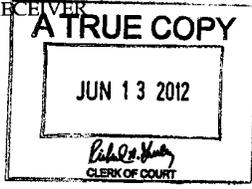


STATE OF SOUTH CAROLINA)
)
COUNTY OF ANDERSON) IN THE COURT OF COMMON PLEAS
) C.A. NO.: 12-CP-04-01965

Karen P. Small,)
)
Plaintiff,)
)
vs.)
)
Gary L. Bryant,)
)
Defendant.)
_____)

ORDER APPOINTING RECEIVER



This matter came before me on this date on Motion of the Plaintiff, pursuant to Rule 66, South Carolina Rules of Civil Procedure, for a *pendente lite* Order appointing a receiver to take possession of, hold, conserve, manage and liquidate certain business assets pursuant to further Order of this Court, that are subject to a security interest in favor of the Plaintiff.

Appearing was the Plaintiff, represented by her attorney, Harold P. Threlkeld of the Anderson Bar.

This matter was referred to me by Order of Reference *Nisi* made by Honorable Richard A. Shirley, Clerk of Court for Anderson County, South Carolina dated May 18, 2012 directing me to make a final judgment in the cause pursuant to Rules 53 and 66, South Carolina Rules of Civil Procedure, with appeal therefrom to the South Carolina Court of Appeals.

Pursuant to said Order, I have held a hearing wherein testimony was taken and evidence admitted, as reported by separate transcript.

From the testimony and evidence before me, I have made the following findings of fact, conclusions of law and judgment in the matter:

I. PROCEDURAL BACKGROUND

1.1 This action was brought by Complaint of the Plaintiff against the Defendant seeking *pendente lite* relief in the form of appointment of a receiver to hold and manage business assets during the pendency of this action and for a final judgment for the amount

due on a promissory note with enforcement of the security interest of the Plaintiff against the business assets being the subject matter of this action.

1.2 The parties to and business assets are citizens and residents of and located in the County of Anderson, State of South Carolina.

1.3 The Summons and Complaint, Notice and Motion for Appointment of Receiver, Motion for Order of Reference Nisi, Order of Reference Nisi, Notice of Reference Nisi and hearing on Motion to Appoint Receiver were duly served upon the Defendant as evidenced by Affidavit of Service exhibited to me prior to the commencement of this hearing.

1.4 This Court has jurisdiction of the parties to and subject matter of this action and all parties are properly before the Court for adjudication of pendente lite issues stated in the Complaint.

II. FACTUAL BACKGROUND

2.1 A.M. 1020, Inc. is a corporation organized under the laws of the State of South Carolina with its offices and principal place of business in the County of Anderson, State of South Carolina ("A.M. 1020");

2.2 FM 103, Inc. is a corporation organized under the laws of the State of South Carolina with its offices and principal place of business in the County of Anderson, State of South Carolina ("FM 103");

2.3 A.M. 1020 and FM 103 are sometimes hereinafter collectively referred to as the "Corporations";

2.4 On August 7, 2005, Plaintiff owned all of the outstanding and issued common stock of A.M. 1020 (the "A.M. 1020 Stock");

2.5 On August 7, 2005, Plaintiff owned all of the outstanding and issued common stock of FM 103, Inc. (the "FM 103 Stock");

2.6 The A.M. 1020 Stock and the FM 103 Stock are sometimes hereinafter collectively referred to as the "Stock";

2.7 On August 7, 2005, the Plaintiff and/or A.M. 1020 and/or FM 103 owned certain Federal Communication Commission License for the following broadcast facilities:

	<u>Name</u>	<u>FCC Registration</u>	<u>Facility ID No.</u>	<u>Call Sign</u>
1.	FM 103	006441588	21830	WRIX-FM
2.	FM 103	006441688	21829	WANS
3.	A.M. 1020	006440986	1216	WRIX

