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

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AUG 20 2015

Federal Communications Commission
Office of the Secretary

RE: Brunswick Station Trust LLC
Bi-Annual Report

Dear Ms. Dortch:

This office is counsel to the Brunswick Station Trust LLC ("Trust"), the licensee, in the capacity of a trustee, of Station WMOG(FM), St. Simons Island, Georgia (FIN: 36929).

Under the terms of the Trust Agreement that the Trust entered into with Capstar Radio Operating Company ("Capstar"), dated September 9, 2014, the Trust agreed to provide Capstar with a Status Report on the Trust's efforts to sell WMOG. In the ordering clauses contained in the Form 732, evidencing the Commission's consent to the assignment of the WMOG license to the Trust, in FCC File No. BALH-20140422ACR, dated July 10, 2014, the Trust was directed to provide a Status Report to the Commission, on six-month basis, "describing [its] efforts to market those assets [of Station WMOG] to third parties."

The Status Report attached hereto fulfills these obligations and provides information, from the licensee and its designated media broker, on the efforts undertaken during the previous six months in order to sell the assets of WMOG to a qualified third party at a price that represents fair market value for WMOG.

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)
Richard Bodorff, Esq.
Ms. Jeanette Tully

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**REPORT OF THE
BRUNSWICK STATION TRUST LLC
UPON COMPLETION OF A SEMI-ANNUAL PERIOD OF SERVICE AS TRUSTEE OF
STATION WMOG(FM), ST. SIMONS ISLAND, GEORGIA, FORMERLY LICENSED
TO QANTUM OF BRUNSWICK LICENSE COMPANY, LLC**

This Report is being submitted in connection with the Commission's consent to the assignment of the license for Station WMOG(FM), St. Simons Island, Georgia ("WMOG"), from Quantum of Brunswick License Company, LLC to the Brunswick Station Trust LLC ("Brunswick Trust"), in FCC File No. BALH-20140622ACR. The WMOG assignment to the Brunswick Trust arose from a coordinated group of applications for assignments of license, whereby the Aloha Station Trust, LLC exchanged the assets of Stations WALK(AM) and WALK-FM, Patchogue, New York, for certain radio stations owned by Quantum Communications Corporation ("Quantum") and licensed to its subsidiaries, followed by a conveyance of Quantum's radio stations to Capstar Radio Operating Company ("Capstar") and AMFM Radio Licenses, L.L.C. (collectively, "Clear Channel"), and, ultimately, the sale of WALK and WALK-FM by Quantum to Connoisseur Media Licenses, LLC. In that the assignment of the license of WMOG would result in Clear Channel owning one station more than permitted by the Commission's local radio multiple ownership rules, the Commission consent to WMOG being assigned to the Brunswick Trust for ultimate divestiture to a third party.

In compliance with divestiture requirement, the license for WMOG was assigned to the Brunswick Trust, pursuant to Commission consent, on September 9, 2014, and in compliance with the terms of a Trust Agreement ("Trust Agreement") by and between Capstar and the Brunswick Trust.

Section 4(g) of the Trust Agreement provides that, if, after six months from the date of consummation of the Trust Agreement, the Brunswick Trust has not sold the assets of WMOG, the Brunswick Trust must deliver to Capstar a status report ("Report") describing the Brunswick Trust's efforts to sell WMOG. Specifically, Section 4(g) of the Trust Agreement directs the Brunswick Trust to (i) set forth its efforts to sell WMOG; (ii) explain why the sale of WMOG has not yet been consummated; and (iii) offer recommendations to facilitate sale of WMOG. Section 4(g) also requires the Brunswick Trust to comply with all FCC reporting requirements concerning the Brunswick Trust's efforts to sell WMOG. It is now approximately one year since the consummation of the WMOG assignment of license and the Brunswick Trust is providing to the Commission its second report on its efforts to divest WMOG.

The Commission, in granting the requested assignment of license to the Brunswick Trust, included the following requirement in the FCC Form 732 that was issued on July 10, 2014:

The license and authorization issued by the Commission for station WBGA(FM) St. Simons Island, GA, Fac. ID No. 36929 must be assigned by Brunswick Station Trust

LLC, pursuant to long-form (FCC Form 314) assignment of license application, to third parties within two years after its acquisition of the assets of the Station, and The Brunswick Station Trust LLC must submit (to the attention of the Chief, Audio Division, Media Bureau), every six months after its acquisition of such assets, a report describing its efforts to market those assets to third parties.

In the portions of this Report below, the Brunswick Trust will address its efforts to market the assets of WMOG to third parties during the previous six-month period.

