

Nexstar Broadcasting Group, Inc. – Foreign Ownership Compliance Ascertainment

Section 310(b) of the Communications Act states that no broadcast station license shall be granted to, or held by, “(4) any corporation directly or indirectly controlled by any other corporation of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country, if the Commission finds that the public interest will be served by the refusal or revocation of such license.” (47 U.S.C. 310(b)(4))

Nexstar Broadcasting, Inc., the applicant in the instant application, is a Delaware corporation whose shares are owned one hundred percent by Nexstar Broadcasting Group, Inc. (“Nexstar”). Nexstar is a public company listed on the NASDAQ Stock Market under NXST. At March 31, 2016, Nexstar had 30,677,804 shares of its Class A common stock outstanding and zero shares of its Class B common stock outstanding. Accordingly, no more than 7,669,451 shares of Nexstar’s Class A common stock may be held by aliens as defined by the Commission (“Aliens”).

Nexstar’s stock is widely traded with its shareholders holding as little as 1 share of stock to approximately 3,000,000 shares, with the vast majority of its shares held through institutional investors and investment funds that invest on behalf of clients (e.g., banks and wealth portfolio managers). Nexstar believes it has more than 4,500 shareholders. The record date for Nexstar’s annual meeting was May 5, 2016.

Control of Nexstar is vested in its Board of Directors.¹ Nexstar’s Board is responsible for appointing the company’s executive officers. Nexstar’s Board of Directors (composed of seven directors) and executive officers are all U.S. citizens. Nexstar’s Amended and Restated Articles of Incorporation grants Nexstar the right to request and obtain information regarding its shareholders’ citizenship, other ownership interests and affiliations and, should Nexstar determine that a violation of the foreign ownership restrictions may occur or has occurred, take such actions to cure such violations as the company deems necessary.

As a widely traded public corporation with more than 4,500 shareholders, determining who those shareholders are at any given time is a difficult task.² Because there is no simple way to monitor and/or survey its shareholders, and assuming that any unknown shareholder is an Alien would result in inaccurate reporting, Nexstar uses third party information to monitor its shareholders and their citizenship status, including the following:

1. Nexstar participates in the Depository Trust Corporation (“DTC”) Seg-100 program which allows for shareholders to deposit foreign-owned shares into segregated account for monitoring of shares held in deposit by Cede & Co. Nexstar is provided with periodic reports

¹ Nexstar’s Amended and Restated Articles of Incorporation state that “the business and affairs of the Corporation shall be managed by or under the direction of the Board.”

² This task is made significantly more difficult by the Securities and Exchange Commission (“SEC”) regulations which limit a company’s ability to communicate with its shareholders in certain circumstances.

from its transfer agent reflecting the total number of its shares placed by shareholders in a Seg-100 account.³ The number of Nexstar shares held in Seg-100 accounts changes as its shareholders buy or sell shares. For the sixty day period adjacent to Nexstar's record date (e.g. April 5-June 5, 2016), Nexstar shares held in Seg-100 accounts ranged from a low of 6,218,905 to a high of 7,259,533 for an average of 6,739,219 or approximately 22% of Nexstar's outstanding shares.

2. Nexstar monitors the number of shares held by its current and former officers and directors (i.e., shares known to be owned by U.S. citizens). The percentage of shares held by these individuals plus the number of shares held by individuals personally known to Nexstar's general counsel on the record date is 1,317,657 or approximately 4.3% of Nexstar's total shares.

3. In connection with the issuance of its annual meeting proxy notice, Nexstar requests that Broadridge provide it with a NOBO list – i.e., a list of those non-objecting beneficial owners who own shares through a broker or bank who do not object to their ownership information being reported to the issuer (the “NOBO List”). The NOBO List as of the May 5, 2016 record date lists 4,525 NOBO shareholders who collectively hold 6,183,227.445 shares (or approximately 20%) of Nexstar's Class A stock. Nexstar assumes that a NOBO with a non-U.S. address is an Alien for the purposes of all shares held by such individuals. The 2015 NOBO List reflects that 667,621 shares (2.12% of Nexstar's outstanding shares or 10.8% of NOBO shares) have a non-U.S. address and therefore are considered Alien.

