

## **Comprehensive Exhibit**

### **Description of the Transaction, Parties to the Application, Agreements for the Sale of the Stations, and Other Authorizations**

The instant application (the “Application”)<sup>1</sup> seeks the consent of the Federal Communications Commission (“FCC” or “Commission”) to the assignment of the radio station broadcast licenses (“Licenses”) held by NM Licensing LLC, Debtor in Possession (“NM Licensing DIP”), to NM Licensing LLC upon its emergence from bankruptcy (“Reorganized NM Licensing”). The Application also seeks Commission consent to the indirect transfer of control of NM Licensing DIP from NextMedia Investors, LLC, Debtor in Possession (“NM Investors DIP”) to SVP I, LLC (“SVP I”). The assignment and transfer of control are contemplated by and pursuant to the joint chapter 11 plan of reorganization (“Plan”) filed by the debtors (“Debtors”)<sup>2</sup> with the United States Bankruptcy Court for the District of Delaware (“Bankruptcy Court”) and are required to consummate the Plan.

Assignor, NM Licensing DIP, is an indirect wholly owned subsidiary<sup>3</sup> of NextMedia Group, Inc., Debtor in Possession (“NextMedia DIP”), which, in turn, is a wholly owned subsidiary of NM Investors DIP. Pursuant to the Plan, the equity in NextMedia DIP held by NM Investors DIP will be cancelled upon the emergence of NextMedia DIP from bankruptcy (“Reorganized NextMedia”) and Reorganized NextMedia will be primarily owned and ultimately controlled by the second lien lenders of the Debtors and their affiliates. SVP I will be the single majority shareholder of Reorganized NextMedia.

#### **I. DESCRIPTION OF TRANSACTION**

**Background.** Due to declining revenues in the radio industry and the economic downturn that began in December 2007 and escalated during 2008, NextMedia Group, Inc. (“NextMedia”) hired a financial advisor to advise the company on potential restructuring initiatives and to assist with examining and evaluating various strategic alternatives to address the Debtors’ over-leveraged capital structure. The Debtors ultimately reached an agreement in principle with their two largest second lien lenders for a consensual restructuring, and on December 21, 2010, the Debtors each filed a voluntary petition in the Bankruptcy Court seeking relief under the provisions of chapter 11 of the United States Bankruptcy Code (“Bankruptcy

---

<sup>1</sup> In addition to the instant Application, NM Licensing DIP also filed a related application seeking Commission consent to assign the industrial microwave licenses WNEY896 and WNTB824 to NM Licensing LLC. See FCC File No. 0004106339.

<sup>2</sup> In addition to NextMedia, the Debtors are: NM Licensing LLC; NextMedia Investors, LLC; NextMedia Operating, Inc. (“NM Operating”); NM Texas, Inc.; NextMedia Outdoor, Inc.; NextMedia Northern Colorado, Inc.; NextMedia Franchising, Inc.; and NextMedia Outdoor, LLC.

<sup>3</sup> NM Licensing DIP is wholly owned and controlled by NextMedia Operating, Inc., Debtor in Possession, which, in turn, is wholly owned and controlled by NextMedia DIP. NextMedia DIP is wholly owned and controlled by NM Investors DIP.

Code”). Through their bankruptcy filings, the Debtors intend to effectuate a pre-arranged restructuring of their debt obligations.<sup>4</sup>

In addition, on December 21, 2010, NM Licensing LLC filed a *pro forma* assignment application on FCC Form 316 (“DIP Application”) seeking Commission consent to involuntarily assign the Licenses (i) from NM Licensing, owned by NM Operating and controlled through NextMedia by NextMedia Investors, LLC (“NextMedia Investors”) to (ii) NM Licensing DIP, owned by NextMedia Operating, Inc., Debtor in Possession and controlled through NextMedia DIP by NM Investors DIP. The Commission granted the DIP Application on December 28, 2009 and the approval appeared on public notice on January 12, 2010.<sup>5</sup> Accordingly, the Debtors are presently operating as debtors in possession under the Bankruptcy Court’s oversight.

***The Reorganization Plan.*** On January 5, 2010, the Debtors filed their Plan with the Bankruptcy Court. The Plan was amended on March 18, 2010 and the Bankruptcy Court approved the amended Plan on March 22, 2010 (“Confirmation Order”).<sup>6</sup> The Plan contemplates that, upon confirmation by the Bankruptcy Court and Commission approval of the Application, the Debtors will cease to be debtors in possession. At that time, the Debtors will immediately proceed to consummate the restructuring transactions contemplated by the Plan. Pursuant to the Plan, all outstanding equity interests of NM Investors DIP (and certain other subsidiaries) and all options, warrants or other rights to acquire any such equity, will be cancelled. The Debtors’ first lien lenders will be repaid in full in cash. Upon the effective date of the Plan, new shares of common stock in Reorganized NextMedia will be issued to the Debtors’ second lien lenders and equity investors as further described below.

