LATIN COMMUNICATIONS GROUP INC
Form S-4
November 16, 2010
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As filed with the Securities and Exchange Commission on November 16, 2010

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

ENTRAVISION COMMUNICATIONS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**4833**	**95-4783236**

(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

2425 Olympic Boulevard, Suite 6000 West

Santa Monica, California 90404

(310) 447-3870

(Address, including zip code and telephone number, including area code, of registrant s principal executive offices)

Walter F. Ulloa

Chairman and Chief Executive Officer

Entravision Communications Corporation

2425 Olympic Boulevard, Suite 6000 West

Santa Monica, California 90404

(310) 447-3870

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With a copy of all communications to:

Kenneth D. Polin

Deepak Nanda

Foley & Lardner LLP

555 South Flower Street, Suite 3500

Los Angeles, California 90071-2411

(213) 972-4500

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after the effectiveness of this registration statement and the satisfaction or waiver of all other conditions pursuant to the exchange offer described herein.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	¨	Accelerated filer	¨
Non-accelerated filer	¨ (Do not check if a smaller reporting company)	Smaller reporting company	x

** If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)	¨
Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)	¨

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CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit(1)	Proposed maximum aggregate offering price(1)	Amount of registration fee
8.750% Senior Secured First Lien Notes due 2017 (2)	$400,000,000	100%	$400,000,000	$28,520
Guarantees of the 8.750% Senior Secured First Lien Notes due 2017	$400,000,000	(3)	(3)	None.

(1) Estimated solely for purposes of determining the registration fee.
(2) Calculated pursuant to Rule 457(f)(2) under the Securities Act of 1933.
(3) Pursuant to Rule 457(n) under the Securities Act of 1933, no registration fee is required with respect to the guarantees.

The registrants hereby amend this registration statement on such date or dates as may be necessary to delay its effective date until the registrants shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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TABLE OF ADDITIONAL REGISTRANTS (1)

Exact Name of Registrant as Specified in Its Charter	State or Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Number	I.R.S. Employer Identification Number
Arizona Radio, Inc.	Delaware	4833	88-0305822
Aspen FM, Inc.	Colorado	4833	91-0253467
Channel Fifty Seven, Inc.	California	4833	33-0637781
Diamond Radio, Inc.	California	4833	68-0370595
Entravision, L.L.C.	Delaware	4833	95-4635405
Entravision Communications Company, L.L.C.	Delaware	4833	95-4566568
Entravision-El Paso, L.L.C.	Delaware	4833	95-4635149
Entravision Holdings, LLC	California	4833	95-4850445
Entravision San Diego, Inc.	California	4833	33-0921979
Entravision-Texas G.P., LLC	Delaware	4833	27-3432832
Entravision-Texas L.P., Inc.	Delaware	4833	04-3589346
Entravision-Texas Limited Partnership	Texas	4833	75-3010492
Latin Communications Group Inc.	Delaware	4833	13-4006852
Los Cerezos Television Company	Delaware	4833	52-1189716
The Community Broadcasting Company of San Diego, Incorporated	California	4833	33-0459185
Vista Television, Inc.	California	4833	33-0622519
Z-Spanish Media Corporation	Delaware	4833	68-0415278

(1) The address and telephone number of the principal executive offices for each additional registrant is 2425 Olympic Boulevard, Suite 6000 West, Santa Monica, California 90404, (310) 447-3870. The name, address and telephone number of the agent for service for each additional registrant is Walter F. Ulloa, Chairman and Chief Executive Officer, Entravision Communications Corporation, 2425 Olympic Boulevard, Suite 6000 West, Santa Monica, California 90404, (310) 447-3870.

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The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated November 16, 2010

PRELIMINARY PROSPECTUS

$400,000,000

8.750% Senior Secured First Lien Notes due 2017

Offer to Exchange All of Our Outstanding

8.750% Senior Secured First Lien Notes due 2017

(CUSIP Nos. 29382T AC1 and U2937A AB4)

For

Our new 8.750% Senior Secured First Lien Notes due 2017

That Have Been Registered

Under the Securities Act of 1933

This exchange offer will expire at 5:00 p.m., New York City time

on , 2010, unless we extend it.

The Exchange Notes:

- The terms of the registered 8.750% Senior Secured First Lien Notes due 2017 to be issued in the exchange offer are substantially identical to the terms of the outstanding 8.750% Senior Secured First Lien Notes due 2017, except that provisions relating to transfer restrictions, registration rights and additional interest will not apply to the exchange notes.

- We are offering the exchange notes pursuant to a registration rights agreement that we entered into in connection with the issuance of the outstanding notes.

The exchange notes will bear interest at the rate of 8.750% per year, payable semi-annually in arrears on February 1 and August 1 of each year, commencing on February 1, 2011. The exchange notes will mature on August 1, 2017.

The exchange notes will be fully and unconditionally guaranteed on a joint and several basis by all of Entravision Communications Corporation s existing and future domestic wholly-owned restricted subsidiaries.

We may redeem some or all of the notes as described more fully in this prospectus.

Material Terms of the Exchange Offer

The exchange offer expires at 5:00 p.m., New York City time, on , 2010, unless we extend it.

Upon completion of the exchange offer, all outstanding notes that are validly tendered and not properly withdrawn will be exchanged for an equal principal amount of exchange notes, the issuance of which is registered under the Securities Act of 1933, as amended (the Securities Act).

Tenders of outstanding notes may be withdrawn at any time prior to the expiration of the exchange offer.

Completion of the exchange offer is subject to customary conditions, some of which we may waive.

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The exchange of exchange notes for outstanding notes will not be a taxable event for U.S. Federal income tax purposes.

We will not receive any proceeds from the exchange offer.

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding notes where such exchange notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, starting on the expiration date of the exchange offer and ending on the close of business one year after such expiration date, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

There is no existing public market for the outstanding notes or the exchange notes. We do not intend to list the exchange notes on any securities exchange or quotation system.

See Risk Factors beginning on page 12 for a discussion of risk factors that you should consider before deciding to exchange your outstanding notes for exchange notes.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2010

This prospectus, letter of transmittal and the notice of guaranteed delivery are first being mailed to all holders of the outstanding notes on , 2010

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You should rely only upon the information in this prospectus. We have not authorized anyone to give any information or make any representation about us that is different from or in addition to that contained in this prospectus. Therefore, if anyone does give you information of this sort, you should not rely on it as authorized by us. If you are in a jurisdiction where offers to sell, or solicitations of offers to purchase, the securities offered by this prospectus are unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this prospectus does not extend to you. Neither the delivery of this prospectus, nor any sale made hereunder, shall under any circumstances create any implication that there has been no change in our affairs since the date on the front cover of this prospectus. You must comply with all applicable laws and regulations in force in any jurisdiction in which you purchase, offer or sell the exchange notes and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the exchange notes under the laws and regulations in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales, and we shall not have any responsibility therefor.

This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus. The information in the documents incorporated by reference is considered to be part of this prospectus. Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus. Statements contained in documents that we file with the Securities and Exchange Commission (the SEC) after the date of this prospectus and that are incorporated by reference in this prospectus automatically update and supersede information contained in this prospectus to the extent the new information differs from or is inconsistent with the old information.

As explained below in Where You Can Find More Information, those documents incorporated by reference in this prospectus as well as our other SEC filings are also available to the public at the SEC s website at www.sec.gov. In addition, you may also obtain this information without charge by writing or telephoning us at the following address and telephone number:

Entravision Communications Corporation

2425 Olympic Boulevard, Suite 6000 West

Santa Monica, California 90404

Telephone: (310) 447-3870

Attention: Corporate Secretary

In order to ensure timely delivery, you must request the information no later than five business days before the expiration of the exchange offer.

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INDUSTRY AND MARKET DATA

Information regarding market share, market size, market position and industry data pertaining to our business contained in this prospectus or incorporated by reference herein consists of our estimates based on data and reports compiled by industry professional organizations (including Nielsen Media Research, Arbitron and the Traffic Audit Bureau), the U.S. Census Bureau, industry analysts and on our management s knowledge of our business and markets.

Nielsen offers a general market service measuring all television audience viewing, as well as a separate service to specifically measure U.S. Hispanic audience viewing at the local market level. The Nielsen rating services we use are Nielsen Hispanic Station Index and Nielsen Station Index. Arbitron provides radio advertisers with the industry-accepted measure of listening audience classified by demographic segment and time of day that the listeners spend on particular radio stations. The Traffic Audit Bureau audits the circulation of out of home media advertising in the United States.

Although we believe that the third-party sources upon which we have relied are reliable, we have not independently verified market industry data provided by third parties, and we take no further responsibility for this data. Similarly, while we believe our internal estimates with respect to our industry are reliable, our estimates have not been verified by any independent sources, and we cannot assure you that they are accurate.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934 (Exchange Act). All statements other than statements of historical fact are forward-looking statements for purposes of federal and state securities laws, including, but not limited to, any projections of earnings, revenue or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing.

Forward-looking statements may include the words may, could, will, estimate, intend, continue, believe, expect or anticipate or o words. These forward-looking statements present our estimates and assumptions only as of the date of this prospectus. Except for our ongoing obligation to disclose material information as required by the federal securities laws, we do not intend, and undertake no obligation, to update any forward-looking statement.

Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties. Some of the key factors impacting these risks and uncertainties include, but are not limited to:

- risks related to our history of operating losses, our substantial indebtedness or our ability to raise capital;
- provisions of our debt instruments, including the new credit facility that we entered into concurrently with the closing of our initial offering of the outstanding notes (New Credit Facility), which restricts certain aspects of the operation of our business;
- our continued compliance with all of our obligations, including financial covenants and ratios, under the agreement governing our New Credit Facility;
- cancellations or reductions of advertising due to the current economic environment or otherwise;

advertising rates remaining constant or decreasing;

the impact of rigorous competition in Spanish-language media and in the advertising industry generally;

the impact on our business, if any, as a result of changes in the way market share is measured by third parties;

our relationship with Univision Communications Inc. (Univision);

our ability to continue to generate revenue under retransmission consent agreements;

subject to restrictions contained in our New Credit Facility, the overall success of our acquisition strategy, which historically has included developing media clusters in key U.S. Hispanic markets, and the integration of any acquired assets with our existing business;

- industry-wide market factors and regulatory and other developments affecting our operations;
- the duration and severity of the current economic environment;
- the impact of previous and any future impairment of our assets;
- risks related to changes in accounting interpretations; and
- the impact, including additional costs, of mandates and other obligations that may be imposed upon us as a result of the recent passage of new federal healthcare laws.

For a detailed description of these and other factors that you should carefully consider before investing in the exchange notes, see Risk Factors, beginning at page 12 below.

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PROSPECTUS SUMMARY

This following summary highlights material information about Entravision Communications Corporation and this exchange offer. It does not contain all the information you may consider important in making your investment decision. Before making a decision to exchange your outstanding notes for exchange notes in the exchange offer, you should read this entire prospectus carefully, including: (a) the section entitled Risk Factors contained in this prospectus; (b) our financial statements and the related notes, which are included elsewhere in this prospectus; and (c) the section entitled Management s Discussion and Analysis of Financial Condition and Results of Operations contained in this prospectus. Unless otherwise noted or the context otherwise requires, the terms Entravision, Company, we, our and us refer to Entravision Communications Corporation and our consolidated subsidiaries. We are offering to exchange our new registered 8.750% Senior Secured First Lien Notes due 2017 (exchange notes) for our outstanding 8.750% Senior Secured First Lien Notes due 2017 (outstanding notes). The term exchange offer refers to our offer, described in this prospectus, to issue the exchange notes in exchange for outstanding notes.

The Company

Overview

We are a diversified Spanish-language media company utilizing a combination of television and radio operations to reach Hispanic consumers across the United States, as well as the border markets of Mexico. Headquartered in Santa Monica, California, we believe we are the largest independent public media company focused principally on the U.S. Hispanic audience.

Television. We own and/or operate 53 primary television stations located primarily in California, Colorado, Connecticut, Florida, Massachusetts, Nevada, New Mexico, Texas and Washington, D.C. We are the largest affiliate group of both the top-ranked Univision television network and Univision s TeleFutura network, with television stations in 20 of the nation s top 50 U.S. Hispanic markets.

Radio. We own and operate one of the largest groups of primarily Spanish-language radio stations in the United States. We own and operate 48 radio stations in 19 U.S. markets, 47 of which are located in the top 50 Hispanic markets in the United States. Our radio stations consist of 37 FM and 11 AM stations located in Arizona, California, Colorado, Florida, Nevada, New Mexico and Texas.

For the nine-month period ended September 30, 2010 and year ended December 31, 2009, our net revenue was approximately $149.8 million and $189.2 million, respectively. Revenue for the nine-month period ended September 30, 2010 and the year ended December 31, 2009 generated by our television segment accounted for approximately 66% of our net revenue, and revenue generated by our radio segment accounted for the remaining approximately 34% of our net revenue.

The Hispanic Market Opportunity

Our media assets target densely-populated and fast-growing Hispanic markets in the United States. We operate media properties in 14 of the 20 highest-density U.S. Hispanic markets. In addition, among the top 25 U.S. Hispanic markets, we operate media properties in 13 of the 20 fastest-growing markets. Despite the current uncertain economic environment, we believe that targeting the U.S. Hispanic market will translate into revenue growth in the future for the following reasons:

U.S. Hispanic Population Growth. Over 46 million Hispanics live in the United States, accounting for over 15% of the total U.S. population. The overall Hispanic population is growing at nearly 7 times the rate of the non-Hispanic population and is expected to grow to 81.2 million, or approximately 22% of the total U.S. population, by 2029. Approximately 53% of the total future growth in the U.S. population through 2029 is expected to come from the Hispanic community.

Spanish-Language Use. Approximately 78% of Hispanics age five and over in the United States speak some Spanish at home. The number of U.S. Hispanics that speak some Spanish at home is expected to grow from 33.2 million in 2009 to 54.8 million in 2029.

Increasing U.S. Hispanic Buying Power. The U.S. Hispanic population is estimated to have accounted for total consumer expenditures of over $830 billion in 2009, an increase of 32% since 2004. Hispanics are expected to account for over $1.1 trillion in consumer expenditures by 2014, and by 2029 Hispanics are expected to account for approximately $3.4 trillion in consumer expenditures, or 14% of total U.S. consumer spending. Hispanic buying power is expected to grow at nearly four times the rate of the Hispanic population growth by 2029.

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Attractive Profile of U.S. Hispanic Consumers. We believe that the demographic profile of the U.S. Hispanic audience makes it attractive to advertisers. We believe that the larger size and younger age of Hispanic households (averaging 3.4 persons and 28.0 years of age as compared to the U.S. non-Hispanic averages of 2.4 persons and 40.2 years of age) lead Hispanics to spend more per household on many categories of goods and services. Although the average U.S. Hispanic household has less disposable income than the average U.S. household, the average U.S. Hispanic household spends 3% more per year than the average U.S. non-Hispanic household on food at home, 74% more on children s clothing, 41% more on footwear and 26% more on laundry and household cleaning products. We expect Hispanics to continue to account for a disproportionate share of growth in spending nationwide in many important consumer categories as the U.S. Hispanic population and its disposable income continue to grow.

Spanish-Language Advertising. Over $4.0 billion of total advertising expenditures in the United States were placed in Spanish-language media in 2008, the most recent year for which such data is available, of which approximately 82% was placed in Spanish-language television and radio advertising.

Business Strategy

We seek to increase our advertising revenue through the following strategies:

Effectively Use Our Networks and Media Brands. We are the largest affiliate group of both the top-ranked Univision television network and Univision s TeleFutura network. Univision s primary network is the most-watched television network (English- or Spanish-language) among U.S. Hispanic households. Univision s primary network, together with its TeleFutura Network, represented approximately a 75% share of the U.S. Spanish-language network television prime time audience of adults 18-49 years of age as of December 2009. Univision makes its networks Spanish-language programming available to our television stations 24 hours a day, including a prime time schedule on its primary network of substantially all first-run programming throughout the year. We believe that the breadth and diversity of Univision s programming, combined with our local news and community-oriented segments, provide us with an advantage over other Spanish-language and English-language broadcasters in reaching U.S. Hispanic viewers. Our local content is designed to brand each of our stations as the best source for relevant community information that accurately reflects local interests and needs. We operate our radio network using four formats designed to appeal to different listener tastes. We format the programming of our network and radio stations in an effort to capture a substantial share of the U.S. Hispanic audience in each of our radio markets. In markets where competing stations already offer programming similar to our network formats, or where we otherwise identify an available niche in the marketplace, we run alternative programming that we believe will appeal to local listeners.

Invest in Media Research and Sales. We believe that continued use of industry-accepted ratings and surveys will allow us to further increase our advertising rates. We use standard industry ratings and surveys from third parties, including Nielsen Media Research, Arbitron and the Traffic Audit Bureau, to provide a more accurate measure of consumers. We believe that our focused research and sales efforts will enable us to continue to achieve significant revenue and cash flow growth.

Continue to Benefit from Strong Management. We believe that we have one of the most experienced management teams in the industry. Walter Ulloa, our co-founder, Chairman and Chief Executive Officer, Philip Wilkinson, our co-founder, President and Chief Operating Officer, and Jeffery Liberman, the President of our Radio Division, have an average of more than 30 years of media experience. We intend to continue to build and retain our key management personnel and to capitalize on their knowledge and experience in the Spanish-language markets.

Emphasize Local Content, Programming and Community Involvement. We believe that local content and service to the community in each of our markets is an important part of building our brand identity within those markets. By combining our local news, local content and quality network programming, we believe that we have a significant competitive advantage. We also believe that our active community involvement, including station remote broadcasting appearances at client events, concerts and tie-ins to major events, helps to build station awareness and identity as well as viewer and listener loyalty.

Take Advantage of Market Cross-Selling and Cross-Promotion. We believe that our uniquely diversified media asset portfolio provides us with a competitive advantage in targeting the U.S. Hispanic consumer. In many of our markets, we offer advertisers the ability to reach potential customers through a combination of television and radio. Currently, we operate some combination of television and radio in 11 markets. Where possible, we also combine our television and radio operations to create synergies and achieve cost savings.

Target Other Attractive U.S. Hispanic Markets and Fill-In Acquisitions. Currently, we are subject to certain limitations on acquisitions under the terms of the indenture governing the outstanding notes and our New Credit Facility. See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources, Description of Other Indebtedness New Credit Facility and Description of the Exchange Notes. We believe, however, that our knowledge of, and experience with, the U.S. Hispanic marketplace will enable us to identify attractive acquisitions in the television and radio markets in the future. We could consummate such acquisitions if such limitations are relaxed, removed or waived. Additionally, since our inception, we have used our management expertise, programming, local involvement and brand identity to improve our acquired media properties. See Business Acquisition and Disposition Strategies.

Our Principal Executive Offices

Our principal executive offices are located at 2425 Olympic Boulevard, Suite 6000 West, Santa Monica, California 90404 and our telephone number is (310) 447-3870. Our corporate website address is http://www.entravision.com. The information contained on this website is not incorporated into or otherwise a part of this prospectus.

Our Organizational Structure

We were organized as a Delaware limited liability company in January 1996 to combine the operations of our predecessor entities. On August 2, 2000, we completed a reorganization from a limited liability company to a Delaware corporation.

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THE EXCHANGE OFFER

The summary below describes the principal terms of the exchange offer. Certain of the terms and conditions described below are subject to important limitations and exceptions. The following is not intended to be complete; you should carefully review the The Exchange Offer section of this prospectus, which contains a detailed description of the terms and conditions of the exchange offer.

The Exchange Offer	We are offering to exchange up to $400 million in principal amount of our new 8.750% Senior Secured First Lien Notes due 2017, which have been registered under the Securities Act, for the same principal amount of our outstanding 8.750% Senior Secured First Lien Notes due 2017, which were issued on July 27, 2010 in a transaction in reliance upon the exemptions from registration provided by Rule 144A and Regulation S of the Securities Act. We are making the exchange offer to satisfy our obligations under the registration rights agreement that we entered into concurrently with the issuance of the outstanding notes on July 27, 2010. The exchange notes are substantially identical to the outstanding notes, except that the transfer restrictions, registration rights and additional interest provisions relating to the outstanding notes will not apply to the exchange notes.
Expiration Time	The exchange offer will expire at 5:00 p.m., New York City time, on , 2010, unless we extend the exchange offer. See The Exchange Offer Terms of the Exchange Offer; Expiration Time.
Conditions to the Exchange Offer	The exchange offer is subject to customary conditions, some of which we may waive. The exchange offer is not conditioned upon any minimum principal amount of outstanding notes being tendered. We reserve the right to terminate or amend the exchange offer at any time before the expiration time if any condition to the exchange offer is not met. See The Exchange Offer Conditions to the Exchange Offer.
Procedures for Tendering Outstanding Notes	To exchange your outstanding notes for exchange notes, you must validly tender them at or before the expiration time. You may tender your outstanding notes through book-entry transfer in accordance with The Depository Trust Company s (DTC) Automated Tender Offer Program, known as ATOP. If you wish to accept the exchange offer, you must:
	tender your outstanding notes by sending the certificates for your outstanding notes, in proper form for transfer, a properly completed and duly executed letter of transmittal, with any required signature guarantees, and all other documents required by the letter of transmittal, to Wells Fargo Bank, National Association, as exchange agent, at one of the addresses listed below under the caption The Exchange Offer Exchange Agent; or
	tender your outstanding notes by using the book-entry transfer procedures described below and transmitting a properly completed and duly executed letter of transmittal, with any required signature guarantees, or an agent s

message instead of the letter of transmittal, to the exchange agent. In order for a book-entry transfer to constitute a valid tender of your outstanding notes in the exchange offer, Wells Fargo Bank, National Association, as exchange agent, must receive a confirmation of book-entry transfer of your outstanding notes into the exchange agent s account at DTC prior to the expiration or termination of the exchange offer. See The Exchange Offer Book-Entry Transfers.

You may tender your outstanding notes for exchange notes in whole or in part in minimum denominations of $2,000 and integral multiples of $1,000 in excess of $2,000. See The Exchange Offer Acceptance of Outstanding Notes for Exchange; Delivery of Exchange Notes.

Special Procedures for Beneficial Owners	If you beneficially own the outstanding notes registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your outstanding notes in the exchange offer, you should contact the registered holder promptly and instruct it to tender on your behalf. See The Exchange Offer How to Tender Outstanding Notes for Exchange.

Guaranteed Delivery Procedures	If you wish to tender your outstanding notes, but they are not immediately available or you cannot deliver your outstanding notes, the letter of transmittal or any other required documents to the exchange agent before the expiration time, you must tender your outstanding notes and other required documents using the guaranteed delivery procedures described in The Exchange Offer Guaranteed Delivery Procedures.
Withdrawals of Tenders	You may withdraw your tender of outstanding notes at any time prior to the expiration time by delivering a written notice of withdrawal to the exchange agent in conformity with the procedures described under The Exchange Offer Withdrawal Rights.
Acceptance of Outstanding Notes and Delivery of Exchange Notes	Upon completion of the exchange offer, we will accept any and all outstanding notes that are validly tendered in the exchange offer and not properly withdrawn at or prior to the expiration time. The exchange notes issued pursuant to the exchange offer will be delivered promptly after acceptance of the tendered outstanding notes. See The Exchange Offer Terms of the Exchange Offer; Expiration Time.
Resales of Exchange Notes	Based on interpretations by the staff of the SEC as set forth in no-action letters issued to the third parties, we believe that the exchange notes issued in the exchange offer may be offered for resale, resold or otherwise transferred without compliance with the registration and prospectus delivery provisions of the Securities Act; provided that: the exchange notes you receive pursuant to the exchange offer are being acquired in the ordinary course of your business; you have no arrangement or understanding with any person to participate in the distribution of the exchange notes within the meaning of the Securities Act; you are not an affiliate of ours, as such term is defined in Rule 405 promulgated under the Securities Act; and if you are a broker-dealer, you will receive the exchange notes for your own account, the outstanding notes were acquired by you as a result of market-making or other trading activities and you will deliver a prospectus in connection with any resale of the exchange notes.

