Federal Communications Commission 445 12th St., S.W. Washington, D.C. 20554

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DA No. 19-1318

Released: December 20, 2019

MEDIA BUREAU SEEKS COMMENT ON APPLICATIONS TO TRANSFER CONTROL OF STATIONS FROM SHAREHOLDERS OF LIBERMAN BROADCASTING, INC., TO SLF LBI AGGREGATOR, LLC

Petition to Deny Date: January 21, 2020 Opposition Date: February 5, 2020 Reply Date: February 12, 2020

On December 20, 2019, the Federal Communications Commission (Commission) accepted six applications for filing, seeking consent to the transfer of control of licenses of several radio and television station licenses held by indirect, wholly-owned subsidiaries of Liberman Broadcasting, Inc. (Liberman Broadcasting), from the shareholders of Liberman Broadcasting to SLF LBI Aggregator, LLC (SLA) (jointly, "Applicants"). Liberman Broadcasting has also filed as part of its applications, a petition for declaratory ruling asking the Commission to allow it to accept foreign investment in excess of the 25% benchmark set forth in section 310(b)(4) of the Communications Act of 1934, as amended (the Act).

Currently, SLF LBI US Holdings I, LLC, and SLF LBI US Holdings II, LLC (jointly, "SLF Parties") hold a 41.9% and 41.5% equity interest in Liberman Broadcasting, respectively.³ The remaining interest is held by HPS Investment Partners, LLC, and its affiliates and funds, none of which individually hold an attributable interest in Liberman Broadcasting. The SLF Parties are managed and controlled by two non-member managers, Robert Warshauer and Howard Norowitz, both U.S. citizens, who each hold 50% of the voting rights in the SLF Parties.

Pursuant to its reorganization plan, the Applicants propose that SLA,⁴ a Delaware limited liability company, will acquire 100% of the outstanding New Equity Interests and 100% of the outstanding

¹ See File Nos. BTC-20191114AAY, BTCCDT-20191114ABK, BTCCDT-20191114ABY, BTC-20191114ABF, BTCCDT-20191114ABL, and BTC-20191114ABZ (Applications).

² 47 U.S.C. § 310(b)(4) ("No broadcast station or common carrier or aeronautical en route or aeronautical fixed radio station license shall be granted to or held by . . . 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"). Liberman Broadcasting's petition for declaratory ruling is addressed in a separate public notice. *See* Docket No. 19-386.

³ See Applications, Description of Transaction/Changes in Interests/Attributable Parties, Attach. 6 at p.1.

⁴ SLA's Limited Liability Company Agreement will include insulation provisions to ensure that none of its members are materially involved, directly or indirectly, in the management or operation of the media-related activities of SLA. *Id.* at 2.

Warrants of Liberman Broadcasting.⁵ The Applicants further propose that HPS Group GP, LLC ("HPS Group GP"), a Delaware limited liability company, will be the sole non-member manager of SLA.⁶ According to the Applicants, Scott Kapnick ("Kapnick"), a U.S. citizen, is the sole member and manager of HPS Group GP.⁷ Through HPS Group GP, the Applicants state that Kapnick will control 100% of the voting rights in SLA and, indirectly, 100% of the voting rights in Liberman Broadcasting.⁸

GENERAL INFORMATION

The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules or policies. Interested persons must file petitions to deny no later than January 21 2020. Oppositions to petitions to deny must be filed no later than February 5, 2020. Replies must be filed no later than February 12, 2020. Persons and entities that file petitions to deny become parties to the proceeding.

To allow the Commission to consider fully all substantive issues regarding the applications in as timely and efficient a manner as possible, petitioners and commenters should raise all issues in their initial filings. Replies may only address matters raised in oppositions. A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

All filings concerning the matter referenced in this Public Notice should refer to the file number of the Application. Submissions may be filed electronically through the Commission's Consolidated Database System (CDBS) or by filing paper copies.

- Electronic Filers: Documents may be filed electronically using the Internet by accessing CDBS: https://licensing.fcc.gov/prod/cdbs/forms/prod/cdbs ef.htm
- Paper Filers: Parties who choose to file by paper must file an original and four copies of each filing. Filings may be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission, 445 12th Street, S.W., Washington, DC 20554.
- All hand-delivered or messenger-delivered paper filings no larger than a copier paper box for the Commission's Secretary must be delivered to the Mail and Distribution Window at FCC Headquarters at 445 12th Street, S.W., Washington, D.C. 20554. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building.

⁵ Pursuant to Liberman Broadcasting's bankruptcy plan, it issued new capital stock ("New Equity Interests") and/or warrants to purchase New Equity Interests ("Warrants") to creditors. *Id.* at 1.

⁶ *Id*. at 2.

⁷ *Id*.

⁸ *Id*.

⁹ 45 CFR § 1.45(c).