***Ownership and Control of Reorganized NextMedia.*** Upon the effective date of the Plan, a domestically organized limited liability company, SVP I, will hold a voting interest of at least 81.6% in Reorganized NextMedia through its ownership of 40.4% and 50% of Reorganized NextMedia’s issued and outstanding Class A and Class B common stock, respectively.<sup>7</sup> As a

---

<sup>4</sup> See Case No. 09-14466 (PWJ).

<sup>5</sup> See FCC File Nos. BALH-20091221ADX-BALH-20091221AFG; *Public Notice, Broadcast Actions, Report No. 47150* (MB rel. Jan. 12, 2010) (granting the DIP Application). NM Licensing DIP filed a consummation notice on January 11, 2010. Following approval of the DIP Application but prior to such approval appearing on public notice, on January 6, 2010, James H. Hooker and Richard F. Rambaldo, investors in NextMedia Investors DIP, filed an informal objection against the DIP Application (“Informal Objection”). NM Licensing DIP filed an Opposition to the Informal Objection on January 12, 2010 and the Commission dismissed the Informal Objection on February 26, 2010. See Letter from Peter H. Doyle, Chief, Audio Division, Media Bureau, FCC, to James H. Hooker, Richard F. Rambaldo, Andrew S. Kersting, Esq. and NM Licensing LLC c/o Joseph A. Belisle, Esq., dated as of February 26, 2010 (dismissing the informal objection to FCC File Nos. BALH-20091221ADX-BALH-20091221AFG).

<sup>6</sup> See NextMedia Group, Inc., Case No. 09-14463 (PJW) (Bankr. Del. March 22, 2010).

<sup>7</sup> As further set forth herein, Reorganized NextMedia will issue both Class A and B voting stock and Class A and B limited voting stock. SVP I, however, only will hold voting stock. The second largest stockholder of Reorganized NextMedia, by contrast, only will hold limited voting stock. As a result, the

result, SVP I will be the single majority shareholder of Reorganized NextMedia. Therefore, all other holders of Class A and Class B voting and limited voting stock in Reorganized NextMedia will be nonattributable.<sup>8</sup>

Stock of Reorganized NextMedia. Reorganized NextMedia will issue four classes of new common stock: (i) Class A voting stock, (ii) Class A limited voting stock, (iii) Class B voting stock; and (iv) Class B limited voting stock. Upon the emergence of Reorganized NextMedia from bankruptcy, Class A voting and limited voting stock will represent 33.33% of Reorganized NextMedia's issued and outstanding stock. Ninety-five percent of Class A voting and limited voting stock will be held by the Debtors' second lien lenders and 5% of Class A voting and limited voting stock will be held by entities that held equity interests in NM Investors DIP prior to the effective date of the Plan. Affiliates of Strategic Value Partners, LLC,<sup>9</sup> which is commonly controlled with SVP I, and Angelo, Gordon & Co., L.P. ("AG")<sup>10</sup> are the largest second lien lenders of NextMedia DIP and collectively will hold 68.3% of the outstanding Class A voting and limited voting stock. Class B voting and limited voting stock will represent 66.67% of Reorganized NextMedia's issued and outstanding stock. All Class B stock will be issued to SVP I and to three investment funds affiliated with AG ("AG Funds") in exchange for a new \$55 million equity investment in Reorganized NextMedia by these entities. All holders of Class A and B voting stock will vote as a group on all matters put to a vote of Reorganized NextMedia's voting stockholders and each share of Class A and Class B voting stock will have equal voting rights. Class A and B limited voting stock will have voting rights, in a group with Class A and B voting stock, solely over certain extraordinary corporate actions by Reorganized

---

percentage voting interest in Reorganized NextMedia held by SVP I exceeds the percentage of Reorganized NextMedia's outstanding common stock held by SVP I.

<sup>8</sup> None of the nonattributable stockholders of Reorganized NextMedia individually will hold an equity or voting interest in Reorganized NextMedia greater than 4%, except that three investment funds indirectly controlled by Angelo, Gordon & Co., L.P. will, in the aggregate, hold a 42.6% equity interest and a 0% voting interest in Reorganized NextMedia. (These funds will hold Class A and B limited voting stock, but will not hold any voting stock.) Further, no entity, including the stockholders of Reorganized NextMedia, will hold 33% of the total assets (*i.e.*, equity plus debt) of Reorganized NextMedia, and therefore no entity will hold an attributable interest in Reorganized NextMedia as a result of the Commission's equity debt plus rule.

