STAMP & RETURN

October 1, 2012

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

FILED/ACCEPTED

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Federal Communications Commission
Office of the Secretary

Re: Matters Regarding Aloha Station Trust, LLC

Dear Ms. Dortch:

This office represents Aloha Station Trust, LLC ("Trust"), the divestiture trust at issue in a recent letter submitted to the Commission by Connoisseur Media of Long Island, Inc. ("Connoisseur").[1] In its Letter, Connoisseur claims that the Trust has failed to fulfill its duties and obligations as a divestiture trust and a Commission licensee. According to Connoisseur, "Connoisseur takes seriously its obligations as a Commission licensee to serve the public interest, convenience and necessity, and is interested in assuring that other licensees, particularly in markets in which Connoisseur operates, do the same." Letter at 1. The Trust takes issue with this claim and will, in this response, evidence that it, too, takes seriously its obligations as a divestiture trust and Commission licensee and has not taken any action to place those obligations in dispute.

As an initial matter, the Trust wishes to note that there is another interest, not specified in Connoisseur's Letter, that may be behind Connoisseur's Letter to the Commission, apart from Connoisseur's self-serving claims of good FCC citizenship. Connoisseur recently submitted an offer to acquire two of the Trust's stations, Stations WALK(AM), Patchogue, New York (FIN 10136) and WALK-FM, Patchogue, New York (FIN 10137). After due consideration, the Trust rejected Connoisseur's offer because, in the Trust's reasonable opinion, Connoisseur's offer did not reflect the fair market value of the two Stations. Connoisseur's status as a spurned WALK suitor is surely relevant to Connoisseur's decision to file its Letter with the Commission. In the Letter, Connoisseur essentially asks the Commission to set aside the Commission-sanctioned

1 *See* Letter to Ms. Marlene H. Dortch, Office of the Secretary, Federal Communications Commission, from David D. Burns, Counsel to Connoisseur Media of Long Island, LLC, dated September 19, 2012 ("Letter").
In 2008, Clear Channel Communications, Inc. ("Clear Channel"), acting pursuant to Commission consent, assigned its grandfathered interests in 52 full-service radio stations to the Trust ("Trust Stations"). Clear Channel was required to divest these stations in order to comply with the Commission's multiple ownership rules upon consummation of the transfer of control of Clear Channel from Clear Channel's public shareholders to private equity funds.

terms governing the Trust's conduct, as set forth in the *Divestiture Order*[2] and Trust Agreement,[3] and force the Trust's hand vis-à-vis the sale of the Trust Stations. *See* Letter at 7 ("The Commission should allow Clear Channel and AST no more than an additional six months to divest all Stations remaining in trust"). Apparently, Connoisseur's true interest was not to see the public interest best served but to cause the Commission to mandate the sale, of the Trust's Stations, in a process or at a price more favorable to Connoisseur's own private interests. Such an interest should not be lost sight of in the Commission's consideration of Connoisseur's Letter.

Turning to the Letter, the Trust submits that Connoisseur makes two baseless claims that render its arguments meritless. First, Connoisseur argues that, because the Trust is merely a divestiture trust, it cannot properly operate the Trust Stations in accordance with the standards applicable to Commission licensees. Connoisseur does not allege, let alone offer evidence of, any actual violations or competitive lapses or inefficiencies in the Trust's operation of the Trust Stations. Instead, Connoisseur offers only unsubstantiated, meaningless generalizations. Connoisseur's meritless claims notwithstanding, Trust disagrees and wishes to confirm that it has acted both faithfully and effectively in fulfilling its obligations as both a divestiture trust and a Commission licensee. The Trust has acted with the requisite independence and has operated and controlled the Trust Stations, consistent with its duty to preserve the assets of the Stations and maintain the status quo, much as sellers are required to do pending consummation of a transaction, per the terms of standard asset purchase agreements on file with the Commission.[4] Though its term as a divestiture trust has proven longer than either the Trust or Clear Channel initially expected, the Trust remains as committed in 2012 as it was in 2008 to maintaining the Trust Stations as competitive businesses, promoting them as attractive acquisition opportunities to qualified buyers, and undertaking the divestiture of the Stations.

Second, Connoisseur claims that, given improvements in the economy, the Trust must explain why it has divested only 30 of the original 52 Trust Stations.[5] Connoisseur calls for the Commission to investigate the Trust's efforts to sell the Trust Stations, arguing that "[i]t has been nearly four years since the AST Status Report was filed." Letter at 6. Of course, as the Commission knows, the Trust has in fact voluntarily provided the Commission with updates on

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2 *Existing Shareholders of Clear Channel Communications, Inc. (Transferors) and Shareholders of Thomas H. Lee Equity Fund VI, L.P., Bain Capital CC (IX), L.P., and BT Triple Crown Capital Holdings III, Inc.(Transferees) et al.*, 23 FCC Rcd 1421 (2008) ("*Divestiture Order*"). The Divestiture Order conditionally approved the transfer of control of the following Clear Channel subsidiaries: Ackerley Broadcasting – Fresno, LLC; Ackerley Broadcasting Operations, LLC; AMFM Broadcasting Licenses, LLC; AMFM Radio Licenses, LLC; AMFM Texas Licenses Limited Partnership; Bel Meade Broadcasting Company, Inc.; Capstar TX Limited Partnership; CC Licenses, LLC; CCB Texas Licenses, L.P.; Central NY News, Inc.; Citicasters Co.; Citicasters Licenses, L.P.; Clear Channel Broadcasting Licenses, Inc.; Jacor Broadcasting Corporation; and Jacor Broadcasting of Colorado, Inc.

