

Exhibit 2

Pro Forma, Involuntary Nature of Proposed Transaction

This application seeks Commission consent to the *pro forma*, involuntary transfer of control of Meredith Corporation (the “Corporation”) on February 3, 2003, upon the death of E.T. Meredith, III, a principal of the Corporation who voted a significant block of the Corporation’s issued and outstanding stock. The use of FCC Form 316 is appropriate for this transaction because the changes in the voting power over the stock of the Corporation resulting from Mr. Meredith’s death are, by definition, involuntary (*See* 47 C.F.R. § 73.3541) and also because the changes in the voting rights in the Corporation resulting from Mr. Meredith’s death meet the standards for a *pro forma* change. As described below, the stock over which Mr. Meredith held sole voting power amounts to less than 50% of the total voting rights in the Corporation, and more than 50% of the voting rights in the Corporation’s stock will remain controlled by persons previously approved by the Commission through one or more long-form applications. Because the changes in the alignment of voting rights occasioned by Mr. Meredith’s death effectuate only a *pro forma* change in control of the Corporation, only a single set of applications requesting consent for an involuntary *pro forma* change in control are required to be filed.

Background. The Corporation, which has publicly traded stock, directly or indirectly controls ten full power television broadcast licenses, together with certain low power television, private radio, and other radio licenses used in its broadcast operations. The Corporation has two classes of stock: (i) Common Stock, predominantly held by the public, with one vote per share; and (ii) Class B Stock, predominantly held by or for the benefit of Corporation management and family members, with ten votes per share. More than 60% of the voting rights of the total issued and outstanding stock of the Corporation are held and exercised by and/or for the benefit of members of the extended Meredith/Bohen/Henry families.

Until his death, Mr. Meredith exercised, either directly or in combination with other family members, voting power over the stock of the Corporation that was held by a family partnership, a series of irrevocable trusts for family members, and a certain charitable foundation. Mr. Meredith’s direct stockholdings in the Corporation represented only 3.673% of the total voting rights in the Corporation. With regard to the family partnership and those irrevocable trusts in which Mr. Meredith was the sole party authorized to vote the Corporation stock, Mr. Meredith exercised approximately 40.583% of the total voting rights. Thus, including his direct stockholdings, Mr. Meredith, at the time of his death, was the sole party authorized to vote approximately 44.256% of the voting rights in the stock of the Corporation.

For other irrevocable family trusts and the charitable foundation holding the Corporation stock, Mr. Meredith did not have sole power to vote the Corporation stock, but shared the power to vote the stock with one or more other parties.¹ The Corporation stock over which Mr.

¹ For example, in irrevocable trusts comprising in the aggregate approximately 6.409% of the voting rights in the Corporation, Mr. Meredith shared the voting rights over the stock in trust

continued...

Meredith had shared power to vote amounted to approximately 7.133% of the total voting rights in the Corporation.

All of the irrevocable trusts that were held exclusively for Mr. Meredith's benefit divided on his death on a per stirpital basis for his descendants with the Corporation stock to be held in further trusts that grant sole voting rights to members of his family. Other irrevocable trust instruments provide for the sole and shared voting rights held by Mr. Meredith to pass on his death to a named alternate or to the party sharing the voting right with Mr. Meredith during his life. In the case of the charitable foundation, the voting rights continue to be exercised by the remaining members of the foundation's existing board. As a result of the operation of these provisions in the various trusts affected, together with voting rights held prior to Mr. Meredith's death, Mr. Meredith's surviving spouse, Katherine Meredith, will exercise voting power over stock representing 31.879% of the total voting rights in the Corporation. Her son, Edwin Meredith, IV, will control the next largest percentage of the Corporation's voting power with approximately 11.027%, followed by her daughter, Dianne Mell Meredith Frazier, with approximately 10.462%. The Commission previously approved Katherine Meredith, Edwin Meredith, IV and Dianne Mell Meredith Frazier, each of whom previously were reported to and approved by the Commission on long-form applications because of their prior voting rights over the Corporation stock and, in the case of Mrs. Frazier, because of her positions as a Director of the Corporation and as a Director of Corporate Planning.

