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In re: Applications for Consent to Assignment of
Certain Broadcast Licenses from Univision
Radio Stations Group, Inc., Tichenor License
Corporation, and Univision Radio San
Francisco, Inc., to Latino Media Network, LLC

Application File Nos. 0000194638-48,
0000194656-60, and 0000194661-62

Applications for Assignment of Licenses

Petition to Deny

Dear Counsel and Petitioner:

We have before us the above-captioned amended applications (Applications) seeking approval for the proposed assignment of certain radio station licenses from Univision Radio Stations Group, Inc. (URSGI), Tichenor License Corporation (Tichenor), and Univision Radio San Francisco, Inc. (URSF) (collectively, Univision) to Latino Media Network, LLC (LMN, and together with Univision, the

Applicants).¹ Also before us is a Petition to Deny the Applications, which we treat as an informal objection (Objection), filed on August 11, 2022, by Dr. Pedro Roig (Dr. Roig),² and an Opposition to Informal Objection (Opposition) filed on August 25, 2022, by the Applicants.³ For the reasons set forth below, we dismiss and in the alternative deny the Objection, and we grant the Applications.

Background. On July 8, 2022, the Applicants filed the Applications.⁴ In the Objection, Dr. Roig, who states that he is a listener of URSGI stations WAQI(AM) and WQBA(AM) in Miami, Florida, notes that the asset purchase agreement (APA) governing this transaction states that the parties will execute at closing one or more local marketing agreements (LMA), which he states is “non-standard” compared to pre-closing LMAs.⁵ Dr. Roig also raises a concern that the APA requires that the parties negotiate one or more local programming license agreements (Programming Agreements), pursuant to which Univision and its affiliates will provide certain programming and content to LMN after LMN acquires the stations.⁶ Dr. Roig argues those aspects of the transaction do not comport with the Commission’s Reversionary Interest Rule.⁷ He also contends that certain station assets and contracts would not be conveyed to LMN in the transaction and that the LMA(s) and Programming Agreement(s) will “substitute for true asset ownership and operation by LMN.”⁸ Finally, Dr. Roig expresses concern about a warrant LMN will issue at closing to a lender, Lakestar Finance LLC (Lakestar), granting it an equity stake of up to 49% in LMN.⁹ Dr. Roig asserts that the Applications should be amended to include

¹ A complete list of the stations that are the subject of the proposed transaction and the associated application file numbers is provided in the Attachment.

² Petition to Deny, Pleading File Nos. 0000197439, 0000197442, and 0000197444 (filed Aug. 11, 2022) (Objection).

³ Opposition to Informal Objection, Pleading File Nos. 0000198306, 0000198307, and 0000198308 (filed Aug. 25, 2022) (Opposition). In addition, we received letters from each of the following stating their general support of the proposed assignment: Senators Ben Ray Luján, Robert Menendez, and Alex Padilla, Representative Jimmy Gomez, members of the Congressional Hispanic Caucus, the U.S. Hispanic Chamber of Commerce, and Alianza Center, Inc. The Congressional Hispanic Caucus letter was signed by Representatives Darren Soto, Nanette Diaz Barragan, Tony Cárdenas, Adriano Espaillat, Ruben Gallego, Jesús G. “Chuy” García, Joaquin Castro, Linda T. Sánchez, Raúl M. Grijalva, Ritchie Torres, Juan Vargas, Michael F.Q. San Nicolas, and Senator Catherine Cortez Masto. These letters have been uploaded to LMS, our licensing database, and associated with the Applications. We also received letters from several Members of Congress before the Applications were filed. Specifically, we received a June 8, 2022, letter from Senators Marco Rubio, Rick Scott, and Tom Cotton, and Representatives Carlos Giménez, María Elvira Salazar, and Mario Díaz-Balart, and a June 27, 2022, letter from Representatives Raul Ruiz, M.D., Darren Soto, Nanette Diaz Barragan, Tony Cárdenas, Adriano Espaillat, Ruben Gallego, Teresa Leger Fernandez, Jesús G. “Chuy” García, Joaquin Castro, Lori Trahan, and Linda T. Sánchez. Because there were no applications pending at the time the Commission received them, these letters were not associated with the Applications.

⁴ See *Actions*, Public Notice, Report No. PN-1-220712-01, at 1-2, 4-12 (MB July 12, 2022). The Applicants amended the Applications on July 15, 2022, to, *inter alia*, reflect that the Applications excluded certain schedules and exhibits to the sales agreement for the stations and that the public interest statement was prepared and submitted by LMN. See, e.g., Application File No. 0000194638, Attach., Purpose of Amendment.

