

### **Alien Ownership Compliance**

Section 310(b)(4) of the Communications Act of 1934, as amended (the “Act”), 47 U.S.C. § 310(b)(4), generally limits a parent corporation such as Cumulus Media Inc. (“CMI”), which is the ultimate indirect parent of Radio License Holdings LLC, to no more than one-fourth (25%) of the capital stock being owned of record or voted by aliens, their representatives, by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country. The Commission has stated that in evaluating compliance with Section 310(b) of the Act there are two prongs to the evaluation, both voting and ownership.

Due to the relative insignificance in the difference between the voting and ownership interests for Section 310(b) purposes, this Exhibit considers only ownership interests. As demonstrated in Exhibit 14 to this Application, the collective ownership interests of Mr. Lew W. Dickey, Jr. and Crestview Radio Investors, LLC amount to 32.8%.<sup>1</sup> An additional thirty-eight and one-tenth percent (38.1%) of CMI’s outstanding capital stock is held by various U.S. entities which serve as institutional investors or brokerage houses for individual investors (hedge fund managers, mutual fund managers, pension fund managers, and investment advisors). The remaining twenty-nine and one-tenth percent (29.1%) of CMI’s outstanding capital stock is currently held by unidentified investors.

The Congressional Research Service (“CRS”) in a report for Congress on foreign ownership of U.S. Financial Assets by James K. Jackson of CRS, dated January 14, 2008, found that “foreign investors now hold . . . about twelve percent (12%) of U.S. corporate stocks.” In a CRS report

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<sup>1</sup> As reflected at page 8 of Exhibit 14, Crestview’s ownership structure has been evaluated to confirm that it is in compliance with Section 310(b) of the Act. Specifically, Crestview has confirmed that its level of foreign ownership in CMI currently is 10.7% of the voting interest and 9.2% of the equity.

dated October 14, 2011, Mr. Jackson found that 12.9% of U.S. corporate stocks are foreign owned. CMI has no reason to believe that foreign investors have a greater interest in acquiring CMI's capital stock than stock of any other U.S. publicly-held company. For twenty-five percent (25%) of CMI's capital stock to be held by holders prohibited by Section 310(b) of the Act, more than one-third (33%) of the outstanding capital equity stock held by CMI's institutional and other unidentifiable investors would have to be aliens. This level of foreign ownership would be nearly three (3) times as great as that determined by CRS.

Further, alien ownership of CMI's capital stock is expressly discouraged by Article V of CMI's Third Amended and Restated Certificate of Incorporation which provides in pertinent part:

#### SECTION 6. FCC MATTERS.

To the extent necessary to comply with the Communications Act and FCC Regulations, the Board of Directors may (i) take any action it believes necessary to prohibit the ownership or voting of more than 25% of the Company's outstanding Capital Stock by or for the account of aliens or their representatives or by a foreign government or representative thereof or by any entity organized under the laws of a foreign country (collectively "Aliens"), or by any other entity (a) that is subject to or deemed to be subject to control by Aliens on a *de jure* or *de facto* basis or (b) owned by or held for the benefit of, Aliens in a manner that would cause the Company to be in violation of the Communications Act or FCC Regulations; (ii) prohibit any transfer of the Company's stock which the Company believes could cause more than 25% of the Company's outstanding Capital Stock to be owned or voted by or for any person or entity identified in the foregoing clause (i); (iii) prohibit the ownership, voting or transfer of any portion of its outstanding Capital Stock to the extent the ownership, voting or transfer of such portion would cause the Company to violate or would otherwise result in violation of any provision of the Communications Act or FCC Regulations; and (iv) redeem Capital Stock to the extent necessary to bring the Company into compliance with the Communications Act or FCC Regulations or to prevent the loss or impairment of any of the company's FCC licenses.

As demonstrated above, Article V of CMI's certificate of incorporation prohibits ownership or control of CMI's capital stock in an amount that would violate Section 310(b) of the Act or the Commission's rules.

For the reasons stated herein, the applicant affirms that it is in compliance with Section 310(b) of the Act.