Pro Forma Change. The Commission traditionally has held that a change in voting control is *pro forma* if, as a result of the change, less than 50% of the voting rights in the corporation change hands and, following the transfer, more than 50% of the voting rights remain in the hands of persons previously approved by the Commission in a long-form application.

In this instance, Mr. Meredith, at the time of his death, had insignificant direct stock holdings in the Corporation (only 3.673%) and had sole voting authority over stock representing only 40.583% of the voting rights in the Corporation. The stock held in the irrevocable trusts for Mr. Meredith's benefit will remain in family trusts. These trusts will divide into future trusts for the benefit of Mr. Meredith's descendants (that is, the trusts will distribute the stock of the Corporation that they hold into new family trusts and terminate). Other direct stockholders – for example, a family partnership and a charitable foundation – remain in place. Thus, because the stock over which he held sole voting power amounts to less than 50% of the total voting rights in the Corporation, the change of that interest resulting from his death constitutes a *pro forma* change. With respect to the stock over which Mr. Meredith held shared voting rights under the applicable trust instrument or foundation governance instrument – an additional 7.133% of the total voting rights in the Corporation – Mr. Meredith held at most negative control or was only

...continued

with his wife, Katherine Meredith, under terms requiring that both had to agree to vote the stock and providing for a neutral financial institution with fiduciary obligations to serve as arbiter in the event of a deadlock between them.

one of several board members. It is well established that a change from negative control to no control is *pro forma* and that a change in one of several board members of a charitable entity is no cognizable change in control at all. Accordingly, the stock over which Mr. Meredith exercised shared voting power does not affect the analysis that the first prong of the test for a *pro forma* change in control is met and that less than 50% of the voting rights in the Corporation changed as a result of Mr. Meredith's death.

In addition, in the changes of interest resulting from Mr. Meredith's death, more than 50% of the voting rights in the Corporation's stock will remain in the hands of persons previously reported to and approved by the Commission through a long-form application. Mr. Meredith's surviving spouse, Katherine Meredith, will exercise voting power over stock representing 31.879% of the total voting rights in the Corporation, her son, Edwin Meredith IV, over approximately 11.027%, and her daughter, Dianne Mell Meredith Frazier, over 10.462%. As described above, each previously has been reported to the Commission and approved on a long-form application. Considering only these three individuals, it is plain that more than 53.368% of the voting rights in the Corporation will remain in the hands of persons previously approved in a long-form application.

Involuntary Transfer of Control. Generally, the Commission has used applications for involuntary change in control when control will pass to an interim holder, such as an executor or trustee. The Commission's rules and policies on transfers of control occasioned by the death of a principal generally contemplate that voting rights in stock will pass initially to the executor under a will, who will have the responsibility to vote the stock pending distribution of the stock to the decedent's heirs and legatees in connection with the winding up of the estate. If the change in stock interest may effect either a *pro forma* or a long-form transfer, consent for the exercise of interim control by the executor would be sought through an application for consent to involuntary transfer of control. Depending upon the size and nature of the stock interest affected, consent subsequently would be sought under a *pro forma* or a long-form application for the distribution of the stock to the heirs and legatees in connection with the winding up of the estate.

In this instance, all but a small portion (a 3.673% interest) of the Corporation stock over which Mr. Meredith had shared or sole voting power is in a series of irrevocable trusts and a Meredith family partnership, as previously reported to the Commission in periodic ownership reports. The terms of the trusts designate the party or parties succeeding to voting rights in the stock upon the occasion of Mr. Meredith's death. Thus, in this instance, there will be no designated interim holder of significant voting rights. In the past, however, the Commission has permitted the use of an involuntary transfer of control application to transfer control of a corporation to "permanent" holders of the interest when the transfer itself was *pro forma*.² Thus,

² See FCC File Nos. BTCCT-990208IF; BTCTTV-990208IG; BTCCT-990208IH-IN; BTCCT-990208IP-IS.

in this situation, the use of a single set of applications for involuntary transfer of control, with no subsequent applications to be filed, conform to past Commission practice.

Conclusion. In sum, use of FCC Form 316 is appropriate for this transaction because of the *pro forma* change of voting rights occasioned by Mr. Meredith's death. Additionally, even though there will be no designated interim holder of significant voting rights, because there is only a *pro forma* change of voting rights, only a single set of applications requesting consent for this involuntary *pro forma* change in control is being filed.