I. Brunswick Trust's Efforts to Market WMOG

The Brunswick Trust has engaged Media Venture Partners, LLC ("MVP") for purposes of marketing WMOG 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 WMOG. MVP has adhered to industry standards in the broadcast brokerage business in the preparation of marketing materials and solicitation of potential buyers. Information concerning MVP's expertise in handling radio station transactions is contained in MVP's Internet site.¹

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 proffered NDA to MVP, they have been granted access to an on-line data room containing standard due diligence material. One party has made an offer that is being considered at this time.

Based on various factors, including the available information concerning the WMOG 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 a proposed transaction.

II. Conditions Impeding Sale of WMOG

The current situation involving the economy and the radio industry represents the continuation of the most difficult time for the sale of broadcast stations that anyone, including those with long experience in the industry, can recall. Traditional media entities that are

¹ See www.mediaventurepartners.com/

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 and dispersed, the pace of broadcast radio transactions has slowed and has made some, but not significant, progress forward. While observers of the broadcast industry expect that the amount of radio advertising will continue to improve, owing to economic growth, overall radio advertising, owing to structural changes in advertising, may never reach prior levels as advertising dollars that have been diverted to other media and non-media services and, likely, may never return.

The economic downturn and its impact on lenders who had broadcast stations in their portfolios has significantly exacerbated the already-troubled market conditions facing broadcast radio. The unprecedented turbulence in the capital markets has limited credit availability. 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 in both absolute numbers and dollar value. A review of the trade press and the Commission’s own records of assignments and transfers of control evidence the diminished state of the radio broadcast sales marketplace.

As described by MVP in its Statement, some new lenders have appeared interested to replace the lenders of the past. However, given the limited economic value to buyers of WMOG, which is a single and relatively small station in a smaller markets, it is doubtful that these lenders will have any interest in financing the acquisition of WMOG, leaving most potential buyers for WMOG in a position where they cannot finance any broadcast acquisitions. The Brunswick Trust, owing to its charge, is not in a position to participate in seller-financing for any transaction.

Despite these problems, the Brunswick Trust and its broker are pursuing actively the radio sales market and to identify those parties that are ready, willing and able to pay fair value for WMOG. MVP’s report identifies the opportunities that are being pursued and the Brunswick Trust remains optimistic that it will be able to enter into a formal purchase and sales agreement for WMOG within the remaining portion of the two-year period provided for by the Commission.

III. **Recommendations**

The Brunswick Trust advises that it will continue to use MVP to market WMOG and target prospective buyers. The ability of the Brunswick Trust to sell WMOG is dependent on the radio trading environment and the market for lending of funds at reasonable rates and on terms acceptable to borrowers. The Brunswick Trust is committed to working with MVP in pursuing any and all appropriate sales opportunities and undertaking the sale of WMOG

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

Respectfully submitted,

**BRUNSWICK STATION TRUST
LLC**

By: /s/ Jeanette Tully
Jeanette Tully
Member

Dated: August 20, 2015

EXHIBIT A

MEMORANDUM

DATE: August 18, 2015

TO: Jeanette Tully, Brunswick Station Trust, LLC (“Brunswick Trust”)

CC: Barry Friedman, Thompson Hine LLP

FROM: Media Venture Partners LLC

RE: Report on Sales Effort for Station in the Brunswick Trust

This Memorandum provides a report concerning the sales effort and process undertaken in order to comply with the FCC’s action assigning the license of Station WMOG(FM), St. Simons Island, Georgia (the “Station”) to the Brunswick Station Trust, LLC (“Trust”) for the purpose of the Trust further assigning the Station to a third party within a two-year period after consummation of the initial assignment.

Background

In connection with an acquisition of 29 stations from Qantum Communications Corp. in September 2014, by Capstar Radio Operating Company, the FCC acted to place the Station into the Trust for the purpose of eventual divestiture. To comply with the divestiture requirement, the Trust has retained the services of Media Venture Partners, LLC (“MVP”) to initiate a broad sales process to sell the Station, within the required time period, for fair market value.

