

Circumstances of Premature Transfer of Control

Norma Littick has had for decades a controlling ownership interest in Southeastern Ohio Broadcasting System, Inc., the licensee of radio stations WHIZ/WWCD(FM), Zanesville, OH; WHIZ-FM, Baltimore, OH; and WZVL(FM), Philo, OH. In addition, she has had the controlling General Partnership interest in Southeastern Ohio Television System, the licensee of WHIZ-TV.

As part of her estate planning, it was decided in the Spring of 2012 that she would transfer a controlling interest in the television partnership and a controlling interest in the radio corporation to her son Henry C. Littick, II who has managed the stations for more than a decade. As preparations were made for the transfers, local estate planning counsel, Mark Watson, asked Mr. Littick what the involvement of the Commission would be with regard to the ownership changes. Mr. Littick informed him that the changes in ownership would be reported to the Commission in an Ownership Report. Mr. Littick believed this to be true because in 2009 when his mother had given him a ten percent interest in the radio licensee, that ownership change had been reported to the Commission in an Ownership Report.

On May 6, 2013, Mr. Littick contacted communications counsel to report that there were going to be ownership changes in the television partnership and in the radio corporation that would have to be reported to the Commission in the next Ownership Reports. When the nature of the changes was revealed, Communications counsel informed Mr. Littick that the changes described resulted in a change of control and that long-form Transfer of Control applications would have to be filed to get approval of these ownership changes. During the brief discussion, Mr. Littick mentioned that the transfer documents had been "prepared". Counsel interpreted this statement as meaning that the documents were ready to be signed when Commission approval was granted. Long-form Transfer of Control applications for both the television partnership and the radio corporation were filed on May 13.

On October 25, 2013, communications counsel contacted local counsel, Mark Watson, to inquire about the status of the Norma Littick Revocable Trust in order to answer a question of the Video Division staff. During the discussion, communications counsel referred to the "proposed changes". Local counsel stated that the documents effecting the changes had been executed, and, the ownership changes had been completed at the end of December 2012. He stated that they had taken these steps based on the statements from Henry Littick that the only Commission requirement was that the changes would have to be reported to the Commission in an Ownership Report.

Communications counsel immediately contacted Mr. Littick to explain that there obviously had been some miscommunication concerning the status of the changes and that the ownership changes should not have proceeded until prior Commission approval had been granted. Mr. Littick stated that he had told his mother, the Transferor, local counsel and everyone else involved, that only an Ownership Report needed to be filed and that he now felt foolish about this mistake and that he was sorry that he had not been clearer about what he

meant when he referred to documents having been "prepared". He said that when he had been told that Transfer of Control applications were necessary he thought that the transfer application filings would cure the failure to file earlier.

Communications counsel informed Mr. Littick that he would immediately telephone the Commission to report the transfer. Mr. Littick agreed that Commission staff should be informed promptly of the premature completion of the ownership changes. Counsel telephoned Commission staff and was asked to submit this statement as an amendment to the Transfer of Control application.

Request For Reduction of Base Forfeiture

The premature completion of the ownership changes between Mother and son were the result of an honest mistake on the part of Henry Littick as to what was required by the Commission for the ownership changes which were involved here. On the question of what is the appropriate monetary forfeiture to be assessed against the radio licensee, the following facts should be considered:

(1) The four radio stations are licensed to small communities. At the 2010 Census, WZVL Philo, OH has a pop. of 733; WHIZ-FM, Baltimore, OH has a pop. of 2966. WHIZ/WWCD(FM) are licensed to Zanesville which has a population of 25,487.

(2) the actual day-to-day operations of the radio stations have not changed in any way since the December 2012 transfers were completed. No new parties have acquired any ownership interest as a result of the ownership transfers. The stations have been family operated for decades under the control of the Littick family. The transfers were between Norma Littick and her son who has been the General Manager in charge of the operations of the radio stations for more than a decade. The operation of the stations prior to December 2012 and the operation of the stations since December 2012 have been identical;

(3) the premature completion of the two transfers were due to a misunderstanding, and

(4) the error was voluntarily reported to the Commission as soon as the error was realized.

On the basis of the foregoing, it is respectfully requested that the amount of the base forfeiture for the radio corporation be reduced from the base amount of \$8,000 per station. It is submitted that a forfeiture of \$32,000 is not appropriate under the circumstances and would be a draconian punishment to the radio licensee.