4. Nexstar receives quarterly reports from its investor relations firm (JCIR) reporting the institutional investors which hold Nexstar stock for their own account or on behalf of their investors (the “13-F Report”). These reports are prepared from the reporting institutions Securities and Exchange Commission 13-F filings reported at each quarter's end. Because these reports include information about short interest shares, the total number of shares reported in these quarterly reports exceeds the actual number of shares issued by Nexstar and may result in the reporting of more shares held by an entity than such entity actually holds as of the applicable quarter end date. Nonetheless, these reports permit Nexstar's general counsel to monitor its reported institutional and investment shareholders and the number of shares held by such entities on a quarterly basis.

Once per year, Nexstar's general counsel uses the quarterly institutional investor report for the quarter ending most proximate to the record date in conjunction with the SEC Edgar search engine to determine each investor entity's jurisdiction of formation. Nexstar considers all shares held by any institution which has a non-U.S. jurisdiction of formation to be Alien shares. Nexstar considers any institutional investor which is a state retirement fund (e.g., New York State Common Retirement System), U.S. college endowments, churches, arts endowments and charitable

³ When an issuer such as Nexstar requests to be included in the Seg-100 program, DTC notifies all participants (holders of shares) that they must apply Seg-100 procedures to trades of that company's stock. Each DTC participant is obligated to make inquiries of their own account holders and place the shares of every holder who is a non-U.S. citizen in the DTC participant's Seg-100 account. This process allows for the issuer to monitor threshold ownership, and if the threshold is exceeded, the issuer can notify DTC of the number of shares that must be transferred out of Seg-100 accounts. Despite Nexstar's multiple attempts to obtain a listing of these Seg-100 shareholders from DTC, DTC has again reaffirmed that it is not authorized to provide the underlying data on which it provides its periodically reported information to Nexstar.

organizations (such as Meals-on-Wheels) to be U.S. shares. Nexstar also researches the 13-F Report entities in the SEC's Investment Advisor Public Disclosure Database, as well as seeks information from these entities own websites investor relations sections.

Nexstar's general counsel also reviews the SEC Form 13-G submitted by those investors required to submit such forms in connection with their ownership of Nexstar stock in order to determine if there is a control entity and the citizenship of the control entity. Finally, Nexstar requests its 13-G filers periodically complete a "citizenship questionnaire."

To the extent Nexstar's general counsel determines that the foregoing does not permit for sufficient identification of the citizenship of the company's shareholders in order to assess compliance with the Communications Act and FCC's rules, Nexstar's general counsel uses other generally available online tools (e.g. secretary of state websites, company websites, Hoovers, etc.) to assist in ascertaining shareholder citizenship.

2016 Analysis

Although Nexstar monitors its Seg-100 account information and reviews its Form 13-F reports routinely, this amendment reflects Nexstar's annual comprehensive analysis to determine the number of shares held by Aliens. This analysis is based on a review of those institutional shareholders whose Form 13-Fs reported holding shares in Nexstar as of March 31, 2016, NOBO shareholders as of the annual meeting record date of May 5, 2016, and a 60-day average for Seg-100 report purposes. The analysis was conducted by Nexstar's general counsel.

Shares Outstanding as of March 31, 2016: 30,677,804
Maximum Permitted Foreign Owned Shares: 7,669,451
Required Number of U.S. Owned Shares: 23,008,353
DTC Seg-100 Reported Shares (60 day average): 6,739,219 (22%)
Known U.S. Shares: 1,702,205 (5.5%)

The NOBO List includes 90 shareholders with foreign mailing addresses holding collectively 667,621 (or 2.12% of outstanding) shares of stock. All of these known foreign shares are held through institutional investors and Nexstar assumes these shares are held in Seg-100 accounts. Therefore, in order to avoid duplication, Nexstar does not add this 2.12% to the 22% of shares already identified via Seg-100.

