

Description of the Proposed Transaction

This application is one of several simultaneously filed applications (collectively, the “Short-Form Applications”) seeking consent of the Federal Communications Commission (“FCC” or “Commission”) to the *pro forma* transfer of control of the license-holding indirect subsidiaries of Freedom Communications Holdings, Inc. (“Freedom”).¹

Freedom) is the ultimate parent entity of entities that own and operate eight full power commercial television stations (the “Stations”), and a variety of associated licenses issued by the Commission. A list of the Stations and licensees at issue is attached as Appendix A.

On September 1, 2009, Freedom and its subsidiaries filed for voluntary bankruptcy under Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”). The Commission shortly afterwards granted *pro forma* applications reflecting the current status as “debtors in possession” of the wholly-owned Freedom subsidiaries that hold FCC licenses (the “Licensee Subsidiaries”).² Thus, the Bankruptcy Court currently has oversight, and thus, ultimate control, of the Licensee Subsidiaries.

On March 9, 2010, the Bankruptcy Court confirmed a Joint Plan of Reorganization Under Chapter 11, Title 11, United States Code, *In re Freedom Communications Holdings, Inc., et al.*, Case No. 09-13046 (BLS)(Jointly Administered)(the “Plan”). Under the Plan, Freedom will emerge from bankruptcy with a new capital structure, and enhancing its ability to meet the needs of broadcast viewers.

A condition precedent to the effectiveness of the Plan, and thus the emergence from bankruptcy of the Freedom operating subsidiaries who currently own the assets of the Stations other than the FCC licenses (the “Operating Subsidiaries”), is Commission grant of the Short-Form Applications. The Short Form Applications seek Commission consent to the transfer of control of the Licensee Subsidiaries to a trust established under the Plan and approved by the Bankruptcy Court (the “Trust”), which trust will remain subject to the oversight, and thus the ultimate control, of the Bankruptcy Court. Specifically, the Plan provides that “all of the

¹ Applications are also being filed with the Commission’s Wireless Telecommunications and International Bureaus requesting the *pro forma* transfer of control of other authorizations ancillary to Freedom’s television broadcast operations.

² File Nos. BALCDT-20090908ACI, ACT, ACZ, ADA, ADC, ADR, ADS, and ADT.

Subsidiary Interests in each of the Reorganized Broadcast Licensee Companies shall be issued to the Broadcast Trustee to be held in trust pursuant to the terms of the Broadcast Trust Agreement *and subject to the continued supervision of the Bankruptcy Court.*³ The Trust Agreement further specifically provides that any changes in the identity of the Trustee or in the terms of the Trust must be approved by the Bankruptcy Court and, if appropriate, by the Commission, and that the parties to the Trust Agreement are subject to the continuing jurisdiction of the Bankruptcy Court.⁴ Moreover, the order of the Bankruptcy Court confirming the Plan provides that any transactions outside the ordinary course of business implemented by the Trustee require the approval of the Bankruptcy Court.⁵

As detailed below, use of the Trust is consistent with recent Commission approval of similar applications in the context of restructuring transactions, as well as the Commission's policy of applying its rules in a manner that advances other Federal policies, including the bankruptcy laws. *See LaRose v. FCC*, 494 F.2d 1145, 1146 n.2 (D.C. Cir. 1974). As noted above, the proposed Short-Form Applications will allow Freedom and its subsidiaries to emerge from bankruptcy promptly, thus serving the public interest by enabling the Stations to operate without the costs and uncertainty of a continued Chapter 11 proceeding. Thus, approval of the proposed transactions serves both the interests reflected in the bankruptcy laws *and* the public interest in strong and vibrant local television service.

The sole Trustee of the Trust (the "Trustee") is Gary R. Chapman, an experienced, longtime and well-respected broadcaster, whose qualifications have been approved repeatedly by the Commission. Mr. Chapman was formerly the Chairman of the Board and CEO of LIN TV Corporation, subsidiaries of which are licensees of television stations across the United States. Mr. Chapman previously held management positions at other broadcasting companies. In addition, Mr. Chapman has served as Chairman of the Television Board of Directors and of the Joint Board of Directors of the National Association of Broadcasters. He also served as Chairman of the Board of the Association for Maximum Service Television, Inc., in addition to numerous other industry leadership positions. His biography is attached as Appendix B. Mr. Chapman is not an employee of Freedom or of any of its subsidiaries.⁶

Further, the Trustee will at all times be subject to the jurisdiction, supervision, and control of the Bankruptcy Court. When ownership of the Licensee Subsidiaries is transferred to the Trust, the Operating Subsidiaries and the Trust will enter into Local Marketing Agreements ("LMAs") under which the Operating Subsidiaries will provide programming and other services to the Stations under the supervision of the Trustee.