The staff of the SEC has not considered the exchange offer in the context of a no-action letter, and we cannot assure you that the staff of the SEC would make a similar determination with respect to the exchange offer. See The Exchange Offer Consequences of Exchanging Outstanding Notes.

Broker-Dealer Prospectus Delivery Requirements	Each broker-dealer that receives exchange notes for its own account in exchange for outstanding notes, where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See Plan of Distribution.
Certain U.S. Federal Income Tax Consequences	The exchange of your outstanding notes for exchange notes will not be a taxable exchange for U.S. federal income tax purposes. You should consult your own tax advisor as to the tax consequences to you of the exchange offer, as well as tax consequences of the ownership and disposition of the exchange notes. See Certain U.S. Federal Income Tax Consequences.

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Use of Proceeds	We will not receive any cash proceeds from the issuance of the exchange notes in connection with the exchange offer. See Use of Proceeds.
Exchange Agent	The exchange agent for the exchange offer is Wells Fargo Bank, National Association. See The Exchange Offer The Exchange Agent and the accompanying letter of transmittal.

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THE EXCHANGE NOTES

The summary below describes the principal terms of the exchange notes. The terms of the exchange notes are substantially the same as the outstanding notes, except that provisions relating to transfer restrictions, registration rights and additional interest will not apply to the exchange notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The following is not intended to be complete; you should carefully review the Description of the Exchange Notes section of this prospectus. The term notes refers to both the exchange notes and the outstanding notes.

Issuer	Entravision Communications Corporation, a Delaware corporation.
Notes Offered	$400 million aggregate principal amount of new 8.750% Senior Secured First Lien Notes due 2017, the issuance of which has been registered under the Securities Act.
Maturity Date	August 1, 2017.
Interest	8.750% per year, payable semi-annually in arrears.
Interest Payment Dates	February 1 and August 1 of each year, commencing on February 1, 2011.
Guarantees	The payment of the exchange notes will be fully and unconditionally guaranteed, jointly and severally, by all of our direct and indirect current and future domestic wholly-owned restricted subsidiaries. See Description of the Exchange Notes Note Guarantees for more details.
Security; Collateral	The exchange notes and the guarantees will be secured, along with indebtedness under our New Credit Facility, on a first priority basis by liens, subject to permitted liens, on substantially all of our assets and the assets of the guarantors.
Ranking	The exchange notes will be:

- general obligations of ours, secured by a first priority lien over the collateral;
- equal in right of payment to all of our existing and future indebtedness that is not subordinated in right of payment to the notes;
- senior in right of payment to all of our existing and future indebtedness that is subordinated in right of payment to the notes;

effectively senior to all of our existing and future indebtedness that is either secured by liens that rank junior to the liens securing the notes or unsecured, with respect to and to the extent of the value of the collateral;

effectively subordinated to all of our existing and any future secured indebtedness with respect to and to the extent of the assets (other than the collateral) securing such indebtedness, and to all existing and any future liabilities (including trade payables) of our subsidiaries that are not guarantors, with respect to and to the extent of the assets of such subsidiaries; and

effectively subordinated pursuant to the intercreditor agreement to our New Credit Facility, to the extent of the realizable value of the collateral, upon enforcement against the collateral or in insolvency.

As of July 27, 2010, we and the guarantors had approximately $401.0 million of indebtedness outstanding. Our subsidiaries that are not guarantors have no indebtedness, other than intercompany debt, outstanding.

Each guarantee of the exchange notes will be:

a general obligation of that guarantor, secured by a first priority lien over the collateral;

equal in right of payment to all of the guarantor s existing and future indebtedness that is not subordinated in right of payment to its guarantee;

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- senior in right of payment to all existing and future indebtedness of the guarantor that is subordinated in right of payment to its guarantee;
- effectively senior to all of the guarantor s existing and future indebtedness that is either secured by liens that rank junior to the liens securing the guarantee or unsecured, with respect to and to the extent of the value of the collateral;
- effectively subordinated to all existing and any future secured indebtedness of the guarantor with respect to and to the extent of the assets (other than the collateral) securing such indebtedness; and
- effectively subordinated pursuant to the intercreditor agreement to our New Credit Facility, to the extent of the realizable value of the collateral, upon enforcement against the collateral.

Optional Redemption	On or after August 1, 2013, we may, at our option, redeem some or all of the exchange notes at any time at the redemption prices described under Description of the Exchange Notes Optional Redemption. In addition, at any time (which may be more than once) prior to August 1, 2013, we may redeem up to (1) 10% of the exchange notes during each twelve-month period beginning August 1, 2010 at a redemption price equal to 103% of the principal amount thereof and (2) 35% of the exchange notes with the net proceeds of certain equity offerings at a redemption price equal to 108.750% of the principal amount thereof, in each case plus accrued and unpaid interest thereon, if any, to the redemption date. The exchange notes are also redeemable before August 1, 2013 at a redemption price of 100% of the principal amount plus the applicable premium as of the date of redemption plus accrued and unpaid interest, if any. See Description of the Exchange Notes Optional Redemption for more details.
Change of Control	Upon the occurrence of a change of control, we are required to make an offer to repurchase each holder s exchange notes at a repurchase price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of repurchase. See Description of the Exchange Notes Repurchase at the Option of Holders Change of Control for more details.
Certain Covenants	The indenture governing the notes contains covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to:

- incur or guarantee additional indebtedness;
- pay dividends on, repurchase or make distributions in respect of our capital stock;

make future repurchases of shares of common stock, except under limited circumstances;

make any further debt repurchases in the secondary market;

make certain investments;

sell, transfer or otherwise convey certain assets;

sell capital stock of restricted subsidiaries;

create liens;

consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; and

enter into certain transactions with our affiliates.

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These covenants are subject to a number of important limitations and exceptions that are described later in this prospectus in the section Description of the Exchange Notes Certain Covenants.

No Prior Market	There is no existing public market for the notes. We cannot assure that a liquid market for the notes will develop or be maintained. See Risk Factors for more details.
Risk Factors	An investment in the exchange notes involves risks. Before you make an investment decision with respect to exchanging your outstanding notes for exchange notes, you should carefully consider the matters set forth in the section entitled Risk Factors in this prospectus.

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Summary Historical Condensed Consolidated Financial Data

The following table sets forth our summary consolidated historical financial data as of and for the fiscal years ended December 31, 2009, 2008 and 2007, and as of and for the nine months ended September 30, 2010 and 2009. The summary historical consolidated financial data for the fiscal years ended December 31, 2009, 2008 and 2007, and the balance sheet data as of December 31, 2009, 2008 and 2007, were derived from the audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009 (2009 Form 10-K), which are included elsewhere in this prospectus. The summary historical consolidated financial data for the nine months ended September 30, 2010 and 2009, and the balance sheet data as of September 30, 2010, were derived from the unaudited consolidated financial statements included in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2010 (September 2010 Form 10-Q), which are included elsewhere in this prospectus.

The summary financial data set forth in the following table should be read in conjunction with the information included under the heading Management s Discussion and Analysis of Financial Condition and Results of Operations and the audited consolidated financial statements and the notes thereto, all of which are included elsewhere in this prospectus. The summary historical data included below is not necessarily indicative of our future performance.

(in thousands)	Year Ended December 31, 2007	Year Ended December 31, Historical 2008 As Restated	Year Ended December 31, 2009	Nine Months Ended September 30, Historical 2009 As Restated (Unaudited)	Nine Months Ended September 30, Historical 2010 (Unaudited)
Statement of Operations Data:					
Net revenue:					
Television	$ 156,375	$ 145,938	$ 124,437	$ 92,037	$ 98,786
Radio	93,671	86,397	64,794	49,128	51,043
Total net revenue	250,046	232,335	189,231	141,165	149,829
Direct operating expenses	99,608	100,801	83,902	63,690	63,941
Selling, general and administrative expenses	44,267	43,709	38,278	28,341	28,204
Corporate expenses	17,353	17,117	14,918	10,602	11,048
Depreciation and amortization	22,565	23,412	21,033	15,893	14,464
Impairment charge		610,456	50,648	2,720	
	183,793	795,495	208,779	121,246	117,657
Operating income (loss)	66,253	(563,160)	(19,548)	19,919	32,172
Interest expense	(49,405)	(43,093)	(27,948)	(21,762)	(15,171)
Interest income	4,809	1,894	459	388	259
Gain (loss) on debt extinguishment		9,813	(4,716)	(4,716)	(987)
Income (loss) before income taxes	21,657	(594,546)	(51,753)	(6,171)	16,273
Income tax (expense) benefit	18,047	70,086	1,917	(9,311)	(5,102)
Income (loss) before equity in net income (loss) of nonconsolidated affiliate and discontinued operations	39,704	(524,460)	(49,836)	(15,482)	11,171
Equity in net income (loss) of nonconsolidated affiliate, net of tax	336	(166)	(236)	(166)	16
Income (loss) from continuing operations	40,040	(524,626)	(50,072)	(15,648)	11,187
Loss from discontinued operations	(83,157)	(3,930)			

Net income (loss)	$ (43,117)	$ (528,556)	$ (50,072)	$ (15,648)	$ 11,187
Other Financial Data:					
Consolidated adjusted EBITDA(1)	$ 91,779	$ 74,104	$ 55,312	$ 40,307	$ 46,938
Capital expenditures	14,284	16,860	6,961	5,295	5,810
Total assets	1,366,148	592,983	487,927	538,928	522,376

	Historical			
	December 31, 2007	**December 31, 2008 As Restated**	**December 31, 2009**	**September 30, 2010 (Unaudited)**
Ratios and Balance Sheet Data:				
Cash and cash equivalents	$ 86,945	$ 64,294	$ 27,666	$ 55,210
Total assets	1,366,148	592,983	487,927	522,376
Total long-term debt, including current portion	484,078	406,523	363,949	396,018
Total stockholders equity	657,810	72,094	25,235	38,258
Ratio of debt to consolidated adjusted EBITDA (1)	5.3x	5.5x	6.6x	6.5x
Book value per share (2)	3.94	2.58	2.00	2.40
Book value per share with FCC licenses(3)	11.90	6.11	4.94	5.31
Cash dividends per share				

(1) Consolidated adjusted EBITDA means net income (loss) plus loss (gain) on sale of assets, depreciation and amortization, non-cash impairment charge, non-cash stock-based compensation included in operating and corporate expenses, net interest expense, loss on debt extinguishment, income tax expense (benefit), equity in net income (loss) of nonconsolidated affiliate and syndication programming amortization less syndication programming payments. We use the term consolidated adjusted EBITDA because that measure is defined in our New Credit Facility and does not include loss (gain) on sale of assets, depreciation and amortization, non-cash impairment charge, non-cash stock-based compensation, net interest expense, loss on debt extinguishment, income tax expense (benefit), equity in net income (loss) of nonconsolidated affiliate and syndication programming amortization and does include syndication programming payments.

Since our ability to borrow under our New Credit Facility is based on a consolidated adjusted EBITDA financial covenant, we believe that it is important to disclose consolidated adjusted EBITDA to our investors. Our New Credit Facility contains certain financial covenants relating to a maximum leverage ratio, maximum revolving credit leverage ratio, minimum cash interest coverage ratio and minimum fixed charge coverage ratio. The maximum leverage ratio, or the ratio of consolidated total debt to trailing-twelve-month consolidated adjusted EBITDA, affects our ability to borrow under our New Credit Facility. Under our New Credit Facility, our maximum leverage ratio may not exceed 7.25 to 1. The actual leverage ratio was as follows (in each case as of September 30): 2010, 6.5 to 1; and 2009, 6.7 to 1. Therefore, we were in compliance with this covenant at each of those dates. We entered into our New Credit Facility in July 2010, so we were not subject to the same calculations and covenants in prior years. However, for consistency of presentation, the foregoing historical ratios assume that our current definition had been applicable for all periods presented.

While many in the financial community and we consider consolidated adjusted EBITDA to be important, it should be considered in addition to, but not as a substitute for or superior to, other measures of liquidity and financial performance prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), such as cash flows from operating activities, operating income and net income. As consolidated adjusted EBITDA excludes non-cash (gain) loss on sale of assets, non-cash depreciation and amortization, non-cash impairment charge, non-cash stock-based compensation expense, net interest expense, loss on debt extinguishment, loss from discontinued operations, income tax expense (benefit), equity in net income (loss) of nonconsolidated affiliate and syndication programming amortization and includes syndication programming payments, consolidated adjusted EBITDA has certain limitations because it excludes and includes several important non-cash financial line items. Therefore, we consider both non-GAAP and GAAP measures when evaluating our business. Consolidated adjusted EBITDA is also used to make executive compensation decisions.

Consolidated adjusted EBITDA is a non-GAAP measure. For a reconciliation of consolidated adjusted EBITDA to cash flows from operating activities, its most directly comparable GAAP financial measure, please see pages 34 and 45 of this prospectus.

(2) We define book value per share as net assets excluding all intangible assets.

(3) We have presented a dual calculation of book value per share including the value of our FCC licenses that can be sold separately from other assets of our business.

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RISK FACTORS

An investment in the exchange notes involves substantial risks similar to those associated with the outstanding notes. You should carefully consider the risks described below, together with the other information contained or incorporated by reference in this prospectus, before making your investment decision with respect to the exchange notes. If any of the following risks actually occur, our business, financial condition, prospects, results of operations or cash flow could be materially and adversely affected. Additional risks or uncertainties not currently known to us, or that we currently deem immaterial, may also impair our business operations. We cannot assure you that any of the events discussed in the risk factors below will not occur and if such events do occur, you may lose all or part of your original investment in the exchange notes.

Risks Related to the Exchange Notes and Collateral

You may have difficulty selling any outstanding notes that you do not exchange.

If you do not exchange your outstanding notes for the exchange notes offered in the exchange offer, then you will continue to be subject to the restrictions on transfer of your outstanding notes. Those transfer restrictions are described in the indenture governing the notes and in the legend contained on the outstanding notes, and arose because we originally issued the outstanding notes under exemptions from, and in transactions not subject to, the registration requirements of the Securities Act.

In general, you may offer or sell your outstanding notes only if they are registered under the Securities Act and applicable state securities laws, or if they are offered and sold under an exemption from those requirements. We do not intend to register the outstanding notes under the Securities Act.

If a large number of outstanding notes are exchanged for exchange notes issued in the exchange offer, then it may be more difficult for you to sell your unexchanged outstanding notes. In addition, if you do not exchange your outstanding notes in the exchange offer, then you will no longer be entitled to have those outstanding notes registered under the Securities Act (subject to certain limited exceptions).

See The Exchange Offer Consequences of Failure to Exchange Outstanding Notes for a discussion of the possible consequences of failing to exchange your outstanding notes.

No public market exists for the exchange notes. An active trading market may not develop for the exchange notes, which may hinder your ability to liquidate your investment.

The exchange notes will constitute a new issue of securities for which there is no established trading market. We do not intend to list the exchange notes on any national securities exchange or seek the admission of such exchange notes for quotation through any automated interdealer quotation system. In addition, the liquidity of the trading market in the exchange notes, and the market price quoted for the exchange notes, may be adversely affected by changes in the overall market for non-investment grade securities, prevailing interest rates and by changes in our financial performance or prospects or in the financial performance or prospects of companies in our industry generally. As a result, we cannot assure you that an active trading market will develop or be maintained for the exchange notes. If an active market does not develop or is not maintained, the market price and liquidity of the exchange notes may be adversely affected.

Even if a trading market for the exchange notes does develop, you may not be able to sell your exchange notes at a particular time, if at all, or you may not be able to obtain the price you desire for your exchange notes. If the exchange notes are traded after their issuance in the exchange offer, they may trade at a discount from the initial offering price or the current market price of the outstanding notes depending on many factors, including prevailing interest rates, the market for similar securities, our credit rating, the interest of securities dealers in making a market for the exchange notes, the price of any other securities we issue, and our performance, prospects, operating results and financial condition, as well as of other companies in our industry.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial fluctuations in the price of securities. Therefore, even if a trading market for the exchange notes develops, it may be subject to disruptions and price volatility.

We have a substantial amount of indebtedness, which may adversely affect our cash flow and our ability to operate our business.

We have a significant amount of indebtedness. As of September 30, 2010, after giving effect to the original offering of the outstanding notes, our total indebtedness was approximately $401.0 million. In addition, we have entered into our new $50.0 million revolving credit facility, referred to in this prospectus as the New Credit Facility, which facility may be increased to up to $100.0 million upon satisfying certain conditions. Borrowings under the New Credit Facility will rank effectively senior to the notes to the extent of the realizable value of the collateral securing the New Credit Facility and the notes. The indenture permits us to incur up to $100.0 million of indebtedness under credit facilities and to incur other additional indebtedness that will rank *pari passu* with or junior to the notes. See Description of the Exchange Notes Certain Covenants Limitation on Indebtedness.

Our substantial level of indebtedness and other financial obligations increase the possibility that we may be unable to generate cash sufficient to pay, when due, the principal of, interest on, or other amounts due in respect of, our indebtedness, including the exchange notes. Our substantial indebtedness also could have other significant consequences for you, including:

- increasing our vulnerability to adverse economic, industry or competitive developments;
- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to use our cash flow to fund our operations, capital expenditures and future business opportunities;
- making it more difficult for us to satisfy our obligations with respect to the notes;
- restricting us from making strategic acquisitions or causing us to make non-strategic divestitures;
- limiting our ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions and general corporate or other purposes; and

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- limiting our flexibility in planning for, or reacting to, changes in our business or the industry in which we operate, placing us at a competitive disadvantage compared to our competitors who are less highly leveraged and who therefore may be able to take advantage of opportunities that our leverage prevents us from exploiting.

Restrictive covenants in the New Credit Facility and the indenture governing the exchange notes may restrict our ability to pursue our business strategies.

The New Credit Facility contains certain financial covenants relating to minimum cash interest coverage and fixed charge coverage ratios as well as maximum revolving credit leverage and total leverage ratios. The New Credit Facility also contains restrictions on our ability to: (1) incur additional indebtedness; (2) incur liens; (3) make certain investments; (4) make certain dispositions of assets; (5) make certain dividends or distributions or repurchase shares of our capital stock; (6) merge, dissolve, consolidate or sell all or substantially all of our assets; (7) change the nature of our business or amend our or any guarantor s organizational documents in any way that is materially adverse to the lenders under the New Credit Facility; (8) enter into certain transactions with affiliates; and/or (9) incur contingent obligations. In addition, the indenture governing the notes contains a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interests. Subject to certain limited exceptions, the indenture governing our indebtedness under the notes includes covenants restricting, among other things, our ability to:

- incur or guarantee additional indebtedness;
- pay dividends on, repurchase or make distributions in respect of our capital stock;
- make future repurchases of shares of common stock, except under limited circumstances;
- make any further debt repurchases in the secondary market;
- make certain investments;
- sell, transfer or otherwise convey certain assets;
- sell capital stock of restricted subsidiaries;
- create liens;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; and
- enter into certain transactions with our affiliates.

A breach of any of these covenants could result in a default under the New Credit Facility or the notes, or both. If any such default occurs, the lenders under the New Credit Facility and/or the holders of the notes, as the case may be, may elect (after the expiration of any applicable notice or grace periods) to declare all outstanding borrowings, together with accrued and unpaid interest and other amounts payable thereunder, to be immediately due and payable.

In addition, any debt agreements we enter into in the future may further limit our ability to enter into certain types of transactions.

Despite our indebtedness levels following this offering, we and our subsidiaries may still be able to incur substantially more indebtedness. This could further exacerbate the risks associated with our substantial leverage.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. Although the New Credit Facility and the indenture governing the exchange notes contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the indebtedness incurred in compliance with these restrictions could be substantial. For example, under the indenture governing the exchange notes, we may incur indebtedness under credit facilities in an amount up to $100.0 million and may incur additional indebtedness under capital leases, mortgages and/or purchase money obligations up to $40.0 million and for other obligations up to $25.0 million. The New Credit Facility consists of a revolving credit facility of up to $50.0 million, which may be increased to up to $100.0 million at our request upon satisfying certain conditions. In addition, in some circumstances we may incur additional indebtedness so long as our leverage ratio remains at or below 7 to 1 following such incurrence. Moreover, neither the New Credit Facility nor the indenture governing the notes imposes any limitation on our incurrence of liabilities that are not considered Indebtedness thereunder. If we incur additional indebtedness, the risks associated with our substantial leverage would increase. See Description of the Exchange Notes Certain Covenants Limitation on Indebtedness.

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Our ability to generate the significant amount of cash needed to pay interest and principal on the exchange notes and service our other indebtedness and financial obligations and our ability to refinance all or a portion of our indebtedness or obtain additional financing depends on many factors beyond our control. In addition, we may not be able to pay amounts due on our indebtedness.

As of September 30, 2010, after giving effect to the original offering of the outstanding notes, our total indebtedness was approximately $401.0 million. Our ability to make payments on and refinance our indebtedness, including the notes and amounts borrowed under the New Credit Facility and other financial obligations, and to fund our operations will depend on our ability to generate substantial operating cash flow. Our cash flow generation will depend on our future performance, which will be subject to prevailing economic conditions and to financial, business and other factors, many of which are beyond our control.

Our business may not generate sufficient cash flow from operations and future borrowings may not be available to us under the New Credit Facility or otherwise, in amounts sufficient to enable us to service our indebtedness, including the notes and borrowings under our New Credit Facility, or to fund our other liquidity needs. If events or circumstances occur such that we are not able to generate positive cash flow and operate our business as it is presently conducted, we may be required to obtain an amendment to our New Credit Facility, seek a waiver from our banks if we are unable to comply with our financial covenants or ratios, refinance our existing indebtedness, divest non-core assets or operations and/or obtain additional equity or debt financing. There is no assurance that any such transactions could be consummated on terms satisfactory to us or at all. In addition, the current uncertain economic environment has had and may continue to have an impact on our liquidity and capital resources. Because of these and other factors beyond our control, we may be unable to pay the principal, premium (if any), interest or other amounts on our indebtedness.

The exchange notes are effectively subordinated to the liabilities of our subsidiaries that do not guarantee the exchange notes and the assets of such non-guarantor subsidiaries will not be available as security for the exchange notes.

None of our non-U.S. subsidiaries will guarantee the exchange notes. In addition, the assets of such non-guarantor subsidiaries will not be available as security for the exchange notes. To the extent that any of our subsidiaries do not guarantee the exchange notes, the exchange notes will be structurally subordinated to all existing and future obligations, including indebtedness, of such non-guarantor subsidiaries. The claims of creditors of the non-guarantor subsidiaries, including trade creditors, will have priority as to the assets of those subsidiaries.

We will in most cases have control over the collateral, and the sale of particular assets by us could reduce the pool of assets securing the exchange notes and the guarantees.

The security documents allow us to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from, the collateral securing the notes and the guarantees. There are circumstances other than repayment or discharge of the notes under which the collateral securing the notes and guarantees will be released automatically, without your consent or the consent of the trustee under the indenture. Under various circumstances, collateral securing the notes will be released automatically, including:

- a sale, transfer or other disposal of such collateral in a transaction not prohibited under the indenture and the security documents or the New Credit Facility;
- with respect to collateral that is capital stock, upon the dissolution of the issuer of that capital stock in accordance with the indenture and the New Credit Facility;
- with respect to any accounts and related rights of any obligor subject to any monetization or securitization transaction, provided that such transaction does not violate the terms of any security document;
- unless there is a continuing default and the collateral trustee shall have received notice to the contrary, upon withdrawal from any accounts by any obligor in accordance with the applicable security document;

- with respect to amounts distributed by the collateral trustee pursuant to, and in accordance with the provisions of the intercreditor agreement, upon such distribution; and

- upon any release in connection with a foreclosure on exercise of remedies with respect to that collateral directed by the collateral trustee during any period that such collateral trustee controls actions with respect to the collateral pursuant to the intercreditor agreement.

