

CUMULUS MEDIA INC  
Form PRE 14A  
December 13, 2016  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A**

**(RULE 14A-101)**

**Information Required in Proxy Statement**

**Schedule 14A Information**

**Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

**CUMULUS MEDIA INC.**

**(Name of Registrant as Specified in Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

- 1) Title of each class of securities to which transaction applies:
  
  
  
  
  
  
  
  
  
  
- 2) Aggregate number of securities to which transaction applies:
  
  
  
  
  
  
  
  
  
  
- 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  
  
  
  
  
  
  
  
  
  
- 4) Proposed maximum aggregate value of transaction:
  
  
  
  
  
  
  
  
  
  
- 5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- 1) Amount Previously Paid:
  
  
  
  
  
  
  
  
  
  
- 2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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**CUMULUS MEDIA INC.**

**Special Meeting of Stockholders**

[ ], 2017

**Notice of Meeting and Proxy Statement**

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**PRELIMINARY PROXY MATERIALS**

**DATED DECEMBER 13, 2016**

**SUBJECT TO COMPLETION**

**3280 Peachtree Road, N.W.**

**Suite 2300**

**Atlanta, Georgia 30305**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**To Be Held On [ ], 2017**

To the Stockholders of Cumulus Media Inc.:

You are cordially invited to attend the Special Meeting of Stockholders (the "Special Meeting") of Cumulus Media Inc., a Delaware corporation (the "Company," "we" or "our"), which will be held at [ ], on [ ], 2017 at [ ] [a.m.], local time. During this meeting, stockholders will vote on the following items:

(1) a proposal to approve, in accordance with NASDAQ Rules 5635(b) and 5635(d), the issuance of additional shares of our Class A common stock (the "Equity Issuance") in connection with a private exchange offer for the outstanding 7.75% Senior Notes due 2019 issued by Cumulus Media Holdings Inc., a directly wholly-owned subsidiary of the Company, which notes are guaranteed by the Company;

(2) a proposal to approve and adopt an amendment and restatement (the "Fourth A&R Certificate of Incorporation") of the Company's Third Amended and Restated Certificate of Incorporation, as amended, which authorizes the issuance of up to 100 shares of each of two new classes of common stock, Class D common stock, \$.01 par value per share, and Class E common stock, \$.01 par value per share; and

(3) the adjournment of the Special Meeting from time to time, if necessary or advisable (as determined by the Company), to solicit additional proxies in the event there are not sufficient votes at the time of the Special Meeting to approve the Equity Issuance or the approval and adoption of the Fourth A&R Certificate of Incorporation.

Only holders of record of shares of our Class A common stock or Class C common stock at the close of business on December [ ], 2016 are entitled to notice of, and to vote at, the Special Meeting or any postponement or adjournment thereof.

Holders of a majority of the voting power represented by the outstanding shares of our Class A common stock and Class C common stock, voting together as a single class, must be present in person or by proxy in order for the Special Meeting to be validly held. We urge you to date, sign and return the accompanying proxy card in the enclosed envelope, or vote your shares by telephone or through the Internet, as soon as possible, whether or not you expect to attend the Special Meeting in person. If you attend the Special Meeting and wish to vote your shares in person, you may do so by validly revoking your proxy at any time prior to the vote.

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This notice, the proxy statement and the accompanying proxy card are being distributed to stockholders and made available on the Internet commencing on or about December [ ], 2016.

Richard S. Denning

*Corporate Secretary*

December [ ], 2016

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**SPECIAL MEETING PROXY STATEMENT**

**GENERAL INFORMATION**

This Special Meeting Proxy Statement (this Proxy Statement) is being furnished to stockholders of Cumulus Media Inc., a Delaware corporation (the Company, we or our), in connection with the solicitation of proxies by the Board of Directors (the Board) of the Company for use at the Company's Special Meeting of Stockholders (the Special Meeting) to be held at [ ], on [ ], 2017 at [ ] [a.m.], local time, and at any postponements or adjournments thereof. The proxy materials, including this Proxy Statement and the proxy card, are first being distributed and made available on the Internet on or about December [ ], 2016.

As stated in the accompanying Notice of Special Meeting of Stockholders, we will hold the Special Meeting to vote on:

Proposal 1: approve, in accordance with NASDAQ Rules 5635(b) and 5635(d), the issuance of additional shares of our Class A common stock (or warrants therefor (the warrants), if deemed necessary to comply with the requirements of the Communications Act of 1934, as amended, or the rules, regulations and policies promulgated by the Federal Communications Commission in effect from time to time (collectively, the FCC Rules) (collectively, the Equity Issuance) in connection with the private exchange offer (the Exchange Offer) for the outstanding 7.75% Senior Notes due 2019 (the Outstanding Notes) issued by Cumulus Media Holdings Inc. (Holdings), a directly wholly-owned subsidiary of the Company, and guaranteed by the Company;

Proposal 2: approve and adopt an amendment and restatement (the Fourth A&R Certificate of Incorporation) of the Company's Third Amended and Restated Certificate of Incorporation, as amended (the Third A&R Certificate of Incorporation), which authorizes the issuance of up to 100 shares of each of two new classes of common stock, Class D common stock, \$.01 par value per share (Class D common stock), and Class E common stock, \$.01 par value per share (Class E common stock), in the form attached as Annex A to this Proxy Statement; and

Proposal 3: approve the adjournment of the Special Meeting from time to time, if necessary or advisable (as determined by the Company), to solicit additional proxies in the event there are not sufficient votes at the time of the Special Meeting to approve the Equity Issuance or the approval and adoption of the Fourth A&R Certificate of Incorporation.

