

Description of Transaction

This is an amendment to the pending assignment of license of KVMY(TV)(f/k/a KSNV-DT)(the “Station”)¹ from Southern Nevada Communications, LLC (“SNCLLC”) to Channel 33, Inc. (“Channel 33”) (BALCDT-20150128AUL).² This application involves a 2-part transaction pursuant to which, following all required FCC approvals, (i) the FCC licenses of the Station will be assigned from SNCLLC to Channel 33, which is ultimately controlled by Sinclair Broadcast Group, Inc. (“SBGI”), and certain other assets of the Station will be assigned to an affiliate of SBGI,³ and (ii) immediately thereafter, control of Channel 33 will be transferred from SBGI to HSH Holdings II, LLC (“HSH II”), an entity ultimately controlled by Armstrong Williams.

Mr. Williams is one of the few African American television broadcasters today. Through HSH Holdings, LLC, an entity controlled by Mr. Williams, Mr. Williams currently owns television stations WWMB, Myrtle Beach, SC and WEYI-TV, Flint Michigan.⁴ Mr. Williams’ ownership of those stations manifestly furthers competition, diversity, localism and the public interest. Mr. Williams has been able to provide a new and competing voice in those communities, created new local programming, and is engaging the local community in ways that did not exist before the stations were purchased. Mr. Williams proposes to do the same with the Station’s service to the Las Vegas area. The Las Vegas area has a meaningful minority population but is currently without any African American owned broadcast stations.

Below is a list of a few examples of the types of public interest actions and service that HSH

¹ On November 4, 2014, the call sign for the Station was changed from KSNV-DT to KVMY(TV).

² Channel 33 is currently the licensee of KVCW(TV), Las Vegas, Nevada, FAC ID 10195. Simultaneously with the original filing of this application, Channel 33 filed an application for assignment, on FCC Form 316, seeking Commission consent to the pro forma assignment of KVCW(TV) to KUPN Licensee, LLC (“KUPN”), an entity under common control with Channel 33. The KVCW(TV) assignment will be consummated immediately after the acquisition of the Station by Channel 33 and prior to the consummation of the transfer of control of Channel 33 to HSH II as contemplated by this application following FCC consent.

³ In addition, simultaneously herewith, SNCLLC and KUPN, an affiliate of SBGI, are filing an application on FCC Form 603 to transfer microwave licenses WPJB744 and WPJC517 to KUPN. The parties expect the microwave assignment to close simultaneously with the transactions contemplated by this application following FCC consent.

⁴ In addition, through HSH II, Mr. Williams is currently in the process of acquiring WMMP(TV), Charleston, South Carolina (f/k/a WCIV(TV)), WJSU-TV, Anniston, Alabama, and WCFT-TV, Tuscaloosa, AL. Applications to acquire these stations were granted on December 4, 2014 and the parties thereto intend to consummate those acquisitions in February 2015. On or about the time that this application is filed, Mr. Williams also anticipates filing an application to acquire WLYH-TV, Lancaster, PA, from Nexstar Broadcasting, Inc.

Holdings, LLC and Mr. Williams advanced since acquiring WWMB and WEYI over a year ago:

1. increased the public affairs and local programming by adding local public affairs program(s) during prime time.
2. increased the coverage of local events, people and leaders through guests on local public affairs programs.
3. produced and aired public affairs shows hosted by Mr. Williams and covering current issues such as: Right to Work, Small Business & Economic Development and Reducing Crime.
4. held and hosted town hall meetings televised in prime time. These town halls will cover topics of local interest (previous town hall meetings Mr. Williams has hosted include: health care, domestic violence, immigration, gun violence, and most recently in the wake of the horrendous church shooting and murders in Charleston, SC, on racism and moving the country forward to reconciliation and healing).
5. obtained programs of particular interest and enjoyment to minority communities, such as *The Steve Harvey Show* and *Queen Latifah*.
6. sought to advance minority employment and is implementing an internship program targeted at minority students interested in the technical side of the television business.