In addition, the guarantee of a guarantor will be automatically released to the extent it is released under the New Credit Facility or in connection with a sale of such guarantor in a transaction not prohibited by the indenture.

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The indenture will also permit us to designate one or more of our restricted subsidiaries that is a guarantor of the exchange notes as an unrestricted subsidiary. If we designate a guarantor as an unrestricted subsidiary for purposes of the indenture, all of the liens on any collateral owned by such subsidiary or any of its subsidiaries and any guarantees of the exchange notes by such subsidiary or any of its subsidiaries will be released under the indenture but not necessarily under our New Credit Facility. Designation of an unrestricted subsidiary will reduce the aggregate value of the collateral securing the exchange notes to the extent that liens on the assets of the unrestricted subsidiary and its subsidiaries are released. In addition, the creditors of the unrestricted subsidiary and its subsidiaries will have a senior claim on the assets of such unrestricted subsidiary and its subsidiaries. See Description of the Exchange Notes Certain Covenants Designation of Restricted and Unrestricted Subsidiaries.

The incurrence of certain permitted liens may dilute the value of the collateral securing the exchange notes and the guarantees. There are certain other categories of property that are also excluded from the collateral.

The indenture will permit liens on certain assets in favor of third parties to secure additional indebtedness, including purchase money indebtedness, capital lease obligations and certain other indebtedness subject to satisfaction of the secured leverage ratio condition, and such liens may, in some cases, have priority over the liens on the same assets securing the notes and the guarantees. Our ability to incur ratio indebtedness, purchase money indebtedness and capital lease obligations is subject to the limitations as described in Description of the Exchange Notes. The collateral securing the exchange notes will exclude certain items of property, including without limitation: (1) any capital stock of any foreign subsidiaries directly owned by the Company or any guarantor in excess of 66% of the capital stock entitled to vote of such foreign subsidiaries; (2) any capital stock of any foreign subsidiary indirectly owned by the Company or any guarantor and domestic subsidiaries of foreign subsidiaries; (3) any rights under any lease, contract or agreement (including, without limitation, any media license granted by the Federal Communications Commission (FCC)) to the extent that the granting of a security interest therein is specifically prohibited by law or in writing by, or would constitute an event of default under or would grant a party a termination right under, any agreement governing such right unless such prohibition is not enforceable or is otherwise ineffective under applicable law; (4) any owned real property and fixtures with a fair market value of less than $5.0 million on the issue date of the outstanding notes; and (5) certain other items agreed to by the parties and as more fully set forth in the security documents. If an event of default occurs and the notes are accelerated, the notes and the guarantees will rank equally with the holders of other unsubordinated and unsecured indebtedness of the relevant entity with respect to such excluded property.

The value of our collateral may be inadequate to satisfy payments on the exchange notes.

The exchange notes will be secured by a first priority lien on substantially all of our and our current and future domestic subsidiaries property and assets that secure the New Credit Facility. Our borrowings under the New Credit Facility will rank *pari passu* to the exchange notes, subject to the provisions of the intercreditor agreement. See Description of Other Indebtedness New Credit Facility and Description of the Exchange Notes Intercreditor Agreement below. After giving effect to the original offering of the outstanding notes, our total indebtedness was approximately $401.0 million. The value of our collateral may be inadequate to satisfy payments on the exchange notes in addition to the outstanding amounts under our New Credit Facility. The exchange notes will not be secured by certain excluded assets described in Description of the Exchange Notes Collateral and Security, and the assets of our non-guarantor subsidiaries. We have not prepared any appraisals of the collateral in connection with the exchange offer. The value of and ability to foreclose on this collateral in the event of a liquidation of the Company will depend on market and economic conditions, the availability of buyers, laws relating to the liquidation of collateral and other factors beyond our control.

By their nature, portions of the collateral may be illiquid and may have no readily ascertainable market value. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, the collateral may not be sold in a timely or orderly manner, and the proceeds from any sale or liquidation of this collateral may not be sufficient to pay our obligations under the notes. In addition, the FCC has interpreted the provision of the Communications Act of 1934, as amended (the Communications Act), that a license is not a property right to mean that no party may hold a lien or security interest in an FCC license. The FCC and certain courts that have ruled on the matter have determined that the applicable lien or security interest can only extend to the proceeds of the sale of an FCC license. This limitation could complicate the ability of the collateral trustee to foreclose upon and sell the collateral. In addition, although the liens and security interests securing the exchange notes may extend to such sale proceeds, we cannot assure you that this will be the result, as the case law on this question is not uniform in all jurisdictions.

To the extent that liens securing obligations under the New Credit Facility, pre-existing liens permitted under the indenture and other rights, including liens on assets excluded from the collateral, such as our and our subsidiaries FCC broadcast licenses, to the extent law or regulation prohibits the grant of liens thereon, encumber any of the collateral securing the exchange notes, those parties have or may exercise rights and remedies with respect to the collateral that could adversely affect the value of the collateral and the ability of the collateral trustee, the trustee under the indenture or the holders of the exchange notes to realize or foreclose upon the collateral.

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It may be difficult to realize the value of the collateral securing the exchange notes.

The collateral securing the exchange notes will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections as may be accepted by the trustee for the exchange notes and the collateral trustee and any other creditors that have the benefit of first liens on the collateral securing the exchange notes from time to time, whether on or after the date the exchange notes are issued. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the collateral securing the exchange notes as well as the ability of the collateral trustee to realize or foreclose on such collateral. No appraisals of any of the collateral have been prepared by us or on behalf of us in connection with the exchange offer or the offering of the outstanding notes. The value of the collateral at any time will depend on market and other economic conditions, including the availability of suitable buyers. By their nature, some or all of the pledged assets may be illiquid and may have no readily ascertainable market value. We cannot assure you that the fair market value of the collateral as of the date of this prospectus exceeds the principal amount of the debt secured thereby. There also can be no assurance that the collateral will be saleable and, even if saleable, the timing of the liquidation thereof would be uncertain. To the extent that liens, rights or easements granted to third parties encumber assets located on property owned by us, such third parties have or may exercise rights and remedies with respect to the property subject to such liens that could adversely affect the value of the collateral and the ability of the collateral trustee to realize or foreclose on the collateral. The value of the assets pledged as collateral for the exchange notes could be impaired in the future as a result of changing economic conditions, our failure to implement our business strategy, competition, unforeseen liabilities and other future events. Accordingly, there may not be sufficient collateral to pay all or any of the amounts due on the exchange notes. Any claim for the difference between the amount, if any, realized by holders of the exchange notes from the sale of the collateral securing the exchange notes and the obligations under the exchange notes will rank equally in right of payment with all of our other unsecured unsubordinated indebtedness and other obligations. Additionally, in the event that a bankruptcy case is commenced by or against us, if the value of the collateral is less than the amount of principal and accrued and unpaid interest on the exchange notes and all other senior secured obligations, interest may cease to accrue on the exchange notes from and after the date the bankruptcy petition is filed.

In the future, the obligation to grant additional security over assets, or a particular type or class of assets, whether as a result of the acquisition or creation of future assets or subsidiaries, the designation of a previously unrestricted subsidiary or otherwise, is subject to the provisions of the security agreement. The security agreement sets out a number of limitations on the rights of the holders of the exchange notes offered hereby to require security in certain circumstances, which may result in, among other things, the amount recoverable under any security provided by any subsidiary being limited and/or security not being granted over a particular type or class of assets. Accordingly, this may affect the value of the security provided by us and our subsidiaries. Furthermore, upon enforcement against any collateral, under the terms of the intercreditor agreement the claims of the holders of the exchange notes offered hereby to the proceeds of such enforcement will rank behind the claims of the holders of obligations under our New Credit Facility to the extent of the realizable value of the collateral securing the New Credit Facility and the exchange notes.

The security interest of the collateral trustee will be subject to practical problems generally associated with the realization of security interests in collateral. For example, the collateral trustee may need to obtain consents of third parties to obtain or enforce security interests in contracts and other collateral, and make additional filings. We cannot assure you that the collateral trustee will be able to obtain any such consents or make any such filings. We also cannot assure you that the consents of any third parties will be given when required, or at all, to facilitate a foreclosure on such assets. Accordingly, the collateral trustee may not have the ability to foreclose upon those assets and, in such event, the holders will not be entitled to the collateral or any recovery with respect thereto.

These requirements may also limit the number of potential bidders for certain collateral in any foreclosure and may delay any sale, either of which events may have an adverse effect on the sale price of the collateral. Therefore, the practical value of realizing on the collateral, without the appropriate consents and filings, may be limited.

The right of the collateral trustee to foreclose upon and sell certain of the collateral in the event of a default under the exchange notes may also be subject to limitations under the Communications Act and the regulations of the FCC.

Under the Communications Act and the rules and regulations of the FCC, the prior consent of the FCC must be obtained for certain changes in direct or indirect ownership or control of an entity holding licenses issued by the FCC. One of our subsidiaries holds the television and radio station licenses issued by the FCC for the operation of our broadcast stations. The foreclosure of our capital stock or of equity of the license-holding subsidiary or our assets, including the FCC-issued broadcast licenses, could result in a transfer of control or assignment of an entity holding FCC licenses. In the event of a default under the exchange notes, the collateral trustee may be required to obtain the prior consent of the FCC to its exercise of foreclosure rights on our capital stock or the equity of our license-holding subsidiary or the sale of the collateral, including the FCC licenses and related assets, securing the exchange notes and the guarantees. We can give no assurance that such consent from the FCC can be obtained by the collateral trustee or any purchaser of the collateral from the collateral trustee.

Furthermore, under present rules and regulations of the FCC, no party may hold a lien or security interest in an FCC license. The FCC and certain courts that have ruled on the matter have determined that the applicable lien or security interest can only extend to the proceeds of the sale of an FCC license. This limitation could complicate the ability of the collateral trustee to foreclose upon and sell the collateral. In addition, although the liens securing the exchange notes may extend to such sale proceeds, we cannot assure you that this will be the result, as the case law on this question is not uniform in all jurisdictions.

The secured indebtedness under our New Credit Facility will be effectively senior to the exchange notes to the extent of the value of the collateral securing such New Credit Facility on a first priority basis.

Our New Credit Facility will have a first priority lien on the collateral which will secure the exchange notes. The exchange notes offered in the exchange offer will also have a first priority lien on such collateral. As set forth in the intercreditor agreement, however, upon enforcement against any collateral or in insolvency, the first priority liens in the collateral securing the existing and future indebtedness under our New Credit Facility will be higher in priority as to such collateral to the extent of the realizable value of the collateral securing such New Credit Facility than the liens securing the exchange notes and the guarantees. See Description of Other Indebtedness New Credit Facility below. As a result, our lenders under the New Credit Facility will be entitled to receive proceeds from the realization of value of such collateral to repay such indebtedness in full before the holders of the exchange notes will be entitled to any recovery from such collateral. Thus, holders of the exchange notes will only be entitled to receive proceeds from the realization of value of the property and assets securing the exchange notes and our New Credit Facility after all indebtedness and other obligations under our New Credit Facility are repaid in full. The exchange notes will be effectively junior in right of payment to indebtedness under our New Credit Facility to the extent of the realizable value of such collateral upon enforcement or in insolvency.

The lien ranking provisions of the intercreditor agreement and other agreements relating to the collateral securing the exchange notes will limit the rights of holders of the exchange notes with respect to that collateral, even during an event of default.

The rights of the holders of the exchange notes with respect to the collateral that will secure the exchange notes and our New Credit Facility on a *pari passu* basis will be subject to the provisions of the intercreditor agreement. See Description of Other Indebtedness New Credit Facility and Description of the Exchange Notes Intercreditor Agreement. The intercreditor agreement will govern any actions that may be taken with respect to such collateral, including the ability to cause the commencement of enforcement proceedings against such collateral, to control the conduct of such proceedings and to approve amendments to releases of such collateral from the lien of, and waive past defaults under, such documents relating to such collateral.

In addition, the intercreditor agreement prohibits our secured lenders from proposing, supporting or voting for any plan of reorganization or liquidation of the Company or the guarantors that results in such lenders receiving anything other than cash, unless such plan is acceptable to a majority of the secured lenders under the New Credit Facility or the exchange notes, as applicable. See Description of the Exchange Notes Intercreditor Agreement Voting.

Your rights in the collateral may be adversely affected by the failure to perfect security interests in collateral and other issues generally associated with the realization of security interests in collateral.

Applicable law requires that a security interest in certain tangible and intangible assets can only be properly perfected and its priority retained through certain actions undertaken by the secured party. The liens on the collateral securing the exchange notes may not be perfected with respect to the claims of the exchange notes if the collateral trustee is not able to take the actions necessary to perfect any of these liens on or prior to the date of the indenture. In addition, applicable law requires that certain property and rights acquired after the grant of a general security interest, such as real property, can only be perfected at the time such property and rights are acquired and identified.

We and the guarantors have limited obligations to perfect the security interest of the holders of the exchange notes in specified collateral. There can be no assurance that the trustee or the collateral trustee for the exchange notes will monitor, or that we will inform such trustee or collateral trustee of, the future acquisition or creation of property and rights that constitute collateral, and that the necessary action will be taken to properly perfect the security interest in such after-acquired collateral. The collateral trustee for the exchange notes has no obligation to monitor the acquisition or creation of additional property or rights that constitute collateral or the perfection of any security interest. Such failure may result in the loss of the security interest in the collateral or the priority of the security interest in favor of the exchange notes against third parties.

We do not expect that mortgages on all of our owned real properties intended to constitute collateral that secures the exchange notes and guarantees will be delivered and recorded at the time of the issuance of the exchange notes. Any issues that we are not able to resolve in connection with the delivery and recordation of such mortgages may impact the value of the collateral. Delivery and recordation of such mortgages after the issue date of the exchange notes increases the risk that the liens granted by those mortgages could be avoided. One or more of these mortgages may constitute a significant portion of the value of the collateral securing the exchange notes and the guarantees.

We did not conduct appraisals of our real properties prior to the closing date of the offering of the outstanding notes to determine the fair market value of such real properties. As a result, none of our real property has been included as collateral as of the closing date of the offering of the outstanding notes. Once we conduct appraisals of our real properties, we cannot assure you that any of our real properties will have a fair market value of $5.0 million or greater. We currently plan to conduct appraisals of our real properties, and to have all security interests perfected to the extent required, no later than 120 days after the closing date of the offering of the outstanding notes.

Once we have completed our appraisals, if any property has a fair market value of $5.0 million or greater, we have agreed to use reasonable best efforts to record mortgages on any such real property within 120 days following the closing date of the offering of the outstanding notes. If we are unable to record a mortgage, the value of the collateral securing the exchange notes and the guarantees will be reduced. See Description of the Exchange Notes Certain Covenants with Respect to the Collateral Real estate mortgages and filings.

Remedies available to the collateral trustee may be limited by state law.

Several states have laws that prohibit more than one judicial action or one form of action to enforce a mortgage obligation, and some courts have construed the term judicial action broadly. In addition, the collateral trustee may be required to foreclose first on real property located in states where such one action rules apply (and where non-judicial foreclosure is permitted) before foreclosing on properties located in states where judicial foreclosure is the only permitted method of foreclosure. As a result of the foregoing considerations, among others, the ability of the collateral trustee to realize upon the mortgages may be limited by the application of state laws.

We may not be able to fulfill our repurchase obligations in the event of a change of control or a sale of our assets.

Upon the occurrence of any change of control or upon an asset sale, we will be required to make an offer to repurchase the notes. With respect to a change of control, we will be required to make an offer to repurchase the notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase. If a change of control or asset sale occurs, there can be no assurance that we will have available funds sufficient to pay the purchase price for any of the notes that might be delivered by holders of the notes seeking to accept the redemption offer and, accordingly, none of the holders of the notes may receive the purchase price for their notes.

The definition of change of control in the indenture includes a phrase relating to the direct or indirect sale, transfer, conveyance or other disposition of all or substantially all of our and our restricted subsidiaries assets, taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of exchange notes to require us to repurchase such exchange notes as a result of a sale, transfer, conveyance or other disposition of less than all of our and our restricted subsidiaries assets taken as a whole to another person or group may be uncertain. In addition, a recent Delaware Chancery Court decision raised questions about the enforceability of provisions, which are similar to those in the indenture governing the exchange notes, related to the triggering of a change of control as a result of a change in the composition of a board of directors. Accordingly, the ability of a holder of exchange notes to require us to repurchase exchange notes as a result of a change in the composition of our board of directors may be uncertain.

In addition, our New Credit Facility contains, and any future credit agreement likely will contain, restrictions or prohibitions on our ability to repurchase the exchange notes under certain circumstances. If these change of control events occur at a time when we are prohibited from repurchasing the exchange notes, we may seek the consent of our lenders to purchase the exchange notes or could attempt to refinance the borrowings that contain these prohibitions or restrictions. If we do not obtain our lenders consent or refinance these borrowings, we will not be able to repurchase the exchange notes. Accordingly, the holders of the exchange notes may not receive the change of control purchase price for their exchange notes in the event of a sale or other change of control, which will give the trustee and the holders of the exchange notes the right to declare an event of default and accelerate the repayment of the exchange notes. See Description of the Exchange Notes Events of Default and Remedies, Description of the Exchange Notes Repurchase at the Option of Holders Change of Control and Description of the Exchange Notes Repurchase at the Option of Holders Asset Sale.

Perfection of security interests in certain of the collateral did not occur on the date of issuance of the outstanding notes and, as such, holders of the exchange notes may not have the benefit of such security interests to the extent a default should occur prior to such perfection or if such security interest is perfected during the period immediately preceding any bankruptcy or insolvency of us or any guarantor.

Certain of the security interests required under the indenture and the security documents were not perfected on the date of issuance of the outstanding notes. Consequently, if a default should occur prior to the perfection of such security interests, holders of the exchange notes may not benefit from such security interest. In addition, any such security interests might be avoidable by the pledgor (as debtor in possession) or by its trustee in bankruptcy if certain events or circumstances exist or occur, including if the pledgor is insolvent at the time of the pledge, the pledge permits the holders of the exchange notes to receive a greater recovery than if the pledge had not been given and a bankruptcy proceeding in respect of the pledgor is commenced within 90 days following the pledge, or, in certain circumstances, a longer period. As more fully described herein, certain of the assets securing the exchange notes and the guarantees may not be subject to a valid and perfected security interest on the closing date of the exchange offer.

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Any additional guarantees or liens on collateral provided after the exchange notes are issued could also be voided as preferential transfers.

The indenture provides that certain future domestic wholly-owned restricted subsidiaries will guarantee the exchange notes and secure their guarantees with liens on their assets. The indenture also requires us to grant liens on certain assets that we and the existing guarantors acquire after the exchange notes are issued. If we or the guarantors were to provide new collateral for the exchange notes, and were to be insolvent at the time the lien was granted or were to commence a bankruptcy within 90 days of when the lien was granted, the lien on the new collateral could be voided as a preferential transfer.

In the event of a future bankruptcy of us or any of the guarantors, holders of the exchange notes may be deemed to have an unsecured claim to the extent that our obligations in respect of the exchange notes exceed the fair market value of the collateral securing the exchange notes.

In any future bankruptcy proceeding with respect to us or any of the guarantors, it is possible that the bankruptcy trustee, the debtor in possession or competing creditors will assert that the fair market value of the collateral with respect to the exchange notes on the date of the bankruptcy filing was less than the then-current principal amount of the exchange notes. Upon a finding by the bankruptcy court that the exchange notes are under-collateralized, the claims in the bankruptcy proceeding with respect to the exchange notes would be bifurcated between a secured claim in an amount equal to the value of the collateral and an unsecured claim with respect to the remainder which would not be entitled to the benefits of security in the collateral. Other consequences of a finding of under-collateralization would be, among other things, a lack of entitlement on the part of the exchange notes to receive post-petition interest or applicable fees, costs or charges and a lack of entitlement on the part of the unsecured portion of the exchange notes to receive adequate protection under federal bankruptcy laws. In addition, if any payments of post-petition interest had been made at any time prior to such a finding of under-collateralization, those payments would be recharacterized by the bankruptcy court as a reduction of the principal amount of the secured claim.

The collateral is subject to casualty risks.

We currently maintain and intend to maintain insurance or otherwise insure against hazards in a manner appropriate and customary for our business. There are, however, certain losses that may be either uninsurable or not economically insurable, in whole or in part. Insurance proceeds may not compensate us fully for our losses. If there is a complete or partial loss of any of the pledged collateral, the insurance proceeds may not be sufficient to satisfy all of the secured obligations, including the exchange notes.

The collateral trustee may be unable to foreclose on the collateral securing the exchange notes and pay the amount due on the exchange notes.

Under the indenture, if an event of default occurs, including defaults in payment of interest, principal or premium, if any, on the exchange notes when due at maturity or otherwise, the collateral trustee may accelerate the exchange notes and may, among other things, subject to the intercreditor agreement, initiate proceedings to foreclose on the collateral securing the exchange notes. The right of the collateral trustee to repossess and dispose of the collateral after the occurrence of an event of default is likely to be significantly impaired by applicable bankruptcy laws if a bankruptcy proceeding were to be commenced by us or against us prior to the collateral trustee having repossessed and disposed of the collateral. For example, under applicable U.S. bankruptcy laws, a secured creditor is prohibited from repossessing and selling its security from a debtor in a bankruptcy case without bankruptcy court approval. Under any of these circumstances, you may not be fully compensated for your investment in the exchange notes in the event of a default.

Moreover, the collateral trustee may need to evaluate the impact of the potential liabilities before determining to foreclose on collateral consisting of real property, if any, because secured creditors that hold a security interest in real property may be held liable under environmental laws for the costs of remediating or preventing the release or threatened releases of hazardous substances at such real property. Consequently, the collateral trustee may decline to foreclose on such collateral or exercise remedies available in respect thereof if it does not receive indemnification to its satisfaction from the holders of the exchange notes.

Bankruptcy laws may significantly impair your rights to repossess and dispose of collateral securing the exchange notes.

If a bankruptcy case were commenced by or against us prior to the repossession and disposition of collateral, the right of the collateral trustee or the trustee to repossess and dispose of the collateral upon the occurrence of an event of default under the indenture is likely to be significantly impaired by applicable bankruptcy law. A voluntary bankruptcy case may be commenced by us or an involuntary bankruptcy case may be instituted against us by unsecured creditors.

The automatic stay under applicable bankruptcy law prohibits secured creditors, such as the holders of the notes and the lenders under our New Credit Facility, from repossessing their security from a debtor in a bankruptcy case, or from disposing of

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collateral in their possession, without bankruptcy court approval. Moreover, applicable bankruptcy law permits the debtor to retain and use the collateral even though the debtor is in default under the applicable debt instruments, provided that the secured creditor is given adequate protection.

The meaning of the term adequate protection may vary according to circumstances, but it is generally intended to protect the value of the secured creditor s interest in the collateral from diminution as a result of the automatic stay during the pendency of the bankruptcy case. Adequate protection may include cash payments or the granting of additional security or replacement liens of such type, at such time and in such amounts as the bankruptcy court may determine. For example, the debtor could be permitted to use the funds in the note proceeds account if the debtor provided adequate protection for such use by granting replacement liens on other collateral, which might not consist of liquid assets.

In view of the lack of a precise definition of the term adequate protection, the broad discretionary powers of a bankruptcy court and the possible complexity of valuation issues, it is impossible to predict how long payments under the exchange notes could be delayed following commencement of a bankruptcy case, whether or when the collateral trustee or the trustee could repossess or dispose of the collateral or whether or to what extent, through the requirement of adequate protection, the holders of the exchange notes would be compensated for any delay in payment or loss of value of the collateral.

