

Description of Transaction/Changes in Interests/Attributable Parties

This application is one of six contemporaneously-filed FCC Form 315 applications, which collectively request Commission consent to the transfer of control of various radio and television station licenses held by indirect, wholly-owned subsidiaries of Liberman Broadcasting, Inc. (“LBI”) from the shareholders of LBI to SLF LBI Aggregator, LLC (“SLA”). LBI and HPS Group GP, LLC are also seeking a ruling permitting up to 100 percent aggregate foreign investment (voting and equity) in LBI. A copy of the Petition for Declaratory Ruling (“PDR”) is attached hereto as Exhibit 26. The PDR requests specific approval for certain foreign investors that seek to directly or indirectly hold more than 10 percent of LBI’s equity, and/or to hold equity interests that will cause them to be deemed to hold more than 10 percent of LBI’s voting rights.

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

- LBI Radio License LLC
- Liberman Broadcasting of Houston License LLC
- KZJL License LLC
- KRCA License LLC
- Liberman Television of Dallas License LLC
- Liberman Broadcasting of Dallas License LLC

On October 15, 2019, and pursuant to the FCC’s conditional grant of applications seeking consent to LBI’s reorganization pursuant to Chapter 11 of the Bankruptcy Code, LBI and its subsidiaries that hold broadcast licenses emerged from bankruptcy.¹ Specifically, pursuant to the bankruptcy plan, LBI issued new capital stock (“New Equity Interests”) and/or warrants to purchase New Equity Interests (“Warrants”) to creditors. The first lien holder, HPS Investment Partners, LLC (“HPS”) and its affiliates and funds (collectively, the “HPS Parties”) internally reorganized in anticipation of the issuance of these New Equity Interests and Warrants. The Warrants are exercisable for New Equity Interests only upon the satisfaction of certain conditions, including compliance with the Communications Act and the FCC’s rules.

The *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. The parties are filing the PDR in satisfaction of that condition and pursuant to 47 C.F.R. § 1.5000(a)(2). Moreover, as a result of the attendant restructuring of the company, LBI is seeking the Commission’s consent to the transfer of control of the LBI Licensees.

¹ See *Liberman Television of Dallas License LLC, Debtor-in-Possession*, Order, DA 19-1012 (rel. Oct. 4, 2019) (“*Approval Order*”); see also FCC File Nos. BALCDT-20190605ABL, BALH-20190605ABD, BALH-20190605AAY, BAL-20190605AAQ, BALCDT-20190605ABM, BALCDT-20190605ABJ (the “Emergence Applications”).

As detailed in the Emergence Applications, SLF LBI US Holdings I, LLC and SLF LBI US Holdings II, LLC (together, the “SLF Parties”) currently hold a 41.9% and 41.5% equity interest in LBI, respectively. The remaining New Equity Interests were distributed to other HPS Parties, none of which individually holds an attributable interest in LBI. The SLF Parties, both U.S. limited liability companies, are managed and controlled by two non-member managers, Robert Warshauer and Howard Norowitz, both U.S. citizens, each of whom holds 50-percent of the voting rights in the SLF Parties.

Upon grant of the instant transfer of control applications and the accompanying PDR, LBI proposes to reorganize as follows:

- SLA, a newly created Delaware limited liability company, will acquire 100 percent of the outstanding New Equity Interests and 100 percent of the outstanding Warrants.
- HPS Group GP, LLC (“HPS Group GP”), a Delaware limited liability company, will be the sole non-member manager of SLA. HPS Group GP’s sole member and manager is Scott Kapnick, a U.S. Citizen. Through HPS Group GP, Mr. Kapnick will control 100 percent of the voting rights in SLA and, indirectly, 100 percent of the voting rights in LBI.
- The current holders of the New Equity Interests and Warrants will be issued membership interests in SLA accounting for 100 percent of SLA’s equity. The SLA Limited Liability Company Agreement will include insulation provisions to ensure that none of its members are materially involved, directly or indirectly, in the management or operation of the media-related activities of SLA, consistent with the FCC’s media attribution rules.
- SLA will exercise 100 percent of the Warrants for New Equity Interests, and SLA will be the sole shareholder of LBI.

The following information pertains to the parties proposed to have attributable interests in the LBI Licensees. The charts attached as Figures 1 and 2 depict the pre- and post-reorganization structure of LBI and its subsidiaries. As illustrated, each of the LBI Licensees is and will continue to be controlled by LBI through wholly owned subsidiaries. Each of those subsidiaries will have the same officers as LBI, and no directors. Complete information pertaining to LBI’s proposed parent, SLA and the post-Declaratory Ruling ownership structure of LBI is contained in the PDR.

