

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA**

UNITED STATES OF AMERICA,

Plaintiff,

v.

ENTERCOM COMMUNICATIONS CORP.  
and CBS CORPORATION,

Defendants.

**CASE NO.**

**JUDGE:**

**FILED:**

**HOLD SEPARATE STIPULATION AND ORDER**

It is hereby stipulated and agreed by and between the undersigned parties, subject to approval and entry by the Court, that:

**I. DEFINITIONS**

As used in this Hold Separate Stipulation and Order:

A. “Entercom” means Entercom Communications Corp., a Pennsylvania corporation headquartered in Bala Cynwyd, Pennsylvania, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships, and joint ventures, and their directors, officers, managers, agents, and employees.

B. “CBS” means CBS Corporation, a Delaware corporation headquartered in New York, New York, its successors and assigns, and its subsidiaries, including CBS Radio, Inc.,

divisions, groups, affiliates, partnerships, and joint ventures, and their directors, officers, managers, agents, and employees.

C. “Acquirers” means Beasley and iHeartMedia, or another entity to which Entercom divests any Divestiture Assets.

D. “Beasley” means Beasley Broadcast Group, Inc., a Delaware Corporation, headquartered in Naples, Florida, its successor and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships, and joint ventures, and their directors, officers, managers, agents, and employees.

E. “iHeartMedia” means iHeartMedia, Inc., a Delaware Corporation, headquartered in San Antonio, Texas, its successor and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships, and joint ventures, and their directors, officers, managers, agents, and employees.

F. “Closing” means the completion of the Agreement and Plan of Merger, dated February 2, 2017, between CBS, CBS Radio, Inc., and Entercom.

G. “DMA” means Designated Market Area as defined by A.C. Nielsen Company based upon listening patterns and used by the *Investing in Radio BIA Market Report 2016* (1st edition). DMAs are ranked according to the number of households therein and are used by broadcasters, advertisers, and advertising agencies to aid in evaluating radio audience size and composition.

H. “Divestiture Assets” means

1. The following broadcast radio stations owned by CBS:
  - a. WBZ AM, located in the Boston, Massachusetts DMA (“WBZ AM”);
  - b. WBZ FM, located in the Boston, Massachusetts DMA (“WBZ FM”);

- c. WZLX FM, located in the Boston, Massachusetts DMA (“WZLX FM”);
- d. KMVQ FM, located in the San Francisco, California DMA (“KMVQ FM”);
- e. KNCI FM, located in the Sacramento, California DMA (“KNCI FM”);
- f. KYMX FM, located in the Sacramento, California DMA (“KYM X FM”);
- g. KZZO FM, located in the Sacramento, California DMA (“KZZO FM”); and
- h. KHTK AM, located in the Sacramento, California DMA (“KHTK AM”).

2. The following broadcast radio stations owned by Entercom:

- a. WRKO AM, located in the Boston, Massachusetts DMA (“WRKO AM”);
- b. WKAF FM, located in the Boston, Massachusetts DMA (“WKAF FM”);
- c. KOIT FM, located in the San Francisco, California DMA (“KOIT FM”);
- d. KUFX FM, located in the San Francisco, California DMA (“KUFX FM”); and
- e. KBLX FM, located in the San Francisco, California DMA (“KBLX FM”).

3. All of the assets, tangible or intangible, necessary for the operations of the Divestiture Radio Stations as viable, ongoing commercial broadcast radio stations, except as otherwise agreed to in writing by the United States Department of Justice, including, but not limited to, all real property (owned or leased), all broadcast equipment, office equipment, office furniture, fixtures, materials, supplies, and other tangible property; all licenses, permits, authorizations, and applications therefore issued by the Federal Communications Commission (“FCC”) and other government agencies related to the stations; all contracts (including programming contracts and rights), agreements, network agreements, leases, and commitments and understandings of defendants; all trademarks, service marks, trade names, copyrights, patents, slogans, programming materials, and promotional materials relating to the stations (subject to the CBS Brands License Agreements contained in the Agreement and Plan of Merger, dated February 2, 2017, between CBS, CBS Radio Inc., and Entercom); all customer lists, contracts, accounts, and credit records; and all logs and other records maintained by defendants in connection with the stations.

I. “Divestiture Radio Stations” means WBZ AM, WBZ FM, WRKO AM, WKAF FM, WZLX FM, KOIT FM, KMOVQ FM, KUFY FM, KBLX FM, KNCI FM, KYMX FM, KZZO FM and KHTK AM.