Our By-Laws provide that only business within the purposes described in the meeting notice may be conducted at a special meeting of stockholders.

**Important Notice Regarding the Availability of Proxy Materials for the Special Meeting: This Proxy Statement is available at [www.investorvote.com/CMLS](http://www.investorvote.com/CMLS).**

You may vote your shares prior to the Special Meeting by following the instructions provided in this Proxy Statement and the enclosed proxy card.

The record date (the Record Date) for the determination of stockholders entitled to notice of, and to vote at, the Special Meeting is the close of business on December [ ], 2016. All holders of record of outstanding shares of Class A common stock and Class C common stock as of the close of business on the Record Date are entitled to receive notice of, and to vote at, the Special Meeting. If your shares are held in street name through a bank, broker or other nominee, you must obtain a proxy card from your bank, broker or other nominee in order to be able to vote your shares at the Special Meeting. On the Record Date, we had [ ] outstanding shares of Class A common stock, no outstanding shares of Class B common stock and 80,609 outstanding shares of Class C common stock. Each outstanding share of Class A common stock on the Record Date is entitled to one vote on each proposal listed in this Proxy Statement and each outstanding share of Class C common stock on the Record Date is entitled to ten votes on each proposal listed in this Proxy Statement.



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**VOTING INSTRUCTIONS**

A proxy is a legal designation of another person to vote stock you own. That other person is called a proxy. If you designate someone as your proxy in a written or electronic document, that document is also called a proxy, a proxy card or a form of proxy. A proxy card for you to use in voting at the Special Meeting accompanies this Proxy Statement. You may also vote by telephone or through the Internet as follows:

by telephone: call toll free 1-800-652-VOTE (8683) and follow the instructions provided by the recorded message; or

through the Internet: visit [www.investorvote.com/CMLS](http://www.investorvote.com/CMLS) and follow the steps outlined on the secure website.

If you vote through the Internet, you may incur costs such as data and Internet access charges for which you will be responsible. The telephone and Internet voting facilities for stockholders of record will close on [ ], 2017 at 1:00 a.m., Central Time. The telephone and Internet voting procedures are designed to authenticate stockholders by use of a control number and to allow you to confirm that your instructions have been properly recorded.

All properly executed proxies that are received prior to, or at, the Special Meeting and not revoked (and all shares properly voted by telephone or through the Internet) will be voted in the manner specified. If you execute and return a proxy card, and do not specify otherwise, the shares represented by your proxy will be voted FOR each of Proposal 1, Proposal 2 and Proposal 3.

If your shares are held in street name through a bank, broker or other nominee, you should follow the instructions for voting on the form provided by your bank, broker or other nominee. You may submit voting instructions by telephone or through the Internet or, if you received your proxy materials by mail, you may complete and mail a proxy card to your bank, broker or other nominee. If you provide specific voting instructions by telephone, through the Internet or by mail, your bank, broker or other nominee will vote your shares as you have directed.

If you receive more than one proxy card or voting instruction form, it means your shares are registered differently or are held in more than one account at the transfer agent and/or with banks, brokers or other nominees.

**We strongly encourage you to submit your proxy and exercise your right to vote as a stockholder. Please vote all of your shares.**

**CHANGING A PRIOR VOTE OR REVOKING A PROXY**

If you have given a proxy or voted by telephone or through the Internet pursuant to this proxy solicitation, you may nonetheless revoke your proxy or vote by attending the Special Meeting and voting in person. In addition, you may revoke any proxy you give before the Special Meeting by voting by telephone or through the Internet at a later date (in which case only the last vote will be counted) prior to 1:00 a.m., Central Time on [ ], 2017, by delivering a written statement revoking the proxy or vote or by delivering a duly executed proxy bearing a later date to Richard S. Denning, Corporate Secretary, at our principal executive offices, 3280 Peachtree Road, N.W., Suite 2300, Atlanta, Georgia 30305, so that it is received prior to the Special Meeting, or by voting at the Special Meeting itself prior to the closing of the polls. If you have executed and delivered a proxy to us or voted by telephone or through the Internet, your attendance at the Special Meeting will not, by itself, constitute a revocation of your proxy or prior vote.

If your shares are held in street name through a bank, broker or other nominee, you should follow the instructions for changing or revoking your vote on the proxy card provided by your bank, broker or other nominee.

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**VOTES REQUIRED FOR APPROVAL**

**Votes Required**

Each outstanding share of Class A common stock is entitled to one vote on each of Proposal 1, Proposal 2 and Proposal 3. Each outstanding share of Class C common stock is entitled to ten votes on each of Proposal 1, Proposal 2 and Proposal 3.