In addition, the collateral trustee s or the trustee s ability to foreclose on the collateral on behalf of the holders of the exchange notes may be subject to lack of perfection, the consent of third parties, other liens, contractual restrictions, priority issues, state law requirements and practical problems associated with the enforcement of the collateral trustee s or the trustee s security interest in the collateral securing the exchange notes.

Factors that might bear on the recovery by the holders of the exchange notes in these circumstances, among others, would include:

- a debtor in a bankruptcy case does not have the ability to compel performance of a financial accommodation;

- lenders with higher priority liens may seek, and perhaps receive, relief from the automatic stay to foreclose their respective liens; and

- the cost and delay of developing a confirmed plan under Chapter 11 of the United States Bankruptcy Code could reduce the present value of revenues.

Contract rights under agreements serving as collateral for the exchange notes may be rejected in bankruptcy.

Among other things, contract rights under certain of our agreements will serve as collateral for the exchange notes. If a bankruptcy case were to be commenced by or against any counterparty to any of these agreements, it is possible that one or more of such agreements could be rejected by such counterparty (or a trustee appointed in such counterparty s bankruptcy case) pursuant to section 365 or section 1123 of the United States Bankruptcy Code and, thus, would not be enforceable. Additionally, to the extent any rejected agreement constitutes a lease of real property where we are the lessor, our resulting claim for damages resulting from termination of such lease may be capped pursuant to section 502(b)(6) of the bankruptcy code.

In addition, in a bankruptcy proceeding, the court would have broad discretion to order or approve transactions or acts that could disadvantage the holders of the exchange notes. For example, under certain circumstances, a bankruptcy court could approve, on terms unfavorable to us, third parties motions for sales of collateral and require you to accept subordinated or other securities in exchange for the exchange notes. Regardless of the ultimate disposition of any of these or other motions or claims, we cannot assure you that during litigation of these issues our payments on the exchange notes would be paid in full or on time.

Federal and state statutes would allow courts, under specific circumstances, to void the guarantees and require holders of the exchange notes to return payments received from the guarantors.

Our creditors or the creditors of our guarantors could challenge the guarantees and the liens securing those guarantees as fraudulent conveyances or on other grounds. Under federal bankruptcy law and comparable provisions of state fraudulent transfer laws, a guarantee could be voided, or claims in respect of a guarantee could be subordinated to all other debts of that guarantor if, among other things, the guarantor, at the time it incurred the indebtedness evidenced by its guarantee:

received less than reasonably equivalent value or fair consideration for the incurrence of such guarantee;

was insolvent or rendered insolvent by reason of such incurrence;

was engaged in a business or transaction for which the guarantor s remaining assets constituted unreasonably small capital;

intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature; or intended to hinder, delay or defraud creditors.

In addition, any payment by that guarantor pursuant to its guarantee could be voided and required to be returned to the guarantor, or to a fund for the benefit of the creditors of the guarantor.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a guarantor would be considered insolvent if:

the sum of its debts, including contingent liabilities, was greater than the then fair saleable value of all of its assets;

if the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they became due.

On the basis of historical financial information, recent operating history and other factors, we believe that each guarantor, after giving effect to its guarantee of the exchange notes, will not be insolvent, will not have unreasonably small capital for the business in which it is engaged and will not have incurred debts beyond its ability to pay such debts as they mature. However, courts may apply different standards in making these determinations or a court may not agree with our conclusions in this regard.

In addition, a provision of each guarantor s guarantee limits its guarantee to an amount not to exceed the maximum amount that can be guaranteed by that guarantor by law or without resulting in its obligations under the guarantee being voidable or unenforceable under applicable fraudulent transfer laws, or under similar laws affecting the rights of creditors generally. However, in a recent Florida bankruptcy case, this kind of provision was found to be ineffective to protect the guarantees.

Risks Related to Our Business

We have a history of losses that, if continued, could adversely affect the market price of our securities and our ability to raise capital.

We had net income of $11.2 million and a net loss of approximately $15.6 million for the nine months ended September 30, 2010 and 2009, respectively, and net losses of $50.1 million, $528.6 million and $43.1 million for the years ended December 31, 2009, 2008 and 2007, respectively. If we cannot generate profits in the future, our failure to do so could adversely affect the market price of our securities, which in turn could adversely affect our ability to raise additional equity capital or to incur additional debt.

If we cannot raise required capital, we may have to reduce or curtail certain existing operations.

We may require significant additional capital for general working capital and debt service needs. If our cash flow and existing working capital are not sufficient to fund our general working capital and debt service requirements, we will have to raise additional

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funds by selling equity, refinancing some or all of our existing debt or selling assets or subsidiaries. None of these alternatives for raising additional funds may be available on acceptable terms to us or in amounts sufficient for us to meet our requirements. In addition, our ability to raise additional funds and engage in acquisitions will be limited by the terms of our New Credit Facility. Our failure to obtain any required new financing may, if needed, require us to reduce or curtail certain existing operations.

Our substantial level of debt could limit our ability to grow and compete.

As of September 30, 2010 after giving effect to the offering of the outstanding notes, our total indebtedness was approximately $401.0 million. A significant portion of our cash flow from operations is and will continue to be used to service our debt obligations, and our ability to obtain additional financing will be limited by the terms of our New Credit Facility. We may not have sufficient future cash flow to meet our debt payments, or we may not be able to refinance any of our debt at maturity. We have pledged substantially all of our assets and our existing and future domestic subsidiaries to our lenders as collateral. Our lenders could proceed against the collateral to repay outstanding indebtedness if we are unable to meet our debt service obligations. If the amounts outstanding under our New Credit Facility agreement are accelerated, our assets may not be sufficient to repay in full the money owed to such lenders.

Our substantial indebtedness could have important consequences to our business, such as:

- preventing us, under the terms of the New Credit Facility, from obtaining additional financing to grow our business and compete effectively;
- limiting our ability, as a practical matter, to borrow additional amounts for working capital, capital expenditures, acquisitions, debt service requirements, execution of our growth strategy or other purposes; and
- placing us at a disadvantage compared to those of our competitors who have less debt.

The New Credit Facility contains various covenants that limit management s discretion in the operation of our business and could limit our ability to grow and compete.

Subject to certain limited exceptions, the agreement governing our New Credit Facility contains various provisions that limit our ability to:

- incur additional indebtedness;
- incur liens;
- make certain investments;
- make certain dispositions of assets;
- make certain dividends or distributions or repurchase shares of our capital stock;
- merge, dissolve, consolidate, or sell all or substantially all of our assets;

change the nature of our business or amend our or any guarantor s organizational documents of the Company in any way that is materially adverse to the lenders under the New Credit Facility;

enter into certain transactions with affiliates; and

incur contingent obligations.

These provisions restrict our management s ability to operate our business in accordance with management s discretion and could limit our ability to do a number of things, including growing and competing effectively.

Moreover, if we fail to comply with any of the financial covenants or ratios under our New Credit Facility, our lenders could:

Elect to declare all amounts borrowed to be immediately due and payable, together with accrued and unpaid interest; and/or

Terminate their commitments, if any, to make further extensions of credit.

In addition, if our total leverage ratio exceeds 6.50 to 1.00 as of the end of the most recently completed fiscal quarter, the maximum principal outstanding amount of all loans under the New Credit Facility cannot exceed $25.0 million. In the event that the maximum principal outstanding amount exceeds $25.0 million in that case, we must immediately prepay outstanding revolving loans in an amount sufficient to eliminate such excess.

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Any such action by our lenders would have a material adverse effect on our overall business and financial condition.

We recently experienced declining net revenue and net losses, primarily as a result of the current economic conditions. Were these conditions to continue for an extended period of time or worsen, our ability to comply with our New Credit Facility, including financial covenants and ratios, and continue to operate our business as it is presently conducted, could be jeopardized.

We reported a net loss of $50.1 million and had positive cash flow from operations of $18.8 million for the year ended December 31, 2009. Additionally, we had an accumulated deficit of $912.7 million and $901.5 million as of December 31, 2009 and September 30, 2010, respectively. If we were to experience continuing net losses and further declining net revenue, there could be an adverse effect on our liquidity and capital resources, including, but not limited to, our failure to comply with the financial covenants or ratios that we are subject to under our New Credit Facility. In addition, if events or circumstances occur such that we were not able to generate positive cash flow and operate our business as it is presently conducted, we may be required to obtain an amendment to our New Credit Facility, seek a waiver from our banks if we are unable to comply with our financial covenants or ratios, refinance our existing debt, divest non-core assets or operations and/or obtain additional equity or debt financing. There is no assurance that any such transactions could be consummated on terms satisfactory to us or at all. Any default under our New Credit Facility, inability to renegotiate such agreement if required, obtain additional financing if needed, or obtain waivers for any failure to comply with financial covenants and ratios would have a material adverse effect on our overall business and financial condition.

The current economic conditions may have an adverse impact on our industry, business, results of operations or financial position.

The continuation or worsening of the current economic conditions could have an adverse effect on the fundamentals of our business, results of operations and/or financial position. These conditions could have a negative impact on our industry or the industry of those customers who advertise on our stations, including, among others, the services, telecommunications, automotive, fast food and restaurant, and retail industries, which provide a significant amount of our advertising revenue. There can be no assurance that we will not experience any further material adverse effect on our business as a result of the current economic conditions or that the actions of the United States Government, Federal Reserve or other governmental and regulatory bodies for the reported purpose of stabilizing the economy or financial markets will achieve their intended effect. Additionally, some of these actions may adversely affect financial institutions, capital providers, advertisers or other consumers or our financial condition, results of operations or the trading price of our securities. Potential consequences of the foregoing include:

- the financial condition of companies that advertise on our stations, including, among others, those in the services, telecommunications, automotive, fast food and restaurant, and retail industries, which may file for bankruptcy protection or face severe cash flow issues, may result in a further significant decline in our advertising revenue;

- our ability to borrow capital on terms and conditions that we find acceptable, or at all, may be limited, which could limit our ability to refinance our existing debt;

- our ability to pursue the acquisition or divestiture of television or radio assets may be limited, both as a result of these factors and limitations contained in the New Credit Facility;

- the possible further impairment of some or all of the value of our syndicated programming, goodwill and other intangible assets, including our broadcast licenses; and

- the possibility that one or more of the lenders under our New Credit Facility could refuse to fund its commitment to us or could fail, and we may not be able to replace the financing commitment of any such lenders on favorable terms, or at all.

The current economic conditions and difficulties in the global capital and credit markets have affected and may continue to adversely affect our business, as well as the industries of many of our customers, which are cyclical in nature.

Some of the markets in which our advertisers participate, such as the services, telecommunications, automotive, fast food and restaurant, and retail industries, are cyclical in nature, thus posing a risk to us which is beyond our control. Recent declines in consumer and business confidence and spending, together with significant reductions in the availability and increases in the cost of credit and volatility in the capital and credit markets, have adversely affected the business and economic environment in which we operate and the profitability of our business. Our business is exposed to risks associated with the creditworthiness of our key advertisers and other strategic business partners. These conditions have resulted in financial instability or other adverse effects at many of our advertisers and other strategic business partners. The consequences of such adverse effects could include the delay or cancellation of customer advertising orders, cancellation of our programming and termination of facilities that broadcast or re-broadcast our programming. The continuation of any of these conditions may adversely affect our cash flow, profitability and financial condition. During 2008 and 2009, as a result of the global financial crisis and recession, lenders and institutional investors reduced and, in some cases, ceased to provide funding to borrowers, reducing the availability of liquidity and credit to fund or support the continuation and expansion of business operations worldwide. Although the markets have stabilized since 2009, future disruption of the credit markets and/or sluggish economic growth in future periods could adversely affect our customers access to credit which supports the continuation and expansion of their businesses and could result in advertising or broadcast cancellations or suspensions, payment delays or defaults by our customers.

The current economic conditions and their impact on consumer and general business confidence could negatively affect us.

Recent disruption in the financial markets has generally created increasingly difficult conditions for companies globally. Consumer confidence and business and consumer spending have deteriorated significantly, and could remain depressed for an extended period. Consumer purchases of advertising time have declined and may continue to decline during the current period and in future periods where disposable income is adversely affected or there is economic uncertainty. The tightening of credit in financial markets also adversely affects the ability of our customers to obtain financing for advertising purchases.

Adverse general economic conditions may cause potential customers to defer or forgo the purchase of advertising time. Moreover, insolvencies associated with the current or future economic downturns could adversely affect our business through the loss of carriers and clients or by hampering our ability to sell advertising or generate retransmission consent revenue. Further, reduced levels of staffing due to further layoffs could also have a negative impact on our business by spreading our personnel resources too thinly and not being able to cover all of our customer markets as effectively as in previous periods.

If our earnings continue to decrease in future periods, it is possible that we would fail to comply with the terms of our New Credit Facility, which would have a significant adverse effect on us.

Current uncertain and volatile economic conditions may affect our financial performance or our ability to forecast our business with accuracy.

Our operations and performance depend significantly on United States and, to a lesser extent, international economic conditions and their impact on purchases of advertising by our customers. As a result of the global financial crisis, which was experienced on a broad and extensive scope and scale, and the recession in the United States, general economic conditions deteriorated significantly throughout 2008 and most of 2009, and may deteriorate or remain uncertain for the foreseeable future. Throughout 2009, we experienced a significant slowing of customer demand for advertising commitments in both our television and radio segments. Excluding the World Cup, political activity and the census, we currently expect to experience relatively flat demand for advertising through the remainder of 2010 and possibly beyond, as our customers alter their purchasing activities in response to this new economic reality, and, among other things, our customers may change or scale back future purchases of advertising. This uncertainty and volatility may affect our ability to prepare accurate financial forecasts or meet specific forecasted results. It is currently unclear as to what overall effect the current economic conditions and uncertainties will continue to have on the marketplace and our future business. If we are unable to adequately respond to or forecast further changes in demand for advertising if current economic conditions persist or continue to deteriorate, our results of operations, financial condition and business prospects may be materially and adversely affected.

Cancellations or reductions of advertising could adversely affect our results of operations.

We do not obtain long-term commitments from our advertisers, and advertisers may cancel, reduce or postpone orders without penalty. We have experienced cancellations, reductions or delays in purchases of advertising from time to time in the past and more regularly during the global financial crisis and recession. These have affected, and could continue to affect, our revenue and results of operations, especially if we are unable to replace such advertising purchases. Many of our expenses are based, at least in part, on our expectations of future revenue and are therefore relatively fixed once budgeted. Therefore, weakness in advertising sales would adversely impact both our revenue and our results of operations.

Changes in our accounting estimates and assumptions could negatively affect our financial position and operating results.

We prepare our financial statements in accordance with GAAP. GAAP requires us to make estimates and assumptions that affect the reported amounts of our assets and liabilities, the disclosure of contingent assets and liabilities and our financial statements. We are also required to make certain judgments that affect the reported amounts of revenue and expenses during each reporting period. We periodically evaluate our estimates and assumptions, including those relating to the valuation of intangible assets, investments, income taxes, stock-based compensation, claims handling obligations, retirement plans, reserves, litigation and contingencies. We base our estimates on historical experience and various assumptions that we believe to be reasonable at the time we make those assumptions, based on specific circumstances. Actual results could differ materially from our estimated results. Additionally, changes in accounting standards, assumptions or estimates may have an adverse impact on our financial position, results of operations and cash flows. For a discussion of an error that was identified in our income tax benefit related to our valuation allowance for the year ended December 31, 2008 and the material weakness in our internal control over accounting for income taxes that existed as of December 31, 2009, see Controls and Procedures.

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Our advertising revenue can vary substantially from period to period based on many factors beyond our control. This volatility affects our operating results and may reduce our ability to repay indebtedness or reduce the market value of our securities.

We rely on sales of advertising time for most of our revenues and, as a result, our operating results are sensitive to the amount of advertising revenue we generate. If we generate less revenue, it may be more difficult for us to repay our indebtedness and the value of our business may decline. Our ability to sell advertising time depends on:

- the levels of advertising, which can fluctuate between and among industry groups and in general, based on industry and general economic conditions;
- the health of the economy in the area where our television and radio stations are located and in the nation as a whole;
- the popularity of our programming and that of our competition;
- changes in the makeup of the population in the areas where our stations are located;
- the activities of our competitors, including increased competition from other forms of advertising-based mediums, such as other broadcast television stations, radio stations, multichannel video programming (including cable television, direct broadcast satellite (DBS) television, and other provisions of multichannel video programming (MVPD)) and internet and broadband content providers serving in the same markets; and
- other factors that may be beyond our control.

The terms of any additional equity or convertible debt financing could contain terms that are superior to the rights of our existing security holders.

Depending upon our future results of operations, ability to further reduce costs as necessary and comply with our financing agreements, including financial covenants and ratios, we may require additional equity or debt financing. If future funds are raised through issuance of stock or convertible debt, these securities could have rights, privileges and preference senior to those of common stock. The sale of additional equity securities or securities convertible into or exchangeable for equity securities could also result in dilution to our current shareholders. There can be no assurance that additional financing, if required, will be available on terms satisfactory to us or at all.

Any failure to maintain our FCC broadcast licenses could cause a default under our New Credit Facility and cause an acceleration of our indebtedness.

Our New Credit Facility requires us to maintain our FCC licenses. If the FCC were to revoke any of our material licenses, our lenders could declare all amounts outstanding under the New Credit Facility to be immediately due and payable. If our indebtedness is accelerated, we may not have sufficient funds to pay the amounts owed.

We have a significant amount of goodwill and other intangible assets and we may never realize the full value of our intangible assets. We have recently recorded impairments of our television and radio assets.

Goodwill and intangible assets totaled $319.6 million and $320.8 million at September 30, 2010 and December 31, 2009, respectively, primarily attributable to acquisitions in prior years. At the date of these acquisitions, the fair value of the acquired goodwill and intangible assets equaled its book value. At least annually, we test our goodwill and indefinite lived intangible assets for impairment. Impairment may result from, among other things, deterioration in our performance, adverse market conditions, adverse changes in applicable laws and regulations, including changes that restrict the activities of or affect the products or services sold by our businesses and a variety of other factors.

In the fourth quarter of 2009, we determined that the carrying values of certain radio station FCC licenses exceeded their fair values and we recognized an impairment charge of $48.0 million.

Goodwill and indefinite life intangible assets are tested annually on October 1 for impairment, or more frequently if events or changes in circumstances indicate that our assets might be impaired. Such circumstances may include, among other things, a further significant decrease in our revenues, decrease in prevailing broadcast transaction multiples, deterioration in broadcasting industry revenues, adverse market conditions, and a further significant decrease in our market capitalization. Appraisals of any of our reporting units or changes in estimates of our future cash flows could affect our impairment analysis in future periods and cause us to record either an additional expense for impairment of assets previously determined to be impaired or record an expense for impairment of other assets. Depending on future circumstances, we may never realize the full value of our intangible assets. Any determination of impairment of our goodwill or other intangibles could have an adverse effect on our financial condition and results of operations.

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Univision s ownership of our Class U common stock may make some transactions difficult or impossible to complete without Univision s support.

Univision is the holder of all of our issued and outstanding Class U common stock. Although the Class U common stock has limited voting rights and does not include the right to elect directors, Univision does have the right to approve any merger, consolidation or other business combination involving our Company, any dissolution of our Company and any assignment of the FCC licenses for any of our Univision-affiliated television stations. Univision s ownership interest may have the effect of delaying, deterring or preventing a change in control of our Company and may make some transactions more difficult or impossible to complete without Univision s support or due to Univision s media interests in applicable markets.

If our affiliation or other contractual relationships with Univision or Univision s programming success change in an adverse manner, it could negatively affect our television ratings, business, revenue and results of operations.

Our affiliation and other contractual relationships with Univision have a significant impact on our business, revenue and results of operations of our television stations. If our affiliation agreement or another contractual relationship with Univision were terminated, or if Univision were to stop providing programming to us for any reason and we were unable to obtain replacement programming of comparable quality, it could have a material adverse effect on our business, revenue and results of operations. We regularly engage in discussions with Univision regarding various matters relating to our contractual relationships. If Univision were to not continue to provide programming, marketing, available advertising time and other support to us on the same basis as currently provided, or if our affiliation agreement or another contractual relationship with Univision were to otherwise change in an adverse manner, it could have a material adverse effect on our business, revenue and results of operations.

Our television stations compete for audiences and advertising revenue primarily on the basis of programming content and advertising rates. Audience ratings are a key factor in determining our television advertising rates and the revenue that we generate. If Univision s programming success or ratings were to decline, it could lead to a reduction in our advertising rates and advertising revenue on which our television business depends. Univision s relationships with Televisa and Venevision are important to Univision s, and consequently our, continued success. If Televisa were to stop providing programming to Univision for any reason, and Univision were unable to provide us with replacement programming of comparable quality, it could have a material adverse effect on our business and results of operations. Additionally, by aligning ourselves closely with Univision, we might forego other opportunities that could diversify our television programming and avoid dependence on Univision s television networks.

Because three of our directors and officers, and stockholders affiliated with them, hold the majority of our voting power, they can ensure the outcome of most matters on which our stockholders vote.

As of September 30, 2010, Walter F. Ulloa, Philip C. Wilkinson and Paul A. Zevnik together held approximately 81% of the combined voting power of our outstanding shares of common stock. Each of Messrs. Ulloa, Wilkinson and Zevnik is a member of our board of directors, and Messrs. Ulloa and Wilkinson also serve as executive officers of our Company. In addition to their shares of our Class A common stock, collectively they own all of the issued and outstanding shares of our Class B common stock, which have ten votes per share on any matter subject to a vote of the stockholders. Accordingly, Messrs. Ulloa, Wilkinson and Zevnik have the ability to elect each of the members of our board of directors. Messrs. Ulloa, Wilkinson and Zevnik have agreed contractually to vote their shares to elect themselves as directors of our Company. Messrs. Ulloa, Wilkinson and Zevnik, acting in concert, also have the ability to control the outcome of most matters requiring stockholder approval. This control may discourage certain types of transactions involving an actual or potential change of control of our Company, such as a merger or sale of the Company.

Stockholders who desire to change control of our Company may be prevented from doing so by provisions of our second amended and restated certificate of incorporation and the agreement that governs our New Credit Facility. In addition, other agreements contain provisions that could discourage a takeover.

Our second amended and restated certificate of incorporation could make it more difficult for a third party to acquire us, even if doing so would benefit our stockholders. The provisions of our certificate of incorporation could diminish the opportunities for a stockholder to participate in tender offers. In addition, under our certificate of incorporation, our board of directors may issue preferred stock on terms that could have the effect of delaying or preventing a change in control of our Company. The issuance of preferred stock could also negatively affect the voting power of holders of our common stock. The provisions of our certificate of incorporation may have the effect of discouraging or preventing an acquisition or sale of our business.

In addition, the agreement governing our New Credit Facility contains limitations on our ability to enter into a change of control transaction. Under this agreement, the occurrence of a change of control would constitute an event of default permitting acceleration of our outstanding indebtedness.

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If we do not successfully respond to rapid changes in technology and evolving industry trends, we may not be able to compete effectively.