³ Article 5.16(b) of the Plan (emphasis added).

⁴ Broadcast Trust Agreement §§ 7, 8, 10, 11.j.

⁵ Order Confirming Joint Plan of Reorganization § 17.

⁶ Over 20 years ago, Mr. Chapman was a senior executive at Freedom but has had no continuing professional involvement with Freedom. Although his employment at Freedom ended in 1989, Mr. Chapman continues to be a participant in Freedom's Non-Qualified DC Plan and Non-Qualified EB Plan. As such, he is currently the holder of non-qualified retirement claims under those plans.

Because Freedom and its Licensee Subsidiaries are currently under the control of the Bankruptcy Court, and the Trustee will continue to be subject to the control of the Bankruptcy Court, the proposed transaction is involuntary and does not represent a substantial change in control of the Licensee Subsidiaries. The purpose of these transactions is to facilitate the expeditious emergence from bankruptcy of Freedom and its subsidiaries. Long-form applications seeking the Commission's consent to the transfer of control of the Licensee Subsidiaries from the Trust to reorganized Freedom and the Operating Subsidiaries will be filed (the "Long-Form Applications") after consummation of this proposed transfer of control to the Trust.

The Beneficiaries of the Trust are the Operating Subsidiaries,⁷ who have no rights to control the decisions of the Trustee.⁸ Neither Freedom nor the Operating Subsidiaries has the right under the Plan to revoke the Trust and, as indicated above, the Trust Agreement cannot be amended without the consent of the Bankruptcy Court. The Trustee has the sole responsibility to control the Licensee Subsidiaries, subject only to the continuing jurisdiction of the Bankruptcy Court and has full authority to perform his responsibilities as the Trustee in control of the Licensee Subsidiaries.⁹

Under the LMAs,¹⁰ which are materially similar in terms to LMAs which the Commission has approved, the Operating Subsidiaries will provide sales and other services and programming to the Stations. The LMAs provide the Trust with ultimate responsibility for personnel, programming and finances for the Stations,¹¹ require that the Trust will have at least two employees at each station cluster,¹² and make the Trust responsible for the payment of expenses of the Stations.¹³

This Transaction is Pro Forma in Nature

The proposed transactions qualify for short-form treatment. Grant of the Short-Form Applications will not result in a substantial or voluntary change in the control of a licensee. While the Trust is in place, management and control of the Licensee Subsidiaries will remain

⁷ Broadcast Trust Agreement § 4.

⁸ Article 5.16(b) of the Plan.

⁹ The Trustee can be removed, but only for cause, by the unanimous vote of the Board of Directors of Freedom, the ultimate parent company of the beneficiaries. The appointment of a successor Trustee must be approved by the Bankruptcy Court and by the Commission.

¹⁰ There are separate LMAs for each Operating Subsidiary. With the exception of the names of the parties, identification of the stations involved, and grammatical changes to reflect those differences, the LMAs are identical.

¹¹ LMA ¶¶ 4(a), 4(d), 4(f).

¹² *Id.* ¶ 4(d).

¹³ *Id.* ¶ 4(a).

subject to the continuing jurisdiction of the Bankruptcy Court. Further, the proposed transactions are required by the order of the Bankruptcy Court confirming the Plan and thus, with respect to Freedom and its subsidiaries, are involuntary.

