

## **DESCRIPTION OF TRANSACTION**

This application requests the Commission's consent to the assignment of five FM radio stations in the Wichita, Kansas, market, and two television stations in the Boise, Idaho, market from Journal Broadcast Corporation ("JBC") to the Journal/Scripps Divestiture Trust (the "Trust"). The trustee of the Trust is Kiel Media Group, LLC, whose sole member and manager is Douglas G. Kiel.

The purpose of the Trust is to facilitate a transaction between JBC's parent, Journal Communications, Inc. ("Journal"), and The E.W. Scripps Company ("Scripps"). Pursuant to a Master Transaction Agreement dated as of July 30, 2014, Journal has agreed, among other things, to merge into a subsidiary of Scripps (the "Transaction"). Pending before the Commission are applications for consent to the transfer of control of Journal's broadcast stations to Scripps. *See* FCC File Nos. BTCCDT-20140815AAG and BTCH-20140815AAI. In order for the Transaction to comply with the Commission's media multiple and cross-ownership rules, Journal will have to divest one of its FM radio stations in the Wichita, Kansas, market and one of its television stations in the Boise, Idaho, market. In the event that either or both of these divestitures have not been completed by the time otherwise scheduled for the closing of the Transaction, Journal proposes to assign the stations required to be divested to the Trust. Although this application requests consent to assign all five of Journal's FM radio stations in Wichita and both of Journal's television stations in Boise – because Journal has not yet decided which stations to divest – at closing, Journal will designate only one station in each market to be placed in trust, if necessary.

Mr. Kiel has no personal, familial or extra-trust business relationship with Journal or Scripps or their affiliates. Mr. Kiel was employed by Journal until 2009, but he has never been employed by Scripps, which following completion of the Transaction will be the parent of the beneficiaries under the Trust. Mr. Kiel does not hold an attributable interest in any other broadcast station or in any daily newspaper. The trustee's ownership of one radio station in the Wichita market and one television station in the Boise market is, therefore, permitted under the Commission's multiple ownership rules.

If a station is subject to a pending sales agreement when placed into trust, the trustee will assume the agreement and proceed with the closing of the transaction, subject to the receipt of the Commission's consent. In the event that there is no agreement in place to sell a station when placed into trust, or a pending sale is not timely consummated, the trustee will be required, in the trustee's reasonable discretion, either (a) to enter into an agreement to divest the station within six months of it being placed in trust or within six months of termination of any sales agreement pending at the time of the assignment to the trustee, or (b) if the Commission is accepting applications from television stations to participate in the incentive auction during the applicable six-month period, to participate in the spectrum auction. The trust agreement does not contain any minimum price requirement.

The trust agreement thus requires the trustee to divest stations held in trust within a relatively short period. *Compare Howard J. Liberman*, Letter to Counsel, 28 FCC Rcd 15534 (Audio Division, MB 2013) (trustee required to assign stations placed in trust within two years of closing). To ensure that the trust is of limited duration, the trustee is required to return the FCC licenses for a station to the FCC for cancellation if the trustee has not timely entered into a sale agreement with respect to the station or the trustee's offer to sell during the spectrum auction is not accepted by the FCC.

Attached is the Engagement and Assignment Agreement with the trustee. Also attached is the form of the Trust Agreement. Only the fees payable to the trustee have been redacted, as these are confidential, but will be furnished to Commission staff upon request.