Technology in the broadcast, entertainment and Internet industries is changing rapidly. Advances in technologies or alternative methods of content delivery, as well as certain changes in consumer or advertiser behavior driven by changes in these or other technologies and methods of delivery, could have a negative effect on our business. Examples of such advances in technologies include video-on-demand, satellite radio, video games, DVD players and other personal video and audio systems (e.g., iPods), wireless devices, text messaging and downloading from the Internet. For example, devices that allow users to view or listen to television or radio programs on a time-delayed basis, and technologies which enable users to fast-forward or skip advertisements, such as DVRs (e.g., TiVo) and portable digital devices, may cause changes in consumer behavior that could affect the perceived attractiveness of our services to advertisers, and could adversely affect our advertising revenue and our results of operations. In addition, further increases in the use of portable digital devices which allow users to view or listen to content of their own choosing, in their own time, while avoiding traditional commercial advertisements, could adversely affect our advertising revenue and our results of operations. Additionally, cable providers and direct-to-home satellite operators are developing new video compression technologies that allow them to transmit more channels on their existing equipment to highly targeted audiences, reducing the cost of creating such channels and potentially leading to increased competition for viewers in some of our markets. Our ability to adapt to changes in technology on a timely and effective basis and exploit new sources of revenue from these changes may affect our business prospects and results of operations.

If we cannot renew our FCC broadcast licenses, our broadcast operations will be impaired.

Our television and radio businesses depend upon maintaining our broadcast licenses, which are issued by the FCC. The FCC has the authority to renew licenses, not renew them, renew them only with significant qualifications, including renewals for less than a full term, or revoke them. Although we expect to renew all our FCC licenses in the ordinary course, we cannot assure investors that our future renewal applications will be approved, or that the renewals will not include conditions or qualifications that could adversely affect our operations. Failing to renew any of our stations main licenses would prevent us from operating the affected stations, which could materially adversely affect our business, financial condition and results of operations. If we renew our licenses with substantial conditions or modifications (including renewing one or more of our licenses for less than the standard term of eight years), it could have a material adverse effect on our business, financial condition and results of operations.

Displacement of any of our low-power television stations could cause our ratings and revenue for any such station to decrease.

A significant portion of our television stations is licensed by the FCC for low-power service only. Our low-power television stations operate with less power and coverage than our full-power stations. The FCC rules under which we operate provide that low-power television stations are treated as a secondary service. If any or all of our low-power stations are found to cause interference to full-power stations, we could be required to eliminate the interference or terminate service. In a few urban markets where we operate, including Washington, D.C. and San Diego, there are a limited number of alternative channels to which our low-power television stations can migrate. If we are unable to move the signals of our low-power television stations to replacement channels to the extent legally required, or such channels do not permit us to maintain the same level of service, we may be unable to maintain the viewership these stations currently have, which could harm our ratings and advertising revenue or, in the worst case, cause us to discontinue operations at these low-power television stations.

Because our full-service television stations rely on retransmission consent rights to obtain cable carriage, new laws or regulations that eliminate or limit the scope of our cable carriage rights could have a material adverse impact on our television operations.

We no longer rely on must carry rights to obtain the retransmission of our full-power television stations on MVPDs. New laws or regulations could affect retransmission consent rights and the negotiating process between broadcasters and MVPDs.

Our low-power television stations do not have MVPD must carry rights. Some of our low-power television stations are carried on cable systems as they provide broadcast programming the cable systems desire and/or are part of the retransmission consent agreements we are party to. Where MVPDs are not contractually required to carry our low-power stations, we may face future uncertainty with respect to the availability of MVPD carriage for our low-power stations.

We are a party to various retransmission consent agreements that may be terminated or not extended following their current termination dates.

If our retransmission consent agreements are terminated or not extended following their current termination dates, our ability to reach MVPD subscribers and, thereby, compete effectively, may be adversely affected, which could adversely affect our business, financial condition and results of operations.

Retransmission consent revenue may not continue to grow at recent rates over the long term.

While we expect the amount of revenues generated from our retransmission consent agreements to continue to grow over the next fiscal year and beyond, the rate of growth of these revenues may not continue at the current rate.

Carriage of our signals on direct broadcast satellite services is subject to DBS companies providing local broadcast signals in the television markets we serve and our decision as to the terms upon which our signals will be carried.

The Satellite Home Viewer Improvement Act of 1999, or SHVIA, allowed DBS television companies, which are currently DirecTV and EchoStar/Dish Network, for the first time to transmit local broadcast television station signals back to their subscribers in local markets. In exchange for this privilege, however, SHVIA required that in television markets in which a DBS company elects to pick up and retransmit any local broadcast station signals, the DBS provider must also offer to its subscribers signals from all other qualified local broadcast television stations in that market. Our broadcast television stations in markets for which DBS operators have elected to carry local stations previously obtained carriage under this carry one/carry all rule.

SHVIA expired in 2004 and Congress adopted the Satellite Home Viewer Extension and Reauthorization Act of 2004, or SHVERA, which expired in 2009. In May 2010, the Satellite Television Extension and Localism Act became law, providing a further five-year extension of the carry one/carry all rule, earlier adopted in SHVIA and SHVERA. To the extent we have decided to secure our carriage on DBS through retransmission consent agreements, the carry one/carry all rule no longer is relevant to us.

Changes in the FCC s ownership rules could lead to increased market power for our competitors.

On June 2, 2003, the FCC revised its national ownership policy, modified television and cross-ownership restrictions, and changed its methodology for defining radio markets. Ultimately, the only rules that were adopted were those dealing with the determination of the number of local radio stations in local radio markets and loosening the limitations on newspaper-broadcast cross-ownership. Congress has also indicated its concern over the FCC s new rules and legislation has been considered to restrict the changes. The FCC has commenced a further review of its ownership policies for the broadcast medium. To date, however, only a reduction in the nationwide television cap, to 39% of the viewing public, has been the subject of federal legislation. Accordingly, the impact of changes in the FCC s restrictions on how many stations a party may own, operate and/or control and on our future acquisitions and competition from other companies is limited, but, in connection with local radio ownership and newspaper-broadcast cross-ownership, could result in our competitors (including newspaper owners) ability to increase their presence in the markets in which we operate and may prevent us from adding stations in markets where we could achieve operating efficiencies or grow our business.

We rely on over-the-air spectrum which might be taken away.

Our television business operates through over-the-air transmission of broadcast signals. These transmissions are authorized under licenses issued to our stations by the FCC. The current electromagnetic spectrum is finite and certain parts of the spectrum are better than others owing to the ability of electromagnetic signals to penetrate buildings. This is the portion of the spectrum where broadcast stations operate.

With the advent of mobile wireless communications and its use not only for voice but for broadband distribution, the need for spectrum has grown. The FCC is engaged in efforts related to a national broadcast plan it has developed. The plan calls for an increase in the amount of spectrum available for use by wireless broadband services. Available sources of such spectrum are limited and the spectrum allotted for broadcasting as a source for such spectrum repurposing has been identified as containing spectrum that the FCC believes should be recovered in part and made available for wireless broadband use. The FCC has indicated that any such repurposing would be voluntary and subject to the adoption of legislation by the Congress and that television broadcasters would not be required to return their spectrum. However, it cannot be certain how the FCC s efforts to secure additional spectrum for mobile wireless communications will affect television broadcasting.

There are significant political, legal and technical issues to overcome before broadcasters lose their spectrum. However, the loss of spectrum would have a significant impact on our television business. Whether such a loss would be overcome with carriage rights on MVPDs are matters that would have to be resolved.

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USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the exchange notes. In consideration for issuing the exchange notes as contemplated in this prospectus, we will receive outstanding notes in like principal amount. We will cancel all outstanding notes we receive.

We received net proceeds of approximately $388.0 million from the private offering of the outstanding notes. We used $358.5 million of these net proceeds to repay in full the outstanding indebtedness under our previous syndicated bank credit facility (the Prior Credit Facility) and any related interest rate swap agreements, to pay fees and expenses related to the private offering of the outstanding notes and for general corporate purposes. We intend to use the remaining net proceeds from the private offering of the outstanding notes for general corporate purposes.

CAPITALIZATION

The table below sets forth our cash, cash equivalents and capitalization as of September 30, 2010.

This table should be read in conjunction with the information included under the headings Use of Proceeds and Management s Discussion and Analysis of Financial Condition and Results of Operations, the audited consolidated financial statements and the notes thereto and the unaudited consolidated financial statements and the notes thereto included elsewhere in this prospectus.

	Historical (dollars in thousands, except share and per share data)
Cash and cash equivalents	$ 55,210
Long-term debt (including current portion):	
New Credit Facility (1)	$
Outstanding Notes (excluding the discount of $4,982) (2)	400,000
Other long-term debt	1,000
Total long-term debt	401,000
Commitments and contingencies	
Stockholders equity:	
Class A common stock, $0.0001 par value, 260,000,000 shares authorized; 52,955,032 shares issued and outstanding	5
Class B common stock, $0.0001 par value, 40,000,000 shares authorized; 22,208,133 shares issued and outstanding	2
Class U common stock, $0.0001 par value, 40,000,000 shares authorized; 9,352,729 shares issued and outstanding	1
Additional paid-in capital	939,799
Accumulated deficit	(901,549)
Total stockholders equity	38,258
Total capitalization	$ 439,258

(1) No part of the New Credit Facility was drawn as of the closing of the private offering of outstanding notes.
(2) For purposes of this presentation, the Outstanding Notes do not include the discount on the sale of the Notes. This discount on the sale of the Notes is included in the amount presented as long-term debt on the financial statements as of September 30, 2010.

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MANAGEMENT S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information set forth below is extracted and derived from the Management s Discussion and Analysis of Financial Condition and Results of Operations for the three- and nine-month periods ended September 30, 2010, and for the year ended December 31, 2009, as set forth in our September 2010 Form 10-Q and our 2009 Form 10-K, respectively. This section should be read in conjunction with the financial statements and notes to those financial statements included elsewhere in this prospectus or incorporated herein by reference. This discussion contains forward looking statements that involve risks and uncertainties. Please see Risk Factors and Forward-Looking Statements elsewhere in this prospectus.

For the Three- and Nine-Month Periods Ended September 30, 2010

Overview

We are a diversified Spanish-language media company with a unique portfolio of television and radio assets that reach Hispanic consumers across the United States, as well as the border markets of Mexico. We operate in two reportable segments: television broadcasting and radio broadcasting. Our net revenue for the three-month period ended September 30, 2010, was $53.3 million. Of that amount, revenue generated by our television segment accounted for 64% and revenue generated by our radio segment accounted for 36%.

As of the date hereof, we own and/or operate 53 primary television stations located primarily in California, Colorado, Connecticut, Florida, Massachusetts, Nevada, New Mexico, Texas and Washington, D.C. We own and operate 48 radio stations (37 FM and 11 AM) located primarily in Arizona, California, Colorado, Florida, Nevada, New Mexico and Texas.

We generate revenue primarily from sales of national and local advertising time on television and radio stations. Advertising rates are, in large part, based on each medium s ability to attract audiences in demographic groups targeted by advertisers. We recognize advertising revenue when commercials are broadcast. We do not obtain long-term commitments from our advertisers and, consequently, they may cancel, reduce or postpone orders without penalties. We pay commissions to agencies for local, regional and national advertising. For contracts directly with agencies, we record net revenue from these agencies. Seasonal revenue fluctuations are common in the broadcasting industry and are due primarily to variations in advertising expenditures by both local and national advertisers. We also generate revenue from retransmission consent agreements that are entered into with cable, satellite and internet-based television service providers.

Our primary expenses are employee compensation, including commissions paid to our sales staff and amounts paid to our national representative firms, as well as expenses for marketing, promotion and selling, technical, local programming, engineering, and general and administrative. Our local programming costs for television consist primarily of costs related to producing a local newscast in most of our markets.

Highlights

During the third quarter of 2010, we continued to see signs of a stabilizing advertising environment in many of our television and radio markets. Net revenue increased to $53.3 million, an increase of $2.6 million, or 5%, over the third quarter of 2009. Our performance was driven primarily by retransmission consent revenue, as well as revenue from World Cup and political advertising. Our audience shares remained strong in the nation s most densely populated Hispanic markets.

Net revenue for our television segment increased to $34.3 million in the third quarter of 2010, from $32.0 million in the third quarter of 2009. This increase of $2.3 million, or 7%, in net revenue was primarily due to an increase in retransmission consent revenue and revenue from World Cup and political advertising. We generated a total of $3.7 million of retransmission consent revenue in the third quarter of 2010. We anticipate that retransmission consent revenue for the full year 2010 will be greater than it was for the full year 2009 and will continue to be a growing source of net revenues in future periods.

Net revenue for our radio segment increased to $19.0 million in the third quarter of 2010, from $18.7 million in the third quarter of 2009. This increase of $0.3 million, or 1%, in net revenue was primarily due to an increase in revenue from World Cup and political advertising.

In July 2010, we completed the offering and sale of an aggregate $400 million principal amount of our outstanding 8.750% Senior Secured First Lien Notes due 2017 (the Outstanding Notes) and entered into a new $50 million revolving credit facility (the New Credit Facility). At the same time as entering into the New Credit Facility, we repaid all amounts owing under, and terminated, our Prior Credit Facility. The bond offering and New Credit Facility extend the maturity of our debt and provide us with additional financial flexibility as we continue to seek to enhance shareholder value.

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Relationship with Univision

Substantially all of our television stations are Univision- or TeleFutura-affiliated television stations. Our network affiliation agreements with Univision provide certain of our owned stations the exclusive right to broadcast Univision s primary network and TeleFutura network programming in their respective markets. These long-term affiliation agreements each expire in 2021, and can be renewed for multiple, successive two-year terms at Univision s option, subject to our consent.

Under the network affiliation agreements, Univision acts as our exclusive sales representative for the sale of national and regional advertising sales on our Univision- and TeleFutura-affiliate television stations, and Entravision pays certain sales representation fees to Univision relating to national and regional advertising sales. During the three-month periods ended September 30, 2010 and 2009, the amount we paid Univision in this capacity was $2.2 million and $1.7 million, respectively. During the nine-month periods ended September 30, 2010 and 2009, the amount we paid Univision in this capacity was $6.7 million and $4.8 million, respectively.

In August 2008, we entered into a proxy agreement with Univision pursuant to which we granted to Univision the right to negotiate the terms of retransmission consent agreements for our Univision- and TeleFutura-affiliated television station signals for a term of six years. Among other things, the proxy agreement provides terms relating to compensation to be paid to us by Univision with respect to retransmission consent agreements entered into with cable and other television service providers.

Univision currently owns approximately 10% of our common stock on a fully-converted basis. As of December 31, 2005, Univision owned approximately 30% of our common stock on a fully-converted basis. In connection with its merger with Hispanic Broadcasting Corporation in September 2003, Univision entered into an agreement with the U.S. Department of Justice, or DOJ, pursuant to which Univision agreed, among other things, to ensure that its percentage ownership of our company would not exceed 10% by March 26, 2009. In January 2006, we sold the assets of radio stations KBRG-FM and KLOK-AM, serving the San Francisco/San Jose, California market, to Univision for $90 million. Univision paid the full amount of the purchase price in the form of approximately 12.6 million shares of our Class U common stock held by Univision. Subsequently, in 2006, we repurchased 7.2 million shares of our Class U common stock held by Univision for $52.5 million. In February 2008, we repurchased 1.5 million shares of Class U common stock held by Univision for $10.4 million. In May 2009, we repurchased an additional 0.9 million shares of Class A common stock held by Univision for $0.5 million.

Recent Accounting Pronouncements

In October 2009, the FASB issued ASU No. 2009-13, Multiple-Deliverable Revenue Arrangements (ASU 2009-13). ASU 2009-13 addresses how to determine whether an arrangement involving multiple deliverables contains more than one unit of accounting and how arrangement consideration shall be measured and allocated to the separate units of accounting in the arrangement. ASU 2009-13 is effective for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. We are currently evaluating the impact of this standard on our consolidated financial statements.

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Three- and Nine-Month Periods Ended September 30, 2010 and 2009

The following table sets forth selected data from our operating results for the three- and nine-month periods ended September 30, 2010 and 2009 (in thousands):

	Three-Month Period Ended September 30,		%	Nine-Month Period Ended September 30,		%
	2010	2009	Change	2010	2009	Change
Statements of Operations Data:						
Net revenue	$ 53,325	$ 50,754	5%	$ 149,829	$ 141,165	6%
Direct operating expenses	21,011	21,030	0%	63,941	63,690	0%
Selling, general and administrative expenses	10,213	9,542	7%	28,204	28,341	0%
Corporate expenses	3,823	3,351	14%	11,048	10,602	4%
Depreciation and amortization	4,867	5,272	(8)%	14,464	15,893	(9)%
Impairment charge			*		2,720	(100)%
	39,914	39,195	2%	117,657	121,246	(3)%
Operating income	13,411	11,559	16%	32,172	19,919	62%
Interest expense	(4,394)	(8,227)	(47)%	(15,171)	(21,762)	(30)%
Interest income	92	70	31%	259	388	(33)%
Loss on debt extinguishment	(987)		*	(987)	(4,716)	(79)%
Income (loss) before income taxes	8,122	3,402	139%	16,273	(6,171)	*
Income tax expense	(1,764)	(2,802)	(37)%	(5,102)	(9,311)	(45)%
Income (loss) before equity in net income (loss) of nonconsolidated affiliate	6,358	600	*	11,171	(15,482)	*
Equity in net income (loss) of nonconsolidated affiliate, net of tax	50	73	(32)%	16	(166)	*
Net income (loss) applicable to common stockholders	$ 6,408	$ 673	*	$ 11,187	$ (15,648)	*
Other Data:						
Capital expenditures	1,223	2,403		5,810	5,295	
Consolidated adjusted EBITDA (adjusted for non-cash stock-based compensation) (1)				46,938	40,307	
Net cash provided by operating activities				17,043	10,197	
Net cash used in investing activities				(7,078)	(9,093)	
Net cash provided by (used in) financing activities				17,579	(44,574)	

* Percentage not meaningful.

(1) Consolidated adjusted EBITDA means net income (loss) plus loss (gain) on sale of assets, depreciation and amortization, non-cash impairment charge, non-cash stock-based compensation included in operating and corporate expenses, net interest expense, loss on debt extinguishment, income tax expense (benefit), equity in net income (loss) of nonconsolidated affiliate and syndication programming amortization less syndication programming payments. We use the term consolidated adjusted EBITDA because that measure is defined in our New Credit Facility and does not include loss (gain) on sale of assets, depreciation and amortization, non-cash impairment charge, non-cash stock-based compensation, net interest expense, loss on debt extinguishment, income tax expense (benefit), equity in net income (loss) of nonconsolidated affiliate and syndication programming amortization and does include syndication programming payments.

Since our ability to borrow from our New Credit Facility is based on a consolidated adjusted EBITDA financial covenant, we believe that it is important to disclose consolidated adjusted EBITDA to our investors. Our New Credit Facility contains certain financial covenants relating to the maximum allowed leverage ratio, maximum revolving credit leverage ratio, minimum cash interest coverage ratio and minimum fixed charge coverage ratio. The maximum allowed leverage ratio, or the ratio of consolidated total debt to trailing-twelve-month consolidated adjusted EBITDA, affects our ability to borrow from our New Credit Facility. Under our New Credit Facility, our maximum allowed leverage ratio may not exceed 7.25 to 1. The actual leverage ratio was as follows (in each case as of September 30): 2010, 6.5 to 1; 2009, 6.7 to 1. Therefore, we were in compliance with this covenant at each of those dates. We entered into the credit agreement governing the New Credit Facility (the Credit Agreement) in July 2010, so we were not subject to the same calculations and covenants in prior years. However, for consistency of presentation, the foregoing historical ratios assume that our current definition had been applicable for all periods presented.

While many in the financial community and we consider consolidated adjusted EBITDA to be important, it should be considered in addition to, but not as a substitute for or superior to, other measures of liquidity and financial performance prepared in accordance with accounting principles generally accepted in the United States of America, such as cash flows from operating activities, operating income and net income. As consolidated adjusted EBITDA excludes non-cash (gain) loss on sale of assets, non-cash depreciation and amortization, non-cash impairment charge, non-cash stock-based compensation expense, net interest expense, loss on debt extinguishment, income tax expense (benefit), equity in net income (loss) of nonconsolidated affiliate and syndication programming amortization and includes syndication programming payments, consolidated adjusted EBITDA has certain limitations because it excludes and includes several important non-cash financial line items. Therefore, we consider both non-GAAP and GAAP measures when evaluating our business. Consolidated adjusted EBITDA is also used to make executive compensation decisions.

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Consolidated adjusted EBITDA is a non-GAAP measure. The most directly comparable GAAP financial measure to consolidated adjusted EBITDA is cash flows from operating activities. A reconciliation of this non-GAAP measure to cash flows from operating activities follows (in thousands):

	Nine-Month Period Ended September 30, 2010	2009
Consolidated adjusted EBITDA (1)	$ 46,938	$ 40,307
Interest expense	(15,171)	(21,762)
Interest income	259	388
Loss on debt extinguishment	(987)	(4,716)
Income tax expense	(5,102)	(9,311)
Amortization of syndication contracts	(840)	(1,689)
Payments on syndication contracts	2,141	2,119
Non-cash stock-based compensation included in direct operating expenses	(312)	(489)
Non-cash stock-based compensation included in selling, general and administrative expenses	(442)	(618)
Non-cash stock-based compensation included in corporate expenses	(849)	(1,098)
Depreciation and amortization	(14,464)	(15,893)
Impairment charge		(2,720)
Equity in net income (loss) of nonconsolidated affiliates	16	(166)
Net income (loss)	11,187	(15,648)
Depreciation and amortization	14,464	15,893
Impairment charge		2,720
Deferred income taxes	4,214	8,534
Amortization of debt issue costs	695	298
Amortization of syndication contracts	840	1,689
Payments on syndication contracts	(2,141)	(2,119)
Equity in net income (loss) of nonconsolidated affiliate	(16)	166
Non-cash stock-based compensation	1,603	2,205
Gain on sale of media properties and other assets		(102)
Non-cash expenses related to debt extinguishment	934	945
Change in fair value of interest rate swap agreements	(12,188)	(3,850)
Changes in assets and liabilities, net of effect of acquisitions and dispositions:		
Increase in restricted cash	(1,023)	
Increase in accounts receivable	(1,860)	(3,100)
Decrease in prepaid expenses and other assets	(426)	(621)
Increase in accounts payable, accrued expenses and other liabilities	760	3,187
Cash flows from operating activities	$ 17,043	$ 10,197

Consolidated Operations

Net Revenue. Net revenue increased to $53.3 million for the three-month period ended September 30, 2010 from $50.8 million for the three-month period ended September 30, 2009, an increase of $2.5 million. Of the overall increase, $2.3 million came from our television segment and was primarily attributable to retransmission consent revenue and revenue from World Cup and political advertising. Additionally, $0.2 million of the overall increase came from our radio segment and was primarily attributable to revenue from World Cup and political advertising.

Net revenue increased to $149.8 million for the nine-month period ended September 30, 2010 from $141.2 million for the nine-month period ended September 30, 2009, an increase of $8.6 million. Of the overall increase, $6.7 million came from our television segment and was primarily attributable to revenue from World Cup advertising, retransmission consent revenue, and revenue from political advertising.

Additionally, $1.9 million of the overall increase came from our radio segment and was primarily attributable to revenue from World Cup, political and census advertising.

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We currently anticipate that net revenue will increase for the full year 2010, primarily due to increases in revenue from World Cup and census advertising during the first three quarters of 2010, as well as increases in retransmission consent revenue and revenue from political advertising during the entire 2010 year.

Direct Operating Expenses. Direct operating expenses remained at $21.0 million for each of the three-month periods ended September 30, 2010 and 2009. Direct operating expenses from our television segment increased by $0.1 million. The increase was primarily attributable to an increase in national representation fees and other expenses associated with the increase in net revenue. The increase from our television segment was offset by a $0.1 million decrease from our radio segment and was primarily attributable to a decrease in commission compensation. As a percentage of net revenue, direct operating expenses decreased to 39% for the three-month period ended September 30, 2010 from 41% for the three-month period ended September 30, 2009. Direct operating expenses as a percentage of net revenue decreased because net revenue increased while direct operating expenses remained constant.

