

## EXHIBIT 19

### Compliance with Foreign Ownership Restrictions

Under the structure proposed in this application, Smith Media LLC (“Smith Media”) and its wholly-owned subsidiary, Smith Media License Subsidiary, LLC (“LicenseSub”), will receive and hold the television broadcast licenses and television station assets currently held by certain companies ultimately controlled by the Robert N. & Anne Smith Trust (collectively, the “Smith Entities”). This exhibit demonstrates the compliance by Smith Media and LicenseSub with the Commission’s foreign ownership policies.

### Structure and Capitalization of Smith Media

The licenses proposed to be assigned by the Smith Entities will be held by LicenseSub. Therefore, Section 310(b)(4) governs the analysis of the foreign ownership compliance of Smith Media, the parent company of the proposed assignee.

The capitalization of Smith Media, LLC will be accomplished in three steps:

First, the Smith Entities will make capital contributions to Smith Media, LLC having an aggregate net value of \$31,000,000. These capital contributions will consist of substantially all the assets of various television stations, as described in the application. In return for these contributions, the Smith Entities will receive 3,100,000 limited liability company units. The Smith Entities have no direct or indirect foreign equity ownership.

Second, immediately following the capital contributions, certain of the Smith Entities will sell to certain parties to this Application 2,600,000 of the limited liability company units received from Smith Media, representing \$26,000,000 of their total contributions. One of the purchasers, Boston Ventures Limited Partnership VI (“BVLP”), which has approximately 28% direct and indirect foreign equity ownership, will purchase 2,327,500 of these limited liability company units, representing \$23,275,000 in capital contributions, or approximately 75.08% of the total capital contributions of \$31,000,000. None of the other purchasers have any direct or indirect foreign equity ownership.

Smith Media’s compliance with the Commission’s foreign ownership policies therefore requires a review of the foreign ownership only of BVLP and BVLP’s ownership of interests in Smith Media. BVLP is a U.S.-controlled investment fund organized as a limited partnership. The general partner of BVLP is Boston Ventures Company VI, LLC, a U.S. controlled limited liability company (“BVC”). All non-U.S. limited partners of BVLP and all non-U.S. members of BVC are “insulated” under the criteria set forth in the Commission’s rules and policies, as discussed in more detail below. Thus, the “control” prong of the Commission’s foreign ownership policy is satisfied because none of the voting rights of BVLP or BVC would be exercised directly or indirectly by foreign persons, because all foreign investors will be “insulated” from material involvement.

With regard to the “equity ownership” prong of the Commission’s foreign ownership policy, BVLP as a whole (including the interest of BVC in BVLP) has approximately 28% direct

and indirect insulated foreign equity investment based, as the Commission's policies prescribe, on the direct and indirect foreign contributions to its capital as a percentage of total contributions to its capital. Since BVLP will acquire limited liability company units representing 75.08% of the total contributed capital to Smith Media, the foreign ownership percentage of Smith Media will be 75.08% times 28%, or approximately 21%, a level well under the benchmark prescribed by Section 310(b)(4) of the Communications Act.<sup>1</sup>

Third, following the purchase and sale of limited liability company units in Smith Media, the units purchased by BVLP and the other purchasers will be converted to Class A Units and the limited liability company units retained by the Smith Entities will be converted to Class B Units. This reclassification does not change the capital contributions that are attributable to the limited liability company units themselves, but reflects the agreed allocation among the members of Smith Media of distributions by the company. Holders of the Class A Units will be entitled to receive distributions equal to their total capital contributions, plus an agreed return, before the holders of the Class B Units receive a return of their capital contributions. Thereafter, the holders of the Class B Units will be entitled to an agreed share of subsequent distributions by Smith Media.

In addition, two members of Smith Media's management, who are both U.S. citizens, will receive Class C Units. These units will entitle them to a share of the company's profits. Since no capital contributions are attributable to these units, they do not affect the percentage of the total capital contributions that is attributable to foreign ownership.

The order of distributions by Smith Media is set forth in Section 4.1 of the Amended and Restated Limited Liability Company Agreement of Smith Media, which was filed as an exhibit to the application.

### **Governance of Smith Media**

Upon consummation of the transactions described in this application, Smith Media will have six members. Smith Media will be governed by a board of representatives that will exercise powers analogous to those exercised by the board of directors of a corporation. A majority of the voting power of Smith Media will be held by representatives appointed by Frontyard Management, LLC, a newly-formed limited liability company ("Management LLC"). Management LLC is composed entirely of natural persons who are citizens of the United States. Management LLC thus will directly control Smith Media and indirectly control LicenseSub. One of the Smith Entities, Smith Television of New York, Inc. ("STNY"), will have the right to appoint the other four members of the board of representatives of Smith Media. The other members of Smith Media, including BVLP, will not have the right to appoint any members of the board of representatives.

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<sup>1</sup> For BVLP's 75.08% of the total contributed capital it will receive 89.5% of the Class A limited liability company units to be issued by Smith Media. The other owners of Class A units and the owners of Class B units and Class C units, as described in Exhibit 11, will hold the remaining 24.92% of Smith Media's total contributed capital.

