

Michael Wagner

From: Anthony T. Lepore <anthony@radiotvlaw.net>
Sent: Wednesday, June 13, 2018 12:49 PM
To: Michael Wagner
Cc: Denise Williams
Subject: RE: Colonial Radio Group to On-Air, Inc. - BALH-20180423AAC, BALFT-20180423AAH - Amendments.

Hi Michael:

I just spoke with Denise about some of the questions you had on the 314 and 345 applications for the above transaction - She and I worked through all of them except for the consideration question - (Page 4 of APA) - Recall I had emailed you generically about this question of cryptocurrency a few months ago when this transaction was first percolating.

In any event, here's the way it plays out - the total purchase price for all the assets is \$615,600.00 - the Buyer owns about 4 Million of these cryptocurrency "tokens" which are supposedly going to be worth 15 cents apiece at the time we get to closing - Buyer is going to assign 3.7M of those tokens to Seller, who is then going to redeem them following grant of the 314/345 with the company that issued them at the then prevailing price - IF they are not worth 15 cents each at the time of redemption, the Buyer has to pony up the balance in actual cash dollars to get to the \$565,600.00 - Sort of like stock options as part of the purchase price.

The other part of the Purchase Price is the TBA deposit of \$50,000.00 (again payable via the assignment of 333K in tokens and redemption of same) which is a credit towards the purchase price; so $\$50,000 + \$565,600 = \$615,600.00$, which is the price in Section 2 of the APA. Again, the Buyer has to either provide tokens equal in value to those amounts when redeemed or make up the difference in actual cash, which is the reason for the personal guarantees.

Happy to answer anything else you may have - cryptocurrency is not exactly my forte...but I'll do the best I can.

Anthony

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