Marketing Process

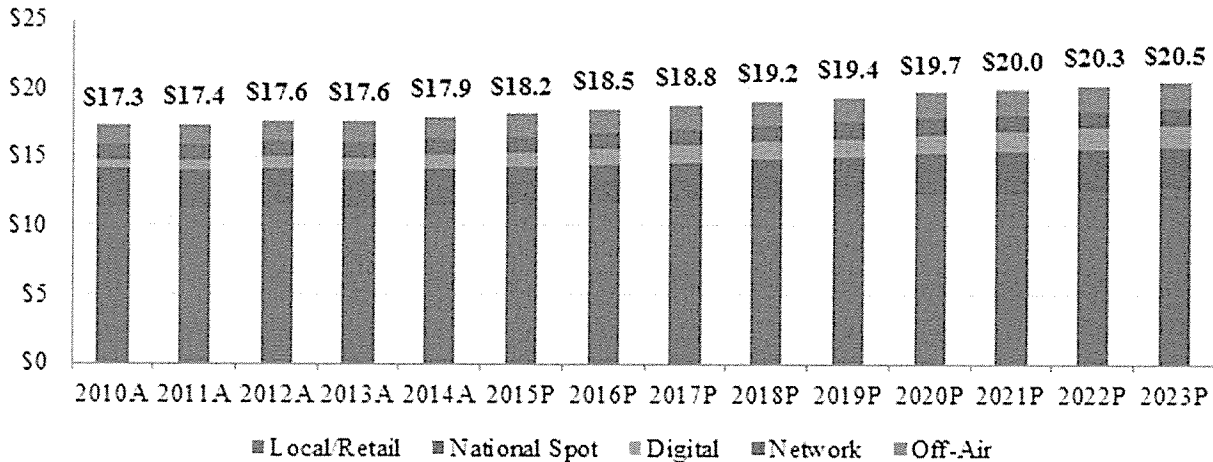
The Trust engaged MVP to market the Station in September 2014. Following that action, MVP compiled a prospect list for the Station and subsequently began contacting potential buyers. MVP has had a number of conversations with prospective buyers and multiple parties have signed Non-Disclosure Agreements and have been provided with access to the on-line data room which contains standard due diligence materials. We have been encouraging bidders to submit offers on the Station as they are ready and, more importantly in today’s climate, when they have the financing firmly in place. MVP has received one formal bid for the Station and that bid is being considered at this time.

Current Market Conditions

Since the Great Recession of 2008-2009, the broader radio industry has solidified and shown incremental improvement, along with the overall economy. The radio recovery has not extended universally and has been “bumpy” with some markets performing better than others. Overall, industry-wide revenue was relatively flat in 2014, consistent with 2013, at roughly \$17 billion.

Initial indications are that 1Q'15 was soft across much of the industry but with better pacing in 2Q'15. It is important to note again that not all markets are performing in a similar manner. For instance, many smaller markets that aren't as reliant on large national advertisers are doing well, based on stronger local and regional economies as well as other non-spot related revenues such as events, digital and other NTR (non-traditional radio) business.

Radio Revenues 2010 - 2023P (\$ in millions)



Over the long-term, the industry is expected to post low-single digit gains, roughly keeping pace with inflation. SNL Kagan has estimated from 2014 to 2019, total radio revenue will grow at a CAGR of 1.6%, reaching \$19.4 billion by 2019.

As a result of the Great Recession, 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 were focused on management of problem existing portfolios with amendments, restructurings, etc. in order to minimize their losses of principal. However, the restructuring wheel has continued to turn and is nearing the end of the cycle with the majority of “legacy” troubled middle market credits being worked through either via recaps or asset sales. Importantly, the resurgence in radio lending that began in 2013 has continued, as legacy lenders as well as new lenders have shown interest in filling the middle-market credit vacuum in the broadcast space.

Importantly, there has been an increase in demand on the buy side from potential acquirers in the radio sector and that demand is more broad-based and diversified than we have seen in recent times. Deal volume, transaction sizes and the general activity level has been steadily improving as illustrated in the graph of recent transactions below.

M&A Market

Over the last two years, there has been a flood of middle-market deal activity with over \$550 million of announced transactions in 2014 alone. Stabilizing revenue trends, availability of capital and rationalized seller expectations has spurred the activity. While radio is no longer

viewed as a “growth” business as it once was, radio as a yield play is extremely compelling at today’s trading multiples. As such, a group of well-financed operators, primarily legacy broadcasters, are driving current consolidation trends: specifically Alpha Media, Connoisseur Media and Midwest Broadcasting. At the moment, there is a notable lack of available inventory on the market, which by definition given the demand on the buy side should help to support current trading multiples.

The median deal multiple over the last three years is 6.5x Broadcast Cash Flow (“BCF”), which is typically the metric off of which radio transactions are priced. Except for unique circumstances, most players in the industry have gotten comfortable with trading multiples in the 6-7x BCF range. We have seen higher multiples in select cases such as consolidation plays that lead to expected cost efficiencies post-closing, which effectively lowers the purchase multiple.

Progress Since Creation of the Trust

MVP is working diligently to comply with its charge to secure a buyer willing and able to pay fair market value for the Station. It is in active discussions with multiple parties who have shown interest in the Station. MVP has every reason to believe that it will be able to locate a ready, willing and able buyer, offering fair market value, within the time period provided for the sale of the Station.