⁵ Objection at 2.

⁶ *Id.* at 2-3.

⁷ *Id.* at 3; see 47 C.F.R. § 73.1150(a).

⁸ Objection at 3.

⁹ *Id.* at 4. The Applicants state that “Lakestar . . . 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. Lakestar and its affiliates do not have any cognizable interests in LMN. LMN and Lakestar will seek FCC approval,

the LMA and Programming Agreement exhibits, the schedules of included and excluded assets, and the warrant in order for the Commission to assess whether grant of the Applications would serve the public interest.¹⁰

The Applicants respond that the Reversionary Interest Rule “is inapplicable here” because Univision will not “retain any right of reversion, or any future right regarding the stations whatsoever.”¹¹ The Applicants state that Commission precedent allows the execution of one or more LMAs between the assignee and seller of a broadcast station upon or after consummation of a Commission-approved assignment.¹² The Applicants also state that LMN expects the LMA(s) to be in place for no longer than one year, and that the stations with an LMA would be subject at all times to LMN’s ultimate control.¹³ The Applicants contend they excluded exhibits and schedules from the APA, consistent with Commission precedent, “because they contain confidential or proprietary information, are not germane to the Commission’s evaluation of the application, or, in the case of the local marketing agreement and warrants referenced in the Objection, have not been signed and will not be signed until closing.”¹⁴ The Applicants also assert that the Objection should be dismissed as procedurally defective.¹⁵

Discussion. Procedural Issues. Section 310(d) of the Communications Act of 1934, as amended (Act),¹⁶ requires the Commission to determine whether the proposed assignment or transfer of a broadcast license is in the public interest. Section 309(d)(1) of the Act states that any party in interest may file a petition to deny certain applications, including non pro forma assignment applications such as the ones currently before us.¹⁷ A petition to deny must “contain specific allegations of fact sufficient to show that the petitioner is a party in interest and that a grant of the application would be *prima facie* inconsistent with [the public interest].”¹⁸ The allegations of fact, except for those of which official notice may be taken, must be supported by an affidavit or declaration under penalty of perjury of someone with personal knowledge of the facts alleged.¹⁹ Here, Dr. Roig has not provided an affidavit to support the allegations raised in his pleading, and he failed to properly serve the pleading on the Applicants as required by

if and as required by applicable law.” See, e.g., Application File No. 0000194638, Attach., Assignee Ownership Interests. As discussed below, the Applicants amended the Applications on October 31, 2022, to reflect that Lakestar’s minority interest in LMN, if exercised, shall not exceed 19.9%. See *infra* page 5.

¹⁰ Objection at 3-4.

¹¹ Opposition at 1-2.

¹² *Id.* at 2.

¹³ *Id.* at 3-4.

¹⁴ *Id.* at 5.

¹⁵ *Id.* at 5-7. After filing the Opposition, the Applicants amended the Applications on October 7, 2022, to clarify that the geographic scope of the APA’s non-compete covenant is consistent with Commission precedent and to confirm submission of the required Model Equal Employment Opportunity Program Reports by LMN. The Applicants amended the Applications again on October 27, 2022, and October 31, 2022, to resolve other issues, as discussed further below. See *infra* pages 4-5.

¹⁶ 47 U.S.C. § 310(d).

¹⁷ *Id.* § 309(d)(1).

¹⁸ *Id.*

¹⁹ *Id.*

section 309(d)(1) of the Act and section 1.47 of the Commission's rules.²⁰ Therefore, we find that the pleading is a procedurally defective petition to deny and dismiss it as such.²¹ Consistent with Commission practice, we instead consider the pleading as an informal objection pursuant to section 73.3587 of the rules²² and alternatively deny it on the merits for the reasons discussed below.

Substantive Issues. Like petitions to deny, informal objections must provide properly supported allegations of fact that, if true, would establish a substantial and material question of fact that grant of the application would be *prima facie* inconsistent with the Act.²³ We find that the Objection has failed to meet this burden.

