

[LETTERHEAD]

August 11, 2022

Marlene H. Dortch, Secretary  
Federal Communications Commission  
45 L Street NE  
Washington, DC 20554

Re: Applications for Assignment of Radio Station Licenses from  
Subsidiaries of TelevisaUnivision, Inc. to Latino Media Network, LLC  
Lead File Numbers 0000194638, 0000194656, 0000194661

Dear Ms. Dortch:

I am Dr. Pedro Roig, a long time resident of Miami and avid listener of radio stations WAQI-AM "Radio Mambi" and WQBA-AM. I along with many thousands of listeners in the South Florida area are distraught with the actual sale of these stations to an entity that we believe will not serve the interests of this community.

I respectfully object to a grant of the above-referenced applications (the "Applications"), by which subsidiaries of TelevisaUnivision, Inc. ("Univision") propose to assign the licenses of eighteen radio stations in ten markets to Latino Media Network, LLC ("LMN"). As discussed below, the Applications do not currently present the FCC with sufficient information from which the agency can meaningfully evaluate this transaction's nature, its compliance with agency rules, and whether or not grant of the Applications would serve the public interest. We urge the FCC to withhold action on the Applications until the parties have provided additional pertinent and fulsome information and the agency has afforded interested persons an adequate opportunity to review and comment thereon.

According to the "Public Interest Statement" that accompanies each of the (substantially identical) Applications, by this transaction "LMN would accomplish . . . the single largest acquisitions of broadcast stations by a Latino-owned and operated company in history."<sup>1</sup> LMN states that it "was created solely for this purpose."<sup>2</sup> The Applications devote considerable attention to identifying and outlining the credentials of LMN's managers, non-manager shareholders and advisory board members, describing them as "politically diverse Hispanic luminaries," and detailing their accomplishments and celebrity, along with asserting the various public interest benefits of LMN's purchase—among them "the

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<sup>1</sup> Applications, Public Interest Statement, at 1.

<sup>2</sup> Id.

entrance of a new competitor in radio markets across the country,” one that will promote diversity in ownership and disseminate “locally-conscious content by Latinos, for Latinos.”<sup>3</sup> While LMN contends that the transaction would serve the Commission’s interest of increasing diversity of media ownership and competition, this bare assertion is insufficient to demonstrate that approval of the proposed transaction would serve the public interest.

In fact, the parties are reticent when it comes to disclosing the economic and structural details of their transaction—information that is imperative to appropriate legal review. The Applications provide only the base asset purchase agreement (“APA”), with all exhibits and schedules excluded and an attached “LUJ” statement listing the excluded materials and stating that they have been omitted “because they do not reflect on the qualifications of the parties or contain information relevant to whether the structure of the transaction complies with the Commission’s rules.”<sup>4</sup>

But these details are relevant. A review of the face of the APA indicates that the proposed transaction is highly unusual in a number of respects. Perhaps most notably, Section 8.2(m) of the APA defines the term “LMA” as one (or perhaps more than one) “Local Marketing Agreement . . . in substantially the form attached hereto as Exhibit C.” Section 8.2(m) is non-standard in that the LMAs are specified as closing deliverables—unlike the more typical “pre-closing” local marketing agreements that are entered into concurrently with signature of a purchase agreement, under which the buyer programs the acquired stations until closing. That the LMAs in the Univision/LMN transaction are to be executed *at closing* suggests the opposite—that Univision will in fact continue to program LMN’s stations once LMN acquires them. Other provisions of the APA appear to confirm this: certain post-closing covenants such as limitations on soliciting and interviewing station employees appear to take effect not at closing, but at “termination of the applicable LMA,”<sup>5</sup> and the APA contains a section regarding a “Transition Plan” to “transfer provision of [LMA services] to Buyer, the Stations or a successor provider following the Closing.”<sup>6</sup> Yet Exhibit C, the form of the LMA(s), is among the APA exhibits and schedules excluded from the Applications.<sup>7</sup> Additionally, Section 5.18 of the APA provides for the parties to use commercially reasonable efforts to

negotiate the terms of one or more mutually agreeable Local Programming License Agreements (such agreement(s), the “Programming Agreement(s)”) pursuant to which Sellers and their affiliates will license to Buyer certain programming and content, the duration, terms and conditions of which, unless mutually agreed otherwise, shall be consistent with, and include the terms agreed upon in, the term sheet attached hereto as Exhibit G.

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<sup>3</sup> Id. at 4-8, 10.

<sup>4</sup> See Applications, “Agreements” exhibit.