<sup>9</sup> Strategic Value Partners, LLC ("SVP") is a privately owned investment manager. SVP is a global alternative investment firm focused on distressed, deep value and turnaround opportunities around the world. SVP was founded in 2001 by Victor Khosla, Managing Director, and is based in Greenwich, Connecticut with additional offices in London, United Kingdom; Frankfurt, Germany; and Tokyo, Japan.

<sup>10</sup> AG is a privately-held registered investment advisor dedicated to alternative investing. The firm was founded in 1988 by John Angelo and Michael Gordon and currently manages, with its affiliates, approximately \$21 billion. AG seeks to generate absolute returns with low volatility by exploiting inefficiencies in selected markets and capitalizing on situations that are not in the mainstream of investment opportunities.

NextMedia and its subsidiaries<sup>11</sup> and each share of Class A and B limited voting stock shall have equal voting rights.

Control of SVP I. The sole manager of SVP I (*i.e.*, the single majority shareholder of Reorganized NextMedia) will be Millbrook Holdings II LLC (U.S.) (“Millbrook”). The organizational documents of SVP I will contain Commission-mandated insulatory provisions preventing SVP I’s members from becoming materially involved, directly or indirectly, in the management or operation of the media-related activities of SVP I, thereby rendering SVP I’s members nonattributable.<sup>12</sup> Victor Khosla, a U.S. citizen, is the sole member and manager of Millbrook.

Reorganized NextMedia Board of Directors and Officers. The initial five-member board of directors of Reorganized NextMedia will be comprised of (i) the following three directors designated by SVP I: Tom Libassi, Alan Carr, and Stephen Kovacs; (ii) a director designated by representatives of the Class A stockholders, Philip Maslowe; and (iii) the Chief Executive Officer of Reorganized NextMedia, Steve Dinetz.<sup>13</sup> In addition, it is presently anticipated that the current officers of NM Licensing DIP, NM Operating DIP, and NextMedia DIP will continue to serve as officers of these entities upon their emergence from bankruptcy.

Attachment A hereto depicts the attributable ownership structure of Reorganized NM Licensing. Attachment B hereto identifies the parties who will hold attributable interests in Reorganized NM Licensing. As stated above, no other individual or entity will hold an attributable interest in Reorganized NM Licensing.

## **II. AGREEMENTS FOR THE SALE OF THE STATIONS**

Copies of the Plan (as filed with the Bankruptcy Court and amended on March 18, 2010) and the Confirmation Order are being filed as attachments to this Application and are incorporated herein by reference. The Disclosure Statement associated with the Plan identifies certain Exhibits that have been or ultimately will be filed with the Bankruptcy Court. The parties are not submitting the Disclosure Statement or its Exhibits or the other agreements between and among the parties hereto. The omitted materials are voluminous, are available to the public

---

<sup>11</sup> The Commission previously has determined that non-attributable interest holders in a broadcast licensee may be granted certain minority investor protections without such rights causing the interest holders to be deemed to hold an attributable interest in the broadcast licensee. These minority investor protections generally take the form of approval rights over certain extraordinary corporate actions by the licensee. In the instant transaction, holders of Class A and Class B limited voting stock only will be permitted to vote on extraordinary corporate actions that are consistent with Commission precedent permitting minority investor protections that do not result in attribution.

<sup>12</sup> SVP I will have one nonattributable member, which will be an investment fund managed by an affiliate of SVP.

<sup>13</sup> SVP I will have the right to designate replacements for its three designated directors provided that SVP I continues to hold at least 39% of the issued and outstanding common stock of Reorganized NextMedia.

through access to the Bankruptcy Court docket, and are not germane to the Commission's evaluation of this Application and, therefore, need not be produced at this time. *See* LUJ, Inc., 17 FCC Rcd 16980 (2002); Public Notice, DA 02-2049 (rel. Aug. 22, 2002). Information contained in the omitted materials will be provided to the Commission upon request, subject to the parties' rights, where appropriate, to submit such information subject to regulations restricting public access to confidential and proprietary information.

