

Description of Transaction

This application requests FCC consent to the *pro forma* assignment of license of the licensee of television broadcast station WBAY-TV, Green Bay, Wisconsin (Facility ID No. 74417) (the “Station”).

The proposed *pro forma* is the second step in a like-kind exchange under Section 1031 of the Internal Revenue Code of 1986, as amended. On January 17, 2017, the FCC consented to the first step, namely the assignment of the Station’s license from Young Broadcasting of Davenport, Inc. to Gray Midwest Eat, LLC (“Gray Midwest EAT”).¹

Gray Midwest EAT has two members: REVAC, Inc. (“REVAC”), a privately held corporation in the business of serving a titleholder in “exchange accommodate titleholder” transactions, and Gray Television Licensee, LLC (“Gray”). Gray does not hold any equity interest in Gray Midwest EAT, but is the FCC Managing Member of Gray Midwest EAT. As the FCC Managing Member, Gray has complete control over all aspects of the business and operations of the Station. The proposed *pro forma* assignment of license will be accomplished by Gray acquiring from REVAC 100% of the equity interests of Gray Midwest EAT.

Pro Forma Transaction

The proposed assignment of license is a *pro forma* assignment for the following reasons:

- Gray, the proposed assignee, currently has *de facto* control over the Station’s operations and Gray Midwest EAT is legally obligated to act solely at Gray’s discretion. Gray has sole legal responsibility for any and all activities, actions and decisions relating to the operation, preservation and enhancement of the Station and the Station’s assets, including sole control over programming, personnel and finances.
- Gray holds all of the benefits and burdens of the Station’s operations. Gray is entitled to all of the cash flow from the Station, subject only to a specified amount that is paid to Gray Midwest EAT to cover its accommodation fee.
- As a result of the proposed *pro forma* assignment of license, Gray, which currently exercises *de facto* control over the Station’s business and operations, will acquire *de jure* control over the Station’s business and operations by acquiring 100% of the equity interests of Gray Midwest EAT.

Statement Regarding Agreements

Certain agreements relating to this transaction are described in and attached to the First Step Applications. As disclosed in the First Step Applications, certain schedules and exhibits were omitted because the information contained in them is proprietary, not material to the Commission’s consideration of the application, already on file at the Commission, or will be

¹ See FCC File Nos. BALCDT-20160610ABI and BALCDT-20161125AAE (the “First Step Applications”) (granted November 11, 2017, transaction consummated January 17, 2017).

submitted at a later date. In addition, at the closing of the *pro forma* assignment of license described herein, the parties intend to enter into certain agreements regarding the assignment of license. These agreements, which will comply with the Commission's rules and policies, have not been finalized and therefore have not been placed in the Station's public file. Therefore, in light of the Commission's decision in *LUJ, Inc.*, 17 FCC Rcd 16980 (2002), Section II, Item 3 and Section III, Item 3 of this application have been answered "No."