

Character Issues

On July 16, 2004, David Edward Smith filed a petition for reconsideration of an action of the Chief, Enforcement Bureau, by letter dated June 16, 2004, which denied a number of indecency complaints against WKQX(FM) and denied reconsideration of the earlier dismissal of a number of other such complaints against the station. In that petition, Smith also alleges that Emmis was involved in a civil lawsuit filed by Erich Muller (a/k/a “Mancow”) against him relating to his complaints against WKQX, and that such alleged involvement adversely affects Emmis’s qualifications to be a licensee. Substantially similar allegations were subsequently made by Smith in an “informal objection” filed July 23, 2004, with respect to applications for renewal of license of Emmis radio stations in the state of Indiana.

Emmis has responded to the petition for reconsideration, and will respond to the informal objection in due course.

Emmis does not concede that these allegations raise “character” issues, but discloses them out of an abundance of caution.

It is important to note that, as described in Exhibit 10, (i) the proposed assignment is part of an internal corporate reorganization, (ii) the assignor and assignee are ultimately controlled by the same entity, and (iii) there will be no change whatsoever in ultimate ownership or control.

Accordingly, however the allegations described above may be characterized, they have no bearing on the instant application.