Approval of Proposal 1 will require the affirmative vote of a majority of the votes present at the Special Meeting and entitled to vote.

Approval of Proposal 2 will require the affirmative vote of a majority of the total votes outstanding and entitled to vote at the Special Meeting.

Approval of Proposal 3 will require the affirmative vote of a majority of the votes present at the Special Meeting and entitled to vote.

**Discretionary Voting of Shares Held in Street Name**

If your shares of Class A common stock or Class C common stock are held in street name through a bank, broker or other nominee, you will receive instructions from the registered holder describing how to direct the registered holder to vote your shares.

We believe that your bank, broker or other nominee may be able to vote your street name shares on Proposal 3 the adjournment of the Special Meeting, in their discretion if you do not give them voting instructions, although they will not be required to do so. Your bank, broker or other nominee does not have discretionary authority to vote on Proposal 1 the Equity Issuance or Proposal 2 the approval and adoption of the Fourth A&R Certificate of Incorporation. See Quorum Required; Abstentions and Broker Non-Votes and Their Effects below.

**Quorum Required; Abstentions and Broker Non-Votes and Their Effects**

***Quorum Required.*** The presence in person or by proxy of holders of a majority of the voting power represented by the outstanding shares of Class A common stock and Class C common stock, voting together as a single class, is required to constitute a quorum for the transaction of business at the Special Meeting.

***Abstentions and Broker Non-Votes.*** Abstentions and broker non-votes will be treated as present for purposes of determining a quorum. A broker non-vote occurs when a registered holder (such as a bank, broker or other nominee) holding shares in street name for a beneficial owner does not vote on a particular proposal because the registered holder does not have discretionary voting power for that particular proposal and has not received voting instructions from the beneficial holder. As noted above, we believe that a bank, broker or other nominee may be entitled to vote your shares without your instructions on Proposal 3, although such registered holder will not be required to vote such shares, and will not have discretionary authority to vote your shares without your instructions, on Proposal 1 or Proposal 2.

For Proposal 1 and Proposal 3, broker non-votes, if any, will not be counted in determining the number of votes cast and will have no effect on the approval of the proposal, but abstentions will have the same effect as a vote against Proposal 1 and Proposal 3.

For Proposal 2, abstentions and broker non-votes, if any, will have the same effect as a vote against Proposal 2.

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**Voting Agreement**

On December 6, 2016, the Company and Crestview Radio Investors, LLC ( Crestview ) entered into a voting agreement pursuant to which Crestview agreed that at each annual, special or other meeting of the stockholders of the Company, or at any adjournment or postponement thereof, or in any other circumstances upon which a vote, consent or other approval of the Company s stockholders is sought, in each case, with respect to (i) the issuance of shares of Class A common stock in the Exchange Offer and (ii) the amendment and restatement of the Company s certificate of incorporation to effect the issuance of the Class D common stock and Class E common stock to certain holders of the Outstanding Notes (collectively, the Transactions ), Crestview will (a) when a meeting is held, attend such meeting or otherwise cause such shares of common stock it holds to be counted as present thereat, and (b) vote (or cause to be voted) all shares of common stock held by Crestview as of the date of such meeting that are eligible to vote on the matter or matters submitted to a vote of the Company s stockholders at such meeting in accordance with the recommendation of the Board of Directors of the Company with respect to the Transactions.

**No Appraisal Rights**

Under the laws of the State of Delaware, holders of our common stock will not be entitled to dissenter s rights or appraisal rights in connection with any of the proposals in this Proxy Statement.

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The following table lists information concerning the beneficial ownership of our voting common stock as of December 1, 2016 (unless otherwise noted) by (1) each person known to us to beneficially own more than 5% of any class of our voting common stock, (2) each of our directors and each of our named executive officers, and (3) all of our current directors and executive officers as a group. The information in the table and footnotes from sources pre-dating the 1-for-8 reverse stock split effected by the Company on October 12, 2016 has been adjusted to reflect such reverse stock split.

Name of Stockholder	Class A common stock(1)		Class C common stock(1)		Percentage of Voting Control
	Number of Shares	Percentage	Number of Shares	Percentage	
Crestview Radio Investors(2)	9,120,557	30.2%			29.4%
Greywolf Event Driven Master Fund(3)	1,605,672	5.5%			5.3%
Mary G. Berner	155,061(4)	*			*
Jeffrey A. Marcus(5)					
Brian Cassidy(5)					
Lewis W. Dickey, Jr.	3,515,940(6)	11.2%	80,609	100%	13.5%
Ralph B. Everett	23,853(7)	*			*
Alexis Glick	10,516	*			*
David M. Tolley	14,510	*			*
John Abbot					
Richard S. Denning	155,416(8)	*			*
Joseph P. Hannan(9)					
John W. Dickey	265,357(10)	*			*
All current directors and executive officers as a group (9 persons)	3,875,296(11)	12.3%	80,609	100%	14.5%

\* Indicates less than one percent.