The JCIR quarterly 13-F Report for the quarter ending March 31, 2016 reflects 216 institutional investors holding shares on behalf of third parties and/or themselves. The report reflects that 36,720,756 shares were reported, with 24.5% held in short interest positions.

Seven of the institutional shareholders are state retirement funds, and Nexstar assumes these funds are U.S. funds for purposes of this analysis. These funds held 384,548 shares at March 31, 2016.

Forty-one (41) of the institutional investors have addresses in a non-U.S. city and these shareholders held 1,229,020 shares at March 31, 2016. Although the Seg-100 program does not

provide information on the shareholders behind the shares in Seg-100 accounts, Nexstar assumes these shareholders hold these “foreign address shares” in Seg-100 accounts. Accordingly, in order to avoid duplication of shares, Nexstar does not include these shareholders in its 13-F Report analysis below.

Based on the foregoing, Nexstar is able to ascertain citizenship for 27.5% of its shares leaving 72.5% (22,241,408) of its shares to be analyzed based on institutional investors. Nexstar’s top 20 shareholders collectively reported holding 23,349,927 shares during the period ending March 31, 2016.⁴ Nexstar examined these twenty entities for jurisdiction of citizenship.⁵ Information obtained from SEC research of these entities follows.

	Number of Shares Reported in Form 13-F as of 3/31/2016	Jurisdiction of Formation from SEC Filings	Files Form ADV/ Form Reviewed
1	2,810,279	DE	Yes/Yes
2	2,579,940	DE	Yes/Yes
3	2,062,038	PA	Yes/Yes
4	1,515,500	CA	No
5	1,337,500	NY/Cayman Islands	Yes/Yes
6	1,323,673	DE	Yes/Yes
7	1,266,052	MA	Yes/Yes
8	1,213,336	DE/Cayman Islands	Yes/Yes
9	1,149,111	MA	Yes/Yes
10	1,021,150	DE	Yes/Yes
11	933,564	DE	Yes/Yes
12	780,963	DE	No
13	757,110	DE	No
14	739,413	DE	Yes/Yes
15	716,608	DE	Yes/Yes
16	673,262	DE	Yes/Yes
17	661,025	CO	Yes/Yes
18	637,419	DE	Yes/Yes
19	611,984	DE	Yes/Yes
20	560,000	DE	Yes/Yes

Total: 23,349,927

1. Neuberger Berman: The owners of this entity are domestic (Delaware) entities. Its most recent Form ADV reports that approximately 1% of its clients are foreign. Accordingly, Nexstar deems 28,103 shares to be held by Aliens for equity purposes.

⁴ Nine of these investors held positions and were included in the analysis of foreign shares for 2015; eleven of the investors are included in this analysis for the first time.

⁵ Nexstar utilized various state government business registration websites to confirm “up-the-chain” jurisdiction of formation as needed.

2. MSDC Management, L.P.: This entity is controlled by a Delaware limited liability company, which is managed by two individual members and one additional individual. Upon request, this entity confirmed the managers are U.S. citizens. This entity has reported that 106,737 of its shares are held by the Cayman Island entity, which entity is ultimately managed by U.S. citizens. This entity further reports that its foreign shares are held in a Seg-100 account. Accordingly, this entity's foreign ownership is accounted for in the Seg-100 shares and need not be counted again.

3. Vanguard: This entity is owned by 34 separate funds, all of which are domestic (Delaware) entities. The entity's president, CEO and chairman is a U.S. citizen, as are other officers and directors for whom citizenship was checked. The entity reports that approximately 39% of its clients are foreign. Accordingly, Nexstar deems 804,193 shares to be held by Aliens for equity purposes.