The proposed members of Management LLC are members of BVLP and/or of BVC. The members of Management LLC and the members of the governing board of Management LLC participate in their individual capacities and have sole control of Management LLC. BVLP has no right to appoint any member of Management LLC or any member of the governing board of Management LLC. The individuals who make up the membership and governing board of Management LLC each have investments and governance rights in BVLP or in other funds in the same family of funds. Members of Management LLC and its governing board who also are investors in BVLP or its affiliates are reported both as members of Management LLC and, to the extent these individuals hold investments in BVLP, as non-insulated limited partners in BVLP.

BVLP has lent each of the members of Management LLC funds to assist them in making their required capital contributions to Management LLC. The repayment of such loans will be made from distributions otherwise payable to such individuals in respect of their investments in BVLP or BVC, and distributions received by such individuals from Management LLC will be credited against distributions otherwise payable to such individuals in respect of their investments in BVLP or BVC. As a consequence of these arrangements, to the extent that the members of Management LLC also are members of BVLP, the terms of their investment are governed by their investment in BVLP. This structure provides each of the members of Management LLC with a concrete stake in the venture consistent with his or her control and investment in the overall enterprise and continues the business pattern of BVLP and related funds within the same family of funds, in which venture management and investors participate and profit on the same basis. Thus, the parties submit that the foregoing structure comports with the statutory limitations on indirect foreign ownership of broadcast licensees.

**Restrictions on BVLP and BVC  
Insulated Partners and Members**

As demonstrated in the chart and descriptions below, the operating agreements for both BVLP and BVC contain all of the restrictions required under the Commission’s insulation provisions.

<b>FCC Insulation Requirements<sup>2</sup></b>	<b>BVLP Restrictions<sup>3</sup></b>	<b>BVC Restrictions<sup>4</sup></b>
(1) the limited partner/LLC member cannot act as an employee of the partnership/LLC if his or her functions, directly or indirectly, relate to the media enterprises of the company;	Neither [the insulated limited partner] nor any of its LP Affiliates shall ... be an employee of the Partnership if his or her functions, directly or indirectly, relate to any Media Company.	No Insulated Member shall act as an employee of the Company if its functions, directly or indirectly, relate to the Media/Common Carrier Businesses of the Company.
(2) the limited partner/LLC member may not serve, in any material capacity, as an independent contractor or agent with respect to the partnership’s/LLC’s media enterprises;	Neither [the insulated limited partner] nor any of its LP Affiliates shall ... serve, in any material capacity, as an independent contractor or agent with respect to any Media Company.	No Insulated Member shall serve, in any material capacity, as an independent contractor or agent with respect to the Company’s Media/Common Carrier Businesses.

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<sup>2</sup> See *Review of the Commission's Regulations Governing Attribution of Broadcast and Cable/MDS Interests, Report and Order*, 14 FCC Rcd 12559, n. 265 (1999)

<sup>3</sup> See BVLP Limited Partnership Agreement.

<sup>4</sup> See BVC Limited Liability Company Agreement.

<b>FCC Insulation Requirements<sup>2</sup></b>	<b>BVLP Restrictions<sup>3</sup></b>	<b>BVC Restrictions<sup>4</sup></b>
(3) the limited partner/LLC member may not communicate with the licensee or general partners/LLC members on matters pertaining to the day-to-day operations of its business;	Neither [the insulated limited partner] nor any of its LP Affiliates shall ... communicate with the General Partner or the management of any Media Company on matters pertaining to the day-to-day operations of any Media Company or any media business of the Partnership.	No Insulated Member shall communicate with any Media/ Common Carrier Business in which the Company holds an interest, or with any Class A Managing Director of the Company, on matters pertaining to the day-to-day operations of such licensee's or the Company's Media/Common Carrier Businesses, and no Insulated Member is entitled to vote on such matters.
(4) the rights of the limited partner/LLC member to vote on the admission of additional general partners/LLC members must be subject to the power of the general partner/LLC management committee to veto any such admissions;	[The insulated limited partner] shall not vote on the admission of a new general partner to the Partnership (unless such admission is subject to the veto of the General Partner).	No Insulated Member may vote to admit any additional Member unless the Class A Managing Director shall be empowered to veto the admission of such additional Member.
(5) the limited partner/LLC member may not vote to remove a general partner/LLC member except where the general partner/LLC member is subject to bankruptcy proceedings, is adjudicated incompetent by a court of competent jurisdiction, or is removed for cause as determined by a neutral arbiter;	[The insulated] Limited Partner shall not have the right to vote for the removal of the General Partner without cause as contemplated by Section 11.2(b) and shall not vote upon the removal of the General Partner for cause except upon the determination of a Fact Finder in accordance with the procedure contained in Section 11.2(a) [providing for a neutral arbiter].	No Insulated Member shall vote on the removal of a Class A Managing Director, except for the removal of the Class A Managing Director for Cause where the existence of a factual basis for Cause shall first have been determined by a court of competent jurisdiction or another neutral arbiter.

