

**TECHNICAL STATEMENT
LOCAL RADIO OWNERSHIP ANALYSIS
LOTUS RADIO CORP.**

Lotus Radio Corp., a Nevada corporation, is a wholly owned subsidiary of Lotus Communications Corp. (collectively the “Assignee”). This technical statement provides information in support of an application for Commission consent to the assignment of license for radio station KTHX-FM, Dayton, Nevada, Facility ID No. 48685. The Assignee currently owns and operates four AM stations and three FM stations in the Reno, Nevada, Arbitron Metro Market. Those seven radio stations are listed below:

PRESENT CO-OWNED STATIONS					
No.	Call	Freq.	City, State	Fac. ID	
1	KPLY(AM)	630 kHz	Reno, NV	50304	
2	KFOY(AM)	1060 kHz	Sparks, NV	160030	
3	KCKQ(AM)	1180 kHz	Sparks, NV	160544	
4	KHIT(AM)	1450 kHz	Reno, NV	38458	
5	KUUB(FM)	94.5 MHz	Sun Valley, NV	83586	
6	KDOT(FM)	104.5 MHz	Reno, NV	38457	
7	KOZZ-FM	105.7 MHz	Reno, NV	38452	

The Assignee is presently seeking to divest its interest in AM station KFOY. It has executed an Asset Purchase Agreement with Lazer Licenses, LLC, a Delaware limited liability company (“Lazer”), and is submitting an FCC assignment application concurrently with this application.

The Assignee seeks to acquire FM station KTHX-FM in Dayton, Nevada, the subject of this application, and simultaneously divest its interest in KFOY. Upon receiving Commission approval and simultaneously closing these transactions, the

Assignee will continue to control seven commercial stations in the market – four FM stations and three AM stations. The following table lists the proposed co-owned stations:

PROPOSED CO-OWNED STATIONS					
No.	Call	Freq.		City, State	Fac. ID
1	KPLY(AM)	630	kHz	Reno, NV	50304
2	KCKQ(AM)	1180	kHz	Sparks, NV	160544
3	KHIT(AM)	1450	kHz	Reno, NV	38458
4	KUUB(FM)	94.5	MHz	Sun Valley, NV	83586
5	KTHX-FM	100.1	MHz	Dayton, NV	48685
6	KDOT(FM)	104.5	MHz	Reno, NV	38457
7	KOZZ-FM	105.7	MHz	Reno, NV	38452

Aside from the stations listed above, neither the Assignee, nor any of its principals have any other radio broadcast interests in the region that require an evaluation of compliance under the local radio ownership rule.

Figure 1 shows the “*FCC Geographic Market Definition for Reno, NV*” reported by BIA Kelsey. It indicates that there are thirty-six stations in the market based on the Arbitron Metro Methodology. Section 73.3555(a)(1)(ii) of the Commission’s Rules provides that in a radio market with between thirty and forty-four commercial and noncommercial radio stations, it is permissible for a party to have a cognizable interest in up to seven commercial radio stations, not more than four stations in the same service. Given the fact that the Assignee will have an interest in a total of seven commercial stations and the count of stations in the market is thirty-six, the Assignee is in compliance with Section 73.3555(a) of the Commission’s Rules concerning local radio ownership under the Arbitron Metro Methodology. However, KTHX-FM is licensed to a community that is not within the geographic boundaries of the Reno, Nevada Arbitron Metro. Accordingly, an analysis using the Interim Contour-overlap

Methodology was also conducted to determine compliance with the local radio ownership requirements.¹

Under the guidelines for applying the Interim Contour-overlap Methodology, the radio market is defined as the area encompassed by the mutually overlapping principal community contours (5 mV/m for AM, 3.16 mV/m for FM)² of the stations that are commonly attributable to the Assignee. Figure 2 depicts that the contours of the proposed co-owned stations mutually overlap and, as such, they constitute a single radio market.

