

## **CHARACTER ISSUES**

Paul Koplin and Lawrence Rogow hold attributable interests in Local Media TV New York, LLC and Venture Technologies Group, LLC. The following summarizes the allegations made against Venture Technologies Group, LLC.

### **1) KMCE, Inc.**

On June 26, 2006, KMCE, Inc. Filed an Informal Objection to the grant of a license to cover application for station KSCZ-LP, Greenfield, CA (FCC File No. BLTTL-20060522ABM). The Informal Objection asserted that certain allegedly inconsistent or incorrect filings made in connection with this facility raise questions as to Venture Technologies Group's ("VTG") fitness to be a commission licensee. VTG filed an Opposition to this informal objection on July 31, 2007.

### **2) Roy William Mayhugh**

On November 16, 2006, Roy William Mayhugh ('Mayhugh') filed a Consolidated Petition To Deny the applications for renewal of licenses of KNET-LP, KSFV-LP, KNLA-LP, KHTV-LP, KSCZ-LP, and KEBK-LP (FCC File No. BRTTL-20060810AKD, BRTTL-20060810AKE, BRTTL-20060810AMM, BRTTL-20060810AMP, BRTTL-20060810AJA, BRTTL-20060810AIN, respectively). The petition contended that VTG made false certifications and material misrepresentations to the Commission in connection with covering license applications for now-deleted LPTV stations K53IB and K59IB, Bakersfield, California, and through allegedly insufficient disclosures in response to section II, question 2b in the above renewal applications. VTG filed an Opposition on December 18, 2006. On April 13, 2007, the Enforcement Bureau of the Federal Communications Commission released an order adopting a consent decree in this matter, which concluded that there were no substantial and material questions of fact as to whether VTG possesses the basic qualifications, including those related to character, to hold or obtain any commission license or authorization.

In a letter decision issued on May 21, 2008, the Video Division, Media Bureau, denied Mayhugh's Consolidated Petition To Deny and granted the renewal applications for KNET-LP, KSFV-LP, KHTV-LP, KSCZ-LP, and KEBK-LP. On June 19, 2008, Mayhugh filed a Petition For Reconsideration of the Video Division's May 21, 2008 decision. VTG opposed that petition for reconsideration on July 2, 2008. On May 12, 2009, the Commission issued a letter decision denying the Petition For Reconsideration and admonishing Mayhugh for abuse of process. On June 11, 2009, Mayhugh filed an Application For Review of the letter decision. VTG opposed this application for review on July 6, 2009. Mayhugh filed a Reply To The Opposition to the application for review on August 11, 2009.

On June 26, 2008, Mayhugh filed an Informal Objection to VTG's license renewal application for KNLA-LP (FCC File No. BRTTL-20060810AMM). The Informal Objection claims that VTG made false statements in applications related to stations KSCZ-LP, Greenfield, ca and KEBK-LP, Bakersfield, CA. VTG opposed the Informal Objection on August 15, 2008. On January 30, 2009, Mayhugh filed a Reply To Informal Objection ('KNLA reply') which alleged that VTG lacks candor in its FCC filings and questions VTG's qualifications to hold FCC authorizations. On February 2, 2009, Mayhugh filed Informal Objections to the grant of the following applications: a new digital companion channel (Facility ID 167304) (FCC File No. BDCCDVL-20080917ABX); a digital displacement application for KSFV-LP (FCC File No. BDISDVA-20090114ABC); a digital displacement application for KILA-LP (FCC File No. BDISDVA-20090114ABN) and a digital displacement application for KEBK-LP (FCC File No. BDISDTL-20090114AES). The Informal Objections did not make specific character allegations against VTG in connection with that facility, but rather attached a copy of the KNLA reply referenced above. On February 9, 2009, Mayhugh filed an Informal Objection to the grant of minor modification of W05CS-D (note, wrong Facility ID supplied in objection). The Informal Objection does not make any specific character allegations against VTG in connection with this facility, but rather attached a copy of the KNLA Reply referenced above. VTG filed Oppositions to the various Mayhugh objections.

*On May 12, 2009, the Media Bureau issued a letter decision denying Mayhugh's various petitions. On June 11, 2009, Mayhugh filed an Application for Review of the Letter Decision. VTG opposed this Application for Review on July 6, 2009. Mayhugh filed a Reply to the Opposition to the Application for Review on August 11, 2009.*

### 3) Friendly Broadcasting Company

VTG was contacted by a representative of Friendly Broadcasting Company who indicated that Friendly believed that pleadings filed by Friendly in 2001 and 2005 contained character allegations against VTG that should be disclosed in this exhibit. VTG disagrees. However, in an abundance of caution, VTG provides below a summary of these pleadings and the allegations that were made.

On June 22, 1998, a predecessor in interest to VTG, Northridge Community Broadcasting Company (“Northridge”), filed a Petition for Reconsideration of the grant to Friendly Broadcasting Company of the construction permit for KWJD-LP. In that Petition, Northridge alleged there had been an unauthorized transfer of control of the licensee and submitted documents filed with the California Secretary of State’s office to support its claim.

On December 5, 2001, VTG filed a Petition for Reconsideration of the license for KWJD-LP, licensed to Friendly Broadcasting Company (“Petition for Reconsideration”). In the Petition for Reconsideration, VTG alleged that Friendly had made misrepresentations to the Commission and falsely certified that the station was operating when it filed its license application. In Friendly’s Opposition to the Petition for Reconsideration, it argued that VTG was attempting to coerce Friendly into selling KWJD-LP to VTG through the making of false and defamatory allegations. On March 16, 2005, the Media Bureau issued a *Letter Decision* rescinding the grant of the KWJD-LP construction permit and license and ordered Friendly to cease operations of KWJD-LP. In rendering this decision, the FCC found that “more than 50% of Friendly’s ownership was transferred to new parties while Friendly’s application was pending.” While not addressing the merits of the remaining allegations, the *Letter Decision* noted that it agreed “with Venture that the documents it has submitted, whose authenticity Friendly does not contest, raise serious questions regarding the control of Friendly and the operation of KWJD-LP.”

On April 15, 2005, Friendly filed a Petition for Review of this *Letter Decision* (“Petition”) arguing that there were two corporations registered in California with the name Friendly Broadcasting. Friendly alleged that VTG’s (*note*: Northridge, not VTG submitted the documents to the FCC in 1998) submission of these corporate documents to the Commission for the for-profit Friendly Broadcasting and not the non-profit Friendly Broadcasting was a misrepresentation. On May 2, 2005, VTG filed an Opposition to the Petition noting that Friendly had not previously disclosed that there were two Friendly Broadcasting entities and clarifying that the corporate documents included in the Petition for Reconsideration filed by Northridge were filed at the FCC in 1998, which was almost three years before the second Friendly Broadcasting (the non-profit) filed its incorporation paperwork with the California Secretary of State’s office on February 28, 2001.