3 Trust Agreement, dated July 30, 2008, by and between the Trust and Clear Channel §4(d)(i).

4 *See Battle Creek, Michigan, supra*, 22 FCC Rcd 21786, 21791 (MB 2007).

5 By the Trust's own account, it has divested 35 of the 55 radio stations, which included three FM translators, leaving 20 or 36% of the original number of stations to be divested.

the Trust's efforts to sell the Trust Stations every six months since that initial status report.[6] And contrary to the hasty, unsupported sketch of a booming radio market offered in Connoisseur's Letter, in connection with those bi-annual status reports, the Trust's media broker, Media Venture Partners ("MVP"), has provided in-depth analyses of radio market conditions. The Trust's reports, together with MVP's market analyses, provide a much clearer picture of market realities than the anecdotal statements of Connoisseur or the scant analysis provided by Connoisseur's own media broker, Michael Bergner. Connoisseur's call for an investigation is a flimsy prelude to its ultimate exhortation to the Commission: give the Trust no more than an additional six months to divest all remaining stations, including the two Stations that Connoisseur is interested in. As its request makes plain, Connoisseur's calls for Commission action are not grounded in Commission policy or market realities, but rather in Connoisseur's desire to acquire two radio properties at a price favorable to Connoisseur.

In 2008, per the *Divestiture Order* and the Trust Agreement, the Commission acknowledged that circumstances might prevent the Trust from selling the stations within six months' time, and devised a sensible reporting requirement in the event that the Trust experienced difficulties and delays.[7] Within the framework established by the *Divestiture Order* and the Trust Agreement, the Trust has actively sought to sell the Trust Stations while upholding its obligation to preserve the Stations' value on Clear Channel's behalf, a task made more difficult by a persistent recessionary economy, a difficult lending environment, a shifting advertising marketplace, and the growth of competing media targeting the over-the-air listening market, that have all negatively impacted on the radio station marketplace and the willingness and ability of potential purchasers to finance and acquire broadcast radio stations..

As described in the attached Statement of MVP (Exhibit B), conditions are improving in the radio station transaction market, but that growth is slow and bumpy. Previously, the Trust could not even find qualified buyers willing to make offers. Now, more buyers are making offers, and, as even Connoisseur had to note, the Trust has managed to divest 35 of the Trust Stations. However, some would-be purchasers, such as Connoisseur, are only interested in a station at prices that are below what the Trust deems the fair market value to be.

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6 A copy of the Trust's most recent report, filed on July 24, 2012, is attached hereto as Exhibit A.

7 In the event the Trust could not sell the stations within six months, the Commission required the Trust to submit a status report to the Commission, as described in Section 4(g) of the Trust Agreement. *See id.* at ¶ 12 ("If [AST is unable to sell the stations within six months of the consummation date of the merger transaction], it must provide the Commission with a copy of the confidential report referenced in Section 4(g) of the Form of Trust Agreement, as amended, that was submitted with the Divestiture Applications"). Section 4(g) of the Trust Agreement requires the Trust to submit a status report to Clear Channel if six months after consummation of the transaction the Trust has not sold all the stations. In the status report, the Trust must (i) detail its efforts to sell the stations, (ii) explain why any remaining stations have not been sold, and (iii) offer recommendations to help facilitate sale of remaining stations. *See* Trust Agreement §4(g). As previously noted, the Trust filed such a report upon the six month anniversary date, when it had not completed all station sales, and has submitted bi-annual reports since then, informing the Commission of the Trust's concerted efforts to sell Stations during each prior six-month period.

As demonstrated in the Trust's regular status reports and in the analyses of its broker, MVP, contained in those status reports and as prepared for this response, the simple explanation here is the correct one. The Trust's inability to sell the Stations does not demonstrate an abdication of its duties or a conspiracy with Clear Channel to warehouse the Trust Stations. Rather, the Trust's difficulties stem from the unusual and unexpected circumstances in the recessionary economy and market for the purchase and sale of broadcast radio stations, during the term of the Trust. The Trust entered into the Trust Agreement to dispose of the Trust Stations and has every incentive to do so. However, the Trust cannot produce transactions if it cannot identify qualified buyers willing to purchase a Trust Station at a fair price and who possess financing that will enable them to consummate transactions. The Trust will continue to use its best efforts to meet all of its duties and obligations as a divestiture trust and a Commission licensee. However, those duties include ensuring that proposed purchase prices reflect the true value of the Trust Stations, and rejecting would-be buyers, such as Connoisseur, who do not present fair offers.

Should you have any questions or concerns regarding this matter, please do not hesitate to contact me.

