreement and in consideration of the mutual covenants and agreements contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties agree as follows:

1. FCC Filings. Subject to the procedures set forth by the FCC in *Incentive Auction Task Force and Media Bureau Announce Settlement Opportunity for Mutually Exclusive Displacement Applications Filed During the Special Displacement Window*, DA 18-1108, MB Docket No. 16-306, GN Docket No. 12-268 (rel. Oct. 30, 2018) the parties agree as follows:
 - a. Amendment to Displacement Applications. No later than January 10, 2019, each of HC2, KRCA, and VTG shall amend its respective displacement applications in MX Groups MX23 and MX76 to submit a Joint Request for Approval of Settlement Agreement (the “Joint Request”) requesting that the FCC (i) grant the Joint Request; (ii) approve this Agreement; and (iii) grant the pending displacement applications for WKOB-LD (the “WKOB Application”) and WESV-LD (the “WESV Application”). The Joint Request shall be accompanied by (x) a certification signed by a principal of HC2; and (y) a certification signed by a principal of KRCA; and (z) a certification signed by a principal of VTG.
 - b. Applications to Channel Share and Dismissal of WASA-LD Displacement Application. Within three (3) business days of the latter of (i) the date the FCC notifies the Parties of its approval of this Agreement or (ii) the execution of the New York CSA, KCRA shall modify its current license for WASA-LD to specify the technical parameters in the WKOB Application and request that, upon grant of the application for WASA-LD to channel share with WKOB-LD, the FCC dismiss the pending displacement application for WASA-LD.
 - c. Applications to Channel Share and Dismissal of W25DW-D Displacement Application. Within three (3) business days of the latter of (i) the date the FCC notifies the Parties of its approval of this Agreement or (ii) the execution of the Chicago CSA, HC2 shall modify its current license for W25DW-D to specify the technical parameters in the WESV Application and request that, upon grant of the application for W25DW-D to channel share with WESV-LD, the FCC dismiss the pending displacement application for W25DW-D.
 - d. Dismissal of W28ES-D Displacement Application. Within three (3) business days of the consummation of the assignment of W28ES-D to HC2, HC2 shall request that the FCC dismiss the pending displacement application for W28ES-D.
 - e. Amendment to WCHU-LD Displacement Application. No later than January 10, 2019, VTG shall amend the pending displacement application for WCHU-LD to specify technical parameters that resolve the mutual exclusivity with the displacement application for WESV-LD.
 - f. Good Faith Efforts. The parties shall in good faith pursue approval by the FCC of the Joint Request and this Agreement and shall cooperate fully with each other and with the FCC and take whatever additional action is reasonably necessary or appropriate to obtain FCC approval of, and to effectuate, this Agreement.

2. CSA Terms. No later than January 31, 2019, HC2 and KRCA shall enter into the New York CSA and the Chicago CSA, which shall incorporate terms required by the FCC, terms that are customary for channel sharing arrangements, and the terms of this Agreement, including, but not limited to:
 - a. Terms for New York CSA.
 - i. HC2 shall function as “sharer” and KCRA shall function as “sharee,” as such terms are used and understood in FCC rules relating to channel sharing.
 - ii. As consideration for its rights under the New York CSA, KRCA shall pay to HC2 prior to the commencement of sharing under the New York CSA a one-time payment in the amount set forth in *Schedule 2* hereto (the “New York Sharing Fee”).
 - iii. HC2 and KRCA shall commence sharing under the New York CSA on a mutually agreeable date no earlier than the date on which the FCC has granted the necessary authorizations both for WASA-LD to channel share under the New York CSA and for W25DW-D to channel share under the Chicago CSA.
 - b. Terms for Chicago CSA.
 - i. KRCA shall function as “sharer” and HC2 shall function as “sharee,” as such terms are used and understood in FCC rules relating to channel sharing.
 - ii. As consideration for its rights under the Chicago CSA, HC2 shall pay to KRCA prior to the commencement of sharing under the Chicago CSA a one-time payment in the amount set forth in *Schedule 2* hereto (the “Chicago Sharing Fee”).
 - iii. HC2 and KRCA shall commence sharing under the Chicago CSA on a mutually agreeable date no earlier than the date on which the FCC has granted the necessary authorizations both for WASA-LD to channel share under the New York CSA and for W25DW-D to channel share under the Chicago CSA .
 - c. Terms for Both CSAs.
 - i. Each party shall have the right to use fifty percent (50%) of the broadcast capacity of the shared channel, subject to any restrictions set forth in the respective CSA, and in any event, each party shall have sufficient capacity on the shared channel to provide at least one Standard Definition program