## **II. OBJECTIVES**

The Final Judgment filed in this case is meant to ensure defendants' prompt divestiture of the Divestiture Radio Stations for the purpose of preserving competition in the sale of broadcast radio advertising in the following DMAs: Boston, Massachusetts; San Francisco, California; and Sacramento, California. The Final Judgment seeks to remedy the effects that the United States alleges would otherwise result from the transaction between Entercom and CBS. This Hold Separate Stipulation and Order ensures that competition is maintained during the pendency of the ordered divestitures and that the Divestiture Radio Stations remain independent, economically viable, and ongoing business concerns that will remain independent and uninfluenced by Entercom or by the consummation of the transaction between Entercom and CBS, and that competition is maintained during the pendency of the ordered divestitures.

## **III. JURISDICTION AND VENUE**

The Court has jurisdiction over the subject matter of this action and over each of the parties hereto, and venue is proper in the United States District Court for the District of Columbia.

## **IV. COMPLIANCE WITH AND ENTRY OF THE FINAL JUDGMENT**

A. The parties stipulate that a Final Judgment in the form attached hereto as Exhibit A may be filed with and entered by the Court upon the motion of any party, or upon the Court's own motion, at any time after compliance with the requirements of the Antitrust Procedures and Penalties Act ("APPA"), 15 U.S.C. § 16, and without further notice to any party or other proceedings, provided that the United States has not withdrawn its consent, which it may do at any time before the entry of the proposed Final Judgment by serving notice thereof on the defendants and by filing that notice with the Court.

B. Defendants agree to arrange, at their expense, publication as quickly as possible of the newspaper notice required by the APPA, which shall be drafted by the United States in its sole discretion. The publication shall be arranged no later than three (3) business days after defendants' receipt from the United States of the text of the notice and identity of the newspaper within which the publication shall be made. Defendants shall promptly send to the United States (1) confirmation that publication of the newspaper notice has been arranged, and (2) the certification of the publication prepared by the newspaper within which the notice was published.

C. Defendants shall abide by and comply with the provisions of the proposed Final Judgment pending entry of the Final Judgment by the Court, or until expiration of time for all appeals of any Court ruling declining entry of the proposed Final Judgment, and shall, from the date of the signing of this Hold Separate Stipulation and Order by the parties, comply with all the terms and provisions of the proposed Final Judgment. The United States shall have the full rights and enforcement powers in the proposed Final Judgment, including Section XI, as though the same were in full force and effect as the final order of the Court.

D. Defendants shall not consummate the transaction sought to be enjoined by the Complaint herein before the Court has signed this Hold Separate Stipulation and Order.

E. This Hold Separate Stipulation and Order shall apply with equal force and effect to any amended proposed Final Judgment agreed upon in writing by the parties and submitted to the Court.

F. In the event (1) the United States has withdrawn its consent, as provided in Section IV(A) above, or (2) the proposed Final Judgment is not entered pursuant to this Hold Separate Stipulation and Order, the time has expired for all appeals of any Court ruling declining entry of the proposed Final Judgment, and the Court has not otherwise ordered continued

compliance with the terms and provisions of the proposed Final Judgment, then the parties are released from all further obligations under this Hold Separate Stipulation and Order, and the making of this Hold Separate Stipulation and Order shall be without prejudice to any party in this or any other proceeding.

G. Defendants represent that the divestitures ordered in the proposed Final Judgment can and will be made and that defendants will later raise no claim of mistake, hardship, or difficulty of compliance as grounds for asking the Court to modify any of the provisions contained therein.

#### **V. HOLD SEPARATE PROVISIONS**

Subsequent to Closing, and until the divestitures required by the Final Judgment have been accomplished:

A. Defendants shall preserve, maintain, and continue to operate the applicable Divestiture Radio Stations as independent, ongoing, economically viable, competitive businesses, with management, sales, and operations of each Divestiture Radio Station held entirely separate, distinct, and apart from those of defendants' other operations. Defendants shall not coordinate the production, marketing, or terms of sale of any products with those produced by or sold by any of the Divestiture Radio Stations. Defendants shall take all steps necessary to preserve and maintain the value and goodwill of the Divestiture Radio Stations and the Divestiture Assets. Within twenty (20) calendar days after the entry of the Hold Separate Stipulation and Order, defendants will inform the United States of the steps defendants have taken to comply with this Hold Separate Stipulation and Order.

B. Defendants shall take all steps necessary to ensure that (1) the Divestiture Radio Stations will be maintained and operated as independent, ongoing, economically viable, and

active competitors in the broadcast radio advertising business; (2) management of the Divestiture Radio Stations will not be influenced by defendants; and (3) the books, records, competitively sensitive sales, marketing and pricing information, and decision-making concerning production, distribution, or sales of products by any of the Divestiture Radio Stations will be kept separate and apart from defendants' other operations.

C. Defendants shall preserve, in accordance with current practice, the existing relationships with each broadcast radio advertising customer and with others doing business with any of the Divestiture Radio Stations.