Respectfully submitted,

Barry A. Friedman
Counsel to the Aloha Station Trust, LLP

cc: Peter Doyle, Esq.
Chief, Audio Division
Federal Communications Commission

Gregory Masters, Esq.
Wiley Rein LLP
Counsel to Clear Channel

David Burns
Latham & Watkins LLP
Counsel to Connoisseur

EXHIBIT A

STAMP & RETURN

July 24, 2012

FILED/ACCEPTED

JUL 24 2012
Federal Communications Commission
Office of the Secretary

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

RE: Aloha Station Trust, LLC
Eighth Six-Month Report

Dear Ms. Dortch:

This office is counsel to the Aloha Station Trust, LLC ("Trust"), the licensee, in the capacity of a trustee, of certain radio stations divested by affiliates and subsidiaries of Clear Channel Communications, Inc. ("Clear Channel") pursuant to Commission consent in *Existing Shareholders of Clear Channel Communications, Inc. (Transferors) and Shareholders of Thomas H. Lee Equity Fund VI, L.P., Bain Capital (IX), L.P., and BT Triple Crown Capital Holdings III, Inc. (Transferees) et al.*, 23 FCC Rcd 1421 (2008) ("Merger Order").

Under the terms of the Trust Agreement that the Trust entered into with Clear Channel, the Trust agreed to provide Clear Channel with a Status Report on the Trust's efforts to sell the radio stations under its control. In the ordering clauses to the Merger Order, the Trust was directed to provide a copy of the Status Report to the Commission upon delivery of the Status Report to Clear Channel. 23 FCC Rcd at 1437.

While neither the Trust Agreement nor the Commission's Merger Order made such reporting a continuing obligation on the Trust's part, the Trust believes that it is appropriate to keep the Commission apprised of its actions and it is providing the attached Eighth Report dealing with the Trust's activities in furtherance of its mandate during the preceding six months.

Barry.Friedman@ThompsonHine.com Phone 202.973.2789 Fax 202.331.8330 206367.2

Should there be any questions in regard hereto, please communicate with the undersigned.

Respectfully submitted,

Barry A. Friedman

Enclosure

cc: Mr. Peter Doyle, Audio Division (By Hand)
Doc Bodensteiner, Esq.
Ms. Jeanette Tully

EIGHTH REPORT OF THE
ALOHA STATION TRUST, LLC
UPON COMPLETION OF EIGHTH SEMI-ANNUAL PERIOD OF SERVICE AS
TRUSTEE OF CERTAIN RADIO STATIONS FORMERLY LICENSED TO
AFFILIATES AND SUBSIDIARIES OF CLEAR CHANNEL COMMUNICATIONS, INC.

As a condition of its approval of the transfer of control ("Transfer of Control") of Clear Channel Communications, Inc. ("Clear Channel") from the public shareholders of Clear Channel to the shareholders of the private equity funds, Thomas H. Lee Equity Fund VI, L.P. and Bain Capital (CC) IX, L.P.,[1] the Federal Communications Commission (the "Commission") directed Clear Channel to divest Clear Channel's grandfathered interests in a number of stations ("Grandfathered Stations") in order to avoid violating the Commission's multiple ownership rules upon consummation of the Transfer of Control.[2]

In compliance with this condition, on July 30, 2008, Clear Channel transferred its interest in the Grandfathered Stations to Aloha Station Trust LLC ("Aloha Trust"), pursuant to a Trust Agreement ("Trust Agreement") by and between the parties and the consent of the Commission[3], for the purpose of facilitating the sale of the Grandfathered Stations by Aloha Trust.

Section 4(g) of the Trust Agreement provides that, if, after six months from the date of consummation of the Trust Agreement, Aloha Trust has not sold all of the Grandfathered Stations, Aloha Trust must deliver to Clear Channel a status report ("Report") describing Aloha Trust's efforts to sell the Grandfathered Stations. Specifically, Section 4(g) of the Trust Agreement directs Aloha Trust to (i) set forth its efforts to sell the Grandfathered Stations; (ii) explain why sales of all the Grandfathered Stations have not yet been consummated; and (iii)

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1 *See Existing Shareholders of Clear Channel Communications, Inc. (Transferors) and Shareholders of Thomas H. Lee Equity Fund VI, L.P., Bain Capital CC (IX), L.P., and BT Triple Crown Capital Holdings III, Inc. (Transferees) et al.*, 23 FCC Rcd 1421 (2008) ("*Merger Order*"). The Merger Order conditionally approved the transfer of control of the following Clear Channel subsidiaries: Ackerley Broadcasting – Fresno, LLC; Ackerley Broadcasting Operations, LLC; AMFM Broadcasting Licenses, LLC; AMFM Radio Licenses, LLC; AMFM Texas Licenses Limited Partnership; Bel Meade Broadcasting Company, Inc.; Capstar TX Limited Partnership; CC Licenses, LLC; CCB Texas Licenses, L.P.; Central NY News, Inc.; Citicasters Co.; Citicasters Licenses, L.P.; Clear Channel Broadcasting Licenses, Inc.; Jacor Broadcasting Corporation; and Jacor Broadcasting of Colorado, Inc.

2 *See* 47 C.F.R. § 73.3555 Note 4. The Grandfathered Stations are listed in Appendix B and Appendix C to the *Merger Order*.