### **III. PUBLIC INTEREST STATEMENT**

Grant of the Application is in the public interest. The proposed transaction will facilitate the Debtors' reorganization under chapter 11 and expeditious emergence from bankruptcy, thereby advancing the key objectives of the Bankruptcy Code (*i.e.*, rehabilitation and reorganization, rather than liquidation). Consummation of the transactions contemplated by the Plan will maximize repayment of the Debtors' lenders, preserve Reorganized NextMedia's assets, lower Reorganized NextMedia's debt from approximately \$249 million to \$127.5 million, and provide Reorganized NextMedia with \$55 million in new capital. Moreover, upon Commission approval of this Application following the Bankruptcy Court's confirmation of the Plan, the burdens associated with operating under bankruptcy protections will be eliminated, thereby enabling Reorganized NextMedia to focus on the provision of continuous, high-quality radio broadcast services to the public without disruption to listeners as a result of the restructuring.

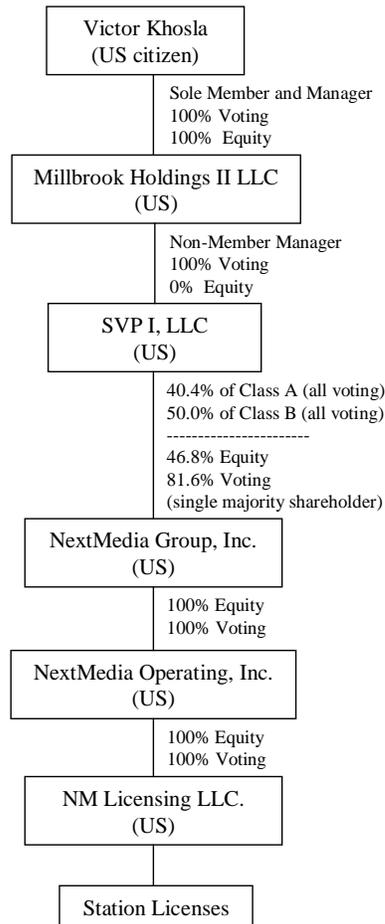
Further, a prompt emergence from bankruptcy will minimize the \$1 million to \$2 million per month in legal, financial and other professional fees that the Debtors would incur in a protracted bankruptcy proceeding, thereby freeing up such monies to fund Reorganized NextMedia's day-to-day operations and capital expenditures and permitting Reorganized NextMedia to better address the needs of the communities served by its broadcast stations. In addition, a quick exit from bankruptcy will mitigate disruptions to the Debtors' operations and employees caused by the uncertainty of the bankruptcy process and will enable Reorganized NextMedia to emerge from bankruptcy as a stronger, more vital competitor in its local broadcast markets. Also, grant of this Application will support the Commission's important policy objectives of protecting creditors and preserving competition and diversity in broadcast markets. Moreover, Commission approval of the Application will enable NextMedia to sustain the continued superior local programming provided by its radio stations to their local communities, which is consistent with the Commission's policy of promoting localism. For these reasons, expedited approval of the Application by the Commission is in the public interest.

### **IV. OTHER AUTHORIZATIONS**

Neither Reorganized NM Licensing, Reorganized NM Operating, Reorganized NextMedia, and their respective officers and directors, nor SVP I, Millbrook, and Mr. Khosla presently hold any attributable interests in any television or radio station broadcast licenses or English-language daily newspapers other than the attributable interest that they will hold in the radio station Licenses that will be directly held by Reorganized NM Licensing and which are the subject of this Application.

**Attachment A**

**Organizational Chart Depicting Proposed Attributable Control Structure  
of Reorganized NextMedia**



**Attachment B**

**Parties to the Application**

This Attachment B sets forth the following information for the proposed assignee's parties to the Application: (1) Name & Address; (2) Citizenship; (3) Positional Interest; (4) Percentage of Votes; and (5) Percentage of Total Assets (equity debt plus). Except as otherwise noted below, any equity or voting interests not disclosed herein are held by individuals or entities that are not attributable under the Commission's rules. No individual or entity (including proposed stockholders of Reorganized NextMedia) will hold an attributable interest in Reorganized NextMedia as a result of the Commission's equity debt plus rule.

**Ownership Structure of the Proposed Assignee, NM Licensing LLC (as reorganized)**

<b>Name &amp; Address</b>	<b>Citizenship</b>	<b>Positional Interest</b>	<b>% of Votes of NM Licensing LLC</b>	<b>% of Total Assets of NM Licensing LLC</b>
NextMedia Operating, Inc. 6312 South Fiddlers Green Cir. Suite 205-E Greenwood Village, CO 80111	U.S.	Sole Member	100%	100%
Steven Dinetz 1034 Skyland Drive Zephyr Cove, NV 89448	U.S.	Manager, President, and Chief Executive Officer	0%	0%
Eric Neumann 7954 East 9th Avenue Denver, CO 80230	U.S.	Vice President	0%	0%
Jeffrey Dinetz 27 Roberts Road New City, NY 10956	U.S.	Manager and Vice President	0%	0%
Matthew Leibowitz 8 W. Rivo Alto Drive Miami Beach, FL 33139	U.S.	Secretary	0%	0%

