

## DESCRIPTION OF TRANSACTION

This application is one of thirteen simultaneously filed applications (the “Long Form Applications”) seeking consent to the assignment of the broadcast licenses (the “Regent Licenses”) held by subsidiaries of Regent Communications, Inc., Debtor-in-Possession (“Regent Licensees DIP”) to subsidiaries of Regent Communications, Inc. as reorganized (“New Regent Licensees”), pursuant to the *Joint Reorganization Plan of Regent Communications, Inc. and Its Debtor Affiliates Under Chapter 11 of the Bankruptcy Code* (the “Plan”) submitted to the United States Bankruptcy Court, District of Delaware.

On March 1, 2010, Regent Communications, Inc., together with its various subsidiaries (the “Regent Entities”), filed voluntary petitions for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code. On March 2, the Bankruptcy Court entered an order directing the joint administration of all of the related Regent Chapter 11 cases. *See In Re Regent Broadcasting, Inc., et. al.*, Case No. 10-10632 (KG) (Chapter 11) (Bankr. District of Delaware).

From the Commission’s perspective, the Regent Entities’ emergence from bankruptcy will consist of three steps. Step one was the filing of applications seeking Commission consent to the *pro forma* assignments of the Regent Licenses to the Regent Licensees DIP (*see* File No. BAL-20100303AEU) (the “Initial *Pro Forma* Applications”). The Initial *Pro Forma* Applications were granted on March 18, 2010, and the licensees are presently operating the Regent stations as debtors-in-possession. Step two is the filing of separate *pro forma* applications for the assignment of the Regent Licenses to an independent trust (the “Independent Trust”), as described below (the “Independent Trust *Pro Forma* Applications”). Step three is the present filing of the Long Form Applications.

As described herein, the Long Form Applications seek Commission consent to the assignment of the Regent Licenses to the New Regent Licensees as holders of new equity pursuant to the Plan. The proposed ownership structure for the New Regent Licensees is set forth in Exhibit 14 to the Long Form Applications. Upon the issuance by the Bankruptcy Court of an order approving the Plan (the “Confirmation Order”), the Regent Licensees DIP will amend the Long Form Applications to provide a copy of the Confirmation Order.

The Plan contemplates the creation of the Independent Trust, the sole purpose of which would to hold the Regent Licenses and certain other station assets from the time the Regent Entities emerge from bankruptcy until grant of the Long Form Applications, allowing the Regent Entities to emerge from bankruptcy in an expeditious manner. On March 8, 2010, a motion was filed with the Bankruptcy Court requesting the appointment of an independent trustee. If, at the time the Bankruptcy Court issues the Confirmation Order, the Independent Trust *Pro Forma* Applications have been granted but the Long Form Applications remain pending, the parties intend to consummate the transactions contemplated by the Independent Trust *Pro Forma* Applications and assign all the Regent Licenses, and certain other station assets, to the Independent Trust. In the event this interim step is necessary, amendments will be filed to the Long Form Applications to account for the changes to the assignors’ portions of those applications.

As explained in the Long Form Applications for the Regent Licenses in the Fort Collins, Colorado and Lafayette, Louisiana markets, the relevant licensee subsidiaries of Regent Communications, Inc. currently own radio stations in excess of the current limits in Section 73.3555 of the Commission's rules, pursuant to the grandfathering provisions established in the *2002 Biennial Regulatory Review*, 18 FCC Rcd 13620 (2003). Therefore, separate long form assignment applications will be filed for consent to assign the licenses of stations KARS-FM, Laramie, WY, Facility No. 10334, KARS-FM1, Fort Collins, CO, Facility No. 164951 and KPEL-FM, Abbeville, LA, Facility No. 276, to the Ft. Collins/Lafayette Divestiture Trust (the "Divestiture Trust"). A Divestiture Trust Agreement, attached to those applications, provides for the Trustee of the Divestiture Trust to facilitate the sale or sales of KARS-FM, KARS-FM1 and KPEL-FM in compliance with the Commission's policies governing such trusts.