3 *See* FCC File No. BAL-20070619ABU, et al.

offer recommendations to facilitate sale of the remaining Grandfathered Stations. The transfer of the Grandfathered Stations to the Aloha Trust occurred on July 30, 2008 and on January 30, 2009, the Aloha Trust submitted a Report to the Commission.

In addition, the Commission, in granting the requested assignment of licenses to the Aloha Trust, imposed the following requirement on the parties (Order at p. 1437):

> IT IS FURTHER ORDERED THAT, in the event that The Aloha Station Trust, LLC has not consummated the sale of each broadcast station that it holds in trust within six months of the acquisition of such station by The Aloha Station Trust, LLC, the trustee of The Aloha Station Trust, LLC SHALL SUBMIT to the Commission (with a copy by email to peter.doyle@fcc.gov) a true and complete copy of the report described in the fourth sentence of Section 4(g) of the form of Trust Agreement submitted with the Merger Agreement.

While neither the Trust Agreement nor the Merger Order speaks to further reports on the part of the Aloha Trust, the Aloha Trust, believing that it is appropriate to keep the Commission regularly apprised of its administration of its efforts, has decided to prepare and submit the instant Eighth Report. The purpose of this Eighth Report is to update the Commission as to the actions of the Aloha Trust during the six months that commenced on February 1, 2012 and to report on the Aloha Trust's continued efforts to undertake the sale of the Grandfathered Stations.

In the portions of this Eighth Report below, the Aloha Trust will address the directives contained in the Trust Agreement, as they apply to the preceding six months of Trust operations.

I. Preliminary Statement

The Aloha Trust, despite its efforts to do so, has continued to be unable to accomplish the disposal of the radio station assets assigned to the Aloha Trust by Clear Channel. That it has been unable to do so is not a reflection of the Aloha Trust's desire or efforts to achieve its goals but of the unprecedented economic situation and the distressed market for broadcast stations that have been present throughout the Aloha Trust's term as trustee. As the Trust has reported in prior submissions and as is evident from the radio station marketplace today, there is a dearth of ready, willing and able radio station buyers, an absence of parties willing to finance potential radio station buyers, an advertising marketplace with significant reductions, with recent improvements, in advertising from all sectors, including the critically important automobile and housing sectors, and a stock market in which radio station values have been beaten down and have made only modest recovery, but remain far below the levels at which publicly traded broadcast stocks were valued by the market prior to the recession.

These result of these macroeconomic and industry specific problems have been, as we will discuss below, the inability of the Aloha Trust and its chosen broker to locate sufficient numbers of willing and qualified buyers to acquire additional Aloha Trust stations. There remains an imbalance between the number of able buyers and interested and financially able sellers. The Commission can readily confirm this from the number of assignments and transfers of control it is presented for consent to. It is the opinion of the Aloha Trust and its broker, which is an entity experienced in the sale of media properties, that sales will not significantly improve until the lending environment and number of available lenders, broadcaster balance sheets, the advertising marketplace, and the market's perception of the radio industry change markedly for the better. While the Aloha Trust's broker has recognized some improvement in the marketplace, when a full recovery will occur is beyond the ability of the Aloha Trust to predict, just as the economics profession has been unable to predict when unemployment rates and the rate of GDP growth will return to pre-recession levels.

II. Aloha Trust's Efforts to Sell the Grandfathered Stations

A. Marketing Efforts

Since July 2008, the Aloha Trust and Clear Channel have engaged Media Venture Partners, LLC ("MVP") for purposes of marketing the Grandfathered Stations to prospective buyers. MVP is a nationally recognized brokerage firm specializing in matching buyers and sellers of broadcast radio stations and was selected for its ability to recognize available buyers and arrange for the prompt sale of the Grandfathered Stations. MVP has adhered to industry standards in the broadcast brokerage business in the preparation of marketing materials and solicitation of potential buyers. Information concerning Aloha Trust and the Grandfathered Stations is contained in MVP's Internet site.[4]

To date, MVP, as reported in the attached Statement of MVP (Exhibit A), has identified and continues to contact a large number of potential buyers. Certain of the prospective buyers that were contacted have followed up with MVP by requesting the required Non-Disclosure Agreement ("NDA"). When members of that group have subsequently returned the proferred NDA to MVP, they have been granted access to an on-line data room containing standard due diligence material.

4 *See* www.mediaventurepartners.com/

Based on various factors, including the wide array of available assets, the number of potential buyers, and prevailing market conditions, MVP has not established a formal bid deadline. Instead, MVP has and continues to encourage bidders to submit offers at such time as they have secured appropriate financing and are in a position to move forward with any proposed transaction.

The Aloha Trust has, over its term, either contracted for or completed the divestiture of 37 full service radio stations and three FM translator stations, leaving the Aloha Trust with 20 radio stations.

B. Transaction Progress in 2012

1. Completed Transactions

The Aloha Trust completed the assignment of the following Stations during the applicable period in 2012:

Station WKRD(FM) (now WVKY), Shelbyville, Kentucky (FIN: 60081) (File No. BALH-20111109AMW).

Station KAVL(AM), Lancaster, California (FIN: 2318) (File No. BAL-20111214ABI).

Station KTPI-FM, Mojave, California (FIN: 2320) (File No. BALH-20111214ABJ).