**Ownership Structure of NextMedia Operating, Inc. (as reorganized)**

<b>Name &amp; Address</b>	<b>Citizenship</b>	<b>Positional Interest</b>	<b>% of Votes of NextMedia Operating, Inc.</b>	<b>% of Total Assets of NextMedia Operating, Inc.</b>
NextMedia Group, Inc. 6312 South Fiddlers Green Cir. Suite 205-E Greenwood Village, CO 80111	U.S.	Sole Stockholder	100%	100%
Steven Dinetz 1034 Skyland Drive Zephyr Cove, NV 89448	U.S.	Director, President, and Chief Executive Officer	0%	0%
Eric Neumann 7954 East 9th Avenue Denver, CO 80230	U.S.	Vice President and Chief Financial Officer	0%	0%
James Matalone 2627 Pleasant Place Sarasota, FL 34249	U.S.	President and Chief Operating Officer of Outdoor Division <sup>1</sup>	0%	0%
Jeffrey Dinetz 27 Roberts Road New City, NY 10956	U.S.	Director, President and Chief Operating Officer of Radio Division	0%	0%
Matthew Leibowitz 8 W. Rivo Alto Drive Miami Beach, FL 33139	U.S.	Secretary	0%	0%

---

<sup>1</sup> The Outdoor Division operates outdoor advertising sites and is not a broadcasting business.

**Ownership Structure of NextMedia Group, Inc. (as reorganized)**

Name & Address	Citizenship	Positional Interest	% of V of NextMe Group Inc.
SVP I, LLC <sup>2</sup> 100 West Putnam Avenue Greenwich, CT 06830	U.S.	Single Majority Shareholder	81.6%
Steven Dinetz 1034 Skyland Drive Zephyr Cove, NV 89448	U.S.	President, Chief Executive Officer, Director	0%
Jeffrey Dinetz 27 Roberts Road New City, NY 10956	U.S.	President and Chief Operating Officer of Radio Division	0%
James Matalone 2627 Pleasant Place Sarasota, FL 34249	U.S.	President and Chief Operating Officer of Outdoor Division	0%
Eric W. Neumann 7954 East 9th Avenue Denver, CO 80230	U.S.	Vice President and Chief Financial Officer	0%
Matthew Leibowitz 8 W. Rivo Alto Drive Miami Beach, FL 33139	U.S.	Assistant Secretary	0%

<sup>2</sup> Because SVP I will be the single majority shareholder of the voting stock of Reorganized NextMedia, all other holders of Reorganized NextMedia common stock are not attributable under the Commission's rules.

<sup>3</sup> This assumes that only the AG Funds elect to be issued limited voting stock. If other second lien lenders also elect to be issued limited voting stock, SVP I's percentage voting interest in Reorganized NextMedia may be slightly higher.

<sup>4</sup> SVP I will hold a 46.8% equity interest in Reorganized NextMedia. Taking into account an anticipated \$127.5 million term loan exit facility that Reorganized NextMedia will enter into upon its emergence from bankruptcy with lenders that are not affiliated with parties to this application, SVP I will hold 18.4% of the total assets of Reorganized NextMedia.

Tom Libassi Strategic Value Partners, LLC 100 West Putnam Avenue Greenwich, Connecticut 06830	U.S.	Director	0%
Alan Carr Strategic Value Partners, LLC 100 West Putnam Avenue Greenwich, Connecticut 06830	U.S.	Director	0%
Stephen Kovacs Strategic Value Partners, LLC 100 West Putnam Avenue Greenwich, Connecticut 06830	U.S.	Director	0%
Philip Maslowe 12900 Brynwood Palm Beach Gardens, Florida 33418	U.S.	Director	0%

**Ownership Structure of SVP I, LLC**

Name & Address	Citizenship	Positional Interest	% of Votes of SVP I, LLC	% of Total Assets of SVP I, LLC
Millbrook Holdings II LLC 100 West Putnam Avenue Greenwich, CT 06830	U.S.	Sole Manager	100%	0%

**Ownership Structure of Millbrook Holdings II LLC**

Name & Address	Citizenship	Positional Interest	% of Votes of Millbrook Holdings II LLC	% of Total Assets of Millbrook Holdings II LLC
Victor Khosla c/o Strategic Value Partners, LLC 100 West Putnam Avenue Greenwich, CT 06830	U.S.	Sole Member & Manager	100%	100%