

**FOREIGN OWNERSHIP**

This Exhibit is being filed in support of the application of Millennium Atlantic City License Holdco, LLC ("Millennium Atlantic City") to acquire radio station WKOE(FM), Ocean City, New Jersey, from Ocean Communications Broadcasting, L.L.C.

Millennium Atlantic City, a Delaware limited liability company, is indirectly wholly owned and controlled by Millennium Radio Group, LLC ("Millennium Radio"). The ownership structure of the licensee of this transaction is fully consistent with the ownership structure expressly contemplated in the application for FCC consent to the voluntary assignment of licenses for radio broadcast station WCHR-FM, Manahawkin, New Jersey, from Nassau Broadcasting II, LLC to Millennium Shore License Holdco, LLC ("Nassau-Millennium Transaction"). *See* FCC File Nos. BALH-20040523AFB. The application was granted by the Mass Media Bureau under delegated authority on March 15, 2004.

This Exhibit is substantially identical to the "Foreign Ownership" Exhibit filed in the FCC approved Nassau-Millennium Transaction. The purpose of this Exhibit is to provide the Commission with information setting forth the continued basis for Millennium Atlantic City's certification in connection with Question No. 9 of Section III to the assignee's portion of the application on FCC Form 314 to be filed with the purpose of obtaining prior FCC consent to the assignment of license for WKOE.

Millennium Atlantic City has certified in good faith that it complies with the applicable provisions of Section 310(b) of the Communications Act of 1934, as amended (the "Act") relating to interests of aliens and foreign governments. Millennium Radio respects the Commission's desire that applicants proposing foreign ownership volunteer information so that the Commission can make an informed judgment. In that spirit, this Exhibit sets forth the proposed assignee's continuing basis for certifying that it complies with the foreign ownership limitations under the Act. If the FCC believes that additional information is necessary, Millennium Atlantic City intends to be responsive to any such request received from the Commission.

As detailed in prior Exhibits to this application, Millennium Atlantic City is a Delaware chartered limited liability company and is indirectly, through Millennium New Jersey Holdco LLC ("Millennium Holdco"), wholly owned and controlled by Millennium Radio, itself a Delaware formed limited liability company. It is contemplated that Millennium Atlantic City will hold the FCC licenses for WKOE, and that Millennium Atlantic City Asset Holdco, LLC, a sister limited liability company, also indirectly wholly owned and controlled by Millennium Radio, will own the operating assets of WKOE.

As explained earlier in this application, Millennium Radio is majority owned by Mercury Capital Partners, L.P. ("Mercury"), a limited partnership chartered in the State of Delaware by Charles W. Banta. Through his limited partnership, Mercury Capital GP, L.P., Mr. Banta acts as the sole general partner of Mercury. The day-to-day operations of Millennium Radio and its affiliated companies are under the authority of Mr. Banta through Mercury Capital Manager,

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L.P. (an affiliate of Mr. Banta in which Mr. Banta is the sole limited partner and indirectly holds 100% ownership interest) pursuant to a management agreement. Mr. Banta, an American citizen, is a very experienced and highly respected radio broadcast station owner and operator. He is active in the undertakings of Millennium Radio. Mercury invested equity in the amount of \$15,816,269 for its 77.93% ownership interest in Millennium Radio.

Joining as an owner of Millennium Radio is Peter S. Handy, also a United States citizen. Mr. Handy is a very experienced and respected media broker and consultant. Mr. Handy is also active in the business of Millennium Radio. Mr. Handy has invested equity in the amount of \$226,919 for his personal 1.12% ownership interest in Millennium Radio. Mr. Handy's affiliated, State of Delaware formed corporation, Astron Services, Inc. ("Astron"), invested equity in an additional amount of \$ 907,677 for its 4.47% ownership interest in Millennium Radio.

To add to Millennium Radio's financial strength, Mr. Banta sought out and persuaded UBS Capital Americas VI, LLC ("UBS Capital VI"), a Delaware limited liability company, to join the business undertaking both as a minority equity owner and as a lender. UBS Capital VI, LLC is a private investment firm which provides equity and debt financing for growing companies. UBS Capital VI formed Capital Radio Holdings, LLC ("Capital Radio"), also a Delaware limited liability company, to invest equity in Millennium Radio and provide debt financing to Millennium Holdco. Capital Radio has invested equity in the amount of \$2,780,961 for its 13.7% ownership interest in Millennium Radio. Capital Radio has also committed \$95,943,173 in debt financing.

Alta/Millennium Corp. is a Delaware corporation as well as an attributable investor in several Commission licensees and, as such, has had its qualifications reviewed and approved by the Commission on numerous occasions. Alta has invested equity in the amount of \$563,380 for a 2.78% ownership interest in Millennium Radio. Affiliates of Alta have also committed \$19,436,620 in debt financing, which is subordinate to the senior debt financing expected from the Bank of New York.