The numbered items below refer to line numbers in the following table:

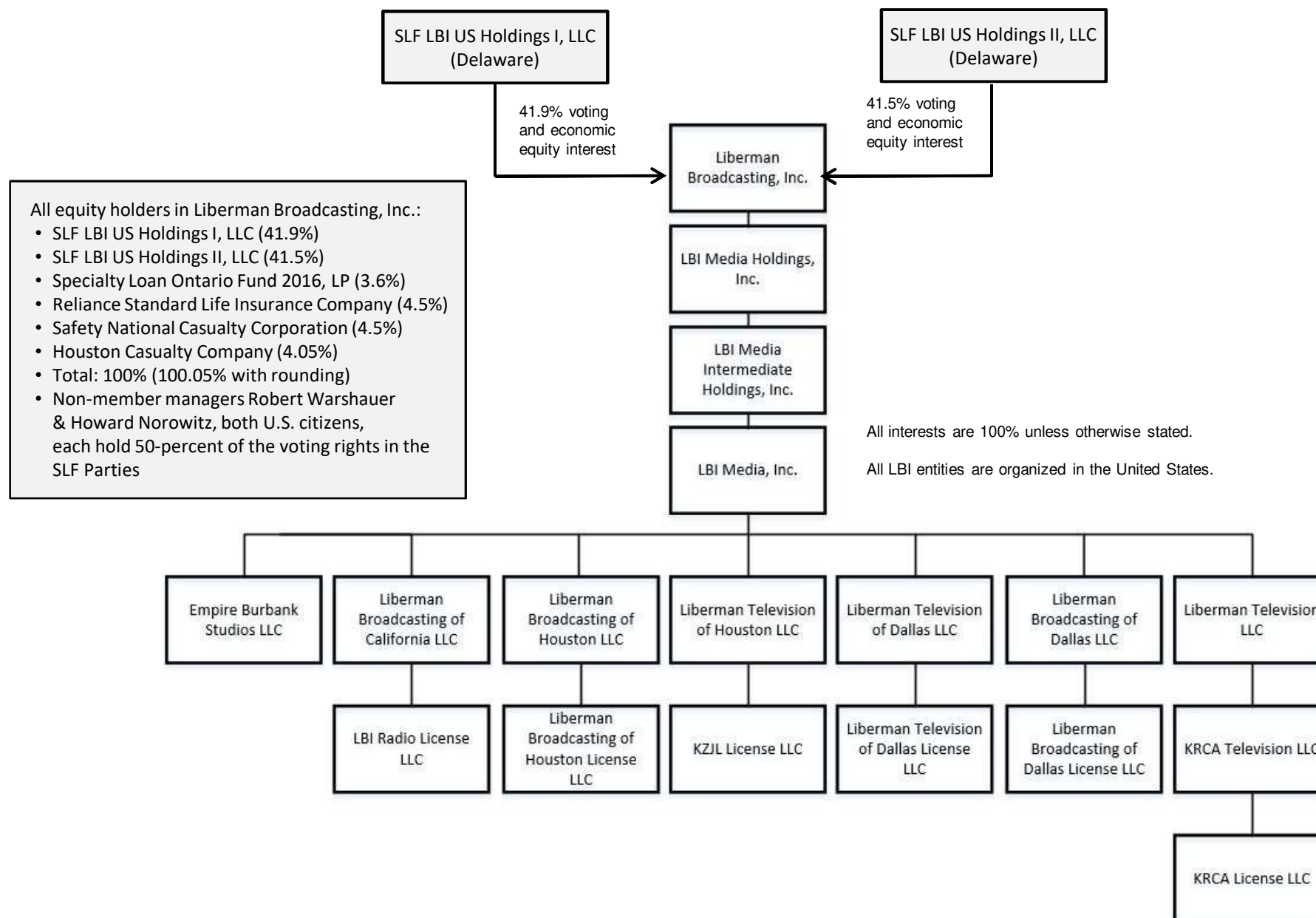
- (1) Name and Address
- (2) Citizenship
- (3) Position Interest
- (4) Percentage of Votes
- (5) Percentage of Equity

Liberman Broadcasting, Inc.

(1)	(2)	(3)	(4)	(5)
SLF LBI Aggregator, LLC ² 40 West 57th Street 33rd Floor New York, NY 10019	U.S.	Sole Shareholder	100%	100%
Colbert Cannon 40 West 57th Street 33rd Floor New York, NY 10019	U.S.	Chairman of the Board, Director	0.00%	0.00%
Daniel Zevnik 40 West 57th Street 33rd Floor New York, NY 10019	U.S.	Director	0.00%	0.00%
Willem Mesdag Red Mountain Capital Partners LLC 10250 Constellation Blvd, Suite 2300 Los Angeles, CA 90067	U.S.	Director	0.00%	0.00%
Peter Markham 1845 Empire Avenue Burbank, CA 91504	U.S.	Chief Executive Officer, Director	0.00%	0.00%
Brian Kei 1845 Empire Avenue Burbank, CA 91504	U.S.	Chief Operating Officer	0.00%	0.00%

² HPS Group GP, LLC (“HPS Group GP”), a Delaware limited liability company, will be the sole non-member manager of SLA. HPS Group GP’s sole member and manager is Scott Kapnick, a U.S. Citizen. Through HPS Group GP, Mr. Kapnick will control 100 percent of the voting rights in SLA and, indirectly, 100 percent of the voting rights in LBI. Pursuant to SLA’s LLC agreement, each of SLA’s members will insulated pursuant to the broadcast insulation criteria set forth in the broadcast attribution rules and therefore will be non-attributable for purposes of the transfer of control applications. *See* 47 C.F.R. § 73.3555, Note 2.

Pre-Reorganization
LBI Ownership Structure Chart



Post-Reorganization
LBI Ownership Structure Chart

