

Description of the Transaction

This application seeks consent to the assignment of the licenses and assets of station KFWB(AM), Los Angeles, California (the "Station") from subsidiaries of Viacom Inc. ("Viacom") to an independent trustee, who is directed under the terms of the trust instruments to operate the Station as an independent voice and competitor in the Los Angeles market.

Pursuant to the Engagement and Assignment Agreement, dated November 15, 2002, between Viacom and Bill Clark (a copy of which is attached to this Exhibit), and subject to the prior approval of the Commission, Viacom will cause Infinity Broadcasting Operations, Inc. to assign the licenses of the Station to Bill Clark as trustee of the KFWB License Trust and will cause Infinity Broadcasting Corporation (together with Infinity Broadcasting Operations, Inc., "Infinity") to assign the non-license assets associated with the Station to Bill Clark as trustee of the KFWB Asset Trust (together with the KFWB License Trust, the "Trusts"). Copies of the KFWB License Trust Agreement and the KFWB Asset Trust Agreement are attached as Attachments A and B to the Engagement and Assignment Agreement.

The trustee of both Trusts will be Mr. Bill Clark ("Trustee"), who has no business, personal, or extra-trust relationship with Viacom or Infinity. Under the terms of the Trusts, Infinity cannot replace Trustee at will. At all times, Trustee will operate the Trusts together, and Trustee will have the sole and exclusive authority to manage and operate the Station. Neither Infinity nor Viacom or any of their officers, directors, employees, shareholders or affiliates may communicate with Trustee regarding the management of the Station.

The Trusts will be irrevocable by Infinity and will have a limited term of 5 years, subject to early termination if:

- 1) Viacom disposes of another radio broadcast station in the Los Angeles radio metro market;
- 2) due to a change in the radio-TV cross-ownership rule or for any other reason Viacom can lawfully control two television stations and seven radio stations in the Los Angeles radio market; or
- 3) Trustee sells the Station to a third party unaffiliated with Infinity or Viacom at the request of Infinity.

In the event Viacom may lawfully own and control the Station due either to a change in the law or to the sale of another station in the market, Trustee is directed to re-assign the Station to Infinity upon Commission approval. If a sale or re-assignment of the Station is not pending upon expiration of the term of the Trusts, Trustee must use commercially reasonable efforts to sell the Station to a third party unaffiliated with Infinity or Viacom.

In sum, Infinity as grantor/beneficiary will relinquish (a) the unrestricted power to revoke the Trusts, (b) the unrestricted power to replace the trustee at will, and (c) the sole power to sell the Station. The Trusts thus qualify as insulated trusts under 47 C.F.R. § 73.3555, Note 2(d). Accordingly, consistent with Commission precedent,¹ the proposed

¹ See *Twentieth Holdings Corp.*, 4 FCC Rcd 4052 (1989) (approving irrevocable trust arrangement with unlimited duration to effect compliance with newspaper/broadcast cross-ownership restriction); *Wolverine Cablevision, Inc.*, 69 F.C.C. 2d 1487 (1978) (approving insulated trust, having a term of two years, to effect compliance with broadcast/cable cross-ownership rule); see also *Roy M. Speer*, 15 FCC Rcd 19935 (2000) (concluding that an insulated trust could effect compliance with Commission's former cross-interest policy); *Lorimar Telepictures Corp.*, 3 FCC Rcd 6250 (1988) (approving irrevocable trust agreement, having a term of 10 years, to effect compliance with television local ownership restriction); *KKR Associates, L.P.*, 2 FCC Rcd 7104 (1987) (approving trust arrangement of unlimited duration to effect compliance with national television ownership restriction).

assignment of the Station into these Trusts will bring Viacom into compliance with the radio-television cross-ownership rule, 47 C.F.R. § 73.3555(c), in Los Angeles.²

² See *Fidelity Television, Inc.*, 17 FCC Rcd 8567 (2002) (Commission directing Viacom to file an application to comply with the radio-TV cross-ownership rule within 6 months of consummation of the acquisition of KCAL-TV).