

Assignee Exhibit as to Multiple Ownership, Media Interests of Immediate Family Members and Other Matters

Pending Assignment Application

Meridian Media Group, LLC (“MMG”) holds the Commission consent to acquire by voluntary assignment the licenses for radio stations WALT-FM, WKZB and WUCL (LMS File No. 0000160930). Those stations are located in the same geographical area, in the vicinity of Meridian, MS, as WEXR(FM).

Multiple Ownership

This application requests Commission consent for the voluntary assignment to MMG of FM radio broadcast station WEXR(FM), Stonewall, MS (the “Station”). The Station is not included in a Nielsen Audio Metro for purposes of the Commission’s multiple ownership rules, so the Commission’s “interim contour overlap” methodology would be applied to determine compliance with the multiple ownership rules. MMG currently holds no attributable media interests, but as noted above holds the consent to acquire three other FM radio stations in the Meridian, MS area. Thus, the relevant “market” would be defined by the following FM radio stations, the principal community contours of which all overlap with each other therefore forming a single market:

WALT-FM: FIN 18229

WUCL(FM): FIN 48780

WKZB(FM): FIN 81878

WEXR(FM): FIN 82188

Under Section 73.3555(a)(1)(iii) of the Commission’s rules, a party may hold an attributable interest in up to four FM radio stations in a radio market with at least 15 full power radio stations.¹ The following seven full power stations are licensed by the Commission to Meridian, MS. Because the principal community contours of each of these stations must, under Commission rules, encompass Meridian and therefore overlap with the principal community contour of WALT-FM, they are all included in the same market as the four stations proposed to be owned by MMG.

WJDQ-FM: FIN 7067

WMAW-FM: FIN 43188

WMER-AM: FIN 48542

WMOG-AM: FIN 48640

WMOX-AM: FIN 7073

¹ 47 C.F.R. § 73.3555(a)(1)(iii).

WOKK-FM: FIN 48635

WYHL-AM: FIN 7064

Attached hereto are maps showing the principal community contours of the four stations proposed to be owned by MMG, together with the principal community contours of the following five full power radio stations each of which overlaps with the principal community contour of at least one of the four stations proposed to be owned by MMG:

WWQD-FM: FIN 171740

WLYB-FM: FIN 189541

WZKS-FM: FIN 17357

WWSL-FM: FIN 25742

WSQH-FM: FIN 91176

Based on the foregoing, there are a minimum of sixteen full power radio stations in the relevant market. The proposed assignment therefore complies with Section 73.3555(a)(1)(iii) of the Commission's rules.

Immediate Family Members

Bryan Holladay, the sole member of MMG, is the adult son of Clay Holladay, who holds an attributable interest in other radio stations in the Meridian, MS area through Mississippi Broadcasters, LLC ("MB"), of which Clay Holladay is the sole member. The acquisition of the Station, together with the stations to be acquired by MMG under the currently pending application, would constitute the first broadcast ownership interest of Bryan Holladay, so in accordance with the instructions to FCC Form 314, Worksheet III.B, MMG has responded "No" to the question in Assignee Legal Certifications regarding immediate family members. However, while those stations would be the first broadcast properties in which he has an ownership interest, Bryan Holladay has obtained significant experience in the radio broadcasting industry, mainly through employment with the Holladay family radio broadcast interests. His experience is summarized below.

- DJ on WUTS, a student-run college station in Sewanee, TN.
- New South Radio (a company in which Clay Holladay holds an attributable interest) in Ridgeland, MS as an account executive from May 2011 to October 2012. As an account executive, he managed accounts and developed marketing strategies for stations in the New South Radio group.
- New South Communications in Meridian, MS from October 2012 until April 2013 as general manager of the Stations (WALT, WUSJ, WKZB). At the time, New South Communications was owned by Bryan Holladay's grandfather, Frank (Eddie) Holladay, and was the licensee of WALT-FM, WKZB(FM) and WUCL(FM), which were later sold to Burke Broadcasting, the current licensee, and are to be assigned to MMG pursuant to the recently granted assignment application described above.

- General manager for MB in Meridian, MS (a company in which Clay Holladay holds an attributable interest) from April 2013 until July 2017. In this position, he operated 4 stations, WOKK, WJDQ, WJXM, and WZKS.
- From July 2017, general manager for Gulf South Communications (a company in which Clay Holladay holds an attributable interest) in Dothan, AL where he is currently employed. In this position, he operates 5 radio stations, WTVY, WKMX, WDJR, WDBT, and WDBT HD-2.