From the description of the radio market above, it is apparent that the number of stations in this defined radio market is seven – four FM stations and three AM stations. Figure 2 also shows that there are a total of thirty-six radio stations, both commercial and non-commercial, which operate from transmitter locations within the defined market area. Those stations are tabulated below:

STATIONS IN THE MARKET

No.	Call	Freq.	City, State	Status & File	Fac. ID
1	KPLY(AM)	630 kHz	Reno, NV	LIC BML-20111011AOK	50304
2	KKOH(AM)	780 kHz	Reno, NV	LIC BMML-20140206AJY	11236
3	KIHM(AM)	920 kHz	Reno, NV	LIC BMML-20140430ACZ	53707
4	KFOY(AM)	1060 kHz	Sparks, NV	LIC BL-20150730ADY	160030
5	KCKQ(AM)	1180 kHz	Sparks, NV	LIC BL-20141105ADY	160544
6	KSGG(AM)	1230 kHz	Reno, NV	LIC BL-20140714ABN	202
7	KBZZ(AM)	1270 kHz	Sparks, NV	LIC BL-20001006AII	48684
8	KCMY(AM)	1300 kHz	Carson City, NV	LIC BL--	40801
9	KXEQ(AM)	1340 kHz	Reno, NV	LIC BL-19960924AC	57445
10	KNNR(AM)	1400 kHz	Sparks, NV	LIC BL-20040123BEM	89558
11	KHIT(AM)	1450 kHz	Reno, NV	LIC BL-20011030ADQ	38458
12	KXTO(AM)	1550 kHz	Reno, NV	LIC BL-19890519AD	21530
13	KYSA(FM)	88.3 MHz	Sparks, NV	LIC BLED-20090831AAZ	124888

¹ 2002 Biennial Regulatory Review – Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996, Report and Order and Notice of Proposed Rulemaking, 18 FCC Rcd 13620 (released on July 2, 2003).

² See 47 C.F.R. §§ 73.183 and 73.313 for the prediction methodology that is required for determining the contour locations of AM & FM stations, respectively.

14	KUNR(FM)	88.7 MHz	Reno, NV	LIC BLED-20121106ACD	69001
15	KJIV(FM)	89.1 MHz	Sun Valley, NV	LIC BLED-20141023ABY	172600
16	KKTO(FM)	90.5 MHz	Tahoe City, CA	LIC BLED-19970902KB	8331
17	KNIS(FM)	91.3 MHz	Carson City, NV	LIC BMLED-20141015ACK	71818
18	KWFP(FM)	92.1 MHz	Sparks, NV	LIC BLH-20041102ABT	13528
19	KLRH(FM)	92.9 MHz	Reno, NV	LIC BMLED-20140516AAV	64055
20	KZTQ(FM)	93.7 MHz	Sun Valley, NV	LIC BLH-20020416AAT	77800
21	KUUB(FM)	94.5 MHz	Sun Valley, NV	LIC BLH-20030708ABL	83586
22	KNEV(FM)	95.5 MHz	Reno, NV	LIC BLH-19921029KA	11244
23	KLCA(FM)	96.5 MHz	Tahoe City, CA	LIC BLH-19980116KC	41884
24	KOLC(FM)	97.3 MHz	Carson City, NV	LIC BLH-20150730ACN	53706
25	KBUL-FM	98.1 MHz	Carson City, NV	LIC BLH-19950504KB	11245
26	KKFT(FM)	99.1 MHz	Gardnerville-Minden, NV	LIC BLH-20110421AAJ	9136
27	KTHX-FM	100 MHz	Dayton, NV	LIC BLH-20020313AAA	48685
28	KURK(FM)	101 MHz	Sparks, NV	LIC BLH-19910830KB	48683
29	KTKE(FM)	102 MHz	Truckee, CA	LIC BLH-20030529AFZ	88673
30	KRNV-FM	102 MHz	Reno, NV	LIC BMLH-20030624AAS	50305
31	KWYL(FM)	103 MHz	South Lake Tahoe, CA	LIC BLH-19991208AAR	67816
32	KODS(FM)	104 MHz	Carnelian Bay, CA	LIC BLH-19880930KD	2103
33	KDOT(FM)	105 MHz	Reno, NV	LIC BMLH-19950831KA	38457
34	KOZZ-FM	106 MHz	Reno, NV	LIC BLH-20010103AAL	38452
35	KRNO(FM)	107 MHz	Incline Village, NV	LIC BMLH-20010806AAN	204
36	KSRN(FM)	108 MHz	Kings Beach, CA	LIC BLH-19981015KD	34582