¹⁰ See id. §§ 1.46(a) and 73.3584(e).

- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701.
- U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street, S.W., Washington, DC 20554.

In addition, one copy of each submission must be sent to the following:

- David Brown, Video Division, Media Bureau, Room 2-A662, e-mail David Brown@fcc.gov
- Tyler Bridegan, Video Division, Media Bureau, Room 2-A827, e-mail <u>Tyler.Bridegan@fcc.gov</u>

Any submission that is e-mailed to David Brown or Tyler Bridegan should include in the subject line of the e-mail: (1) the application number; (2) the name of the submitting party; (3) a brief description or title identifying the type of document being submitted (e.g., Liberman Broadcasting Transfer).

People with Disabilities. To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at (202) 418-0530 (voice), (202) 418-0432 (TTY).

Availability of Documents. Documents in this proceeding will be available for public inspection and copying during business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554.

The applications are also available electronically through the Commission's Consolidated Database System (CDBS), which may be accessed on the Commission's Internet website at http://www.fcc.gov.

For further information, contact David Brown at (202) 418-1645 or Tyler Bridegan at (202) 418-1087. For press inquiries, contact Janice Wise at (202) 418-8165.

By: Chief, Media Bureau

Attachment

Call Sign	Facility ID No.	Community of License	Licensee	Application File No.
KVNR	37223	Santa Ana, CA	LBI Radio License LLC	BTC-20191114AAY
KWIZ	37225	Santa Ana, CA	LBI Radio License LLC	BTC-20191114AAY
KBUA	10097	San Fernando, CA	LBI Radio License LLC	BTC-20191114AAY
KBUA-FM1	10098	Valencia & Newhall, CA	LBI Radio License LLC	BTC-20191114AAY
KBUE	34386	Long Beach, CA	LBI Radio License LLC	BTC-20191114AAY
KEBN	50513	Garden Grove, CA	LBI Radio License LLC	BTC-20191114AAY
KRQB	25809	San Jacinto, CA	LBI Radio License LLC	BTC-20191114AAY
KZJL	69531	Houston, TX	KZJL License LLC	BTCCDT-20191114ABK
KMPX	73701	Decatur, TX	Liberman Television of Dallas License LLC	BTCCDT-20191114ABY
KEYH	2911	Houston, TX	Liberman Broadcasting of Houston License LLC	BTCCDT-20191114ABY
KJOJ-FM	69565	Freeport, TX	Liberman Broadcasting of Houston License LLC	BTCCDT-20191114ABY
KQQK	19087	Beaumont, TX	Liberman Broadcasting of Houston License LLC	BTCCDT-20191114ABY
KTJM	20489	Port Arthur, TX	Liberman Broadcasting of Houston License LLC	BTCCDT-20191114ABY
KNTE	2131	Bay City, TX	Liberman Broadcasting of Houston License LLC	BTCCDT-20191114ABY
KRCA	22161	Riverside, CA	KRCA License LLC	BTCCDT-20191114ABL
KSDX-LD	168576	San Diego, CA	KRCA License LLC	BTCCDT-20191114ABL
KVPA-LD	33773	Phoenix, AZ	KRCA License LLC	BTCCDT-20191114ABL
WASA-LD	167320	New York, NY	KRCA License LLC	BTCCDT-20191114ABL
KETD	37101	Castle Rock, CO	KRCA License LLC	BTCCDT-20191114ABL
WESV-LD	68043	Chicago, IL	KRCA License LLC	BTCCDT-20191114ABL
WVFW-LD	6040	Miami, FL	KRCA License LLC	BTCCDT-20191114ABL
WGEN-TV	22161	Key West, FL	KRCA License LLC	BTCCDT-20191114ABL
WGEN-LD	168060	Miami, FL	KRCA License LLC	BTCCDT-20191114ABL
W12DI-D	168058	Key West, FL	KRCA License LLC	BTCCDT-20191114ABL
W08ED-D	168062	Marathon, FL	KRCA License LLC	BTCCDT-20191114ABL
W17DG-D	4332	Miami, FL	KRCA License LLC	BTCCDT-20191114ABL
W21CL-D	6042	Marathon, FL	KRCA License LLC	BTCCDT-20191114ABL
KZMP	63551	University Park, TX	Liberman Broadcasting of Dallas License LLC	BTC-20191114ABZ
KZMP-FM	15854	Pilot Point, TX	Liberman Broadcasting of Dallas License LLC	BTC-20191114ABZ
KNOR	36289	Krum, TX	Liberman Broadcasting of Dallas License LLC	BTC-20191114ABZ
KBOC	64694	Bridgeport, TX	Liberman Broadcasting of Dallas License LLC	BTC-20191114ABZ
KZZA	23017	Muenster, TX	Liberman Broadcasting of Dallas License LLC	BTC-20191114ABZ