Station WHER(FM) (now WLAU), Heidelberg, Mississippi (FIN: 52618) (File No. BALH-20120413AAD).

Station WPBH(FM) (now WTKP), Port St. Joe, Florida (FIN: 67579) (File No. BALH-20120515ACM).

2. Pending Transaction

The Aloha Trust has no pending assignment applications.

III. Conditions Impeding Sale of the Grandfathered Stations

The current situation involving the economy and the radio industry represents the continuation of the most difficult that anyone, including those with long experience in the industry, can recall. Traditional media entities that are dependent on advertising, such as radio, have suffered a significant and negative impact as the advertising market has diminished and advertisers have reached out to new forms of advertising such as the Internet, social media, and wireless devices. With the revenue base diminished, the pace of broadcast radio transactions has slowed and has made only slight progress forward. While observers of the broadcast industry expect that the amount of radio advertising will increase in 2012, owing to the limited recovery unique element of election-year political broadcasting spending, overall radio advertising may never reach prior levels as advertising dollars diverted to other media may never return.

The widespread economic downturn and its impact on lenders has significantly exacerbated the already-troubled market conditions facing broadcast radio. The unprecedented turbulence in the capital markets has made credit virtually non-existent for all but the most highly qualified parties. Prior to the "credit crunch," which effectively began in late 2007, many operators in the radio space were able to secure substantial amounts of leverage given the general ease of credit availability and the strong recurring cash flow characteristics of the radio business. However, as credit tightened and revenue softened, many operators (and the industry as a whole) found themselves over-leveraged with little to no financial flexibility. Further, the continued uncertainty around the outlook for the economy in general and advertising-reliant businesses, such as radio, in particular, has caused potential buyers to be extremely cautious in utilizing any cash or bank credit that they do have on hand. As a result, the radio transaction volume has slowed. With only limited exceptions, most transactions that are occurring are small in scale (sub-$2 million), and often involve buyers who are not dependent on commercial advertising (e.g., religious broadcasters and non-commercial broadcasters), some sort of swap or, more recently, seller financing.

There is little likelihood on the horizon that lenders will be more willing to provide financing to radio broadcasters. As described by MVP, a few new lenders have appeared interested to replace the lenders of the past and these lenders may have little interest in financing the properties left in the Trust, leaving most potential buyers for Trust properties in a position where they cannot finance any broadcast acquisitions. The Trust, owing to its charge, is not in a position to participate in seller-financing for any transaction.

All of this is evidenced by the transactions that the Trust has undertaken which have generally involved lower-priced stations or buyers who are able to self-finance for various reasons including being institutions operating in the service area, religious organizations, or financially qualified individuals.

III. Recommendations

The Aloha Trust recommends, considering the unusual economic circumstances that have presented themselves during the term of the Trust, that the Trust remain in existence and that the Trust continue to use MVP to market the remaining Grandfathered Stations and target prospective buyers. A substantial number of stations have been sold and the Trust is hopeful that the remainder will be sold, albeit at a pace that the Trust has never expected. If conditions in the trading environment improve, MVP can be expected to be able to more aggressively pursue transactions involving the Grandfathered Stations located in the major markets. In the meantime, Aloha Trust is working with MVP in concentrating on sales of Grandfathered Stations in smaller markets, where most of the remaining properties are concentrated, that fall within the sub-$10 million transaction framework or where buyers are able to finance transactions without securing lender financing. Hopefully, this will further narrow the number of stations remaining in the Trust.

If you have any questions regarding the contents of this Report, please do not hesitate to contact me.

Respectfully submitted,

ALOHA STATION TRUST, LLC

By: Jeanette Tully
Jeanette Tully
Member

Dated: 7-23-12

EXHIBIT A

MEMORANDUM

DATE: July 13, 2012

TO: Jeanette Tully, Trustee, Aloha Station Trust, LLC ("Aloha Trust")

CC: Barry Friedman, Thomson Hine, LLP

FROM: Media Venture Partners LLC

RE: Update on Sales Effort for Stations in the Aloha Trust

This memo provides a further update concerning the sales effort and process undertaken in order to comply with the FCC's Order requiring Clear Channel Communications, Inc. ("Clear Channel") to divest fifty-two (52) radio stations (the "Stations") by assigning them to the Aloha Station Trust, LLC ("Aloha Trust") as Trustee ("Trustee"). This memo follows similar updates submitted to the Trustee on January 23, 2009, July 27, 2009, January 21, 2010, July 22, 2010, January 17, 2011, July 15, 2011 and January 13, 2012.

Background

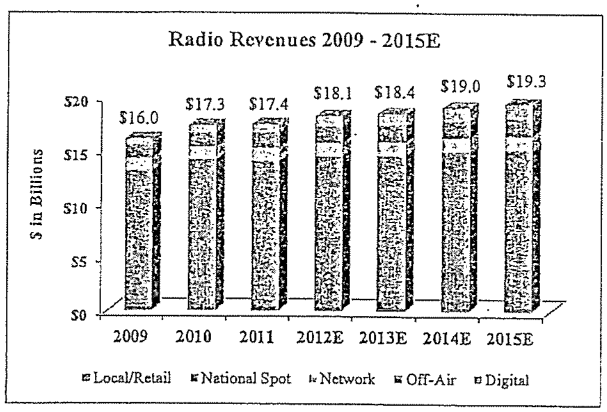
In connection with its acquisition by a private equity group co-led by Bain Capital Partners, LLC and Thomas H. Lee Partners, L.P., Clear Channel was required by the FCC to place the Stations into a trust for eventual divestiture. To comply with this requirement, Clear Channel assigned the Stations to the Aloha Trust, which, along with Clear Channel, has in turn retained the services of Media Venture Partners, LLC ("MVP") to initiate a broad sales process to sell the Stations for fair market value.