Reversionary Interest Rule. It is well established that LMAs generally are permissible, so long as they are consistent with the Commission's multiple ownership rules²⁴ and the participating licensee maintains ultimate control over its facilities.²⁵ Former licensees are not prevented from entering into such agreements subsequent to the sale of a station.²⁶ Unlike the current situation, if an LMA is either a condition of, or consideration for, a proposed transaction, the LMA would violate the plain language of the Reversionary Interest Rule.²⁷ Although the APA expressly requires as a condition of the sale that LMN shall have delivered or caused to be delivered to Univision the LMAs duly executed by LMN, unless Univision waives the condition in writing,²⁸ the Applicants amended the Applications on October 27, 2022, to include a joint certification that Univision has waived the closing condition that required LMN to enter into an LMA.²⁹ We find nothing in the record that raises a substantial and material question regarding the accuracy of the joint certification. Relying on the joint certification, we find that

²⁰ *Id.*; 47 CFR § 1.47.

²¹ 47 CFR § 73.3584(e).

²² *Id.* § 73.3587; *Geraldine R. Miller*, 24 FCC Rcd 11814, 11815 (MB 2009).

²³ See *Area Christian Television, Inc.*, Memorandum Opinion and Order, 60 RR 2d 862, 864, para. 6 (1986) (informal objections, like petitions to deny, must contain adequate and specific factual allegations sufficient to warrant the relief requested).

²⁴ 47 CFR § 73.3555.

²⁵ 2002 *Biennial Regulatory Review*, Report and Order and Notice of Proposed Rule Making, 18 FCC Rcd 13620, 13743 (2003) (subsequent history omitted).

²⁶ *Kidd Communications v. FCC*, 427 F.3d 1, 7 n.3 (D.C. Cir. 2005). The licensee maintains control when it holds ultimate responsibility for essential station matters such as programming, personnel, and finances. *Asheville Educational Association, Inc.*, Order, 30 FCC Rcd 11483, 11486 (2015); *Solar Broadcasting Co., Inc.*, Memorandum Opinion and Order, 17 FCC Rcd 5467, 5486 (2002) (*Solar Broadcasting*); *Radio Moultrie, Inc.*, Order to Show Cause and Notice of Opportunity for Hearing, 17 FCC Rcd 24304, 24306-07 (2002). Licensees are permitted under section 310(d) of the Act to delegate day-to-day operations relating to those three areas, as long as they continue to set the policies guiding those operations. See, e.g., *Solar Broadcasting*, 17 FCC Rcd at 5486.

²⁷ See, e.g., *Nexstar Broadcasting, Inc.*, Letter Order, 23 FCC Rcd 3528, 3538 (MB-VD 2008); *Rocking M. Radio, Inc.*, Letter Order, 25 FCC Rcd 1322 1328-29 (MB-AD 2010). The Reversionary Interest Rule states that “[i]n transferring a broadcast station, the licensee . . . may not reserve the right to use the facilities of the station for any period whatsoever.” 47 CFR § 73.1150(a).

²⁸ See, e.g., Application File No. 0000194638, Attach., Assets Purchase Agreement §§ 7.5, 7.12, and 8.3(g) (APA).

²⁹ See, e.g., Application File No. 0000194638, Attach., Waiver of Assignee Delivery at Closing of Signed Copies of LMAs.

the proposed transaction does not implicate the Reversionary Interest Rule and that further consideration of this issue is unwarranted.

Omitted APA Exhibits and Schedules. We also find that Dr. Roig has not demonstrated that the Applicants improperly excluded from the Applications exhibits and schedules to the APA. The Commission has recognized the longstanding staff practice of accepting assignment and transfer of control applications containing sales contracts that omit schedules and exhibits that contain proprietary information or are not material to our review of a particular transaction.³⁰ Consistent with the Commission's directive in *LUI, Inc.*,³¹ each Applicant responded "No" to the relevant certification item on the Applications and submitted an attachment describing each of the omitted documents, explaining the basis for omitting them, and offering to provide them to the Commission upon request.³² Regarding the warrant, the Applicants have stated that the warrant is not signed, Lakestar does not have a cognizable interest in LMN, and LMN and Lakestar will seek Commission approval regarding the warrant "if and as required by law."³³ Accordingly, we find that the Applicants have satisfactorily complied with the Commission's policy regarding the submission of sales contracts with assignment and transfer applications.

Conclusions/Actions. We have reviewed the Applications and find that Univision is qualified to assign, and LMN is qualified to hold, the licenses for the Stations. We find that the Objection fails to provide properly supported allegations of fact to make a *prima facie* case that grant of the Applications would violate the Act or the Commission's rules, or that the proposed assignment is not in the public interest. Therefore, we deny the Objection and grant the Applications.