Moreover, the Commission has granted similar requests in the context of bankruptcy proceedings to transfer control to a trust using short-form procedures, pending approval of long-form applications. The Commission on September 28, 2009 approved short-form applications to transfer control of the licensee subsidiaries of ION Media Networks to a trust.¹⁴ In February of this year, the Commission approved a similar short-form application to permit the transfer of control of the licensee subsidiary of Affiliated Media to a trust pending grant of a long-form application to transfer control to the reorganized company.¹⁵

The instant applications are directly analogous to the ION and Affiliated Media applications. Like the licensee subsidiaries at issue in those proceedings, the Freedom Licensee Subsidiaries are currently operating as debtors-in-possession under the control of the Bankruptcy Court. As with ION and Affiliated Media, the Freedom Plan confirmed by the Bankruptcy Court expressly provides for the establishment of the Trust to hold and manage the licensee subsidiaries until the FCC grants the Long-Form Applications. Like the trusts in the ION and Affiliated Media transactions, the Freedom Trust and the actions of the Trustee are explicitly subject to the supervision and control of the Bankruptcy Court. Since the Commission concluded that the use of short-form applications was appropriate in those cases, it should reach the same conclusion here and grant the Short-Form Applications.

¹⁴ BALCDT-20090901AIF

¹⁵ BALCDT-20100127ACS

Appendix A

Freedom Broadcasting Stations

Station	Facility ID No.	Licensee Subsidiary	Operating Subsidiary
WPEC	52527	Freedom Broadcasting of Florida Licensee, LLC, Debtor-in-Possession	Freedom Broadcasting of Florida, Inc., Debtor-in-Possession
WLAJ	36533	Freedom Broadcasting of Michigan Licensee, LLC, Debtor-in-Possession	Freedom Broadcasting of Michigan, Inc., Debtor-in-Possession
WWMT	74195	Freedom Broadcasting of Michigan Licensee, LLC, Debtor-in-Possession	Freedom Broadcasting of Michigan, Inc., Debtor-in-Possession
WCWN	73264	Freedom Broadcasting of New York Licensee, LLC, Debtor-in-Possession	Freedom Broadcasting of New York, Inc., Debtor-in-Possession
WRGB	73942	Freedom Broadcasting of New York Licensee, LLC, Debtor-in-Possession	Freedom Broadcasting of New York, Inc., Debtor-in-Possession
WTVC	22590	Freedom Broadcasting of Tennessee Licensee, LLC, Debtor-in-Possession	Freedom Broadcasting of Tennessee, Inc., Debtor-in-Possession
KFDM	22589	Freedom Broadcasting of Texas Licensee, LLC, Debtor-in-Possession	Freedom Broadcasting of Texas, Inc., Debtor-in-Possession

KTVL	22570	Freedom Broadcasting of Oregon Licensee, LLC, Debtor-in- Possession	Freedom Broadcasting of Oregon, Inc., Debtor- in-Possession
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Gary R. Chapman

Gary R. Chapman is President of Gary R. Chapman Consulting LLC (July 2007 – present). Gary Chapman was Chairman, President and CEO of LIN TV Corp. (NYSE: TVL). Gary retired in July 2006. He joined LIN's former parent in 1988 as President of Television and was named CEO of Television in June 1994 and Chairman in August 2000.

Gary received his BS degree in radio and television communications from Southern Illinois University at Carbondale. He began his television career at KSDK-TV, St. Louis in 1967, and by 1976 he became Director of Marketing and Research for KSDK's owner, Pulitzer Television. After serving as General Manager of WLNE-TV, Providence from 1979 to 1984, Gary was promoted to Director of Broadcasting for the station's parent company, Freedom Newspapers, Inc. In 1987, he was named Senior Vice President, Broadcasting of Freedom Newspapers.

Gary became a member of the Electronic Media Rating Council in 1980, and presided as Chairman from 1982 to 1988. Gary was the Joint Board Chairman of the National Association of Broadcasters (NAB) from 1991 to 1993 and served on the Board of Directors since 1987, including Chairman of the Television Board (1989-1991). He has served as Chairman of COLTAM and chairman of the NAB Personal Diary Project. He has also served on the Board of Directors for the Broadcast Education Association, the Advanced Television Test Center, Inc. (ATTC), and The Advertising Council. Gary was Chairman of the Board of The Association of Maximum Service Television (MSTV) from 2000-2005. He is presently Chairman of the Advisory Board of Governors for the National Association of Broadcasters Education Foundation (NABEF), co-chairman of the NAB Decency in Programming Task Force, and is on the Board of Broadcasting Foundation of America. Gary is also a former director of The Greater Providence Chamber of Commerce. Gary is the recipient of the 2002 Hugh Malcolm Beville, Jr. Award for his achievement in the field of audience research. Gary received an Honorary Doctoral Degree from Roger Williams University in May 2005, and is a Board Trustee at Roger Williams University.