- (1) Each share of Class A common stock and Class C common stock entitles its holder to one vote and ten votes, respectively, on each matter to be voted upon by stockholders. Each holder of Class C common stock is entitled to convert at any time all or any part of such holder's shares of Class C common stock into an equal number of shares of Class A common stock without cost to such holder (except any transfer taxes that may be payable). However, to the extent that such conversion would result in the holder holding more than 4.99% of the Class A common stock following such conversion, the holder shall first deliver to the Company an ownership certification for the purpose of enabling the Company to (i) determine that such holder does not have an attributable interest in another entity that would cause the Company to violate applicable Federal Communications Commission (the "FCC") rules and regulations and (ii) obtain any necessary approvals from the FCC or the United States Department of Justice. The Company, however, is not required to convert any share of Class C common stock if the Company reasonably and in good faith determines that such conversion would result in a violation of the Communications Act of 1934, as amended, the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or the rules and regulations promulgated under either act. In the event of the death of Mr. L. Dickey, Jr., each share of Class C common stock held by him, or any party related to or affiliated with him, will automatically be converted into one share of Class A common stock.
- (2) This information is based in part on a Schedule 13D/A filed on December 7, 2016. Includes presently exercisable warrants to purchase 976,944 shares of Class A common stock. Shares are held by Crestview Radio Investors, LLC, a special purpose investment vehicle, various Crestview investment funds which are members of Crestview Radio Investors, LLC, and certain other Crestview affiliates that are general partners of, or provide investment advisory and management services to, such funds. The address of each of these entities is 667 Madison Avenue, New York, New York 10065.

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- (3) This information is based in part on a Schedule 13G filed on July 5, 2016. Shares are held by Greywolf Event Driven Master Fund, various Greywolf investment funds, and the sole managing member of one of the various Greywolf investment funds. The address of: (i) Greywolf Event Driven Master Fund is 89 Nexus Way, Camana Bay, Grand Cayman KY19007; and (ii) all of the reporting persons other than Greywolf Event Driven Master Fund is 4 Manhattanville Road, Suite 201, Purchase, New York 10577.
- (4) Includes 150,000 shares of Class A common stock underlying options that are presently exercisable.
- (5) The holder is one of Crestview's designees to our Board. Does not reflect any securities owned by Crestview Radio Investors, LLC.
- (6) Includes: (i) 2,037,961 shares of Class A common stock underlying options that are presently exercisable; and (ii) indirect beneficial ownership of 1,042,658 shares of Class A common stock directly owned by Dickey Holdings Limited Partnership, LLLP, an entity in which Mr. L. Dickey, Jr. holds certain partnership interests. Mr. L. Dickey, Jr. disclaims beneficial ownership of all of the shares held by Dickey Holdings Limited Partnership except to the extent of his pecuniary interest therein.
- (7) Includes 5,681 shares of Class A common stock underlying options that are presently exercisable.
- (8) Includes 145,489 shares of Class A common stock underlying options that are presently exercisable.
- (9) Mr. Hannan is our former Senior Vice President, Treasurer and Chief Financial Officer and the information is as of June 22, 2016, the date of his resignation from all positions with the Company.
- (10) Mr. J. Dickey is our former Executive Vice President of Content and Programming. Includes indirect beneficial ownership of 13,100 shares of Class A common stock owned by his wife. Excludes all securities owned by Dickey Holdings Limited Partnership, in which Mr. J. Dickey holds certain partnership interests (see footnote 6). This information is based on information provided to the Company by Mr. J. Dickey, who ceased his employment with the Company on September 29, 2015.
- (11) See footnotes 4-8.

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**PROPOSAL 1: APPROVAL OF THE EQUITY ISSUANCE IN CONNECTION WITH  
THE EXCHANGE OFFER FOR THE OUTSTANDING NOTES**

The Company is seeking stockholder approval under the applicable provisions of NASDAQ Rule 5635 for the issuance of additional shares of Class A common stock (or warrants to purchase such shares if deemed necessary to comply with the requirements of the FCC Rules) in connection with the Exchange Offer. As described below under Description of the Exchange Offer, assuming all \$610.0 million in Outstanding Notes are validly tendered and accepted in the Exchange Offer, we will issue up to approximately 33.3% of our outstanding Class A common stock (or warrants to purchase such shares if deemed necessary to comply with the requirements of the FCC Rules) immediately following, and after giving effect to, the Exchange Offer, which based on the shares outstanding on the Record Date, would equal up to [ ] shares of Class A common stock.

**Reason for Request for Stockholder Approval**

Our Class A common stock is listed on the NASDAQ Capital Market, and we are subject to the NASDAQ Stock Market Rules. We are seeking approval for the issuance of additional shares of Class A common stock in the Exchange Offer under all the applicable provisions of NASDAQ Rule 5635, which applies to the issuance of securities in certain circumstances.

NASDAQ Rule 5635(d) requires stockholder approval of an issuance of common stock equal to 20% or more of the common stock outstanding before the issuance if the issuance is for less than the greater of book or market value of the stock. Because the consideration provided to holders of Outstanding Notes in the Exchange Offer consists of revolving loans or participation interests (each as defined herein) and, in each case, shares of Class A common stock, and we have not undertaken a separate analysis of the respective values of the Outstanding Notes, the revolving loans, the participation interests and the shares of Class A common stock that will be issued in the Exchange Offer, we are seeking stockholder approval to ensure that the Company will be in compliance with NASDAQ Rule 5635(d).