stream at all times.

- ii. Each party shall be responsible for fifty percent (50%) of the expenses incurred in operating the shared channel, and fifty percent (50%) of any capital expenses incurred in building and/or improving the facility over the course of the CSA (other than those costs reimbursed by the FCC under the Consolidated Appropriations Act, 2018, Pub. L. 115-141, at Division E, Title V, § 511, 132 Stat. 348 (2018) (codified at 47 U.S.C. § 1452(j)-(n)) or otherwise) (the “Shared Expenses”).

d. Additional Terms to Be Addressed in Both CSAs.

- i. The terms under which each party can access the shared transmission facilities and terms governing the operation, maintenance, repair, and modification of facilities (including a list of all relevant equipment, a description of each party’s financial obligations, and any relevant notice provisions).
- ii. The conditions under which each party may share its channel capacity with third parties.
- iii. The conditions under which the parties may adopt the television broadcast standard known as ATSC 3.0 or any other transmission standard permitted under the FCC’s rules.
- iv. The terms under which a party may transfer or assign a shared license, including the ability of a new licensee to assume the existing CSA.
- v. Terms for termination of the license of a party to the CSA, including reversion of spectrum usage rights to the remaining party to the CSA.
- vi. Customary representations, warranties, covenants, conditions, indemnities and other terms.
- vii. Conditions to the consummation of each CSA, including receipt of any third-party consents and the granting by the FCC of all necessary channel-sharing authorizations.

3. W28ES-D Assignment Terms. No later than January 31, 2019, HC2 and VTG shall enter into an asset purchase agreement for HC2 to acquire the license for W28ES-D. This agreement shall include:

- a. A list of assets to be sold and acquired, including the FCC license and transmitter, but shall exclude any real property leases.
- b. The terms required by the FCC.

- c. Other terms that are customary for comparable asset purchase agreements in the industry.
 - d. The terms of this Agreement, including, but not limited to a one-time payment from HC2 to VTG in the amount set forth in *Schedule 3* (the “W28ES Purchase Price”).
 - e. An agreement by HC2 to make such technical modifications to W28ES-D as are necessary to prevent W28ES-D from causing more than two percent interference to the permitted facilities of W28ET-D, licensed to Venture Technologies Group, as specified in File No. 0000054810.
4. Transaction Costs.
- a. As between HC2 and KRCA, each party shall pay its own fees and expenses incurred by it and its respective agents, counsel and advisors in connection with the negotiation of this Agreement, the CSA, and any related documents, irrespective of whether either or both of the CSAs are consummated;
 - b. Concurrent with the closing for the assignment of W28ES-D from VTG to HC2, HC2 and KRCA shall pay to VTG its legitimate and prudent expenses in connection with VTG’s displacement application for WCHU-LD, as set forth on *Schedule 4(b)* hereto (the “WCHU Displacement Expenses”). HC2 and KRCA shall include the WCHU Displacement Expenses as a shared expense under the Chicago CSA.
5. No Consideration. Except as expressly set forth in this agreement, neither party nor its principals has received any money or other consideration in connection with its entry into this Agreement. This Agreement complies with Section 311(c) of the Communications Act of 1934, as amended, Section 73.3525 of the FCC rules, and any other applicable FCC rules and policies.
6. Assignment. No party hereto may assign this Agreement to any unaffiliated third party without the prior written consent of the other parties hereto. Notwithstanding the foregoing, this Agreement shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.
7. Governing Law; Dispute Resolution. Each of the parties hereto agrees (a) this Agreement, the CSAs, the respective rights and obligations of the parties hereto and thereto, and any claims or disputes relating hereto or thereto, shall be governed by and construed under and in accordance with the laws of the State of New York without respect to conflict of law principles and (b) to the exclusive jurisdiction of courts in New York County, New York to resolve any dispute. Each party acknowledges and agrees that it would be impossible to measure in money the damages that would be caused in the event of a breach of this Agreement, and that, in the event of any such breach, there will not be an adequate remedy at law. In addition to all other such rights, powers, privileges, and remedies that the non-breaching party hereto may have, the non-breaching party shall be entitled to injunctive relief, specific performance, and such other equitable relief as either may request, in each case without the requirement of posting a bond or other