The Chairman has expressed appreciation and support for station sales to “minority-owned entities [] that would increase diversity of ownership and programming.” He has further noted that “[s]uch actions demonstrate how our rules can actively promote both competition and diversity, keep stations on the air, and serve the public interest.” Mr. Williams believes his proposed acquisition of the Station promotes the same interests and will preserve service in the public interest, and advance the Commission’s interest of diversifying the voices provided by over-the-air-free-to-the-home broadcasting.

On September 2, 2014, SNCLLC entered into an Asset Purchase Agreement (“APA”)⁵ for the sale of the Station to Channel 33.⁶ Channel 33’s sole stockholder is Montecito Broadcasting Corporation (“Montecito”). Montecito’s sole stockholder is Sinclair Communications, LLC (“SCC”), whose sole member is Sinclair Television Group, Inc. (“STG”), a wholly owned subsidiary of SBGI.

On January 14, 2015, SCC and HSH Las Vegas (KVMY), LLC (“HSH Las Vegas”) entered into an Equity Purchase Agreement (“EPA”)⁷ pursuant to which HSH Las Vegas would acquire from SCC all of the issued and outstanding stock of Montecito (the “Stock”) and SCC, or one of its affiliates, would assign to HSH Las Vegas certain programming, equipment and transmission assets of the Station. The EPA provided that upon consummation of the transactions contemplated by this application, HSH Las Vegas and SCC would enter into an Option Agreement and a Tower and Studio License Agreement with respect to the Station. However, pursuant to a July 10, 2015 Amendment to the EPA, the EPA was amended to delete the

⁵ See APA attached at Exhibit 13.

⁶ Also on September 2, 2014, SCC and SNCLLC entered into an agreement pursuant to which SCC acquired certain non-FCC assets of SNCLLC.

⁷ See EPA attached at Exhibit 13.

requirement that the parties enter into an Option Agreement .⁸ Neither SBGI nor any of its affiliates is providing financing, debt guarantee, staffing, joint sales, shared services or other services to HSH Las Vegas or its affiliates with respect to the Station.

The transfer of control of Channel 33 to HSH Las Vegas will occur immediately following the close of the acquisition by Channel 33 of the assets of the Station from SNCLLC following FCC approval of that transaction and FCC consent to the transfer of control of Channel 33 to HSH Las Vegas. Accordingly, consistent with FCC precedent, this application concurrently seeks Commission consent to 1) the assignment of the Station from SNCLLC to Channel 33 **and** 2) the transfer of control of Channel 33 from SCC to HSH Las Vegas. Thus, following Commission consent and consummation of the proposed transactions, Channel 33 will be the licensee of the Station and will be a wholly-owned, indirect subsidiary of HSH Las Vegas.⁹

⁸ A copy of the July 10, 2015 Amendment to the EPA is attached at Exhibit 13. Since the parties will not enter into an Option Agreement, the Form of Option Agreement, with all schedules thereto, previously submitted is no longer applicable and has been deleted.. The Form of Tower and Studio License Agreement is also attached at Exhibit 13.

⁹ SBGI will have control of the Station through Channel 33 and Montecito for only long enough to transfer control of Montecito (and, thereby, Channel 33). It will merely serve as an intermediary and pass through to HSH Las Vegas. The parties hereby certify that the closing of the sale of the Stock of Montecito (parent of Channel 33) to HSH Las Vegas shall take place immediately following the assignment of the assets of the Station to Channel 33 pursuant to Commission consent. SBGI will control the entity that holds the licenses and assets of the Station only long enough to complete the transactions at the closing and will not be in operational control of the Station at any time. The Commission has previously approved such "essentially instantaneous" pass-throughs of licenses from the seller to the buyer through a third-party intermediary where the intermediary never actually exercises control. *See* Combined Communications Corporation of Oklahoma, Inc., DA 97-174 (January 27, 1994), citing John H. Phipps, Inc., FCC 96-395at PP8-9 (released Sept. 27, 1996).