The Commission looks to seven factors to determine whether media interests held by immediate family members are independent.² Those factors “are not components of a test which must be met in order to demonstrate [familial] independence. They are simply aspects of a family relationship or proposed transaction that should be considered when making a determination regarding [family] attribution...The existence or non-existence of one, or many, of the factors is not necessarily dispositive.”³

Bryan Holladay’s operation of the Station will be separate from and independent of the operation of the MB stations in the Meridian area which are owned by Clay Holladay. While MMG intends to lease office space and share certain back-office operations such as engineering, traffic and bookkeeping services from MB in order to reduce expenses and enable the Station to be operated profitably in the small and unrated Meridian market, Clay Holladay and MB will have no input into the programming, financial or employment affairs of MMG.

As indicated above, Bryan Holladay has “grown up” in the radio broadcast industry and has substantial experience in operating radio stations in smaller markets. MMG will not rely upon MB or Clay Holladay for financial support in operating the Stations.

As noted above, there will be some sharing of services between MB and MMG, some of which will be through a third party provider which is 50% owned by Clay Holladay and 50% owned by Robert Holladay, Bryan Holladay’s uncle. However, such shared services arrangements between separate broadcast owners in a market have long been permitted under Commission rules and policies, and the Commission has recognized the benefits that accrue from such arrangements.⁴ Because of the small size of the

² *Clarification of Commission Policies Regarding Spousal Attribution*, Policy Statement, 7 FCC Rcd 1920 (1992).

Those seven factors are:

- (1) Representations of Independent Control
- (2) Comingling of Interests
- (3) Participation in Financial Affairs, Programming and Personnel Decisions
- (4) Prior Broadcast Experience
- (5) Financial Independence
- (6) Sharing of Personnel, Equipment, Contractors, or Information
- (7) Involvement in the Acquisition Process

³ *Sevier Valley Broadcasting*, 10 FCC Rcd 9795, 9796-97 (1995).

⁴ *See, e.g. 2014 Quadrennial Regulatory Review-Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, 31 FCC Rcd 9864 (2016) at ¶1337. (“...such combined operations no doubt result in cost savings--savings that could be reinvested in improved programming and other public interest-promoting endeavors...”) The Commission went on in that proceeding to require the public file disclosure of commercial television shared services agreements but not those related to radio stations. *Id.* at ¶1367-368.

Meridian market, which is unrated by Nielsen, the sharing of certain services is almost a requisite for a small group of radio stations to be profitable. It would be virtually impossible, in fact, for the Station to be operated profitably as a “stand-alone” in the Meridian market. These proposed shared services arrangements will not compromise the independence of MMG in its operations of the Station.

In addition, Clay Holladay provided Bryan Holladay with some advice and assistance in the acquisition of the Station, particularly at the outset of the transaction. Bryan Holladay however, was ultimately responsible for negotiating and finalizing the purchase agreement with the licensee.⁵

Under the facts and circumstances of this transaction, and in accordance with Commission precedent, Bryan Holladay and MMG should be regarded as the independent operators of the Station regardless of Bryan Holladay’s familial relationship with Clay Holladay.

⁵ See, e.g. *Saga Broadcasting, LLC*, DA 13-107, Letter dated January 28, 2013 from Barbara Kreisman, Chief Video Division, Media Bureau, to Saga Broadcasting, LLC *et. al.* (Father’s involvement in negotiation of acquisition of television station by a company controlled by his adult children, and shared services agreement between the father’s company and the children’s company, did not result in attribution of the father in the children’s company.) The Commission also has recognized that the very nature of successive generations of family members becoming involved in a family broadcasting business inevitably leads to situations in which aspects of the familial business relationships arise which might appear suspect in non-familial relationships. See, e.g., *Kern Broadcasting Corp. v. Lagniappe Broadcasting, Inc.*, 10 FCC Rcd 6584 (1995) at ¶19 (“...where family members are involved, a petitioner attempting to raise a real-party-in-interest issue has a heavy burden, because even independent family relationships may have financial or business ties which would be persuasive indicia of common ownership or real-party status in non-family situations.”)

Principal Community Contour Maps