<b>FCC Insulation Requirements<sup>2</sup></b>	<b>BVLP Restrictions<sup>3</sup></b>	<b>BVC Restrictions<sup>4</sup></b>
(6) the limited partner/LLC member may not perform any services for the partnership/LLC materially relating to its media activities, except that a limited partner/LLC member may make loans to or act as a surety for the business; and	Neither [the insulated limited partner] nor any of its LP Affiliates shall ... perform any services to the Partnership that materially relate to any Media Company ... (other than making loans to, or acting as surety or the Media Company or the Partnership).	No Insulated Member shall perform any services for the Company materially related to the Company's Media/Common Carrier Businesses, other than to lend money to or invest money in the Company or to serve as a surety for the Company.
(7) the limited partner/LLC member may not become actively involved in the management or operation of the media businesses of the partnership/LLC.	Neither [the insulated limited partner] nor any of its LP Affiliates shall ... become actively involved in the management or operations of any Media Company.	The Insulated Members are prohibited from becoming actively involved in the management or operation of any of the Company's Media/Common Carrier Businesses.

With respect to BVLP's insulated limited partners,<sup>5</sup> the BVLP partnership agreement includes each of the insulation factors prescribed by the Commission and provides that,

(A) Neither [the insulated limited partner] nor any of its LP Affiliates shall: (aa) be an employee of the Partnership if his or her functions, directly or indirectly, relate to any Media Company; (bb) serve, in any material capacity, as an independent contractor or agent with respect to any Media Company; (cc) communicate with the General Partner or the management of any Media Company on matters pertaining to the day-to-day operations of any Media Company or any media business of the Partnership; (dd) perform any services to the Partnership that materially relate to any Media Company; or (ee) become actively involved in the management or operations of any Media Company (other than making loans to, or acting as surety or the Media Company or the Partnership); and

(B) [The insulated limited partner] shall not vote on the admission of a new general partner to the Partnership (unless such admission is subject to the veto of the General Partner).

The BVLP partnership agreement also provides that

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<sup>5</sup> Full information is reported for those limited partners of BVLP and BVC that are not insulated.

(A) [s]uch [insulated] Limited Partner (x) shall not have the right to vote for the removal of the General Partner without cause as contemplated by Section 11.2(b) and (y) shall not vote upon the removal of the General Partner for cause except upon the determination of a Fact Finder in accordance with the procedure contained in Section 11.2(a) [providing for a neutral arbiter]. . . .

The provisions of the BVLP partnership agreement addressing limited partner insulation expressly provide that:

The restrictions in this Section 3.2(i) shall be construed to effectuate the insulation of the Limited Partners subject thereto from material involvement in the media business, including video programming activities, of the Partnership and of any Media Company in which the Partnership may hold an interest and, with respect to any Non-U.S. Limited Partner, from material involvement in any telecommunications business of the Partnership that is subject to the restrictions on foreign ownership and control under Sections 310(a) and (b) of the Communications Act in accordance with the policies of the FCC as amended and interpreted from time to time by the FCC. . . .

Insulated members of BVC, the general partner of BVLP, are similarly insulated for involvement with the media activities of BVC and the BVC limited liability company agreement provides each of the restrictions prescribed by the Commission. Specifically, the BVC limited liability agreement provides that none of the “Insulated Members” shall have

any involvement in any material respect in the management or operation of the Company’s broadcast, daily newspaper, common carrier, radio, cable television or Commercial Mobile Radio Services (“CMRS”) communications enterprises or other media or telecommunications enterprises subject to ownership regulation by the Federal Communications Commission (collectively, the “Media/Common Carrier Businesses”). . . . In particular, but without limitation, the following prescriptions shall govern the powers and activities of the Insulated Members:

(a) no Insulated Member shall act as an employee of the Company if its functions, directly or indirectly, relate to the Media/Common Carrier Businesses of the Company;

(b) no Insulated Member shall serve, in any material capacity, as an independent contractor or agent with respect to the Company’s Media/Common Carrier Businesses;

(c) no Insulated Member shall communicate with any Media/Common Carrier Business in which the Company holds an interest, or with any Class A Managing Director of the Company, on matters pertaining to the day-to-day operations of such licensee’s or the Company’s Media/Common Carrier Businesses, and no Insulated Member is entitled to vote on such matters;

(d) no Insulated Member shall perform any services for the Company materially related to the Company's Media/Common Carrier Businesses, other than to lend money to or invest money in the Company or to serve as a surety for the Company;

(e) the Insulated Members are prohibited from becoming actively involved in the management or operation of any of the Company's Media/Common Carrier Businesses;

(f) no Insulated Member shall vote on the removal of a Class A Managing Director, except for the removal of the Class A Managing Director for Cause where the existence of a factual basis for Cause shall first have been determined by a court of competent jurisdiction or another neutral arbiter.

(g) no Insulated Member may vote to admit any additional Member unless the Class A Managing Directors shall be empowered to veto the admission of such additional Member.

The BVC limited liability company agreement specifically provides that the restrictions "shall be construed to effectuate the insulation of the Insulated Members from material involvement in the Media/Common Carrier Businesses of the Company in accordance with the policies of the Federal Communications Commission." In addition, the restrictions apply to the constituent parts (including directors, officers, and partners) of any Insulated Members that are not natural persons.