Therefore, it has been demonstrated under both the Arbitron Metro Methodology and the Interim Contour-overlap Methodology that the Assignee is eligible to own and operate up to seven commercial stations, not more than four in the same service, in accordance with Section 73.3555(a)(1)(ii) of the Commission's Rules.

Respectfully submitted,
Lohnes and Culver LLC



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April 22, 2016

Call Letters	AM/FM	Freq	Type Station	Format	Home Market	Market Designtn Date	Home Mkt Rank	Owner	City & State of License	County of License
KBUL	FM	98.1	C	Country	Reno, NV	07/02/2003	122	Cumulus Media Holdings Inc	Carson City, NV	Carson City
KBZZ	AM	1270	C	Sports	Reno, NV	07/02/2003	122	Americom Broadcasting	Sparks, NV	Washoe
KCKQ	AM	1180	C	Oldies	Reno, NV	04/16/2015	122	Lotus Communications Corp	Sparks, NV	Washoe
KCMY	AM	1300	C	Country	Reno, NV	07/02/2003	122	Evans Broadcasting Company Inc	Carson City, NV	Carson City
KDOT	FM	104.5	C	Rock	Reno, NV	07/02/2003	122	Lotus Communications Corp	Reno, NV	Washoe
KFBR	FM	91.5	NC	Variety	Reno, NV	01/25/2011	122	Friends Of Black Rock High Rock Inc	Gerlach, NV	Washoe
KFOY	AM	1060	C	Sports	Reno, NV	10/31/2013	122	Lotus Communications Corp	Sparks, NV	Washoe
KHIT	AM	1450	C	Span/Sprts	Reno, NV	07/02/2003	122	Lotus Communications Corp	Reno, NV	Washoe
KIHM	AM	920	NC	Religion	Reno, NV	07/02/2003	122	IHR Educational Broadcasting	Reno, NV	Washoe
KJIV	FM	89.1	NC	Educational	Reno, NV	12/12/2014	122	OpenSkyRadio Corp	Sun Valley, NV	Washoe
KKFT	FM	99.1	C	News/Talk	Reno, NV	07/31/2015	122	Evans Broadcasting Company Inc	Gardnerville, NV	Douglas
KKOH	AM	780	C	News/Talk	Reno, NV	07/02/2003	122	Cumulus Media Holdings Inc	Reno, NV	Washoe
KLAP	FM	89.5	NC	Educational	Reno, NV	06/24/2010	122	OpenSkyRadio Corp	Gerlach, NV	Washoe
KLCA	FM	96.5	C	Modern AC	Reno, NV	07/02/2003	122	Americom Broadcasting	Tahoe City, CA	Placer