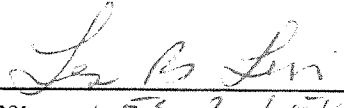
security, to enforce any of the provisions of this Agreement and to enjoin or otherwise restrain any act prohibited hereby, and the breaching party shall not (and shall cause its affiliates, subsidiaries, equity holders, owners, directors, advisors, officers, representatives, employees, agents and others acting with its assent or on its behalf, not to) assert any defense that there is an adequate remedy available at law. Furthermore, each of the parties hereto agrees to irrevocably waive and disclaim, to the maximum extent enforceable under controlling law, any right to recover special, punitive, compensatory, benefit of the bargain, expectancy, exemplary, incidental, direct, indirect, consequential, "lost profits," "anticipated savings," lost value, or similar or other damages, including, without limitation, multiples of damages or business impact damages, whether or not contemplated, foreseeable, or noticed, that would be caused in the event of a breach of the provisions of this Agreement. EACH OF THE PARTIES HERETO HEREBY WAIVES (ON BEHALF OF ITSELF AND ITS AFFILIATES), TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO A TRIAL BY JURY. Each party has read the Agreement and fully understands it, and agrees that all doubt and ambiguities in connection with this Agreement shall be construed as if the parties jointly drafted this Agreement.

8. Integration; Amendments. This Agreement represents the entire agreement between the parties hereto concerning the subject matter hereof and supersedes all prior and contemporaneous oral and/or written agreements, representations and understandings concerning the subject matter hereof. No amendment, modification or waiver of any provision of this Agreement shall be effective unless in writing and signed by each of the parties (an email or emails being insufficient to change this Agreement). If any provision of this Agreement is determined to be void, unenforceable, or contrary to law, the remainder of this Agreement shall continue in full force and effect, provided that such continuation would not materially diminish the benefit of this Agreement for any party.
9. Approvals and Authority. This Agreement has been approved by each party hereto. Final documentation of the CSAs described herein is subject to all necessary corporate approvals by the parties. However, the parties both represent that they have the power and authority necessary to execute and perform their respective obligations under this Agreement and the CSAs contemplated herein.
10. Brokers. Each party represents to the other that it has not engaged, or incurred any unpaid liability (for any brokerage fees, finder's fees, commissions other otherwise) to, any broker, finder or agent in connection with this Agreement or either of the CSAs. Each party agrees to indemnify the other against any and all claims asserted against the other party for any fees or commissions by any person purporting to act or to have acted for or on behalf of the indemnifying party.

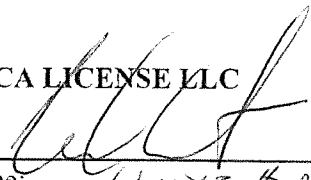
SIGNATURE PAGE TO MUTUAL EXCLUSIVITY SETTLEMENT AGREEMENT

IN WITNESS WHEREOF, the parties have caused this Mutual Exclusivity Settlement Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

HC2 LPTV HOLDINGS, INC.