4. This entity is California institutional trust company. There is no Form ADV filed for this entity, but the form 13-G filed for its parent entity (which also covers 12 other entities, only seven of which are direct shareholders of Nexstar⁶) states that its direct and indirect parent entities are Delaware entities. The "top" indirect parent entity is publicly traded on the NYSE, and does not file a Form ADV. A review of the shareholder's SEC Form MA (municipal advisor) reflects that the shareholder provides advisory services to 40 municipal and non-profit organizations and that its officers and directors are U.S. citizens. Accordingly, Nexstar considers these shares to be U.S. controlled for voting purposes. Because this entity provides investment services to municipalities and non-profit entities, and is a national banking association, Nexstar does not attribute any Alien ownership interests to this entity.

5. These shares are owned by two funds, one of which is a Delaware entity and one of which is a Cayman Island entity. The ultimate managing member of these funds is a U.S. citizen. Ninety percent (90%) of these shares are beneficially owned jointly by both the U.S. and Cayman Island entities. Accordingly, Nexstar deems all of the shares as U.S. for voting purposes and 90% (1,203,750 shares) as Alien equity for purposes of this analysis.

6. The general and limited partners of this entity are Delaware limited liability companies and the limited partner is the sole member of the general partner. The majority owner of the controlling limited liability company is a U.S. citizen and the entity is managed by a committee comprised of 7 individuals domiciled in the U.S. The entity reports that approximately 2% of its clients are foreign. Accordingly, Nexstar deems 26,473 shares to be held by Aliens for equity purposes.

7. The entities which have ownership interests in the reporting entity are established under Delaware jurisdiction whose ultimate control is held by a "control" group. The control group is made up of U.S. citizens. The power to vote the shares resides in the Funds Board of Trustees. The Form ADV for this entity states that approximately 1% of its clients are Aliens. Accordingly, Nexstar deems 12,661 shares to be held by Aliens for equity purposes.

⁶ Shares held by subsidiaries of the reporting parent entity that are held by foreign jurisdiction subsidiaries are included in the 41 institutional investors that have foreign jurisdictions of incorporation.

8. This entity is the reporting entity for shares held by six separate funds, two of which are funds established under Delaware jurisdiction and four of which are funds established under Cayman Island jurisdiction. The affiliated funds under Cayman Island jurisdiction are limited companies whose general partners are a Delaware limited partnership whose general partner is a Delaware limited liability company. The managing member of the Delaware LLC is a U.S. citizen. There are 479,791 shares held by the Cayman Island entities with the remainder held by the Delaware entities. The Form ADV for the reporting entity reports that 57% of its clients are foreign. Accordingly, out of an abundance of caution, Nexstar deems 57% of the reporting entity's total shares (691,602 shares) to be held by Aliens for equity purposes.

9. This entity is a Massachusetts entity, which is a wholly-owned subsidiary of another Massachusetts entity, which is a wholly-owned subsidiary of a Delaware corporation listed on the New York Stock Exchange. The entity is managed by six managers, who are domiciled in the U.S., and the board of directors of the publicly traded entity is comprised of 11 individuals for whom those with determinable citizenship are U.S. citizens. This entity reports that approximately 18% of its clients are foreign. Accordingly, Nexstar deems 206,840 shares to be held by Aliens for equity purposes.

10. This entity is a Delaware limited partnership, whose general partner is a Delaware limited liability company. The managing members of the general partner LLC are U.S. citizens. The entity reports that approximately 40% of its clients are foreign. Accordingly, Nexstar deems 408,460 shares to be held by Aliens for equity purposes.

11. This entity is a Delaware limited partnership whose general and limited partners are domestic (Delaware) entities. Its control officers are U.S. citizens. The entity reports that approximately 26% of its clients are foreign. Accordingly, Nexstar deems 242,727 shares to be held by Aliens for equity purposes.

12. This entity, its parent entity and its ultimate parent entity are Delaware entities. The ultimate parent entity is traded on the NYSE. The entity's control officers whose citizenship were checked are U.S. citizens. None of the entities in this chain of ownership submit Form ADV to the SEC. This entity's audited financial statements states that it provides services, including brokerage and investment advisory services, but does not provide further information. Reviewing Form ADVs submitted by affiliates under common ownership with this entity, the affiliated entities report an average of 6% foreign clients. Accordingly, and out of an abundance of caution, Nexstar deems 78,096 shares (or 10%) to be held by Aliens for equity purposes.