In addition, under NASDAQ Rule 5635(b), companies are required to obtain stockholder approval prior to the issuance of securities when the issuance or potential issuance would result in a change of control as defined by NASDAQ. NASDAQ generally characterizes a transaction whereby an investor or group of investors acquires, or obtains the right to acquire, 20% or more of the voting power of an issuer on a post-transaction basis as a change of control for purposes of Rule 5635(b). Although no individual holder, nor any group (as defined in Section 13 of the Securities Act of 1933 (the Securities Act )) of holders, of Outstanding Notes is expected to own in excess of 20% of the voting power of the Company's common stock following the Exchange Offer, we are seeking stockholder approval to ensure that the Company will be in compliance with NASDAQ Rule 5635(b).

**Description of the Exchange Offer**

On December 12, 2016, we commenced the Exchange Offer for the Outstanding Notes. The terms and conditions of the Exchange Offer are set forth in the Offering Memorandum, dated as of December 12, 2016 (as amended and supplemented from time to time, the Offering Memorandum ), and the related offer materials (as amended and supplemented from time to time), which are summarized in a press release dated December 12, 2016 that we filed as an exhibit to a Current Report on Form 8-K filed with the SEC on December 13, 2016.

As of December 12, 2016, there was \$610.0 million in aggregate principal amount of Outstanding Notes. Assuming all \$610.0 million in Outstanding Notes are validly tendered and accepted in the Exchange Offer, we will issue, pursuant to the Exchange Offer, up to approximately 33.3% of our outstanding Class A common stock immediately following, and after giving effect to, the Exchange Offer, which, based on the shares outstanding on the Record Date, would equal up to [ ] shares of Class A common stock.

The Exchange Offer is being made, and the revolving loans, participation interests and shares of Class A common stock are being offered and issued, only to holders of Outstanding Notes that (a) are both (i) qualified institutional buyers as defined in Rule 144A under the Securities Act, which are also institutional accredited

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investors as defined in the Securities Act and (ii) qualified purchasers as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended, and (b) are not benefit plan investors as defined in Section 3(42) of the Employee Retirement Income Security Act of 1974, as amended (collectively, eligible holders), in a private placement in reliance upon an exemption from the registration requirements of the Securities Act. The Exchange Offer is not being made to stockholders in their capacity as stockholders.

The offering, which includes revolving loans, participation interests, trust certificates and shares of Class A common stock (or warrants, if applicable), Class D common stock and Class E common stock, will not be registered under the Securities Act or any state securities law. The trust certificates and the shares of Class A common stock (or warrants, if applicable), Class D common stock and Class E common stock will be subject to restrictions on transfer and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The information contained in this Proxy Statement shall not constitute an offer to sell or exchange, or a solicitation of an offer to sell or exchange, any securities in any jurisdiction in which such offer, solicitation, sale or exchange would be unlawful. The Exchange Offer will be made solely pursuant to the Offering Memorandum and the related offer materials, which will set forth the complete terms and conditions of the Exchange Offer.

### ***Purpose of the Exchange Offer***

We are making the Exchange Offer in order to refinance the Outstanding Notes and thereby reduce, and extend the maturity of, our outstanding indebtedness, which we believe will promote our long-term financial viability. We will not retain any cash proceeds from borrowings incurred in connection with the Exchange Offer. The Outstanding Notes tendered and refinanced in connection with the Exchange Offer will be retired and cancelled and will not be reissued. The Exchange Offer is conditioned on, among other things, the Company obtaining stockholder approval for the issuance of the Class A common stock to be issued in the Exchange Offer, which is the subject of this Proposal 1.

### ***Support Agreement***

On December 6, 2016, holders of approximately \$349.7 million aggregate principal amount, or 57.3%, of the Outstanding Notes (the Supporting Holders) entered into a refinancing support agreement (the Support Agreement) with the Company, Holdings and certain subsidiaries of Holdings, pursuant to which the Supporting Holders agreed to tender their Outstanding Notes in the Exchange Offer. The Support Agreement is the result of arms length negotiations with the Supporting Holders. To our knowledge, none of the Supporting Holders is affiliated with any director or officer of the Company or with each other. The obligation of the Supporting Holders to tender their Outstanding Notes in the Exchange Offer is subject to the conditions set forth in the Support Agreement.

The Support Agreement also contemplates that upon consummation of the Exchange Offer, the Company will issue two new classes of common stock of the Company, Class D common stock and Class E common stock, to certain Supporting Holders. Except as provided by law, shares of Class D common stock and Class E common stock issued to such Supporting Holders will not have any voting rights, however holders of Class D common stock will be entitled to vote separately, without the holders of any other class of stock, with respect to the election of an additional director, and similarly holders of Class E common stock will be entitled to vote separately, without the holders of any other class of stock, with respect to the election of an additional director. For further information regarding our Class D common stock and our Class E common stock, see Proposal 2: Approval and Adoption of the Fourth A&R Certificate of Incorporation Purpose of the Fourth A&R Certificate of Incorporation.