By: 
Name: LES B LEVI
Title: COO

KRCA LICENSE LLC

By: 
Name: WINITA HORTON
Title: COO

VENTURE TECHNOLOGIES GROUP, LLC

By: _____
Name: _____
Title: _____

SIGNATURE PAGE TO MUTUAL EXCLUSIVITY SETTLEMENT AGREEMENT

IN WITNESS WHEREOF, the parties have caused this Mutual Exclusivity Settlement Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.


HC2 LPTV HOLDINGS, INC.

By: _____
Name: _____
Title: _____

KRCA LICENSE LLC

By: _____
Name: _____
Title: _____

VENTURE TECHNOLOGIES GROUP, LLC

By:  _____
Name: Paul Koplin
Title: CEO

Schedule 2
Channel Sharing Fees

- The New York Sharing Fee shall be one million, five hundred thousand dollars (\$1,500,000).
- The Chicago Sharing Fee shall be five hundred thousand dollars (\$500,000).

The New York CSA shall include a provision for KRCA to deposit one million dollars (\$1,000,000) into an escrow account no later than three (3) business days after the FCC grants KRCA's application to channel share under the New York CSA, to be released to HC2 upon the commencement of channel sharing under the New York CSA.

The Chicago Sharing Fee shall be due and payable upon the commencement of channel sharing under the New York CSA, without regard for whether the parties have commenced sharing under the Chicago CSA. For the avoidance of doubt, the Chicago Sharing Fee shall be offset against the New York Sharing Fee, and no additional payment shall be due from HC2 to KRCA.

Schedule 3

W28ES Purchase Price

The W28ES-D Purchase Price shall be two million dollars (\$2,000,000).

Schedule 4(b)

WCHU Displacement Expenses

Engineering: \$1500

Legal: \$397.50

TOTAL: \$1897.50

EXHIBIT 2

DECLARATION OF Winter Horton

Winter Horton

I, _____, hereby declare as follows:

1. I am COO of KRCA License LLC ("KRCA License"), an applicant for a displacement channel on Channel 31, Chicago, Illinois, to be associated with low-power television station WESV-LD, Chicago, Illinois (File No. 0000053952, hereinafter the "WESV Application") and for a displacement channel on Channel 13, Port Jervis, New York, to be associated with WASA-LD, Port Jervis, New York (File No. 0000053954, hereinafter the "WASA Application"). The WESV Application is mutually exclusive with applications filed by HC2 LPTV Holdings, Inc. ("HC2") for W25DW-D (File No. 0000052810) and by Venture Technologies Group, LLC ("VTG") for WCHU-LD (File No. 0000054814), and the WASA Application is mutually exclusive with applications filed by HC2 for WKOB-LD (File No. 0000054730) and by VTG for W28ES-D (File No. 000054808).

2. Pursuant to a Settlement Agreement entered into by KRCA License, HC2, and VTG on January __, 2019 (the "Agreement"), the parties have agreed to resolve the above-referenced mutual exclusivities.

3. The Agreement is in the public interest for two reasons. First, it conserves Commission resources by making an auction for these channels in the Chicago, Illinois and New York, New York markets unnecessary. Second, it allows two stations in each market to continue to serve their communities of license.

4. Neither the WESV Application nor the WASA Application was filed for the purpose of reaching or carrying out the Agreement or any other such agreement with HC2, VTG, or any other person or entity.

5. Neither KRCA License nor its principals have received or have been promised to receive any money or other consideration in connection with the Agreement (except for the customary fees and sharing of expenses to channel share, as expressly set forth in the Agreement).

I declare under penalty of perjury that the foregoing facts are true and correct.