Marketing Process

The Aloha Trust and Clear Channel engaged MVP to market the Stations in July 2008, in advance of the closing of the acquisition of Clear Channel, which subsequently occurred later that month. After preparing the necessary marketing materials and compiling a prospect list for each Station, MVP began contacting potential buyers in late August/early September 2008. MVP initially identified and contacted approximately 275 potential buyers of one or more of the Stations, and we continue to identify and contact potential buyers on an on-going basis. To-date, we have had discussions with over 200 potential prospects and have signed Non-Disclosure Agreements ("NDA") with over 140. Those parties that executed an NDA were then granted access to an on-line data room which contains standard due diligence materials. Given the vast array of assets, number of potential bidders, and general trading market conditions, we did not feel it was appropriate to set a formal bid deadline. Rather, we have been encouraging bidders to submit offers on properties as they are ready and, more importantly in today's climate, when they have the financing firmly in place.

Current Market Conditions:

The radio industry has been dealing with revenue pressures for the better part of a decade with the industry-wide revenue basically flat between 2001 and 2007 at roughly $20 billion per year. However, beginning in 2007, radio began suffering from unprecedented revenue declines – 2009 marked the third consecutive year of negative revenue growth, dropping 18% in 2009 alone and 30% overall during that three-year period. From 2001 through 2007, prior to the most recent economic recession, the industry's revenue difficulties were primarily attributable to a loss of share to other advertising media (i.e. online), which was at least partially offset by the growth in overall advertising spending. The broader economic downturn of the last several years exacerbated the problem for radio. However, as the overall economy has begun to stabilize, we have seen signs of improvement in the overall health of the advertising market, and it appears that radio specifically may have finally stabilized and after reaching bottom in 2009, it has shown positive trends since that period. The industry as a whole grew 5% in 2010, which was a nice bounce back and was well ahead of inflation. However, the recovery has not extended universally and has been "bumpy" with some markets still struggling through 2011 and into the first half of 2012. Overall, industry-wide revenue was up approximately 1% in 2011 to $17.4 billion, with spot revenue flat and the growth attributable to digital and NTR initiatives. Thus far in 2012, industry-wide growth is trending similarly to 2011.



In addition to the industry's recent precipitous revenue declines, another major factor restraining deal activity to this point has been an overall lack of access to capital. Prior to the onset of the "credit crunch" which effectively began in late 2007, many operators in the radio space were able to secure substantial amounts of leverage given the general ease of credit availability and the strong recurring cash flow characteristics of the radio business. As credit tightened and revenue softened, many operators (and the industry as a whole) found themselves over-levered with little to no financial flexibility. As a result, the majority of traditional lenders to the space are focused on managing distressed existing portfolios with amendments, restructurings, etc. in order to minimize their loss of principal. Given the losses many lenders have or will incur in the space, traditional bank credit remains limited for broadcasters. However, the restructuring wheel has continued to turn. Some lenders have worked through portions of their distressed credits, either through foreclosing on the assets, or more typically taking a discount to principal in selling their notes. There still remains a significant amount of problem broadcast loans on bank balance sheets but the restructuring efforts continue. Perhaps most importantly, we have begun to see a small, select group of new lenders showing interest in filling the middle-market credit vacuum in the broadcast space. While still not "robust" the lending market has certainly started to loosen up for borrowers with multiple middle-market refinancing getting done in 2012, with leverage levels in the 3.5 – 4.25x range.

Additionally, some of the larger players in the industry have successfully been able to tap the high-yield debt markets. That source of capital is only available to a very small subset of the radio universe, however, it has helped fuel some of the recent mega deals in the space including Cumulus's acquisition of Citadel and Hubbard's purchase of the majority of the Bonneville radio properties.

That being said, there are some potential buyers and capital sources interested in the radio sector. For the most part, however, there has been a significant disconnect between valuations buyers are willing or financially able to pay and what sellers are willing to take given existing leverage levels. A seller simply cannot sell assets if the transaction is immediately dilutive to its lender, which would often be the case today given the gap between market's impressions of valuation and current broadcasters' balance sheet issues.

We have nonetheless started to see glimmers of improvement in the trading environment, with increasing activity levels within the last several months. Much of the uptick in deal activity has been driven by sellers' rationalizing pricing expectations to align closer to market reality. Deal volume is still well below historical standards and transaction sizes are significantly lower than historical level but the activity level is improving. Starting in the second half of 2010, we began to see increasing appetite for deals in excess of $5 million. Then, in 2011, the market was pleasantly surprised by the Cumulus/Citadel and Hubbard/Bonneville deals, which were really the first deals in several years to provide pricing points for cash flowing properties. They provide an important and previously lacking, barometer for where radio properties should trade and also the potential amounts of leverage available in today's environment for larger platforms. Activity levels have increased since that time with multiple $10+ million deals within the first half of 2012, as illustrated in the table below.