### ***Summary of Exchange Consideration***

In accordance with the Support Agreement, the consideration to be offered to holders in the Exchange Offer for each \$1,000 of Outstanding Notes properly tendered and not withdrawn on or prior to the Exchange Offer is

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early tender date (the Early Tender Date ) will consist of (i) at the holder's option, (a) \$500 of revolving loans due 2020 (the revolving loans ) or (b) \$500 of participation interests in the revolving loans (the participation interests ) and (ii) 24.013 shares of Class A common stock (and/or warrants). For each \$1,000 of Outstanding Notes tendered after the Early Tender Date and on or before the Exchange Offer's expiration date (the Expiration Date ), holders will receive \$450 of participation interests and 24.013 shares of Class A common stock (and/or warrants).

In respect of the accrued and unpaid interest due on the Outstanding Notes, each eligible holder that properly tenders its Outstanding Notes on or prior to the Early Tender Date, and does not properly withdraw its tender on or prior to the Exchange Offer's withdrawal deadline, will receive 100% of the accrued and unpaid interest due on such Outstanding Notes in cash on the settlement date of the Exchange Offer (the Settlement Date ). Eligible holders that properly tender their Outstanding Notes after the Early Tender Date and on or before the Expiration Date that are accepted by us for exchange, will receive 50% of the accrued and unpaid interest due on such Outstanding Notes in cash on the Settlement Date.

***The Revolver Amendments and the Revolving Loans***

The revolving loans will be issued under the Amended and Restated Credit Agreement, dated as of December 23, 2013, among Holdings, as borrower, the Company, as parent, JPMorgan Chase Bank, N.A., as administrative agent (the Administrative Agent ), and the other parties from time to time party thereto (the existing credit agreement ). In connection with the Exchange Offer, Holdings will borrow up to \$305.0 million in aggregate principal amount of revolving loans to be issued under our existing credit agreement. The revolving loans will be general obligations of Holdings, secured by first priority liens, ratably with the first priority liens securing other obligations under the existing credit agreement, on substantially all of the assets of Holdings (other than certain excluded assets) and will be guaranteed on a senior secured basis by the Company and the subsidiaries of Holdings that guarantee the other debt under the existing credit agreement.

In connection with the Exchange Offer, Holdings will enter into two amendments to the existing credit agreement to (i) provide for the incurrence of the revolving loans pursuant to an Incremental Revolving Facility (as defined in the existing credit agreement) in an aggregate amount sufficient to consummate the Exchange Offer and (ii) include certain modifications to the terms of our existing revolver, including to (a) extend the Revolving Credit Termination Date (as defined in our existing credit agreement) to November 23, 2020, (b) modify the financial covenant in section 8.1 of the existing credit agreement to permit the borrowing of the revolving loans in connection with the Exchange Offer and require compliance with the Consolidated First Lien Net Leverage Ratio (as defined in our existing credit agreement) at the levels currently set forth in our existing credit agreement for any future borrowings under the existing revolver, (c) upon completion of the Exchange Offer, eliminate the financial maintenance covenant under our existing revolver, (d) increase the Applicable Margin (as defined in our existing credit agreement) with respect to the revolving loans to 13.25%, subject to a 1.0% floor, for Eurodollar Rate loans (as defined in our existing credit agreement), and 12.25%, subject to a 2.0% floor, for ABR loans (as defined in our existing credit agreement) and (e) increase the undrawn commitment fee to 5.0%.

Also in connection with the Exchange Offer, the new revolving lender (as defined herein) and those eligible holders receiving revolving loans in the Exchange Offer will seek assignment of the revolving commitments currently held by the lenders under our existing revolver, which will become effective upon the consent of the Administrative Agent, which may not be unreasonably withheld or delayed. To the extent any revolving commitments remain unassigned to either the new revolving lender or to the exchanging revolving lenders at the Settlement Date, the aggregate principal amount of such unassigned revolving commitments will be, when borrowed to refinance the Outstanding Notes, distributed on the Settlement Date in cash on a pro rata basis to eligible holders participating in the Exchange Offer in lieu of a like amount of revolving loans or participation interests, as applicable, such eligible holder would otherwise be entitled to receive in the Exchange Offer.



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***The Trust Certificates and the Trust***

At the Settlement Date, the participation interests will automatically be deposited into an entity that the Company will establish to effect the refinancing, Cumulus Pass Through Trust, a Delaware statutory trust (the "Trust"), in exchange for an equal aggregate principal amount of new trust certificates due 2020 (the "trust certificates"), representing fractional undivided interests in the property of the Trust (the "Trust Property"). The Trust Property will consist of:

participation interests in the revolving loans, with an aggregate principal amount equal to the aggregate principal amount of outstanding trust certificates;

funds resulting from payments made in respect of interest and fees on the revolving loans and repayments of revolving loans with a corresponding reduction in commitments, in each case which are deposited into the Trust from time to time for distribution to holders of trust certificates ("Certificateholders");

funds resulting from repayments of principal on the revolving loans without a corresponding reduction in commitments that are deposited on behalf of the Trust with an institution, as a lender under the existing credit agreement (the "new revolving lender"), from time to time and held by the new revolving lender to fund any future revolving borrowings or for distribution to the Trust for distribution to Certificateholders once the commitments relating to such repayment amounts have been terminated; and

certain other assets and contractual rights and remedies as described in more detail in the Offering Memorandum.