Direct operating expenses increased to $63.9 million for the nine-month period ended September 30, 2010 from $63.7 million for the nine-month period ended September 30, 2009, an increase of $0.2 million. Of the overall increase, $0.5 million came from our radio segment and was primarily attributable to an increase in national representation fees and other expenses associated with the increase in net revenue. The increase from our radio segment was partially offset by a $0.3 million decrease from our television segment which was primarily attributable to a decrease in salary expense due to reductions in personnel and salary reductions implemented in 2009 and a decrease in syndication amortization, partially offset by an increase in national representation fees and other expenses associated with the increase in net revenue. As a percentage of net revenue, direct operating expenses decreased to 43% for the nine-month period ended September 30, 2010 from 45% for the nine-month period ended September 30, 2009. Direct operating expenses as a percentage of net revenue decreased because the increase in net revenue outpaced the increase in direct operating expenses.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased to $10.2 million for the three-month period ended September 30, 2010 from $9.5 million for the three-month period ended September 30, 2009, an increase of $0.7 million. Of the overall increase, $0.4 million came from our television segment and was primarily attributable to an increase in bonuses and other expenses associated with the increase in net revenue. Additionally, $0.3 million of the overall increase came from our radio segment and was primarily attributable to ratings and promotional expense, which was offset by a decrease in salary expense due to reductions in personnel implemented in 2009. As a percentage of net revenue, selling, general and administrative expenses remained at 19% for each the three-month periods ended September 30, 2010 and 2009.

Selling, general and administrative expenses decreased to $28.2 million for the nine-month period ended September 30, 2010 from $28.3 million for the nine-month period ended September 30, 2009, a decrease of $0.1 million. Of the overall decrease, $0.2 million came from our radio segment and was primarily attributable to a decrease in salary expense due to reductions of personnel and salary reductions implemented in 2009. The decrease from our radio segment was partially offset by a $0.1 million increase from our television segment and was primarily attributable to an increase in bonuses and other expenses associated with the increase in net revenue, partially offset by a decrease in salary expense due to reductions in personnel and salary reductions implemented in 2009. As a percentage of net revenue, selling, general and administrative expenses decreased to 19% for the nine-month period ended September 30, 2010 from 20% for the nine-month period ended September 30, 2009. Selling, general and administrative expenses as a percentage of net revenue decreased because selling, general and administrative expenses decreased while net revenue increased.

Corporate Expenses. Corporate expenses increased to $3.8 million for the three-month period ended September 30, 2010 from $3.4 million for the three-month period ended September 30, 2009, an increase of $0.4 million. The increase was primarily attributable to expenses relating to the issuance of the Outstanding Notes. Excluding the expenses relating to the issuance of the Outstanding Notes, corporate expenses remained at $3.4 million for each of the three-month periods ended September 30, 2010 and 2009. As a percentage of net revenue, corporate expenses remained at 7% for each the three-month periods ended September 30, 2010 and 2009.

Corporate expenses increased to $11.0 million for the nine-month period ended September 30, 2010 from $10.6 million for the nine-month period ended September 30, 2009, an increase of $0.4 million. The increase was primarily attributable to expenses relating to the issuance of the Outstanding Notes. Excluding the expenses relating to the issuance of the Outstanding Notes, corporate expenses remained at $10.6 million for each of the nine-month periods ended September 30, 2010 and 2009. As a percentage of net revenue, corporate expenses decreased to 7% for the nine-month period ended September 30, 2010 from 8% for the nine-month period ended September 30, 2009. Corporate expenses as a percentage of net revenue decreased because the increase in net revenue outpaced the increase in corporate expenses.

Depreciation and Amortization. Depreciation and amortization decreased to $4.9 million for the three-month period ended September 30, 2010 from $5.3 million for the three-month period ended September 30, 2009, a decrease of $0.4 million. The decrease was primarily due to a decrease in radio depreciation as certain radio assets are now fully depreciated.

Depreciation and amortization decreased to $14.5 million for the nine-month period ended September 30, 2010 from $15.9 million for the nine-month period ended September 30, 2009, a decrease of $1.4 million. The decrease was primarily due to a decrease in radio depreciation as certain radio assets are now fully depreciated.

Operating Income. As a result of the above factors, operating income was $13.4 million for the three-month period ended September 30, 2010, compared to $11.6 million for the three-month period ended September 30, 2009. As a result of the above factors, operating income was $32.2 million for the nine-month period ended September 30, 2010, compared to $19.9 million for the nine-month period ended September 30, 2009.

Interest Expense. Interest expense decreased to $4.4 million for the three-month period ended September 30, 2010 from $8.2 million for the three-month period ended September 30, 2009, a decrease of $3.8 million. The decrease in interest expense was primarily attributable to the change in the fair value of our interest rate swap agreements.

Interest expense decreased to $15.2 million for the nine-month period ended September 30, 2010 from $21.8 million for the nine-month period ended September 30, 2009, a decrease of $6.6 million. The decrease in interest expense was primarily attributable to the change in the fair value of our interest rate swap agreements.

Loss on Debt Extinguishment. We recorded a loss on debt extinguishment of $1.0 million related to unamortized finance costs under our amended Prior Credit Facility for the nine-month period ended September 30, 2010. We recorded a loss on debt extinguishment of $4.7 million for fees, unamortized finance costs and interest rate swap agreement termination costs associated with our amended Prior Credit Facility for the nine-month period ended September 30, 2009.

Income Tax Expense. Income tax expense for the nine-month period ended September 30, 2010 was $5.1 million. The effective income tax rate was lower than our expected statutory rate of approximately 38% due to changes in the valuation allowance and deductions attributable to indefinite-lived intangibles. Income tax expense for the nine-month period ended September 30, 2009 was $9.3 million. The effective income tax rate was higher than our expected annual tax rate due to state income and capital taxes, other permanent differences, changes in the valuation allowance and deductions attributable to indefinite-lived intangibles.

As of September 30, 2010, we believe that our deferred tax assets will not be fully realized in the future and we are providing a valuation allowance against those deferred tax assets. In determining our deferred tax assets subject to a valuation allowance, we excluded the deferred tax liabilities attributable to indefinite-lived intangibles.

Segment Operations

Television

Net Revenue. Net revenue in our television segment increased to $34.3 million for the three-month period ended September 30, 2010 from $32.0 million for the three-month period ended September 30, 2009, an increase of $2.3 million. The increase was primarily attributable to retransmission consent revenue and revenue from World Cup and political advertising. We generated a total of $3.7 million and $2.4 million in retransmission consent revenue for the three-month periods ended September 30, 2010 and 2009, respectively.

Net revenue in our television segment increased to $98.8 million for the nine-month period ended September 30, 2010 from $92.0 million for the nine-month period ended September 30, 2009, an increase of $6.8 million. The increase was primarily attributable to revenue from World Cup advertising, retransmission consent revenue, and revenue from political advertising. We generated a total of $10.1 million and $7.2 million in retransmission consent revenue for the nine-month periods ended September 30, 2010 and 2009, respectively. We anticipate that retransmission consent revenue for the full year 2010 will be greater than it was for the full year 2009 and will continue to be a growing source of net revenues in future periods.

Direct Operating Expenses. Direct operating expenses in our television segment increased to $13.1 million for the three-month period ended September 30, 2010 from $13.0 million for the three-month period ended September 30, 2009, an increase of $0.1 million. The increase was primarily attributable to an increase in national representation fees and other expenses associated with the increase in net revenue.

Direct operating expenses in our television segment decreased to $39.9 million for the nine-month period ended September 30, 2010 from $40.2 million for the nine-month period ended September 30, 2009, a decrease of $0.3 million. The decrease was primarily attributable to a decrease in salary expense due to reductions in personnel and salary reductions implemented in 2009 and a decrease in syndication amortization, partially offset by an increase in national representation fees and other expenses associated with the increase in net revenue.

Selling, General and Administrative Expenses. Selling, general and administrative expenses in our television segment increased to $5.0 million for the three-month period ended September 30, 2010 from $4.6 million for the three-month period ended September 30, 2009, an increase of $0.4 million. The increase was primarily attributable to an increase in bonuses and other expenses associated with the increase in net revenue.

Selling, general and administrative expenses in our television segment increased to $15.0 million for the nine-month period ended September 30, 2010 from $14.9 million for the nine-month period ended September 30, 2009, an increase of $0.1 million. The increase was primarily attributable to an increase in bonuses and other expenses associated with the increase in net revenue, partially offset by a decrease in salary expense due to reductions in personnel and salary reductions implemented in 2009.

Radio

Net Revenue. Net revenue in our radio segment increased to $19.0 million for the three-month period ended September 30, 2010 from $18.7 million for the three-month period ended September 30, 2009, an increase of $0.3 million. The increase was primarily attributable to revenue from World Cup and political advertising.

Net revenue in our radio segment increased to $51.0 million for the nine-month period ended September 30, 2010 from $49.1 million for the nine-month period ended September 30, 2009, an increase of $1.9 million. The increase was primarily attributable to revenue from World Cup, political and census advertising.

There has been a general slowing of growth in the radio industry over the last few years. However, we have begun to see stabilization and possible indications of improvement of the radio industry as a whole and in certain of our markets in particular.

Direct Operating Expenses. Direct operating expenses in our radio segment decreased to $7.9 million for the three-month period ended September 30, 2010 from $8.0 million for the three-month period ended September 30, 2009, a decrease of $0.1 million. The decrease was primarily attributable to a decrease in commission compensation.

Direct operating expenses in our radio segment increased to $24.0 million for the nine-month period ended September 30, 2010 from $23.5 million for the nine-month period ended September 30, 2009, an increase of $0.5 million. The increase was primarily attributable to an increase in national representation fees and other expenses associated with the increase in net revenue.

Selling, General and Administrative Expenses. Selling, general and administrative expenses in our radio segment increased to $5.2 million for the three-month period ended September 30, 2010 from $5.0 million for the three-month period ended September 30, 2009, an increase of $0.2 million. The increase was primarily attributable to ratings and promotional expense, partially offset by a decrease in salary expense due to reductions in personnel implemented in 2009.

Selling, general and administrative expenses in our radio segment decreased to $13.2 million for the nine-month period ended September 30, 2010 from $13.5 million for the nine-month period ended September 30, 2009, a decrease of $0.3 million. The decrease was primarily attributable to a decrease in salary expense due to reductions in personnel and salary reductions implemented in 2009, partially offset by an increase in ratings expense.

Liquidity and Capital Resources

While we have a history of operating losses in some periods and operating income in other periods, we also have a history of generating significant positive cash flows from our operations. Although we had net losses of approximately $50.1 million and $528.6 million for the years ended December 31, 2009 and 2008, respectively, we reported net income of $11.2 million and had positive cash flow from operations of $17.0 million for the nine-month period ended September 30, 2010. We expect to fund our working capital requirements, capital expenditures and payments of principal and interest on outstanding indebtedness, with cash on hand, and cash flows from operations. We currently anticipate that funds generated from operations and available borrowings under our New Credit Facility will be sufficient to meet our anticipated cash requirements for at least the next twelve months.

Outstanding Notes

On July 27, 2010, we completed the offering and sale of $400 million aggregate principal amount of our Outstanding Notes. The Outstanding Notes were issued at a discount of 98.722% of their principal amount and mature on August 1, 2017. Interest on the Outstanding Notes accrues at a rate of 8.75% per annum from the date of original issuance and is payable semi-annually in arrears on February 1 and August 1 of each year, commencing on February 1, 2011. We received net proceeds of approximately $388 million from the sale of the Outstanding Notes, which were used to pay all indebtedness outstanding under our Prior Credit Facility, terminate the related interest rate swap agreements, pay fees and expenses related to offering of the Outstanding Notes offering and for general corporate purposes.

The Outstanding Notes are guaranteed on a senior secured basis by all of our existing and future wholly-owned domestic subsidiaries (the Note Guarantors). The Outstanding Notes and the guarantees rank equal in right of payment to all of our and the Note Guarantors existing and future senior indebtedness and senior in right of payment to all of our and the Note Guarantors existing and future subordinated indebtedness. In addition, the Outstanding Notes and the guarantees are effectively junior: (i) to our and the Note Guarantors indebtedness secured by assets that are not collateral; (ii) pursuant to an Intercreditor Agreement (the Intercreditor Agreement) entered into at the same time that we entered into the New Credit Facility described below; and (iii) to all of the liabilities of any of our existing and future subsidiaries that do not guarantee the Notes, to the extent of the assets of those subsidiaries.

At our option, we may redeem:

- prior to August 1, 2013, on one or more occasions, up to 10% of the original principal amount of the Outstanding Notes during each 12-month period beginning on August 1, 2010, at a redemption price equal to 103% of the principal amount of the Outstanding Notes, plus accrued and unpaid interest;

- prior to August 1, 2013, on one or more occasions, up to 35% of the original principal amount of the Outstandign Notes with the net proceeds from certain equity offerings, at a redemption price of 108.750% of the principal amount of the Outstanding Notes, plus accrued and unpaid interest; provided that: (i) at least 65% of the aggregate principal amount of all Notes issued under the indenture governing the Outstanding Notes (the Indenture) remains outstanding immediately after such redemption; and (ii) such redemption occurs within 60 days of the date of closing of any such equity offering;

- prior to August 1, 2013, some or all of the Outstanding Notes may be redeemed at a redemption price equal to 100% of the principal amount of the Outstanding Notes plus a make-whole premium plus accrued and unpaid interest; and

- on or after August 1, 2013, some or all of the Outstanding Notes may be redeemed at a redemption price of: (i) 106.563% of the principal amount of the Outstanding Notes if redeemed during the twelve-month period beginning on August 1, 2013; (ii) 104.375% of the principal amount of the Outstanding Notes if redeemed during the twelve-month period beginning on August 1, 2014; (iii) 102.188% of the principal amount of the Outstanding Notes if redeemed during the twelve-month period beginning on August 1, 2015; and (iv) 100% of the principal amount of the Outstanding Notes if redeemed on or after August 1, 2016, in each case plus accrued and unpaid interest.

In addition, upon a change of control, as defined in the Indenture, we must make an offer to repurchase all Outstanding Notes then outstanding, at a purchase price equal to 101% of the aggregate principal amount of the Outstanding Notes repurchased, plus accrued and unpaid interest.

Upon an event of default, as defined in the Indenture, the Outstanding Notes will become due and payable: (i) immediately without further notice if such event of default arises from events of bankruptcy or insolvency of the Company, any Note Guarantor or any restricted subsidiary; or (ii) upon a declaration of acceleration of the Outstanding Notes in writing to the Company by the Trustee or holders representing 25% of the aggregate principal amount of Notes then outstanding, if an event of default occurs and is continuing. The Indenture contains additional provisions that are customary for an agreement of this type, including indemnification by us and the Note Guarantors.

In connection with the offering of the Outstanding Notes, we and the guarantors entered into a registration rights agreement, which is more fully described under the section entitled The Exchange Offer contained in this prospectus.

New Credit Facility

On July 27, 2010, we also entered into the $50 million New Credit Facility and terminated our Prior Credit Facility. The New Credit Facility consists of a three-year $50 million revolving credit facility that expires on July 27, 2013, which includes a $3 million sub-facility for letters of credit. In addition, we may increase the aggregate principal amount of the New Credit Facility by up to an additional $50 million, subject to our satisfying certain conditions.

Borrowings under the New Credit Facility bear interest at either: (i) the Base Rate (as defined in the Credit Agreement) plus a margin of 3.375% per annum; or (ii) LIBOR plus a margin of 4.375% per annum. We have not drawn on the New Credit Facility.

The New Credit Facility is guaranteed on a senior secured basis by all of our existing and future wholly-owned domestic subsidiaries (the Credit Guarantors), which are also the Note Guarantors under the Outstanding Notes (collectively, the Guarantors). The New Credit Facility is secured on a first priority basis by our and the Credit Guarantors assets, which also secure the Outstanding Notes. Our borrowings, if any, under the New Credit Facility rank senior to the Outstanding Notes upon the terms set forth in the Intercreditor Agreement.

The Credit Agreement also requires compliance with certain financial covenants, relating to total leverage ratio, fixed charge coverage ratio, cash interest coverage ratio and revolving credit facility leverage ratio. The covenants become increasingly restrictive in the later years of the New Credit Facility.

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Upon an event of default, as defined in the Credit Agreement, the lenders may, among other things, suspend or terminate their obligation to make further loans to us and/or declare all amounts then outstanding under the New Credit Facility to be immediately due and payable. The Credit Agreement also contains additional provisions that are customary for an agreement of this type, including indemnification by us and the Credit Guarantors.

In connection with our entering into the Indenture and the Credit Agreement, we and the Guarantors also entered into the following agreements:

- a Security Agreement, pursuant to which we and the Guarantors each granted a first priority security interest in the collateral securing the Outstanding Notes and the New Credit Facility for the benefit of the holders of the Outstanding Notes and the lenders under the New Credit Facility; and

- the Intercreditor Agreement, in order to define the relative rights of the holders of the Outstanding Notes and the lenders under the New Credit Facility with respect to the collateral securing our and the Guarantors respective obligations under the Outstanding Notes and the New Credit Facility.

As a result of the termination of our Prior Credit Facility, we are no longer subject to the financial covenants associated with the Prior Credit Facility. However, subject to certain exceptions, the Indenture, the Credit Agreement, or both, contain certain covenants that limit our ability, among other things, to:

- incur additional indebtedness;

- incur liens on the property or assets of the Company and the Guarantors;

- dispose of certain assets;

- apply the proceeds from certain asset sales other than in accordance with the terms of the Indenture and the Credit Agreement;

- consummate any merger, consolidation or sale of substantially all assets;

- make certain restricted payments;

- restrict dividends or other payments from subsidiaries;

- enter into, amend, renew or extend transactions and agreements with affiliates;

- make certain investments;

- enter new lines of business; and
- amend our organizational documents or those of any Guarantor in any materially adverse way to the lenders.

Debt and Equity Financing

On November 1, 2006, our Board of Directors approved a $100 million stock repurchase program. We were authorized to repurchase up to $100 million of our outstanding Class A common stock from time to time in open market transactions at prevailing market prices, block trades and private repurchases. We completed this repurchase program in April 2008. We repurchased a total of 13.0 million shares of Class A common stock for $100 million.

On April 7, 2008, our Board of Directors approved an additional stock repurchase program. We were authorized to repurchase up to $100 million of our outstanding Class A common stock from time to time in open market transactions at prevailing market prices, block trades and private purchases. As of December 31, 2008, we repurchased approximately 7.4 million shares at an average price of $2.67 for an aggregate purchase price of approximately $19.8 million. We repurchased an additional 0.4 million shares of our outstanding Class A common stock at an average price of $1.47 for an aggregate purchase price of approximately $0.5 million during the year ended December 31, 2009.

We have repurchased a total of 20.8 million shares of Class A common stock for approximately $120.3 million under both plans from inception through September 30, 2010.

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On October 4, 2007, our Board of Directors approved the retirement of 6.3 million shares of repurchased Class A common stock. On December 31, 2008, our Board of Directors approved the retirement of 14.1 million shares of repurchased Class A common stock. On December 31, 2009, our Board of Directors approved the retirement of 1.2 million shares of repurchased Class A common stock.

Consolidated Adjusted EBITDA

Consolidated adjusted EBITDA (as defined below) increased to $46.9 million for the nine-month period ended September 30, 2010 from $40.3 million for the nine-month period ended September 30, 2009, an increase of $6.6 million, or 16%. As a percentage of net revenue, consolidated adjusted EBITDA increased to 31% for the nine-month period ended September 30, 2010 from 29% for the nine-month period ended September 30, 2009.

We define consolidated adjusted EBITDA as net income (loss) plus loss (gain) on sale of assets, depreciation and amortization, non-cash impairment charge, non-cash stock-based compensation included in operating and corporate expenses, net interest expense, loss on debt extinguishment, income tax expense (benefit), equity in net income (loss) of nonconsolidated affiliate and syndication programming amortization less syndication programming payments. We use the term consolidated adjusted EBITDA because that measure is defined in the New Credit Facility and does not include loss (gain) on sale of assets, non-cash depreciation and amortization, non-cash impairment charge, non-cash stock-based compensation, net interest expense, loss on debt extinguishment, income tax expense (benefit), equity in net income (loss) of nonconsolidated affiliate and syndication programming amortization and does include syndication programming payments.

Since our ability to borrow from the New Credit Facility is based on a consolidated adjusted EBITDA financial covenant, we believe that it is important to disclose consolidated adjusted EBITDA to our investors. The New Credit Facility contains certain financial covenants relating to the maximum allowed leverage ratio, maximum revolving credit leverage ratio, minimum cash interest coverage ratio and minimum fixed charge coverage ratio. The maximum allowed leverage ratio, or the ratio of consolidated total debt to trailing-twelve-month consolidated adjusted EBITDA, affects our ability to borrow from our New Credit Facility. Under the New Credit Facility, our maximum allowed leverage ratio may not exceed 7.25 to 1. The actual leverage ratio was as follows (in each case as of September 30): 2010, 6.5 to 1; 2009, 6.7 to 1. Therefore, we were in compliance with this covenant at each of those dates. We entered into the Credit Agreement governing the New Credit Facility in July 2010, so we were not subject to the same calculations and covenants in prior years. However, for consistency of presentation, the foregoing historical ratios assume that our current definition had been applicable for all periods presented.

While many in the financial community and we consider consolidated adjusted EBITDA to be important, it should be considered in addition to, but not as a substitute for or superior to, other measures of liquidity and financial performance prepared in accordance with accounting principles generally accepted in the United States of America, such as cash flows from operating activities, operating income and net income. As consolidated adjusted EBITDA excludes non-cash (gain) loss on sale of assets, non-cash depreciation and amortization, non-cash impairment charge, non-cash stock-based compensation, net interest expense, loss on debt extinguishment, income tax expense (benefit), equity in net income (loss) of nonconsolidated affiliate and syndication programming amortization and includes syndication programming payments, consolidated adjusted EBITDA has certain limitations because it excludes and includes several important non-cash financial line items. Therefore, we consider both non-GAAP and GAAP measures when evaluating our business. Consolidated adjusted EBITDA is also used to make executive compensation decisions.

Consolidated adjusted EBITDA is a non-GAAP measure. For a reconciliation of consolidated adjusted EBITDA to cash flows from operating activities, its most directly comparable GAAP financial measure, please see page 34 of this prospectus.

Cash Flow

Net cash flow provided by operating activities was $17.0 million for the nine-month period ended September 30, 2010 compared to $10.2 million for the nine-month period ended September 30, 2009. We had net income of $11.2 million for the nine-month period ended September 30, 2010 and positive cash flow from operations. Our net income for the nine-month period ended September 30, 2010 was lower than cash flows from operating activities primarily due to non-cash items, including depreciation and amortization expense of $14.5 million, partially offset by income from the change in the fair value of our interest rate swap agreements of $12.2 million. Our net loss of $15.6 million for the nine-month period ended September 30, 2009, was primarily the result of non-cash expenses, including depreciation and amortization expense of $15.9 million, deferred income taxes of $8.5 million and a carrying value adjustment of $2.7 million. We expect to continue to have positive cash flow from operating activities for the full year 2010.

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Net cash flow used in investing activities was $7.1 million for the nine-month period ended September 30, 2010, compared to $9.1 million for the nine-month period ended September 30, 2009. During the nine-month period ended September 30, 2010, we spent $5.8 million on net capital expenditures and $1.3 million on intangible assets. During the nine-month period ended September 30, 2009, we spent $5.4 million on net capital expenditures and $3.8 million related to the acquisition of assets of television station KREN-TV in Reno, Nevada. We anticipate that our capital expenditures will be approximately $7 million during the full year 2010. The amount of our anticipated capital expenditures may change based on future changes in business plans, our financial condition and general economic conditions.

