



WASHINGTON, DC

NANCY A. ORY  
202.416-6791  
NORY@LERMANSENTER.COM

May 13, 2020

**VIA Electronic Mail**

Albert Shuldiner  
Chief, Audio Division  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

**Re: The Mainstay Station Trust LLC  
Request for Waiver of Divestiture Deadline  
Station WTOD(FM), Delta, OH (Facility ID 67275)**

Dear Mr. Shuldiner:

This letter is written on behalf of The Mainstay Station Trust LLC (“*Mainstay*”). *Mainstay* is a divestiture trust established in connection with the Cumulus Media, Inc. bankruptcy and reorganization. On June 4, 2018, *Mainstay* became the licensee of the following stations (the “*Mainstay Stations*”):<sup>1</sup>

WNUQ(FM), Sylvester, Georgia (Facility ID 66942)  
WPCK(FM), Denmark, Wisconsin (Facility ID 119)  
WTOD(FM), Delta, Ohio (Facility ID 67275)

In the decision granting the assignment of the *Mainstay Stations* to *Mainstay*, the FCC provided a period of two (2) years to divest the stations.<sup>2</sup> That period expires June 4, 2020.

To date, *Mainstay* has successfully divested two of the stations – WNUQ(FM) and WPCK(FM). *Mainstay* sold (i) Station WNUQ(FM) to an independent broadcaster – Pretoria Fields Collective Media, LLC – in a transaction that closed on November 26, 2019 (FCC File No. BALH-20191016AAG); and (ii) Station WPCK(FM) to Educational Media Foundation (“*EMF*”) in a transaction that closed on December 31, 2019 (FCC File No. BALH-20191015AAP).

---

<sup>1</sup> *In the Matter of Cumulus Licensing, LLC and The Mainstay Station Trust LLC*, Memorandum Opinion and Order, 33 FCC Rcd 5243 (Media Bureau 2018).

<sup>2</sup> *Id.* at ¶ 11



Mainstay has yet to locate a viable buyer for WTOD(FM). Mainstay, through its broker MVP Capital, LLC, continues to work with prospective buyers to try to deliver to Mainstay value for WTOD(FM). This includes both working with identified prospects, as well as searching for and contacting potential new buyers who might be appropriate prospects for the station. Since the inception of Mainstay, there has been interest in WTOD(FM), but no bidder has yet submitted a qualifying, fully financed offer.

There have been numerous ups and downs for the economy and the radio broadcasting industry over the last two decades. Historically, while the economy has recovered from economic dislocations, the radio broadcasting industry, for economic and non-economic reasons, has not always fared as well.

Since late March of this year, COVID-19's impact on the economy has been significant and its impact on the radio industry has been even greater, as measured by publicly held radio broadcasters, whose stock prices have been down 50-75%. The reasons for this dramatic valuation change are:

- Advertisers are cutting back on ad spend as quickly as possible (and many business cancellation insurance policies exclude coverage related to health pandemics).
- Shelter in Place and Work from Home initiatives have altered listener habits and have driven more ad dollars to video/digital formats.
- All live events have been canceled which will impact advertising revenue.
- All sporting events have been canceled which are a major source of content (and revenue).
- Although political revenue should still provide a positive note in 2020, the Democratic Primary Election process was postponed in 18 states due to the coronavirus pandemic.

Additionally, national advertising is still being challenged with competition from streaming digital audio players such as Apple Music, Amazon, Google, Spotify AB and Pandora – now under Liberty Media Corp. ownership and partnered with Sirius XM Holdings – taking advertising from over-the-air radio's share.

The current COVID pandemic has greatly exacerbated the economic problems faced by the industry. The buyer pool remains thin for sellers of stick assets, such as WTOD(FM), which trade on a per-pop valuation basis, with the exception of some in-market operators and niche/religious broadcasters. EMF has been the dominant acquirer of stick assets over the past two years and has largely driven valuations for the asset class. Larger-market FM stick assets typically garner a valuation of \$2-\$3 per pop, with smaller markets, or partial market signals, receiving a discount commensurate with size.



Albert Shuldiner  
May 13, 2020  
Page 3

Due to the current COVID crisis, it is very unlikely that Mainstay will locate a viable buyer for WTOD(FM) by the divestiture deadline. Accordingly, Mainstay respectfully requests a one-year extension of time, through June 4, 2021, to complete the divestiture of WTOD(FM). Should you have any questions regarding this matter, please do not hesitate to call me. Thank you in advance for your consideration.

Respectfully submitted,

/s/

Nancy A. Ory  
*Counsel to The Mainstay Station Trust LLC*

cc: Christopher Clark (*via electronic mail*)