D. Defendants shall use all reasonable efforts to maintain and increase the sales and revenues of the Divestiture Radio Stations and shall maintain at 2017 levels or previously approved levels for 2018, whichever are higher, all promotional, advertising, sales, technical assistance, marketing, and merchandising support for the Divestiture Radio Stations.

E. Defendants shall, to the extent permitted by the terms and conditions of the FCC's Equity-Debt Plus rule (47 C.F.R. § 73.3555, note 2(i)), provide sufficient working capital and lines and sources of credit to continue to maintain the Divestiture Radio Stations as economically viable and competitive ongoing businesses.

F. Defendants shall take all steps necessary to ensure that the Divestiture Radio Stations are fully maintained in operable condition at no less than current capacity and sales and shall maintain and adhere to normal repair and maintenance schedules for the Divestiture Assets.

G. Defendants shall not, except as approved by the United States in accordance with the terms of the proposed Final Judgment, remove, sell, lease, assign, transfer, pledge, or otherwise dispose of any of the Divestiture Assets.

H. Defendants shall provide such support services for the Divestiture Radio Stations as the Divestiture Radio Stations require to operate as economically viable, competitive, and ongoing providers of broadcast radio advertising in the DMAs in which they operate. These support services may include federal, state, and local municipal regulatory compliance; human resources; legal; finance; software and computer operations support; and such other services as are required to operate the Divestiture Radio Stations.

I. Defendants shall maintain, in accordance with sound accounting principles, separate, accurate, and complete financial ledgers, books, and records that report on a periodic basis, such as the last business day of every month, consistent with past practices, the assets, liabilities, expenses, revenues, and income of the Divestiture Radio Stations.

J. Defendants shall take no action that would jeopardize, delay, or impede the sale of the Divestiture Radio Stations to one or more Acquirers acceptable to the United States in its sole discretion.

K. Defendants' employees with primary responsibility for the Divestiture Radio Stations shall not be transferred or reassigned to other areas within defendants' business, except for transfer bids initiated by employees pursuant to defendants' regular, established, job posting policy. Defendants shall provide the United States with ten (10) calendar days notice of such transfer.

L. Defendants, subject to the approval of the United States, shall appoint a person or persons to oversee the Divestiture Radio Stations, and who will be responsible for compliance with this section. This person(s) shall have complete managerial responsibility for the Divestiture Radio Stations, subject to the provisions of this Final Judgment. In the event such person(s) is unable to perform his or her duties, defendants shall appoint, subject to the approval

of the United States, a replacement within ten (10) working days. Should defendants fail to appoint a replacement acceptable to the United States within this time period, the United States shall appoint a replacement.

M. Defendants shall take no action that would interfere with the ability of any trustee appointed pursuant to the proposed Final Judgment to complete the divestitures pursuant to the proposed Final Judgment to an Acquirer acceptable to the United States.

**VI. APPLICATION AND DURATION OF HOLD SEPARATE OBLIGATIONS**

Defendants' obligations under Section V of this Hold Separate Stipulation and Order shall apply to the Divestiture Radio Stations and shall remain in effect until (1) consummation of all of the divestitures required by the proposed Final Judgment or (2) further order of the Court.

If the United States voluntarily dismisses the Complaint in this matter, defendants are released from all further obligations under the Hold Separate Stipulation and Order.

Respectfully submitted,

**FOR PLAINTIFF  
UNITED STATES OF AMERICA**



Bennett J. Matelson (D.C. Bar #454551)  
Mark A. Merva (D.C. Bar #451743)  
United States Department of Justice  
Antitrust Division  
Media, Entertainment, and Professional  
Services Section  
450 Fifth Street, N.W., Suite 4000  
Washington, D.C. 20530  
Phone: 202-616-5871

**FOR DEFENDANT  
ENTERCOM COMMUNICATIONS  
CORP.**



Edward Marcellus Williamson (D.C. Bar  
#465919)  
Amanda P. Reeves (D.C. Bar #496338)  
Kelly Smith Fayne (D.C. Bar #996719)  
Latham & Watkins LLP  
555 Eleventh Street, NW  
Washington, DC 20004-1304  
Phone: 202-637-2200

**FOR DEFENDANT  
CBS CORPORATION**



Kathryn M. Fenton (D.C. Bar # 250944)  
Katherine M. Brockmeyer (D.C. Bar # 1009883)  
Nathaniel J. Harris (D.C. Bar # 1024894)  
Jones Day  
51 Louisiana Avenue, N.W.  
Washington, D.C. 20001-2113  
202-879-3746

**ORDER**

IT IS SO ORDERED by the Court, this \_\_\_\_ day of November, 2017.

---

United States District Judge