Net cash flow provided by financing activities was $17.6 million for the nine-month period ended September 30, 2010, compared to net cash flow used in financing activities of $44.6 million for the nine-month period ended September 30, 2009. During the nine-month period ended September 30, 2010, we received $394.9 million of proceeds from the sale of the Outstanding Notes, paid $367.0 million to pay all indebtedness outstanding under our previous syndicated bank credit facility and related interest rate swap agreements and paid $10.6 million in fees and expenses related to the Outstanding Notes. During the nine-month period ended September 30, 2009, we made net debt payments of $42.6 million, paid $1.2 million in fees and expenses related to the amendment of the Prior Credit Facility, repurchased 1.3 million shares of our Class A common stock for $1.1 million including transaction fees and received net proceeds of $0.3 million from the sale of shares issued under our 2001 Employee Stock Purchase Plan.

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For the Year Ended December 31, 2009

Highlights

During 2009, we were confronted with a significant advertising downturn, both in television and radio, primarily as a result of the global financial crisis and recession. Nevertheless, our audience shares remained strong in the nation s most densely populated Hispanic markets. We believe that we will continue to face uncertainty in 2010 as our advertising customers are forced to make difficult choices in the current economic environment. On the other hand, we anticipate that we will generate incremental revenue from the World Cup, political activity and the census during 2010 as compared to 2009 in both our television and radio segments. Additionally, we anticipate that retransmission consent revenue will continue to be a growing source of net revenues during 2010 and thereafter.

Net revenue for our television segment decreased to $124.4 million in 2009 from $145.9 million in 2008. This decrease of $21.5 million, or 15%, in net revenue was due to a decrease in local and national advertising rates, which in turn was primarily due to the weak economy. On the other hand, we generated $9.5 million of retransmission consent revenue. We anticipate that retransmission consent revenue will continue to be a growing source of net revenues.

Net revenue for our radio segment decreased to $64.8 million in 2009, from $86.4 million in 2008. This decrease of $21.6 million, or 25%, in net revenue was primarily due to a decrease in local and national advertising sales and advertising rates, which in turn was primarily due to the weak economy. Nevertheless, we continued to concentrate our efforts on local sales, which accounted for 75% of total radio segment sales for the year ended 2009.

We continue to experience solid ratings growth in our radio markets where we broadcast José: Nunca Sabes Lo Que Va A Tocar (You never know what he ll play), which features a mix of Spanish-language adult contemporary and Mexican regional hits from the 1970s through the present, as well as our stations that are broadcasting the Piolin por la Mañana, syndicated morning show, one of the highest-rated Spanish-language radio programs in the country. In January 2009, we converted one of our Los Angeles radio stations from English-language to Spanish-language and introduced a new format, El Gato, an upbeat and energetic regional Mexican format, and our ratings for this station have since increased by 233%, as measured by the Arbitron survey of October, November and December 2009 compared to the same period in 2008, for adults 18-34 years of age.

Acquisition of Assets

In April 2009, we acquired the assets of television station KREN-TV in the Reno, Nevada market for approximately $4.3 million. We reduced the carrying value of the assets of television station KREN-TV to its fair value of $1.6 million by recording a carrying value adjustment of $2.7 million. This charge is included in our consolidated statements of operations for continuing operations. We evaluated the transferred set of activities, assets, inputs, and processes applied to these inputs in this acquisition and determined that the acquisition did not constitute a business. We were restricted from engaging in future acquisitions under the terms of the Prior Credit Facility. See Liquidity and Capital Resources below.

In a strategic effort to focus our resources on strengthening existing clusters and expanding into new U.S. Hispanic markets, we periodically review our portfolio of media properties and, from time to time, seek to divest non-core assets in markets where we do not see the opportunity to grow to scale and build out media clusters. In accordance with this strategy, we sold our outdoor advertising operations in May 2008 to Lamar Advertising Co. for $101.5 million and we no longer have outdoor advertising operations. Accordingly, our financial statements reflect the outdoor advertising operations as discontinued operations; we have presented the related assets and liabilities as assets held for sale and reclassified the related revenue and expenses as discontinued operations.

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Results of Operations

Separate financial data for each of the Company s operating segments is provided below. Segment operating profit (loss) is defined as operating profit (loss) before corporate expenses, loss (gain) on sale of assets and impairment charge. The Company evaluates the performance of its operating segments based on the following (in thousands):

	Years Ended December 31,			% Change	% Change
	2009	2008 As Restated	2007	2009 to 2008	2008 to 2007
Net Revenue					
Television	$ 124,437	$ 145,938	$ 156,375	(15)%	(7)%
Radio	64,794	86,397	93,671	(25)%	(8)%
Consolidated	189,231	232,335	250,046	(19)%	(7)%
Direct operating expenses					
Television	52,424	64,095	64,242	(18)%	(0)%
Radio	31,478	36,706	35,366	(14)%	4%
Consolidated	83,902	100,801	99,608	(17)%	1%
Selling, general and administrative expenses					
Television	20,279	22,120	23,072	(8)%	(4)%
Radio	17,999	21,589	21,195	(17)%	2%
Consolidated	38,278	43,709	44,267	(12)%	(1)%
Depreciation and amortization					
Television	15,680	17,824	17,257	(12)%	3%
Radio	5,353	5,588	5,308	(4)%	5%
Consolidated	21,033	23,412	22,565	(10)%	4%
Segment operating profit					
Television	36,054	41,899	51,804	(14)%	(19)%
Radio	9,964	22,514	31,802	(56)%	(29)%
Consolidated	46,018	64,413	83,606	(29)%	(23)%
Corporate expenses	14,918	17,117	17,353	(13)%	(1)%
Impairment charge	50,648	610,456		(92)%	*
Operating income (loss)	$ (19,548)	$ (563,160)	$ 66,253	(97)%	*
Consolidated adjusted EBITDA(1)	$ 55,312	$ 74,104	$ 91,779	(25)%	(19)%
Capital expenditures					
Television	$ 5,839	$ 13,329	$ 11,293		
Radio	1,122	3,531	2,991		

Consolidated	$ 6,961	$ 16,860	$ 14,284
Total assets			
Television	$ 348,191	$ 396,231	$ 517,878
Radio	139,736	196,752	745,296
Assets held for sale(2)			102,974
Consolidated	$ 487,927	$ 592,983	$ 1,366,148

* Percentage not meaningful.

(1) Consolidated adjusted EBITDA means net income (loss) plus loss (gain) on sale of assets, depreciation and amortization, non-cash impairment charge, non-cash stock-based compensation included in operating and corporate expenses, net interest expense, loss on debt extinguishment, loss from discontinued operations, income tax expense (benefit), equity in net income (loss) of nonconsolidated affiliate and syndication programming amortization less syndication programming payments. We use the term consolidated adjusted EBITDA because that measure is defined in our Prior Credit Facility and does not include loss (gain) on sale of assets, depreciation and amortization, non-cash impairment charge, non-cash stock-based compensation, net interest expense, loss on debt extinguishment, loss from discontinued operations, income tax expense (benefit), equity in net income (loss) of nonconsolidated affiliate and syndication programming amortization and does include syndication programming payments.

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Since our ability to borrow under our Prior Credit Facility has been based on a consolidated adjusted EBITDA financial covenant, we believe that it is important to disclose consolidated adjusted EBITDA to our investors. Our Prior Credit Facility contains certain financial covenants relating to a maximum leverage ratio, maximum capital expenditures and minimum fixed charge coverage ratio. The maximum leverage ratio, or the ratio of consolidated total debt to trailing-twelve-month consolidated adjusted EBITDA, has affected our ability to borrow under our Prior Credit Facility. The maximum leverage ratio also affects the interest rate charged for revolving loans, thus affecting our interest expense. Under our Prior Credit Facility, our maximum leverage ratio could not exceed 6.75 to 1. The actual leverage ratio was as follows (in each case as of December 31): 2009, 6.6 to 1; 2008, 5.5 to 1. Therefore, we were in compliance with this covenant at each of those dates. We entered into an amendment to our Prior Credit Facility in March 2009, so we were not subject to the same calculations and covenants in prior years. However, for consistency of presentation, the foregoing historical ratios assume that our current definition had been applicable for all periods presented.

While many in the financial community and we consider consolidated adjusted EBITDA to be important, it should be considered in addition to, but not as a substitute for or superior to, other measures of liquidity and financial performance prepared in accordance with accounting principles generally accepted in the United States of America, such as cash flows from operating activities, operating income and net income. As consolidated adjusted EBITDA excludes non-cash (gain) loss on sale of assets, non-cash depreciation and amortization, non-cash impairment charge, non-cash stock-based compensation expense, net interest expense, loss on debt extinguishment, loss from discontinued operations, income tax expense (benefit), equity in net income (loss) of nonconsolidated affiliate and syndication programming amortization and includes syndication programming payments, consolidated adjusted EBITDA has certain limitations because it excludes and includes several important non-cash financial line items. Therefore, we consider both non-GAAP and GAAP measures when evaluating our business. Consolidated adjusted EBITDA is also used to make executive compensation decisions.

(2) 2007 amounts represent outdoor advertising assets classified as assets held for sale.

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Consolidated adjusted EBITDA is a non-GAAP measure. The most directly comparable GAAP financial measure to consolidated adjusted EBITDA is cash flows from operating activities. A reconciliation of this non-GAAP measure to cash flows from operating activities follows (in thousands):

	Years Ended December 31,		
	2009	2008 As Restated	2007
Consolidated adjusted EBITDA	$ 55,312	$ 74,104	$ 91,779
Interest expense	(27,948)	(43,093)	(49,405)
Interest income	459	1,894	4,809
Gain (loss) on debt extinguishment	(4,716)	9,813	
Income tax benefit	1,917	70,086	18,047
Amortization of syndication contracts	(1,981)	(2,883)	(1,798)
Payments on syndication contracts	2,836	2,840	1,830
Non-cash stock-based compensation included in direct operating expenses	(854)	(633)	(431)
Non-cash stock-based compensation included in selling, general and administrative expenses	(1,142)	(794)	(678)
Non-cash stock-based compensation included in corporate expenses	(2,038)	(1,926)	(1,884)
Depreciation and amortization	(21,033)	(23,412)	(22,565)
Impairment charge	(50,648)	(610,456)	
Carrying value adjustment in discontinued operations			(79,460)
Reclassified items in discontinued operations		(3,930)	(3,697)
Equity in net income (loss) of nonconsolidated affiliates	(236)	(166)	336
Net loss	(50,072)	(528,556)	(43,117)
Depreciation and amortization	21,033	23,412	22,565
Impairment charge	50,648	610,456	
Deferred income taxes	(2,351)	(71,571)	(18,589)
Amortization of debt issue costs	402	459	404
Amortization of syndication contracts	1,981	2,883	1,798
Payments on syndication contracts	(2,836)	(2,840)	(1,830)
Equity in net (income) loss of nonconsolidated affiliate	236	166	(336)
Non-cash stock-based compensation	4,034	3,353	2,993
Loss (gain) on debt extinguishment	945	(9,813)	
Change in fair value of interest rate swap agreements	(6,979)	11,648	17,667
Changes in assets and liabilities, net of effect of acquisitions and dispositions:			
(Increase) decrease in accounts receivable	570	11,156	(4,015)
(Increase) decrease in prepaid expenses and other assets	(484)	803	84
Increase (decrease) in accounts payable, accrued expenses and other liabilities	1,662	(6,065)	(938)
Effect of discontinued operations		(1,273)	86,579
Cash flows from operating activities	$ 18,789	$ 44,218	$ 63,265

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008

Consolidated Operations

Net Revenue. Net revenue decreased to $189.2 million for the year ended December 31, 2009 from $232.3 million for the year ended December 31, 2008, a decrease of $43.1 million. Of the overall decrease, $21.6 million came from our radio segment and was primarily attributable to a decrease in local and national advertising sales and advertising rates, which in turn was primarily due to the weak economy.

Additionally, $21.5 million of the overall decrease came from our television segment and was primarily attributable to a decrease in local and national advertising rates, which in turn was primarily due to the weak economy, partially offset by an increase in retransmission consent revenue in the amount of $9.5 million.

We currently anticipate that net revenue will increase for the full year 2010, primarily due to advertising revenue from the World Cup and political activity, as well as retransmission consent revenue.

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Direct Operating Expenses. Direct operating expenses decreased to $83.9 million for the year ended December 31, 2009 from $100.8 million for the year ended December 31, 2008, a decrease of $16.9 million. Of the overall decrease, $11.7 million came from our television segment and was primarily attributable to a decrease in national representation fees and other expenses associated with the decrease in net revenue and a decrease in salary expense due to reductions of personnel and salary reductions. Additionally, $5.2 million of the overall decrease came from our radio segment and was primarily attributable to a decrease in expenses associated with the decrease in net revenue and a decrease in salary expense due to reductions of personnel and salary reductions. As a percentage of net revenue, direct operating expenses increased to 44% for the year ended December 31, 2009 from 43% for the year ended December 31, 2008. Direct operating expenses as a percentage of net revenue increased because the decrease in net revenue outpaced the decrease in direct operating expenses.

Selling, General and Administrative Expenses. Selling, general and administrative expenses decreased to $38.3 million for the year ended December 31, 2009 from $43.7 million for the year ended December 31, 2008, a decrease of $5.4 million. Of the overall decrease, $3.6 million came from our radio segment and was primarily attributable to decreases in salary expense due to reductions of personnel and salary reductions and promotional spending. Additionally, $1.8 million of the overall decrease came from our television segment and was primarily attributable to a decrease in salary expense due to reductions of personnel and salary reductions. As a percentage of net revenue, selling, general and administrative expenses increased to 20% for the year ended December 31, 2009 from 19% for the year ended December 31, 2008. Selling, general and administrative expenses as a percentage of net revenue increased because the decrease in net revenue outpaced the decrease in selling, general and administrative expenses.

Corporate Expenses. Corporate expenses decreased to $14.9 million for the year ended December 31, 2009 from $17.1 million for the year ended December 31, 2008, a decrease of $2.2 million. The decrease was primarily attributable to a decrease in professional fees and salary expense due to salary reductions. As a percentage of net revenue, corporate expenses increased to 8% for the year ended December 31, 2009 from 7% for the year ended December 31, 2008. Corporate expenses as a percentage of net revenue increased because the decrease in net revenue outpaced the decrease in corporate expenses.

Depreciation and Amortization. Depreciation and amortization decreased to $21.0 million for the year ended December 31, 2009 from $23.4 million for the year ended December 31, 2008, a decrease of $2.4 million.

Impairment Charge. Continuing operations includes an impairment charge of $47.9 million related to our radio FCC licenses for the year ended December 31, 2009, which was related to increased competition and a general slowing of growth in the radio industry. Continuing operations also includes a carrying value adjustment of $2.7 million from our television segment for the year ended December 31, 2009. Continuing operations includes an impairment charge of $610.5 million for the year ended December 31, 2008, which was a result of a $133.5 million impairment of goodwill in our radio segment, a $413.0 million impairment of our radio FCC licenses, a $59.1 million impairment of our television FCC licenses and a $4.9 million impairment of our television syndicated programming contracts.

Operating Income (loss). As a result of the above factors, operating loss was $19.5 million for the year ended December 31, 2009, compared to an operating loss of $563.2 million for the year ended December 31, 2008.

Interest Expense. Interest expense decreased to $27.9 million for the year ended December 31, 2009 from $43.1 million for the year ended December 31, 2008, a decrease of $15.2 million. Of the overall decrease, $18.6 million was primarily attributable to the change in the fair value of our interest rate swap agreements, partially offset by an increase of $3.4 million of interest expense attributable to higher interest rates from the amendment to the Prior Credit Facility.

Gain (Loss) on Debt Extinguishment. We recorded a loss on debt extinguishment of $4.7 million for fees, unamortized finance costs and interest rate swap agreement termination costs associated with the amendment to the Prior Credit Facility for the year ended December 31, 2009. During the year ended December 31, 2008, we reduced our term loan debt by $76.5 million, of which $66.5 million was repurchased pursuant to the amendment to our Prior Credit Facility that we entered into on November 12, 2008, and retired that portion of our debt. We recorded a gain on debt extinguishment of $9.8 million by repurchasing the debt at a discount during the year ended December 31, 2008.

Income Tax Expense. Income tax benefit for the year ended December 31, 2009 was $1.9 million. The effective income tax rate was 3.6%, which reflects a decrease to the statutory rate of approximately 38% due to an increase in the valuation allowance. Income tax benefit for the year ended December 31, 2008 was $70.1 million. The effective tax rate for the year ended December 31, 2008 was 11.8%, which reflects a decrease from the statutory rate due to an increase in the valuation allowance on our net deferred tax assets and the impairment of goodwill.

As of December 31, 2009, we believe that our deferred tax assets will not be fully realized in the future and have provided a valuation allowance against those deferred tax assets. As a result, we increased the valuation allowance against our net deferred tax assets by $16.7 million for the year ended December 31, 2009. In determining our deferred tax assets subject to a valuation allowance, we excluded the deferred tax liabilities attributable to indefinite-lived intangibles.

Loss from Discontinued Operations. We sold our outdoor advertising operations during the second quarter of 2008. We reported the results of our outdoor advertising operations in discontinued operations within the consolidated statements of operations. The loss from discontinued operations was $3.9 million for the year ended December 31, 2008.

Segment Operations

Television

Net Revenue. Net revenue in our television segment decreased to $124.4 million for the year ended December 31, 2009 from $145.9 million for the year ended December 31, 2008, a decrease of $21.5 million. The decrease was primarily attributable to a decrease in local and national advertising rates, which in turn was primarily due to the weak economy. We also generated $9.5 million in retransmission consent revenue. We anticipate that retransmission consent revenue will continue to increase in future periods.

Direct Operating Expenses. Direct operating expenses in our television segment decreased to $52.4 million for the year ended December 31, 2009 from $64.1 million for the year ended December 31, 2008, a decrease of $11.7 million. The decrease was primarily attributable to a decrease in national representation fees and other expenses associated with the decrease in net revenue and a decrease in salary expense due to reductions in personnel and salary reductions.

Selling, General and Administrative Expenses. Selling, general and administrative expenses in our television segment decreased to $20.3 million for the year ended December 31, 2009 from $22.1 million for the year ended December 31, 2008, a decrease of $1.8 million. The decrease was primarily attributable to a decrease in salary expense due to reductions in personnel and salary reductions.

Radio

Net Revenue. Net revenue in our radio segment decreased to $64.8 million for the year ended December 31, 2009 from $86.4 million for the year ended December 31, 2008, a decrease of $21.6 million. The decrease was primarily attributable to a decrease in local and national advertising sales and advertising rates, which in turn was primarily due to the weak economy.

There has been a general slowing of growth in the radio industry over the last few years, and we currently believe that this trend will continue. Additionally, radio advertising revenue is expected to continue to be negatively impacted because of decreases in television advertising rates, which make television advertising more affordable, combined with a general perception in the marketplace that there is an enhanced branding power to advertising on television relative to radio.

Direct Operating Expenses. Direct operating expenses in our radio segment decreased to $31.5 million for the year ended December 31, 2009 from $36.7 million for the year ended December 31, 2008, a decrease of $5.2 million. The decrease was primarily attributable to a decrease in expenses associated with the decrease in net revenue and a decrease in salary expense due to reductions in personnel and salary reductions.

Selling, General and Administrative Expenses. Selling, general and administrative expenses in our radio segment decreased to $18.0 million for the year ended December 31, 2009 from $21.6 million for the year ended December 31, 2008, a decrease of $3.6 million. The decrease was primarily attributable to decreases in salary expense due to reductions in personnel and salary reductions and promotional spending.

Year Ended December 31, 2008 Compared to Year Ended December 31, 2007

Consolidated Operations

Net Revenue. Net revenue decreased to $232.3 million for the year ended December 31, 2008 from $250.0 million for the year ended December 31, 2007, a decrease of $17.7 million. Of the overall decrease, $10.5 million came from our television segment. The decrease was primarily attributable to a decrease in local and national advertising sales and advertising rates, which in turn was primarily due to the weak economy. Additionally, $7.3 million of the overall decrease was from our radio segment and was primarily attributable to a decrease in local advertising sales and advertising rates, which was partially offset by revenue associated with the expansion of our radio division in Orlando.

Direct Operating Expenses. Direct operating expenses increased to $100.8 million for the year ended December 31, 2008 from $99.6 million for the year ended December 31, 2007, an increase of $1.2 million. Of the overall increase, $1.3 million came from our radio segment. The increase was primarily attributable to expenses associated with the expansion of our radio division in Orlando, as well as an increase in ratings services. The increase was partially offset by a decrease in expenses associated with the decrease in net revenue. The overall increase was partially offset by a decrease of $0.1 million from our television segment. The decrease was primarily attributable to a decrease in national representation fees and other expenses associated with the decrease in net revenue, partially offset by an increase in ratings services. As a percentage of net revenue, direct operating expenses increased to 43% for the year ended December 31, 2008 from 40% for the year ended December 31, 2007. Direct operating expenses as a percentage of net revenue increased because net revenue decreased as direct operating expenses increased.

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Selling, General and Administrative Expenses. Selling, general and administrative expenses decreased to $43.7 million for the year ended December 31, 2008 from $44.3 million for the year ended December 31, 2007, a decrease of $0.6 million. Of the overall decrease, $1.0 million came from our television segment. The decrease was primarily attributable to a decrease in bonuses and other expenses associated with the decrease in net revenue. The overall decrease was partially offset by an increase of $0.4 million from our radio segment. The increase was primarily attributable to expenses associated with the expansion of our radio division in Orlando. As a percentage of net revenue, selling, general and administrative increased to 19% for the year ended December 31, 2008 from 18% for the year ended December 31, 2007. Selling, general and administrative expenses as a percentage of net revenue increased because the decrease in net revenue outpaced the decrease in selling, general and administrative expenses.

Corporate Expenses. Corporate expenses decreased to $17.1 million for the year period ended December 31, 2008 from $17.4 million for the year ended December 31, 2007, a decrease of $0.3 million. The decrease was attributable to the elimination of bonuses paid to executive officers. As a percentage of net revenue, corporate expenses remained the same at 7% for each of the years ended December 31, 2008 and 2007.

Depreciation and Amortization. Depreciation and amortization increased to $23.4 million for the year ended December 31, 2008 from $22.6 million for the year ended December 31, 2007, an increase of $0.8 million. The increase was primarily due to depreciation of television digital equipment and depreciation associated with the acquisition of radio assets in the Orlando market in March 2008.

Impairment Charge. Continuing operations includes an impairment charge of $610.5 million for the year ended December 31, 2008 and was a result of a $133.5 million impairment of goodwill in our radio segment, a $413.0 million impairment of our radio FCC licenses, a $59.1 million impairment of our television FCC licenses and a $4.9 million impairment of our television syndicated programming contracts, primarily related to increased competition and a general slowing of growth in the radio and television industries. Discontinued operations includes a carrying value adjustment of $79.5 million for the year ended December 31, 2007, which was a result of a carrying value adjustment to our outdoor assets.

Operating Income (Loss). As a result of the above factors, operating loss was $563.2 million for the year ended December 31, 2008, compared to an operating income of $66.3 million for the year ended December 31, 2007.

Interest Expense. Interest expense was $43.1 million for the year ended December 31, 2008 compared to interest expense of $49.4 million for the year ended December 31, 2007, a decrease of $6.3 million. The year ended December 31, 2008 had lower interest expense primarily attributable to the change in the fair value of our interest rate swap agreements.

Gain on Debt Extinguishment. During the year ended December 31, 2008, we reduced our own term loan debt by $76.5 million, of which $66.5 million was repurchased pursuant to the amendment to our Prior Credit Facility that we entered into on November 12, 2008, and retired the debt. We recorded a gain on debt extinguishment of $9.8 million by repurchasing the debt at a discount.