2.8 The licenses identified in the foregoing paragraph are sometimes collectively referred to as the "Licenses";

2.9 On October 20, 2005, Plaintiff sold to the Defendant all of the outstanding and issued Stock in the Corporations and all of her or its rights in the License for the sum of One million two hundred thousand dollars (\$1,200,000.00);

2.10 In payment of the purchase price, the Defendant paid to the Plaintiff the sum of Fifty thousand dollars (\$50,000.00) in cash and made, executed and delivered to the Plaintiff his promissory note (the "Note") in the principal amount of One million one hundred fifty thousand dollars (\$1,150,000.00), payable with interest at the rate of five percent (5%) per annum in monthly installments of Seven thousand five hundred eighty-nine and 90/100 (\$7,589.90) dollars, beginning January 15, 2006 and continuing on the same day of each month thereafter until the full amount was paid.

2.11 As security for payment of the Note, Defendant pledged the Stock to William R. Thomson, Esquire as escrow agent to hold the pledged Stock as security for payment of the debt evidenced by the Note.

2.12 As further security for payment of the Note, the Defendant made, executed and delivered to the Plaintiff a Purchase Money Security Agreement wherein and whereby the Defendant and the Corporation granted to the Plaintiff a security interest in the Stock, the License and in all other assets of the Corporations;

2.13 The Defendant defaulted in payment of the indebtedness represented by the Note in that he failed to pay the monthly installment due on March 15, 2010 and all installments due thereafter, despite demand therefor;

2.14 The Defendant shortly thereafter became financially unable to operate the radio stations and it became necessary for the Plaintiff to fund the financial operations of the radio stations operating subject to the License;

2.15 In 2011, the Plaintiff, with the approval, consent and at the request of the Defendant, caused Phillips Media, LLC to assume operation of the radio stations and Phillips Media, LLC continues at this time to manage and finance the operation of the radio stations;

2.16 The balance due on the indebtedness of the Defendant to the Plaintiff is the principal sum of Nine hundred fifty-two thousand five hundred thirty-four and 81/100 (\$952,534.81) dollars, plus interest accumulated through June 12, 2012 in the amount of One hundred seven thousand one hundred sixty and 18/100 (\$107,160.18) dollars for a total amount of One million fifty-nine thousand six hundred ninety-four and 99/100 (\$1,059,694.99) dollars, less profits, if any, realized from the operation of the radio stations;

2.17 The Defendant may claim some right, title or equity of redemption in and to the Stock, the License and the assets of the Corporations;

2.18 There may be creditors who may claim some lien in and to the Stock, the License and the assets of the Corporations;

2.19 The Internal Revenue Service of the United States of America and the South Carolina Department of Revenue claims or may claim some lien on the Stock, License and assets of the Corporations;

2.20 In order to protect the interest of the parties to this action and the creditors of the business and to protect the ongoing nature of the business, it is necessary for a receiver to be appointed to take possession of the businesses and to manage the same under Order of this Court until further Order of this Court; and,

2.21 Clifford H. Bowman is a certified public accountant who has knowledge of the business affairs of the Corporations and the parties and is a suitable person to be appointed receiver.

III. JUDGMENT

IT IS ORDERED, ADJUDGED AND DECREED that:

1. Appointment of Receiver. Clifford H. Bowman is hereby appointed Receiver of the Corporations and the License and all assets of the Corporations and as receiver he is authorized and directed to perform the acts and functions which are more particularly set forth hereinafter.

2. Surety Bond. The Receiver shall have his bond made payable to the Clerk of Court for Anderson County, South Carolina in the sum of \$_____ with such surety or sureties as are required by law.