Accordingly, IT IS ORDERED that the petition to deny filed by Dr. Pedro Roig on August 11, 2022, (Pleading File Nos. 0000197439, 0000197442, and 0000197444) IS DISMISSED as procedurally defective and alternatively DENIED on the merits as an informal objection.

³⁰ See, e.g., *Univision Holdings, Inc.*, Memorandum Opinion and Order, 7 FCC Rcd 6672, 6675 (1992) (affirming the staff's practice of processing broadcast sales applications without requiring the filing of financial documents that might be incorporated by reference into the sales contract, or the filing of schedules to the contract, such as inventories of realty and personalty to be sold, employment and programming contracts, or lists of accounts receivable, accounts payable or other debts to be assumed, unless requested). We also note that under the Commission's precedent, we can request that the omitted schedules or exhibits be filed if we want to see them.

³¹ *LUI, Inc.*, Memorandum Opinion and Order, 17 FCC Rcd 16980 (2002).

³² See, e.g., Application File No. 0000194638, Attach., APA Omitted Exhibits and Schedules (corrected).

³³ Opposition at 5; see, e.g., Application File No. 0000194638, Attach., Assignee Ownership Interests. The Applicants amended the Applications on October 31, 2022, to include a certification from LMN that it and Lakestar "amend[ed] Lakestar's minority equity stake such that, if exercised, Lakestar's minority equity stake in [LMN] shall be up to but not in excess of 19.9%." See, e.g., Application File No. 0000194638, Attach., Warrant-Holder Certification.

IT IS FURTHER ORDERED, that the amended applications, listed in the Attachment, for consent to the assignment of licenses from Univision Radio Stations Group, Inc., Tichenor License Corporation, and Univision Radio San Francisco, Inc., to Latino Media Network, LLC, ARE GRANTED.

Sincerely,

Albert Shuldiner
Chief, Audio Division
Media Bureau

ATTACHMENT

Stations Subject to the Assignment Applications

Station	Fac. ID	Community	Assignor	Assignee	Application Number
KTNQ(AM)	35673	Los Angeles, CA	Univision Radio Stations Group, Inc.	Latino Media Network, LLC	0000194638
KLSQ(AM)	36694	Whitney, NV	Univision Radio Stations Group, Inc.	Latino Media Network, LLC	0000194639
KOND(FM)	26266	Hanford, CA	Univision Radio Stations Group, Inc.	Latino Media Network, LLC	0000194640
WRTO(AM)	11196	Chicago, IL	Univision Radio Stations Group, Inc.	Latino Media Network, LLC	0000194641
KLLE(FM)	31716	North Fork, CA	Univision Radio Stations Group, Inc.	Latino Media Network, LLC	0000194642
KRGT(FM)	11614	Sunrise Manor, NV	Univision Radio Stations Group, Inc.	Latino Media Network, LLC	0000194643
WADO(AM)	70684	New York, NY	Univision Radio Stations Group, Inc.	Latino Media Network, LLC	0000194644
KRDA(FM)	39567	Clovis, CA	Univision Radio Stations Group, Inc.	Latino Media Network, LLC	0000194645
KISF(FM)	28893	Las Vegas, NV	Univision Radio Stations Group, Inc.	Latino Media Network, LLC	0000194646
WAQI(AM)	37254	Miami, FL	Univision Radio Stations Group, Inc.	Latino Media Network, LLC	0000194647
WQBA(AM)	73912	Miami, FL	Univision Radio Stations Group, Inc.	Latino Media Network, LLC	0000194648
KLAT(AM)	67063	Houston, TX	Tichenor License Corporation	Latino Media Network, LLC	0000194656
KGBT(AM)	67067	Harlingen, TX	Tichenor License Corporation	Latino Media Network, LLC	0000194657
KXTN(AM)	67069	San Antonio, TX	Tichenor License Corporation	Latino Media Network, LLC	0000194658

KBTQ(FM)	67072	Harlingen, TX	Tichenor License Corporation	Latino Media Network, LLC	0000194659
KGBT-FM	6662	McAllen, TX	Tichenor License Corporation	Latino Media Network, LLC	0000194660
KFLC(AM)	34298	Benbrook, TX	Univision Radio San Francisco, Inc.	Latino Media Network, LLC	0000194661
KFZO(FM)	7040	Denton, TX	Univision Radio San Francisco, Inc.	Latino Media Network, LLC	0000194662