As set forth below, this ownership structure is consistent with Section 310(b) of the Communications Act of 1934, as amended.

**A. No Foreign Control**

There is no foreign control of, or undue influence over, Millennium Radio or any of its affiliated companies, including Millennium Atlantic City. As mentioned, Mr. Banta, a United States citizen and very experienced radio broadcaster, manages the day-to-day business and operations of Millennium Radio, subject, as is usual in such business settings, to the authority of an Advisory Board representing the owners of Millennium Radio.

The Advisory Committee is comprised of four (4) individuals. Each member has only one vote. All members of the Committee must be present to constitute a quorum for the conduct of business. Each such member is a United States citizen, including the person who is the

representative of Capital Radio. As previously indicated, Mr. Banta is the representative for Mercury; Mr. Handy for himself and Astron; Mr. Greene for Capital Radio; and Brian McNeill for Alta. With the exception of Mr. Banta, no Board member, including Capital Radio and its representative, has the ability, acting alone, to exercise any authority over or become involved in any of the day-to-day operations of Millennium. At no time will Capital Radio have more than one vote representing twenty-five percent (25%) of voting authority on the Advisory Committee. Mercury, Capital Radio, and Alta have veto rights with respect to certain "major actions."

Neither Millennium nor the Advisory Board, as is common practice for such entities in the business world, has any authority to effectuate certain typical types of "major actions" without the prior approval of Mercury and Capital Radio. The "major actions" are limited to those normally viewed as having the potential for causing a substantial impact on Millennium. The LLC Operating Agreement for Millennium Radio, which is on file with the FCC<sup>1</sup>, contains a listing of the "major actions."

It is clear from the foregoing that Millennium Radio is controlled by United States entities and persons and that Capital Radio will not have any control of, or undue influence over, Millennium.

### **B. Compliant Foreign Ownership**

Through each of Alta, Mercury and Capital Radio, Millennium Radio has attributed to it a total of 24.91% foreign ownership and a total of 13.70% foreign voting, amounts below the 25% foreign ownership "cap" contained in Section 310(b)(4) of the Act.

Alta is owned as follows: Alta Communications VIII, L.P. ("Alta VIII") holds a 93.27% voting equity interest; Alta Communications VIII-B, L.P. ("Alta VIII-B") holds a 5.19% voting equity interest; and Alta-Comm VIII S by S, LLC ("Alta-Comm") holds a 1.54% voting equity interest. Alta VIII is 0.01% foreign owned, and Alta VIII-B is 0.02% foreign owned. Alta-Comm has no foreign ownership. Accordingly, Alta is 0.93% foreign owned (0.01% x 93.26% plus 0.02 x 5.19%). Since Alta owns 2.78% of Millennium Radio, it may be said that Millennium Radio is at least 0.03% foreign owned by virtue of Alta's ownership in Millennium Radio.

One of Mercury's insulated limited partners, BMO Nesbitt Burns (U.S.), Inc. ("BMO"), is 100% foreign owned. Accordingly, since BMO owns 14.35% of Mercury, and since Mercury owns 77.93% of Millennium Radio, it may be said that Millennium Radio is at least 11.18% foreign owned by virtue of Mercury's ownership in Millennium Radio.

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<sup>1</sup> The Amended and Restated Limited Liability Agreement of Millennium Radio Group, LLC was filed with the post-consummation ownership reports for WIXM(FM), Millville, New Jersey, WBUD(AM), Trenton, New Jersey, and WKXW-FM, Trenton, New Jersey (filed June 3, 2002).

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In addition, Capital Radio is essentially 100% foreign owned. Accordingly, since Capital Radio owns 13.70% of Millennium Radio, Millennium Radio is deemed to be 24.91% (13.70% plus 0.03% plus 11.18%) foreign owned in compliance with the 25% ownership limit contained in Section 310(b)(4) of the Act.

Similarly, foreign voting interests in Millennium Radio comply with the 25% benchmark. Alta's foreign voting interest in Millennium Radio is 0.0003%, while Capital Radio's foreign voting interest in Millennium Radio is 13.70%, and Mercury's foreign voting interest because of insulation is 0%, thereby resulting in a 13.70% foreign voting interest, which is well below the 25% benchmark.

Based on the totality of facts and circumstances, including the prior Commission approval in the Nassau-Millennium transaction, Millennium Atlantic City submits that the Commission should conclude that the foreign ownership attributed to Millennium does not violate the ownership limitations set forth in Section 310(b)(4) of the Act.