Description of Transaction

This Form 315 application requests Commission consent to transfer control of JBS, Inc. ("JBS") from Samuel Jacobs ("Jacobs") to Neal A. Rosenbaum ("Rosenbaum").

JBS is the licensee of Class A television station WYSJ-CA, Yorktown, Virginia, and low power television stations WVBN-LP, Virginia Beach, Virginia and WJHJ-LP, Newport News, Virginia. This proposed transaction has been precipitated by events involving Jacobs, who holds 70% of JBS's stock (and serves as JBS's president). On April 13, 2012, Jacobs was convicted of having committed felonies by a federal jury following a trial in the United States District Court for the Eastern District of Virginia. More specifically, Jacobs was convicted of 27 counts of mail fraud, money laundering, engaging in transactions using proceeds from the mail fraud, and forgery. On February 21, 2013, Jacobs was sentenced to 12 years in prison. However, Jacobs has filed an appeal with the United States Court of Appeals for the Fourth Circuit. Thus, the Order of the United States District Court is not final, and it will not become final until after the conclusion of the appeals process.

In the meantime, subject to Commission approval, Jacobs proposes to return his stock to the corporation. Jacobs' intentions are reflected in a Special Power of Attorney and General Power of Attorney he executed after his conviction. Copies of those documents are annexed hereto. After the return of Jacobs' stock, Rosenbaum, who currently holds the remaining 30% of JBS's stock, will hold 100% of JBS's stock.

Jacobs will not receive any money or other consideration for the return of his stock to the corporation.

In short, upon consummation of the proposed transaction, Jacobs will not have any interest or role in JBS. His withdrawal from broadcasting will be complete.

Jacobs' withdrawal from broadcasting will not result in an immediate resolution of JBS's financial problems. JBS is insolvent and would be entitled to file a bankruptcy petition with the United States Bankruptcy Court for the Eastern District of Virginia. As of April 2012, JBS had $2,328,040 in debts (which does not account for the $627,963 owed to the victims of Jacobs' fraud), virtually no money in any checking account, and virtually no on-going income. A sale of the JBS stations will not change the situation. Based on information provided by a media broker, the market value of the stations does not approach the amount of the debt.

Bankruptcy, however, involves legal fees and other additional costs and expenses. It would therefore be better if the JBS stations could be managed and then sold outside the bankruptcy process, thereby increasing the amount of money available to distribute to the JBS creditors and the victims of Jacobs' fraud.

Jacobs is no longer in a position to manage JBS and fulfill that responsibility (not to mention insuring JBS's compliance with the Communications Act of 1934, as amended, or Commission rules and policies). Nor is Jacobs in a position to protect the interests of JBS's innocent creditors. Only Rosenbaum can continue to operate the business, sell the stations, and provide those creditors with some prospect of receiving at least a partial payment on their bills. Rosenbaum has also agreed to use some of the sale proceeds to make payments to the victims of Jacobs' fraud.

Rosenbaum's commitment to protect the interests of those innocent creditors and victims of Jacobs' fraud is reflected in the nature of the proposed transaction. The transaction involves a transfer of control of JBS, rather than an assignment of the stations' licenses to a new entity owned solely by Rosenbaum. As a result, the proposed transaction will preserve the rights of those creditors as well as the victims of Jacobs' fraud.

The transfer of control will also insure that Rosenbaum will not be unfairly penalized by Jacobs' misconduct. Rosenbaum – who had no role in Jacobs' criminal misconduct – is one of JBS's principal creditors. Those monies would be completely lost if Rosenbaum were not able to assume control of the corporation and sell its stations.

For all of these reasons, a grant of the application would be consistent with the Commission's *Second Thursday* policy and applicable precedent. *See Mountain View Communications, Inc.*, 24 FCC Rcd 13516, 13520-21 (MB 2009) (non-bankruptcy assignment application granted despite the disqualifying misconduct of person holding 100% of company's stock because the stockholder will not receive any benefit from the sale of the station, the sale proceeds will be distributed to lien holders and innocent creditors, and the sale will result in the stockholder's "full withdrawal from broadcasting").