**Impact on Stockholders of Approval or Disapproval of this Proposal**

If this proposal is not approved, the stockholder approval condition to the consummation of the Exchange Offer will not be satisfied and we may be unable to consummate the Exchange Offer. If we do not consummate the Exchange Offer, we will be unable to exchange and cancel the Outstanding Notes tendered in the Exchange Offer. Consequently, we will be unable to reduce and extend the maturity of our outstanding indebtedness, or reduce our annual interest expense as contemplated by the Exchange Offer.

If we are not able to consummate the Exchange Offer, we will consider all viable refinancing alternatives available to us at such time. However, a viable refinancing alternative arrangement may not be available or, if available, may not be on terms as favorable to our creditors and equity holders as the terms of the Exchange Offer. Such alternatives may be expensive and may have an uncertain timeline. We may be required to seek protection from our creditors through a bankruptcy filing. If so, the expenses of any such filing would reduce the assets available for payment or distribution to our creditors and, if applicable, stockholders.

If this proposal is approved, there may be other significant effects on the stockholders, including the following:

***Stockholders will face significant dilution as a result of the issuance of additional shares of Class A common stock in the Exchange Offer.***

If this proposal is approved and assuming the Exchange Offer is consummated and the maximum amount of \$610.0 million of Outstanding Notes are validly tendered and accepted by us in the Exchange Offer, we will issue up to approximately 33.3% of our outstanding Class A common stock immediately following, and after giving effect to, the Exchange Offer, which based on the shares outstanding on the Record Date, would equal up to [ ] shares of Class A common stock. As a result, the Company's existing stockholders will incur substantial dilution to their voting interests and will own a smaller percentage of the Company's outstanding Class A common stock. The dilutive effects of the Exchange Offer (i) will reduce your relative voting power as a holder of our Class A common stock or Class C common stock, as the case may be, (ii) will reduce your relative share of the aggregate amount of any dividends or distributions with respect to our Class A common stock or Class C common stock, as the case may be, and (iii) may have an adverse impact on the market price of the Company's

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Class A common stock. The dilutive effect of the issuance of additional shares could also have an anti-takeover effect. The dilution of the voting power of a person seeking control of the Company could deter or render more difficult a merger, tender offer, proxy contest or an extraordinary corporate transaction opposed by the Company.

**Interests of Directors and Executive Officers of the Company in the Outstanding Notes**

To the knowledge of the Company, no person who is or has been an executive officer or director of the Company since January 1, 2015 through the date of this proxy statement has any beneficial interest in the Outstanding Notes and the Company will not be issuing any shares of Class A common stock covered by this proposal to such persons. To the knowledge of the Company, none of our officers or directors otherwise have an interest in Proposal 1 that differs from that of any of our other stockholders.

**Required Vote**

The affirmative vote of a majority of the voting power of the shares present in person or by proxy and entitled to vote on the matter at the Special Meeting is required for approval of Proposal 1. Abstentions will have the effect of a vote against the Equity Issuance. Broker non-votes, if any, will have no effect on the approval of the proposal.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE PROPOSAL TO APPROVE THE EQUITY ISSUANCE.**

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**PROPOSAL 2: APPROVAL AND ADOPTION OF  
THE FOURTH A&R CERTIFICATE OF INCORPORATION**

In connection with the Exchange Offer and the terms of the Support Agreement, the Company is seeking stockholder approval to amend and restate its Third Amended and Restated Certificate of Incorporation to authorize the issuance of up to 100 shares of each of two new classes of common stock, Class D common stock and Class E common stock.

On [ ], 2016, the Board adopted resolutions (1) approving and declaring advisable an amendment and restatement of the Third A&R Certificate of Incorporation to authorize the issuance of up to 100 shares of each of two new classes of common stock, Class D common stock and Class E common stock, (2) directing that the Fourth A&R Certificate of Incorporation be submitted to the holders of our Class A common stock and Class C common stock for their approval and adoption and (3) recommending that the holders of our Class A common stock and Class C common stock approve and adopt the Fourth A&R Certificate of Incorporation.

The description of the Fourth A&R Certificate of Incorporation in this Proxy Statement is qualified in its entirety by reference to, and should be read in conjunction with, the full text of the Fourth A&R Certificate of Incorporation, the form of which is attached to this Proxy Statement as Annex A and for convenience is marked to show the changes from the Third A&R Certificate of Incorporation, with deleted text shown in strikethrough and added or moved text shown as underlined. Even if specific amendments to the Third A&R Certificate of Incorporation are not fully described below, the approval of Proposal 2 shall constitute the requisite approval of the adoption of the Fourth A&R Certificate of Incorporation, in the form attached to this proxy statement as Annex A, as required by Delaware law. Accordingly, you should read the full text of Fourth A&R Certificate of Incorporation.