Date	Buyer	Seller	Radio Market	Number of Stations	Price (millions)	MVP Est. BCF Multiple
Apr-12	Townsquare	Cumulus	11 markets	55	$116.0	N/A
Apr-12	Powell Broadcasting	Townsquare (Double O)	Panama City (#235)	4	$1.0	N/A
Apr-12	Brazos	Townsquare (Double O)	Odessa-Midland, TX (#181)	3	$1.8	6.5x
Apr-12	Palm Beach Broadcasting	CBS Radio	West Palm Beach-Boca Raton, FL (#49)	5	$50.0	10x
Mar-12	Entercom	Inner City	San Francisco (#4)	1	$25.0	NA
Mar-12	Connoisseur Communications	Barnstable	Nassau-Suffolk, NY (#18)	4	$23.0	~7x
Mar-12	Journal Broadcast Group, Inc.	Renda Broadcasting	Tulsa, OK (#65)	2	$11.8	8.7x
Jan-12	ApexBroadcasting	Qantam	Ft. Walton Beach-Destin, FL (#193)	4	$2.8	NA
Apr-11	Riviera Broadcasting, LLC	Atmor Properties, Inc.	Phoenix, AZ (#15)	3	$16.0	7.6x
Mar-11	Cumulus Media Inc.	Citadel Broadcasting Corporation	Various	226	$2,173.3	9x
Mar-11	WRMF-FM, LLC	Cobalt Operating, LLC	West Palm Beach-Boca Raton, FL (#49)	1	$16.5	7x
Jan-11	Hubbard Broadcasting, Inc.	Bonneville International	Various	18	$505.0	8.2x

The impediment to further deal activity is less attributable to a lack of demand but to a dearth of attractive supply or, rather, inventory with appropriate seller pricing expectations. The buyer pool has expanded beyond non-traditional operators – religious, time-brokered, ethnic – to include strategic and private equity players. There remains a limited amount of quality cash-flowing inventory on the market; however, that supply is growing as the market continues to improve.

We do expect to see continued improvement in deal flow through the back half of 2012 as long as revenue stabilization and growth continues to emerge.

Progress Since Creation of the Aloha Trust

Despite the broader market conditions, the Aloha Trust has made significant progress in disposing of the Stations. To date, the Aloha Trust has successfully closed on the sale of twenty-one (21) Stations:

- December 2008:WBUK (FM) serving the Lima, OH radio metro to Blanchard River Broadcasting Company
- January 2009:WALC (FM) serving the Charleston, SC radio metro to Radio Training Network, Inc.
- February 2009: WROO (FM) serving the Jacksonville, FL radio metro to Flagler County Broadcasting, LLC
- March 2009:WGIP (AM) serving the Portsmouth-Dover-Rochester, NH radio metro to Aruba Capital Holdings, LLC
- May 2009: WWDG (FM) serving the Syracuse, NY radio metro to Foxfur Communications LLC
- May 2009: WURH (FM) serving the Hartford, CT radio metro to Red Wolf Broadcasting Corp.
- March 2010: KCNL (FM) serving the San Jose, CA radio metro to Principle Broadcasting Network, LLC
- September 2010: KFMK (FM) serving the Austin, TX radio metro to CRISTA Ministries
- February 2011: KUFX (FM) serving the San Jose, CA radio metro to Entercom
- February 2011: KSJO (FM) serving the San Jose, CA radio metro to Principle Broadcasting Network, LLC
- February 2011: WDKZ (FM) & WLBW (FM) serving the Salisbury-Ocean City, MD radio metro to Educational Media Foundation and WBFN(AM) serving Battle Creek, MI to Cumulus Licensing LLC
- May 2011: WKEY (FM) & WKEZ (FM) serving the Florida Keys, FL radio metro to the Great Marathon Radio Company
- July 2011: KHLR (FM) serving the Little Rock, AR radio metro to Signal Media
- August 2011: WTOC(AM) serving Newton, NJ to MMTC Broadcasting LLC
- November 2011: WZCH (FM) serving the Macon, GA radio metro to Educational Media Foundation
- January 2012: WKRD (FM) serving the Louisville, KY radio metro to Southern Belle
- May 2012: KTPI (FM) & KAVL (AM) serving the Lancaster, CA metro to RZ Radio
- June 2012: WHER (FM) serving the Laurel-Hattiesburg, MS metro to Telesouth Communications
- July 2012: WPBH (FM) serving the Panama City, FL metro to Omni Broadcasting

MVP remains in active discussions with multiple parties for a number of the remaining Aloha Trust assets. MVP also continues to work to identify and negotiate with prospective buyers and to try to deliver to the Aloha Trust fair market value for its Stations' assets.