KLRH	FM	92.9	NC	ChrsContem	Reno, NV	07/02/2003	122	Educational Media Foundation	Reno, NV	Washoe
KNEV	FM	95.5	C	Hip Hop	Reno, NV	07/02/2003	122	Cumulus Media Holdings Inc	Reno, NV	Washoe
KNIS	FM	91.3	NC	ChrsContem	Reno, NV	07/02/2003	122	Western Inspirational Broadcasters Inc	Carson City, NV	Carson City
KNNR	AM	1400	C	Smooth	Reno, NV	07/02/2003	122	Flinn Broadcasting Corporation	Sparks, NV	Washoe
KODS	FM	103.7	C	Oldies	Reno, NV	07/02/2003	122	Americom Broadcasting	Carnelian Bay, CA	Placer
KOLC	FM	97.3	C	Country	Reno, NV	07/02/2003	122	Americom Broadcasting	Carson City, NV	Carson City
KOZZ	FM	105.7	C	Clsc Rock	Reno, NV	07/02/2003	122	Lotus Communications Corp	Reno, NV	Washoe
KPLY	AM	630	C	Sports	Reno, NV	07/02/2003	122	Lotus Communications Corp	Reno, NV	Washoe
KRNO	FM	106.9	C	AC/SftRk	Reno, NV	07/02/2003	122	Americom Broadcasting	Incline Village, NV	Washoe
KRNV	FM	102.1	C	Mexican	Reno, NV	07/02/2003	122	Entravision Communications Corp	Reno, NV	Washoe
KSGG	AM	1230	C	Country	Reno, NV	07/02/2003	122	Americom Broadcasting	Reno, NV	Washoe
KSRN	FM	107.7	C	Mexican	Reno, NV	07/02/2003	122	Lazer Broadcasting Corporation	Kings Beach, CA	Placer
KTHX	FM	100.1	C	AAA	Reno, NV	07/02/2003	122	Wilks Broadcast Group LLC	Dayton, NV	Lyon
KUNR	FM	88.7	NC	News/Clsc	Reno, NV	07/02/2003	122	Nevada System of Higher Education	Reno, NV	Washoe
KURK	FM	100.9	C	Clsc Rock	Reno, NV	07/02/2003	122	Wilks Broadcast Group LLC	Sparks, NV	Washoe
KUUB	FM	94.5	C	Sports	Reno, NV	07/02/2003	122	Lotus Communications Corp	Sun Valley, NV	Washoe
KWFP	FM	92.1	C	Country	Reno, NV	07/02/2003	122	Wilks Broadcast Group LLC	Sparks, NV	Washoe
KWYL	FM	102.9	C	CHR	Reno, NV	07/02/2003	122	Cumulus Media Holdings Inc	South Lake Tahoe, CA	El Dorado
KXEQ	AM	1340	C	Mexican	Reno, NV	07/02/2003	122	Azteca Broadcasting Corp	Reno, NV	Washoe
KXTO	AM	1550	C	Span/Relgn	Reno, NV	07/02/2003	122	Christian Ministries of the Valley Inc	Reno, NV	Washoe