13. It is unclear which precise subsidiary(ies) of this large multinational banking entity are the actual institutional shareholders of Nexstar. The ultimate parent entity is traded on the NYSE and is a Delaware entity. This institution and/or its clearinghouse affiliate(s) are reported as a broker to NOBO's in Nexstar's NOBO report. All of the NOBO shares held in custody by one or more of these institutional entities, have U.S. addresses (e.g., none are foreign addresses). The ultimate parent entity does not have a current Form ADV on file with the SEC. Reviewing Form ADVs submitted by investment advisor subsidiaries indirectly owned by the parent entity, the investment advisor subsidiaries are Delaware entities, whose parent entities are also Delaware entities and

which are directly owned by the publicly traded entity. These investment advisor entities report a range of 1% to 54% foreign clients. Accordingly, and out of an abundance of caution, Nexstar deems 50%, or 378,555 to be held by Aliens for equity purposes.

14. This entity is a Delaware limited liability company whose shareholder is another Delaware entity and whose control persons are U.S. citizens. The entity reports that approximately 60% of its clients are foreign. Accordingly, Nexstar deems 443,648 shares to be beneficially owned by Aliens for equity purposes.

15. This entity is a Delaware limited partnership whose direct and indirect parent entities are Delaware entities and whose officers are U.S. citizens. The entity reports that approximately 3% of its clients are foreign. Accordingly, Nexstar deems 21,498 shares to be beneficially owned by Aliens for equity purposes.

16. This entity is a Delaware limited liability company, whose members include 13 Delaware limited partnerships and three foreign limited partnerships one foreign LLC. The entity reports that approximately 56% of its clients are foreign. In addition, the controlling officers of the entity are both U.S. and non-U.S. citizens. Accordingly, Nexstar deems this entity to have 377,023 shares controlled and beneficially owned by Aliens.

17. This entity is a Colorado corporation whose sole shareholder is a Delaware corporation whose direct and indirect parent entities are also Delaware corporations. The entity's officers are domiciled in the U.S. The entity reports that approximately 11% of its clients are foreign. Accordingly, Nexstar deems this entity to have 72,713 shares controlled and beneficially owned by Aliens.

18. This entity is a Delaware limited partnership, whose general partner is a Delaware corporation and whose managing partner is a U.S. citizen. The sole shareholder of the general partner is the same U.S. citizen. The entity reports that approximately 40% of its clients are foreign. Accordingly, Nexstar deems this entity to have 254,967 shares controlled and beneficially owned by Aliens.

19. This entity is a Delaware limited liability company whose managing member is a U.S. citizen. The entity reports that approximately 100% of its clients are foreign. Accordingly, Nexstar deems this entity to have 611,984 shares controlled and beneficially owned by Aliens.

20. This entity is a Delaware limited liability company whose managing member is a U.S. citizen. The entity reports that approximately 50% of its clients are foreign. Accordingly, Nexstar deems 280,000 shares to be beneficially owned by Aliens for equity purposes.

Voting Control: Based on the foregoing, Nexstar deems that voting control over its shares is greater than 90% held by U.S. citizens and entities.

Alien Beneficial Equity Ownership:

1 28,103	8 691,602	15 21,498
2 106,737 (included in DTC shares)	9 206,840	16 377,023
3 804,193	10 408,460	17 72,713
4 0	11 242,727	18 254,967
5 1,203,750	12 78,096	19 611,984
6 23,473	13 378,555	20 280,000
7 12,661	14 443,648	

Total: 6,247,030

This total is just under the sixty day average of the shares reported via the DTC Seg-100 accounts. Accordingly, Nexstar believes that its institutional shareholders are generally placing foreign shares into Seg-100 accounts such that its Seg-100 reports reflect an approximately correct number of outstanding foreign shares at the time of each report. In addition, even when added to foreign institutional shareholders excluded from the above analysis, the total Alien shares is 7,476,050 or 24.4%, in compliance with Section 310(b)(4).