3. General Authority. The Receiver shall:
a. Demand and receive from the parties and all persons which may hold the same: all books of account and financial records of any character relating to

income realized and disbursements made in connection with the operation of the collateral property; all policies of insurance maintained on the collateral; a schedule of all accounts receivable for rent and income due on the collateral; and, a schedule of all choses in action and choses in possession of the Defendant and the Corporations, relating to the Stock, License and assets of the Corporations;

b. Take possession of and control of the real property occupied by the Corporations and Phillips Media, LLC, together with all personal property located on or about the premises and to secure and hold the same subject to further Order of this Court;

c. Employ such personnel as the receiver deems necessary for conservation, protection and security of the operation of the businesses of the Corporations and Phillips Media, LLC and to disburse such funds as may be required from time to time for the maintenance and upkeep of the property under his control, including utilities, repairs, taxes, insurance, salaries, fees and other expenses as may be reasonably required for the protection of the property and for the operation of the businesses held by the Receiver or that is incidental or reasonable and efficient management of the same;

d. Have all the usual powers and duties of receivership in addition to those special powers set forth hereinafter, and shall, as rapidly as circumstances will permit, secure, preserve and conserve the collateral until further Order of this Court.

4. Special Duties. In addition to general duties, the Receiver shall:

a. Develop and present to the Court by Petition and proposed Order a plan for management and sale of the businesses and collateral owned by the Corporations as may be approved by further Order of this Court;

b. Implement any Court Order relating to the sale and/or liquidation of all or part of the collateral;

c. Upon satisfaction of Plaintiff's demand, apply to the Court for discharge.

5. Compensation of Receiver. The receiver shall receive reasonable compensation for his services, as approved by this court. In addition to compensation, the receiver shall be reimbursed for out-of-pocket costs incurred, including travel expenses, auditors and technical assistance. The receiver is authorized to retain counsel, but shall, however, retain auditors or accountants only upon leave of the Court.

6. Injunction. The Defendant and all agents, servants and employees of the said Defendant are hereby restrained and enjoined from committing or suffering to exist,

any condition or situation that interferes with or obstructs the receiver in the performance of his duties as set forth herein.

7. Authorization. All banks, insurance companies, financial institutions and individuals transacting business with either one or more of the Corporations and/or Phillips Media, LLC relating to the collateral is hereby authorized to provide the receiver with information relating to the collateral and other property in the hands of the receiver and to provide the receiver with documentation relating to such collateral and property in possession of the receiver without the approval or consent of the Defendant.

8. Adjournment. The issuance of this Order constitutes an adjournment of this hearing and this hearing shall be re-adjourned by notice of the receiver to the Defendant, without further Order of the Court for the purpose of addressing administrative matters pertaining to the conservation, preservation, disposition, sale and/or liquidation of the collateral and other property in the hands of or in possession of the receiver.

9. Property Description. The property being subject matter of this Receivership Order is the Stock, the License, and the tangible and intangible personal property and fixtures of the Corporations.

IT IS SO ORDERED this 12 day of June, 2012.

/s/ Ellis B. Drew, Jr.

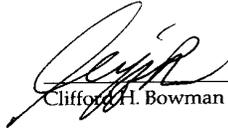
Ellis B. Drew, Jr.
Master-in-Equity for Anderson County,
South Carolina

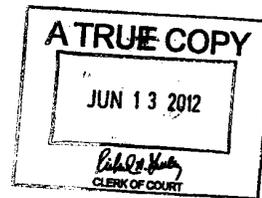
Anderson, South Carolina

CONSENT TO APPOINTMENT

I, Clifford H. Bowman, consent to my appointment as Receiver in the foregoing matter.

Dated: June 12, 2012
Anderson, South Carolina


Clifford H. Bowman



CLIFFORD H. BOWMAN, CPA, LLC
5367 HIGHWAY 24
ANDERSON, SC 29621
864-225-9800
864-225-9806(FAX)

DATE: 8-3-10

FAX TO: _____

ATTN: Shannon GLAZE

FAX # 8642867085

FROM: _____

SUBJECT: Fm 103

#PAGES EXCLUDING COVER SHEET 3

COMMENTS:

855-763-8153
267-941-1550