Dated: January 10, 2019

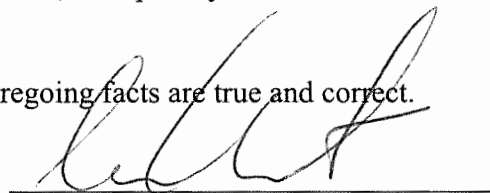


EXHIBIT 3

DECLARATION OF REBECCA HANSON

I, Rebecca Hanson, hereby declare as follows:

1. I am Executive Vice President and General Counsel of HC2 Broadcasting Holdings, Inc., the parent company of HC2 LPTV Holdings, Inc. ("HC2"), an applicant for a displacement channel on Channel 31, Arbury Hills, Illinois, to be associated with low-power television station W25DW-D, Arbury Hills, Illinois (File No. 0000052810, hereinafter the "W25DW Application") and for a displacement channel on Channel 13, New York, New York, to be associated with WKOB-LD, New York, New York (File No. 0000054730, hereinafter the "WKOB Application"). The W25DW Application is mutually exclusive with applications filed by KCRA License LLC ("KRCA") for WESV-LD (File No. 000053952) and by Venture Technologies Group, LLC ("VTG") for WCHU-LD (File No. 0000054814), and the WKOB Application is mutually exclusive with applications filed by VTG for W28ES-D (File No. 000054808) and by KRCA License for WASA-LD (File No. 0000053954).

2. Pursuant to a Settlement Agreement entered into by KRCA License, HC2, and VTG on January 9, 2019 (the "Agreement"), the parties have agreed to resolve the above-referenced mutual exclusivities.

3. The Agreement is in the public interest for two reasons. First, it conserves Commission resources by making an auction for these channels in the Chicago, Illinois and New York, New York markets unnecessary. Second, it allows two stations in each market to continue to serve their communities of license.

4. Neither the W25DW Application nor the WKOB Application was filed for the purpose of reaching or carrying out the Agreement or any other such agreement with VTG, KRCA License, or any other person or entity.

5. Neither HC2 nor its principals have received or have been promised to receive any money or other consideration in connection with the Agreement (except for the customary fees and sharing of expenses to channel share, as expressly set forth in the Agreement).

I declare under penalty of perjury that the foregoing facts are true and correct.

Dated: January 9, 2019



EXHIBIT 4

DECLARATION OF Paul Koplin

I, Paul Koplin, hereby declare as follows:

1. I am CEO of Venture Technologies Group, LLC (“VTG”), an applicant for a displacement channel on Channel 31, Chicago, Illinois, to be associated with low-power television station WCHU-LD, Chicago, Illinois (File No. 0000054814, hereinafter the “WCHU Application”) and for a displacement channel on Channel 13, New York, New York, to be associated with W28ES-D, New York, New York (File No. 0000054808, hereinafter the “W28ES Application”). The WCHU Application is mutually exclusive with applications filed by HC2 LPTV Holdings, Inc. (“HC2”) for W25DW-D (File No. 0000052810) and by KRCA License LLC (“KRCA License”) for WESV-LD (File No. 000053952), and the W28ES Application is mutually exclusive with applications filed by HC2 for WKOB-LD (File No. 0000054730) and by KRCA License for WASA-LD (File No. 0000053954).

2. Pursuant to a Settlement Agreement entered into by KRCA License, HC2, and VTG on January 9, 2019 (the “Agreement”), the parties have agreed to resolve the above-referenced mutual exclusivities.

3. The Agreement is in the public interest for two reasons. First, it conserves Commission resources by making an auction for these channels in the Chicago, Illinois and New York, New York markets unnecessary. Second, it allows two stations in each market to continue to serve their communities of license.

4. Neither the WCHU Application nor the W28ES Application was filed for the purpose of reaching or carrying out the Agreement or any other such agreement with HC2, KRCA License, or any other person or entity.

5. Neither VTG nor its principals have received or have been promised to receive any money or other consideration in connection with the Agreement except as expressly set forth in the Agreement.

I declare under penalty of perjury that the foregoing facts are true and correct.

Dated: January 9, 2019