EXHIBIT B

DECLARATION OF ELLIOT B. EVERS

I, Elliot B. Evers, hereby declare under penalty of perjury that the following is true, correct, and accurate to the best of my knowledge, information and belief:

1. I am a Co-Founder and Managing Director of Media Venture Partners LLC ("Media Venture Partners"), an investment banking firm with extensive experience in broadcast station transactions, including in the brokerage of broadcast station assets. In so doing, and on behalf of sellers, we identify and make numerous contacts with potential buyers for stations that are for sale. Under my leadership, Media Venture Partners has executed several hundred successful sales of radio and TV stations, totaling more than $3 billion in transactions. I have been involved in the purchase and sale of broadcast assets since 1987.

   I am frequently invited to speak to industry groups and to the trade press on the subject of station values, including the *Paul Kagan Seminar on Radio & TV Values*, the *Dickstein, Shapiro & Morin Seminar on Broadcast Finance*, and the *National Association of Broadcasters/Radio Business Report* annual breakfast.

   I have been qualified as an expert witness for broadcast station valuations in the following court cases: (1) *Rook Broadcasting of Idaho, Inc., KEZE, Inc., and Z-Rock Communications Corp. vs. Triathlon Broadcasting of Spokane, Inc., Triathlon Broadcasting Co., Citadel Communications Corp., et al*, United States District Court, Eastern District of Washington; (Case No.'s CS-99-096-RHW, CS-99-097-RHW, CS-99-098-RHW and CS-00-313-RHW). (2) *B. Casey Stangl v. Henry Broadcasting Company, et al*, Superior Court for the State of Hawaii; (Civil No. 90-1460-05); (3) *Inland Empire Broadcasting Inc.*, U.S. District Court for the District of Nevada (BK-S-92-24711-LBR); (4) *Ponce Nicasio vs. Media One, Bruce Fox et al*, El Dorado County Superior Court (PV002097); and (5) *KZSA vs. Diamond Radio*, Sacramento County Superior Court (97AS05928).

   I hold a B.A. in Journalism from the University of California at Berkeley; a J.D. from Hastings College of the Law, University of California; and the Diplome Semestriel from The University of Paris.

2. Clear Channel Communications, Inc. ("Clear Channel") was required by the FCC to place the licenses of 52 stations (the "Trust Stations") into a divestiture trust in connection with its acquisition by a private equity consortium in January of 2008. Clear Channel assigned, pursuant to FCC Consent, the Trust Stations to the Aloha Station Trust, LLC ("Aloha Trust"), and Media Venture Partners was engaged by the Aloha Trust, in July of 2008, to broker the sale of the Trust Stations.

3. In considering the current state of the radio broadcasting industry, the lingering impacts of the credit market collapse and accompanying recession cannot be overlooked. The broad economic downturn led to precipitous declines in radio

industry revenues from 2007 to 2009, just as the Aloha Trust was commencing to sell its portfolio, with revenues falling 18% in 2009 alone and 30% overall during that three-year period and radio revenues have since stabilized along with the improvement of the broader economy; however, the industry will not return to the tremendous growth industry it once was and is expected to post low-single digit gains annually for the foreseeable future.

4. The credit market crunch, coupled with the unprecedented decline in industry revenues, caused many operators to be significantly over-levered. As a result, the majority of traditional lenders to the broadcast sector were forced to focus on managing problem portfolios with amendments, restructurings, bankruptcies and receiverships in order to minimize their losses of principal and to exit or limit their lending activities in the broadcast sector. This change in focus continues to today. Given the losses many lenders have or will incur in the sector, the availability of broadcast industry credit, although marginally better than it was in the 2009-10 timeframe, still remains very limited. There is a small, select group of new lenders currently showing interest in filling the middle-market credit vacuum in the broadcast sector; however, the lending environment remains challenged with a relatively thin pool of capital sources. Although it is true that a few private equity sponsors are tiptoeing back into the industry, the list is very short, and there are a large number of stations for sale.

5. Although deal activity is above the levels we saw in 2008-09, and it continues to pick up, for the most part, there remains a disconnect between the valuations that buyers are willing or financially able to pay and what sellers are willing to accept. This spread between the bid and ask for station properties has resulted in the inability of parties to reach agreement on many proposed transactions.

6. Against this industry backdrop, the Aloha Trust has made significant progress in disposing of the Trust Stations. To date, the Aloha Trust has successfully closed on the disposition of 35 of the Trust Stations. Media Venture Partners continues to solicit buyers for the remaining Aloha Trust assets. When a bid is received from a prospective buyer, Media Venture Partners represents the Trust in negotiations with prospective buyers to ensure that the Trust is receiving fair market value for the Trust Station assets. No party has been excluded from the disposition process, provided it is financially qualified to participate in it.

7. In conclusion, it is my opinion that the Aloha Trust has been engaged in the disposition of the Trust Station assets during a very difficult time. The radio industry has had to face an economic recession, increased competition for its listening public and financial markets that look askance at the future prospects for the industry. The result of these factors, and a lending community that has been unable or reluctant to extend credit for broadcast transactions, has been that the number of broadcast transactions and the prices of stations have been constrained. Within this context, the

Aloha Trust, working through MVP, has aggressively sought to dispose of its assets at prices that reflected market values. While all of the Trust Stations have not been sold, the Aloha Trust has disposed of a substantial number of the Trust Stations and it continues to pursue the sale of the remaining Trust Stations in its portfolio.

By: ______________________
Elliot B. Evers

Dated: September 28, 2012