Upon stockholder approval and adoption of the Fourth A&R Certificate of Incorporation, the Board may determine the exact timing of the filing of the Fourth A&R Certificate of Incorporation based on its evaluation as to when the filing would be the most advantageous to the Company and its stockholders. The Fourth A&R Certificate of Incorporation will be effected by filing the Fourth A&R Certificate of Incorporation with the Secretary of State of the State of Delaware.

Upon the effectiveness of the Fourth A&R Certificate of Incorporation, the Company will be authorized to issue up to 100 shares of each of Class D common stock and Class E common stock.

The Board reserves the right to elect to abandon the Fourth A&R Certificate of Incorporation notwithstanding stockholder approval of the Fourth A&R Certificate of Incorporation, if the Board determines in its sole discretion that the Fourth A&R Certificate of Incorporation is no longer in the best interests of the Company and its stockholders. If the Board abandons the Fourth A&R Certificate of Incorporation prior to filing it with the Secretary of State of the State of Delaware, no shares of Class D common stock or Class E common stock will be authorized for issuance.

**Purpose of the Fourth A&R Certificate of Incorporation**

In connection with the Exchange Offer and pursuant to the terms of the Support Agreement, the Company has agreed that for the period that (i) Angelo, Gordon & Co., any affiliate thereof and any investment fund managed or controlled by Angelo, Gordon & Co., or any affiliate thereof (collectively, Angelo Gordon ), one of the Supporting Holders, holds at least 5.5% of the common equity of the Company, Angelo Gordon shall have the right to appoint one director to the Board (the Class D Director ) and (ii) Q Investments, LP ( Q Investments ), Waddell & Reed Investment Management Company and Ivy Investment Management Company, any affiliate of the foregoing and any investment fund managed or controlled by any of the foregoing, or any affiliate thereof (collectively,

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Q/Waddell ), each Supporting Holders, collectively hold at least 5.0% of the common equity of the Company, Q/Waddell shall have the right to appoint one director to the Board (the Class E Director ).

In order to provide Angelo Gordon and Q/Waddell with the governance rights specified in the Support Agreement, the Company has agreed on the Settlement Date to enter into an investor stock purchase agreement with Angelo Gordon, Q Investments and Waddell, pursuant to which the Company will issue 100 shares of Class D common stock to Angelo Gordon and 100 shares of Class E common stock, in the aggregate, to Q Investments and Waddell. Holders of Class D common stock will be entitled to vote separately, without the holders of Class A common stock, Class C common stock or Class E common stock, with respect to the election of the Class D Director. Holders of Class E common stock will be entitled to vote separately, without the holders of Class A common stock, Class C common stock or Class D common stock, with respect to the election of the Class E Director.

At such time as Angelo Gordon ceases to hold at least 5.5% of the common equity of the Company, the shares of Class D common stock held by Angelo Gordon shall immediately and automatically convert into an equal number of shares of Class A common stock. At such time as Q/Waddell collectively owns less than 5.0% of the common equity of the Company, the shares of Class E common stock held by Q/Waddell shall immediately and automatically convert into an equal number of shares of Class A common stock.

The shares of Class D common stock and Class E common stock issued to the Supporting Holders will not have any voting rights, other than with respect to the election of the Class D Director or Class E Director, as applicable, or as provided by law. The holders of Class D common stock and Class E common stock will share equally on a per share basis with the holders of Class A common stock and Class C common stock (and warrants for Class A common stock) with respect to dividends or other distributions that may be declared by the Board from time to time or in the liquidation or winding up of the Company. For further information on the voting, economic and other rights associated with the Class D common stock and the Class E common stock, and information regarding the conversion and transfer of the Class D common stock and the Class E common stock, see the form of the Fourth A&R Certificate of Incorporation, attached as [Annex A](#) to this Proxy Statement.

### **Impact on Stockholders of Approval or Disapproval of this Proposal**

If this proposal is not approved, the stockholder approval condition to the consummation of the Exchange Offer will not be satisfied and we may be unable to consummate the Exchange Offer. If we do not consummate the Exchange Offer, we will be unable to exchange and cancel the Outstanding Notes tendered in the Exchange Offer. Consequently, we will be unable to reduce and extend the maturity of our outstanding indebtedness, or reduce our annual interest expense as contemplated by the Exchange Offer.

If we are not able to consummate the Exchange Offer, we will consider all viable refinancing alternatives available to us at such time. However, a viable refinancing alternative arrangement may not be available or, if available, may not be on terms as favorable to our creditors and equity holders as the terms of the Exchange Offer. Such alternatives may be expensive and may have an uncertain timeline. We may be required to seek protection from our creditors through a bankruptcy filing. If so, the expenses of any such filing would reduce the assets available for payment or distribution to our creditors and, if applicable, stockholders.

### **Interests of Certain Persons in Proposal 2**

No shares of Class D common stock or Class E common stock will be issued to any of our officers or directors and none of our officers o