<sup>5</sup> See APA, ¶¶ 5.11 and 5.12(b).

<sup>6</sup> Id., ¶ 5.16(b).

<sup>7</sup> See Applications, “Agreements” exhibit.



The cited Exhibit G, however, is also excluded from the Applications.

In other words, the APA provides for two categories of agreements with the apparent purpose of obligating Univision not only to license certain of its programming for LMN's use after closing, but indeed to provide programming directly on one or more of LMN's newly-obtained stations the moment LMN acquires them. As an initial matter, it is difficult to see how these aspects of the transaction comport with Section 73.1150(a) of the Commission's rules, which provides that "[i]n transferring a broadcast station, the licensee may retain no right of reversion of the license, no right to reassignment of the license in the future, *and may not reserve the right to use the facilities of the station for any period whatsoever*" (emphasis added). At a minimum, the Commission cannot properly evaluate whether the proposed transaction complies with the so-called reversionary interest rule without requesting and reviewing the excluded "Local Marketing Agreement" and "Programming Agreement" exhibits.

The extraordinary post-closing programming elements of the transaction lead to other questions which go beyond the "right to use" prohibition and highlight the broader issue of the extent to which Univision is actually "selling" its stations to LMN in the traditional sense. As we have seen, the base APA on file with the Applications strongly suggests that Univision will be assigning the licenses to LMN and then immediately "LMAing" some if not all of the stations right back. Indeed, as noted above, Section 5.16(b) of the APA calls for the development of a "Transition Plan" with the objective of transferring actual programming responsibility (currently embodied in Univision's LMA services) either to LMN itself or a replacement LMA broker at some indeterminate future date. The "Transition Plan" expressly contemplates "the transition of sales services and contracts to [LMN],"<sup>8</sup> making abundantly clear that LMN will not be performing "sales services" immediately upon acquiring the stations. And the "Transition Plan"—as well as the "Services pursuant to the LMAs"—will be overseen by a "Steering Committee" whose initial membership will consist of five Univision representatives and three LMN representatives.<sup>9</sup> Moreover, it is unclear whether LMN is acquiring all of the station assets or not many at all. Univision's representation in the APA that the assets being sold are sufficient for LMN to operate the stations "includ[es] any Non-Assignable Sale Assets and tak[es] into account the services to be provided pursuant to the LMAs and/or the Programming Agreement(s) (including those contracts identified on Schedule 3.9 as not being assumed by Buyer)."<sup>10</sup> Thus, it is apparent that certain assets and contracts of the stations are not being conveyed to LMN and that the LMAs and Programming Agreements will to some degree substitute for true asset ownership and operation by LMN. We respectfully submit that the Applications should be amended to provide the schedules of included and excluded assets, given the aforementioned questions about the nature of the deal.

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<sup>8</sup> APA, ¶ 5.16(b).

<sup>9</sup> *Id.*, ¶ 5.16(a).

<sup>10</sup> *Id.*, ¶ 3.5.

Similarly, the Applications omit information necessary to assess the financial arrangements underlying the transaction. The Description of the Transaction states that LMN's two founders, Stephanie Valencia and Jessica Livoti, will hold 55.5 and 37% of the Company's equity, respectively. The exhibit further states however, that Lakestar Finance LLC ("Lakestar"), an entity related to Soros Fund Management LLC, has extended debt financing to LMN, and at closing, LMN will issue Lakestar a warrant granting Lakestar a minority equity stake, up to but not in excess of 49%, only if exercised. Yet, the parties do not provide a copy of the warrant, and thus the Commission and interested parties are unable to assess terms of the warrant such as the consideration paid for the instrument, the exercise price, the conditions of exercise and any restrictive covenants on LMN and its disclosed shareholders pending exercise. The FCC customarily scrutinizes warrants carefully when they are a component of a transaction to ensure that the warrants are not effectively disguised equity. Particularly given the degree to which LMN trumpets its 92.5% control by Hispanic females, it seems appropriate that a copy of the warrant be provided to assess the likelihood that this asserted control is real and not subject to prompt dilution or usurpation by LMN's financier.

In short, we respectfully submit that the parties to the Applications have not provided sufficient information to the Commission so that the agency can meaningfully and appropriately evaluate whether approval of the underlying transaction would serve the public interest. We urge the Commission to withhold action on the Applications until such information has been provided and interested persons are afforded opportunity to comment.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Dr. Pedro Roig", is written over a horizontal line.

Dr. Pedro Roig

Miami, Florida