"C" - Commercial Station; "NC" - Non Commercial Station

"p" indicates pending sale to owner listed

Call Letters	AM/FM	Freq	Type Station	Format	Home Market	Market Designtn Date	Home Mkt Rank	Owner	City & State of License	County of License
KYSA	FM	88.3	NC	Chrst/Altve	Reno, NV	09/14/2004	122	Educational Media Foundation	Sparks, NV	Washoe
KZTQ	FM	93.7	C	Adult Hits	Reno, NV	07/02/2003	122	Flinn Broadcasting Corporation	Sun Valley, NV	Washoe

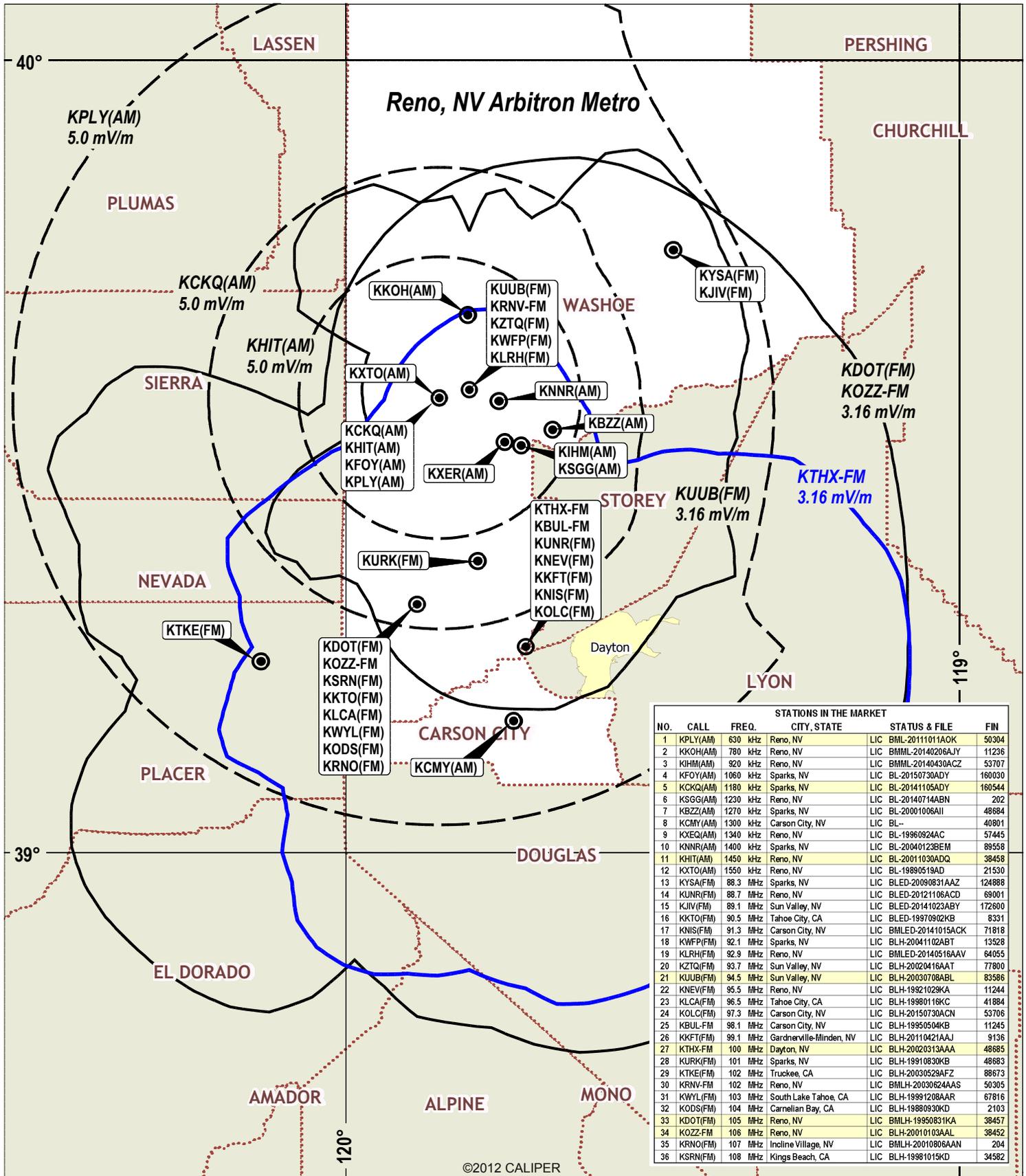
Number of Stations in Geographic Market 36

Previous Stations in Geographic Market

KNEZ	FM	107.3	C	News		05/08/2015	0	Times-Shamrock Communications Inc	Fernley, NV	Lyon
KRZQ	FM	104.1	C	Modern		05/08/2015	0	Times-Shamrock Communications Inc	Fallon, NV	Churchill
KWNZ	FM	106.3	C	Rhymc/AC		05/08/2015	0	Times-Shamrock Communications Inc	Lovelock, NV	Pershing
KZTI	FM	105.3	C	Rock		05/08/2015	0	Times-Shamrock Communications Inc	Fallon Station, NV	Churchill

"C" - Commercial Station; "NC" - Non Commercial Station

"p" indicates pending sale to owner listed



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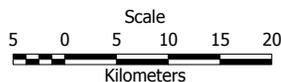


FIGURE 2
INTERIM METHODOLOGY
RADIO MARKET ANALYSIS
LOTUS RADIO CORP.
RENO, NEVADA

April 2016