Income Tax Benefit (As restated). Our expected annual tax rate is approximately 38% of pre-tax income or loss. The effective tax rate for the year ended December 31, 2008 was 11.8%, which reflects a decrease from the statutory rate due to an increase in the valuation allowance on our net deferred tax assets and the impairment of goodwill. As described above, for the year ended December 31, 2008, we recognized a $133.5 million impairment of goodwill in our radio segment of which approximately $112.9 million of the impairment will not be deductible for tax purposes. As a result, the Company did not recognize a tax benefit for the non-deductible impairment of goodwill.

During 2009, we identified an error in the income tax benefit related to our valuation allowance for the year ended December 31, 2008. This error related to the tax effect of the adjustments to the carrying value of indefinite-lived intangible assets due to the impairment charges we recorded during 2008. This error and its correction is solely the result of originations and reversals of deferred tax differences and their effect on the valuation allowance recorded on the deferred tax assets. As a result, the income tax benefit decreased by $40.6 million for the year ended December 31, 2008, which results in a corresponding increase in loss from continuing operations, net loss and accumulated deficit and a decrease in stockholders equity. The long-term deferred income tax liability increased by $42.5 million and the current deferred tax asset, which is recorded in the line prepaid expenses and other current assets on the balance sheet, increased by $1.9 million. Accordingly, the annual results of operations for the period ended December 31, 2008 have been restated. For additional information, please see Note 2, Restatement of Previously Issued Consolidated Financial Statements, to Notes to Consolidated Financial Statements included in Item 8 of the 2009 Form 10-K.

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Due to the error related to the tax effect of the adjustments to the carrying value of indefinite-lived intangible assets due to the impairment charges we recorded during 2008, we have revised our disclosure for income taxes for September 30, 2008 as follows:

Income Tax Benefit (As restated). Our expected annual tax rate is approximately 25% of pre-tax income or loss, adjusted for permanent tax differences. The effective tax rate for the three- and nine-month period ended September 30, 2008 decreased due to an increase in the valuation allowance and the impairment of goodwill. As described above, for the three- and nine-month periods ended September 30, 2008, we recognized a $54 million impairment of goodwill in our radio segment of which approximately $46 million of the impairment is not deductible for tax purposes. As a result, no tax benefit was recorded for the related impairment of goodwill that is not deductible for tax purposes.

In accordance with SFAS No. 109, Accounting for Income Taxes (SFAS 109), during the three- and nine-months ended September 30, 2008, we provided a full valuation on our net deferred tax assets arising primarily from net operating loss carryforwards where, as a result of our continued losses, we believe that the future realization of such benefits are uncertain and that it is not more likely than not that the assets will be realizable in the future. In determining our valuation allowance, we excluded the deferred tax liabilities related to our indefinite-lived assets. As a result, we increased the valuation allowance against our net deferred tax assets by $88.7 million for the three- and nine-month periods ended September 30, 2008. We will continue to assess our valuation allowance in future periods based upon the provisions of SFAS 109.

Loss from Discontinued Operations. We sold our outdoor advertising operations during the second quarter of 2008. We reported the results of our outdoor advertising operations in discontinued operations within the statements of operations. The loss from discontinued operations decreased to $3.9 million for the year ended December 31, 2008 from $83.2 million for the year ended December 31, 2007, a decrease of $79.3 million. For the year ended December 31, 2007, we recorded a $79.5 million carrying value adjustment of outdoor intangible assets that is included in discontinued operations.

Segment Operations

Television

Net Revenue. Net revenue in our television segment decreased to $145.9 million for the year ended December 31, 2008 from $156.4 million for the year ended December 31, 2007, a decrease of $10.5 million. The overall decrease was primarily attributable to a decrease in local and national advertising sales and advertising rates, which in turn was primarily due to the weak economy.

Direct Operating Expenses. Direct operating expenses in our television segment decreased to $64.1 million for the year ended December 31, 2008 from $64.2 million for the year ended December 31, 2007, a decrease of $0.1 million. The decrease was primarily attributable to a decrease in national representation fees and other expenses associated with the decrease in net revenue, partially offset by an increase in ratings services and an increase in rent and utility expense.

Selling, General and Administrative Expenses. Selling, general and administrative expenses in our television segment decreased to $22.1 million for the year ended December 31, 2008 from $23.1 million for the year ended December 31, 2007, a decrease of $1.0 million. The decrease was primarily attributable to a decrease in bonuses and other expenses associated with the decrease in net revenue.

Radio

Net Revenue. Net revenue in our radio segment decreased to $86.4 million for the year ended December 31, 2008 from $93.7 million for the year ended December 31, 2007, a decrease of $7.3 million. The decrease was primarily attributable to a decrease in local advertising sales and advertising rates, partially offset by revenue associated with the expansion of our radio division in Orlando.

Direct Operating Expenses. Direct operating expenses in our radio segment increased to $36.7 million for the year ended December 31, 2008 from $35.4 million for the year ended December 31, 2007, an increase of $1.3 million. The increase was primarily attributable to expenses associated with the expansion of our radio division in Orlando, as well as an increase in ratings services. The increase was partially offset by a decrease in expenses associated with the decrease in net revenue.

Selling, General and Administrative Expenses. Selling, general and administrative expenses in our radio segment increased to $21.6 million for the year ended December 31, 2008 from $21.2 million for the year ended December 31, 2007, an increase of $0.4 million. The increase was primarily attributable to expenses associated with the expansion of our radio division in Orlando.

Consolidated Adjusted EBITDA

Consolidated adjusted EBITDA (as defined below) decreased to $55.3 million for the year ended December 31, 2009 from $74.1 million for the year ended December 31, 2008, a decrease of $18.8 million, or 25%. As a percentage of net revenue, consolidated adjusted EBITDA decreased to 29% for the year ended December 31, 2009 from 32% for the year ended December 31, 2008.

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We define consolidated adjusted EBITDA as net income (loss) plus loss (gain) on sale of assets, depreciation and amortization, non-cash impairment charge, non-cash stock-based compensation included in operating and corporate expenses, net interest expense, loss on debt extinguishment, loss from discontinued operations, income tax expense (benefit), equity in net income (loss) of nonconsolidated affiliate and syndication programming amortization less syndication programming payments. We use the term consolidated adjusted EBITDA as that measure is defined in our Prior Credit Facility. It does not include loss (gain) on sale of assets, non-cash depreciation and amortization, non-cash impairment charge, non-cash stock-based compensation, net interest expense, loss on debt extinguishment, loss from discontinued operations, income tax expense (benefit), equity in net income (loss) of nonconsolidated affiliate and syndication programming amortization and does include syndication programming payments.

Since our ability to borrow under our Prior Credit Facility has been based on a consolidated adjusted EBITDA financial covenant, we believe that it is important to disclose consolidated adjusted EBITDA to our investors. Our Prior Credit Facility contains certain financial covenants relating to the maximum leverage ratio, maximum capital expenditures and minimum fixed charge coverage ratio. The maximum leverage ratio, or the ratio of consolidated total debt to trailing-twelve-month consolidated adjusted EBITDA, has affected our ability to borrow under our Prior Credit Facility. The maximum leverage ratio also affects the interest rate charged for revolving loans, thus affecting our interest expense. Under our Prior Credit Facility, our maximum leverage ratio could not exceed 6.75 to 1. The actual leverage ratio was as follows (in each case as of December 31): 2009, 6.6 to 1; 2008, 5.5 to 1. Therefore, we were in compliance with this covenant at each of those dates. We entered into an amendment to our Prior Credit Facility in March 2009, so we were not subject to the same calculations and covenants in prior years. However, for consistency of presentation, the foregoing historical ratios assume that our current definition had been applicable for all periods presented.

While many in the financial community and we consider consolidated adjusted EBITDA to be important, it should be considered in addition to, but not as a substitute for or superior to, other measures of liquidity and financial performance prepared in accordance with accounting principles generally accepted in the United States of America, such as cash flows from operating activities, operating income and net income. As consolidated adjusted EBITDA excludes non-cash (gain) loss on sale of assets, non-cash depreciation and amortization, non-cash impairment charge, non-cash stock-based compensation, net interest expense, loss on debt extinguishment, loss from discontinued operations, income tax expense (benefit), equity in net income (loss) of nonconsolidated affiliate and syndication programming amortization and includes syndication programming payments, consolidated adjusted EBITDA has certain limitations because it excludes and includes several important non-cash financial line items. Therefore, we consider both non-GAAP and GAAP measures when evaluating our business. Consolidated adjusted EBITDA is also used to make executive compensation decisions.

Consolidated adjusted EBITDA is a non-GAAP measure. For a reconciliation of consolidated adjusted EBITDA to cash flows from operating activities, its most directly comparable GAAP financial measure, see Results of Operations above.

Cash Flow

Net cash flow provided by operating activities was $18.8 million for the year ended December 31, 2009 compared to net cash flow provided by operating activities of $44.2 million for the year ended December 31, 2008. Although we had a net loss of $50.1 million for the year ended December 31, 2009, we had positive cash flow from operations. Our net loss for the year ended December 31, 2009 was primarily a result of non-cash expenses, including an impairment charge of $50.6 million and depreciation and amortization expense of $21.0 million. Our net loss of $528.6 million for the year ended December 31, 2008 was also the result of non-cash expenses, primarily impairment charges of $610.5 million. We expect to continue to have positive cash flow from operating activities for 2010.

Net cash flow used in investing activities was $10.8 million for the year ended December 31, 2009, compared to net cash flow provided by investing activities of $61.3 million for the year ended December 31, 2008. During the year ended December 31, 2009, we spent $6.8 million on net capital expenditures and $4.1 million related to the acquisition of television assets in Reno, Nevada. These capital expenditures were paid out of net cash flow from operations. During the year ended December 31, 2008, we received $101.5 million from the sale of our outdoor advertising business and spent $16.9 million on net capital expenditures and $22.9 million related to the acquisition of radio assets in Orlando, Florida. We anticipate that our capital expenditures will be approximately $7 million during 2010. The amount of our anticipated capital expenditures may change based on future changes in business plans, our financial condition and general economic conditions.

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Net cash flow used in financing activities was $44.6 million for the year ended December 31, 2009, compared to $128.2 million for the year ended December 31, 2008. During the year ended December 31, 2009, we made net debt payments of $42.6 million, paid $1.2 million in fees and expenses related to the amendment of our Prior Credit Facility, repurchased 1.2 million shares of our Class A common stock for $1.1 million including transaction fees and received net proceeds of $0.3 million from the sale of shares issued under our 2001 Employee Stock Purchase Plan. During the year ended December 31, 2008, we repurchased 12.1 million shares of our Class A common stock for $50.8 million including transaction fees, repurchased 1.5 million shares of our Class U common stock for $10.4 million, made net debt payments of $67.7 million and received net proceeds of $0.8 million from the sale of shares issued under our 2001 Employee Stock Purchase Plan. Under the terms of our New Credit Facility, we are prevented from making future repurchases of our Class A common stock except under limited circumstances.

Commitments and Contractual Obligations

We have agreements with certain media research and ratings providers, expiring at various dates through December 2011, to provide television and radio audience measurement services. We lease facilities and broadcast equipment under various operating lease agreements with various terms and conditions, expiring at various dates through November 2050.

Our material contractual obligations at December 31, 2009 are as follows (in thousands):

		Payments Due by Period			
Contractual Obligations	**Total amounts committed**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Prior Credit Facility and other borrowings and related interest(1)	$ 460,205	$ 33,972	$ 56,036	$ 370,197	$
Media research and ratings providers(2)	25,372	11,074	14,224	75	
Operating leases and other material non-cancelable contractual obligations(2)(3)	61,011	9,434	15,136	11,720	24,721
Total contractual obligations	$ 546,588	$ 54,479	$ 85,396	$ 381,992	$ 24,721

(1) These amounts represent estimated future cash interest payments related to our Prior Credit Facility and other borrowings. Future interest payments could differ materially from amounts indicated in the table due to future operational and financing needs, market factors and other currently unanticipated events.

(2) Does not include month-to-month leases and amounts related to discontinued operations.

(3) Due to the uncertainty with respect to the timing of future cash flows associated with our unrecognized tax benefits at December 31, 2009, we are unable to make reasonably reliable estimates of the period of cash settlement with the respective taxing authorities. Therefore, $1.4 million of liabilities related to uncertain tax positions have been excluded from the table above.

We have also entered into employment agreements with certain of our key employees, including Walter F. Ulloa, Philip C. Wilkinson, Jeffery A. Liberman and Christopher T. Young. Our obligations under these agreements are not reflected in the table above.

Other than lease commitments, legal contingencies incurred in the normal course of business, employment contracts for key employees and the interest rate swap agreements, we do not have any off-balance sheet financing arrangements or liabilities. We do not have any majority-owned subsidiaries or any interests in or relationships with any variable-interest entities that are not included in our consolidated financial statements.

Application of Critical Accounting Policies and Accounting Estimates

Critical accounting policies are defined as those that are the most important to the accurate portrayal of our financial condition and results of operations. Critical accounting policies require management s subjective judgment and may produce materially different results under different assumptions and conditions. We have discussed the development and selection of these critical accounting policies with the Audit Committee of our Board of Directors, and the Audit Committee has reviewed and approved our related disclosure in this Management s Discussion and Analysis of Financial Condition and Results of Operations.

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In June 2009, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 168, The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles, a replacement of FASB Statement No. 162 (SFAS 168) . SFAS 168 made the FASB Accounting Standards Codification (ASC), also known as the Codification , the single source of authoritative nongovernmental U.S. generally accepted accounting principles (GAAP), except for additional authoritative rules and interpretive releases issued by the SEC. The Codification does not change current U.S. GAAP, but is intended to simplify user access to all authoritative U.S. GAAP by organizing all the authoritative literature related to a particular topic within a consistent structure. The Codification was effective for our financial statements issued beginning in the quarter ending September 30, 2009. All accounting references have been updated, and therefore SFAS references have been replaced with ASC references.

Goodwill

We believe that the accounting estimates related to the fair value of our reporting units and indefinite life intangible assets and our estimates of the useful lives of our long-lived assets are critical accounting estimates because: (1) goodwill and other intangible assets are our most significant assets, and (2) the impact that recognizing an impairment would have on the assets reported on our balance sheet, as well as on our results of operations, could be material. Accordingly, the assumptions about future cash flows on the assets under evaluation are critical.

Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired in each business combination. We test our goodwill and other indefinite-lived intangible assets for impairment annually on the first day of our fourth fiscal quarter, or more frequently if certain events or certain changes in circumstances indicate they may be impaired. In assessing the recoverability of goodwill and indefinite life intangible assets, we must make a series of assumptions about such things as the estimated future cash flows and other factors to determine the fair value of these assets.

Goodwill impairment testing is a two-step process. The first step is a comparison of the fair values of our reporting units to their respective carrying amounts. We have determined that each of our operating segments is a reporting unit. If a reporting unit s estimated fair value is equal to or greater than that reporting unit s carrying value, no impairment of goodwill exists and the testing is complete at the first step. However, if the reporting unit s carrying amount is greater than the estimated fair value, the second step must be completed to measure the amount of impairment of goodwill, if any. The second step of the goodwill impairment test compares the implied fair value of a reporting unit s goodwill with its carrying amount to measure the amount of impairment loss, if any. If the implied fair value of goodwill is less than the carrying value of goodwill, then an impairment exists and an impairment loss is recorded for the amount of the difference. As of December 31, 2009, we had $35.9 million of goodwill in our television reporting unit and $9.9 million of goodwill in our radio reporting unit. The fair value of our television reporting unit was greater than the carrying value by 24%. Therefore, we do not believe that we are at risk of failing step one of the goodwill impairment test in our television reporting unit for at least the foreseeable future. The fair value of our radio reporting unit was greater than the carrying value by 7%. If the fair value of our radio reporting unit is less than the carrying value in future periods, we would, at that time, have to proceed to the second step of the goodwill impairment testing process.

The estimated fair value of goodwill is determined by using an income approach. The income approach estimates fair value based on our estimated future cash flows of each reporting unit, discounted by an estimated weighted-average cost of capital that reflects current market conditions, which reflect the overall level of inherent risk of that reporting unit. The income approach also requires us to make a series of assumptions, such as discount rates, revenue projections, profit margin projections and terminal value multiples. We estimated our discount rates on a blended rate of return considering both debt and equity for comparable publicly-traded companies in the television and radio industries. These comparable publicly-traded companies have similar size, operating characteristics and/or financial profiles to us. We also estimated the terminal value multiple based on comparable publicly-traded companies in the television and radio industries. We estimated our revenue projections and profit margin projections based on internal forecasts about future performance.

The estimated fair value of the income approach is compared to a market approach for reasonableness. The market approach estimates fair value by applying sales, earnings and cash flow multiples to each reporting unit s operating performance. The multiples are derived from comparable publicly-traded companies with similar operating and investment characteristics to our reporting units. The market approach requires us to make a series of assumptions, such as selecting comparable companies and comparable transactions and transaction premiums. The current economic conditions have led to a decrease in the number of comparable transactions, which makes the market approach of comparable transactions and transaction premiums more difficult to estimate than in previous years.

The continuation or worsening of current economic conditions potentially could have an adverse effect on the capital markets, which would affect the discount rate assumptions, terminal value estimates, transaction premiums and comparable transactions. Such economic conditions could also have an adverse effect on the fundamentals of our business and results of operations, which would affect our internal forecasts about future performance and terminal value estimates. Furthermore, such economic conditions could have a negative impact on the advertising industry in general or the industries of those customers who advertise on our stations, including, among others, the automotive, financial and other services, telecommunications, travel and restaurant industries, which in the aggregate provide a significant amount of our historical and projected advertising revenue. The activities of our competitors, such as other broadcast television stations and radio stations, could have an adverse effect on our internal forecasts about future performance and terminal value estimates. Changes in technology or our audience preferences, including increased competition from other forms of advertising-based mediums, such as internet, social media and broadband content providers serving the same markets, could have an adverse effect on our internal forecasts about future performance, terminal value estimates and transaction premiums. Finally, the risk factors that we identify from time to time in our SEC reports could have an adverse effect on our internal forecasts about future performance, terminal value estimates and transaction premiums.

Given the uncertainties of the current economic environment and the impact it has had, and may continue to have, on our business, there can be no assurance that our estimates and assumptions made for the purposes of our goodwill impairment testing will prove to be accurate predictions of the future. If our assumptions regarding internal forecasts of future performance of our business as a whole or of our units are not achieved, if market conditions change and affect the discount rate, or if there are lower comparable transactions and transaction premiums, we may be required to record additional goodwill impairment charges in future periods. It is not possible at this time to determine if any such future change in our assumptions would have an adverse impact on our valuation models and result in impairment, or if it does, whether such impairment charge would be material.

Indefinite Life Intangible Assets

We believe that our broadcast licenses are indefinite life intangible assets. An intangible asset is determined to have an indefinite useful life when there are no legal, regulatory, contractual, competitive, economic or any other factors that may limit the period over which the asset is expected to contribute directly or indirectly to future cash flows. The evaluation of impairment for indefinite life intangible assets is performed by a comparison of the asset s carrying value to the asset s fair value. When the carrying value exceeds fair value, an impairment charge is recorded for the amount of the difference. The unit of accounting used to test broadcast licenses represents all licenses owned and operated within an individual market cluster, because such licenses are used together, are complimentary to each other and are representative of the best use of those assets. Our individual market clusters consist of cities or nearby cities. We test our broadcasting licenses for impairment based on certain assumptions about these market clusters. We wrote down the carrying value of certain broadcast licenses in our radio reporting unit to fair value during our 2009 annual impairment test. The fair value of the television broadcast licenses exceeded the carrying value by over 120% so we did not have impairment of our television FCC licenses.

As is the case with determining the estimated fair value of goodwill, the estimated fair value of indefinite life intangible assets is also determined by an income approach. The income approach estimates fair value based on our estimated future cash flows of each market cluster, discounted by an estimated weighted-average cost of capital that reflects current market conditions, which reflect the level of inherent risk. The income approach also requires us to make a series of assumptions, such as discount rates, revenue projections, profit margin projections and terminal value multiples. We estimate our discount rates on a blended rate of return considering both debt and equity for comparable publicly-traded companies in the television and radio industries. These comparable publicly-traded companies have similar size, operating characteristics and/or financial profiles to us. We also estimated the terminal value multiple based on comparable publicly-traded companies in the television and radio industries. We estimated our revenue projections and profit margin projections based on various market clusters signal coverage of the markets and industry information for an average station within a given market. The information for each market cluster includes such things as estimated market share, estimated capital start-up costs, population, household income, retail sales and other expenditures that would influence advertising expenditures. Alternatively, some stations under evaluation have had limited relevant cash flow history due to planned or actual conversion of format or upgrade of station signal. The assumptions we make about cash flows after conversion are based on the performance of similar stations in similar markets and potential proceeds from the sale of the assets.

The estimated fair value of the income approach is compared to a market approach for reasonableness. The market approach estimates fair value by applying sales, earnings and cash flow multiples to each market cluster s operating performance. The multiples are derived from comparable markets with similar operating characteristics of our market clusters. The market approach requires us to make a series of assumptions, such as selecting comparable market clusters and comparable transactions and transaction premiums. The current economic conditions have led to a decrease in the number of comparable transactions, which makes the market approach of comparable transactions and transaction premiums more difficult to estimate than in previous years.

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The continuation or worsening of current economic conditions potentially could have an adverse effect on the capital markets, which would affect the discount rate assumptions, terminal value estimates, transaction premiums and comparable transactions. Such economic conditions could also have an adverse effect on the fundamentals of our business and results of operations, which would affect our internal forecasts about future performance and terminal value estimates. Furthermore, such economic conditions could have a negative impact on the advertising industry in general or the industries of those customers who advertise on our stations, including, among others, the automotive, financial and other services, telecommunications, travel and restaurant industries, which in the aggregate provide a significant amount of our historical and projected advertising revenue. The activities of our competitors, such as other broadcast television stations and radio stations, could have an adverse effect on our internal forecasts about future performance and terminal value estimates. Changes in technology or our audience preferences, including increased competition from other forms of advertising-based mediums, such as internet, social media and broadband content providers serving the same markets, could have an adverse effect on our internal forecasts about future performance, terminal value estimates and transaction premiums. Finally, the risk factors that we identify from time to time in our SEC reports could have an adverse effect on our internal forecasts about future performance, terminal value estimates and transaction premiums.

Given the uncertainties of the current economic environment and the impact it has had, and may continue to have, on our business, there can be no assurance that our estimates and assumptions made for the purposes of our impairment testing will prove to be accurate predictions of the future. If our assumptions regarding internal forecasts of future performance of our business as a whole or of our units are not achieved, if market conditions change and affect the discount rate, or if there are lower comparable transactions and transaction premiums, we may be required to record additional impairment charges in future periods. It is not possible at this time to determine if any such future change in our assumptions would have an adverse impact on our valuation models and result in impairment, or if it does, whether such impairment charge would be material.

Long-Lived Assets, Including Intangibles Subject to Amortization

Depreciation and amortization of our long-lived assets is provided using the straight-line method over their estimated useful lives. Changes in circumstances, such as the passage of new laws or changes in regulations, technological advances, changes to our business model or changes in our capital strategy could result in the actual useful lives differing from initial estimates. In those cases where we determine that the useful life of a long-lived asset should be revised, we will depreciate the net book value in excess of the estimated residual value over its revised remaining useful life. Factors such as changes in the planned use of equipment, customer attrition, contractual amendments or mandated regulatory requirements could result in shortened useful lives.

Long-lived assets and asset groups are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The estimated future cash flows are based upon, among other things, assumptions about expected future operating performance and may differ from actual cash flows. Long-lived assets evaluated for impairment are grouped with other assets to the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. If the sum of the projected undiscounted cash flows (excluding interest) is less than the carrying value of the assets, the assets will be written down to the estimated fair value in the period in which the determination is made.

Deferred Taxes

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and deferred liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when it is determined to be more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

We recognize the tax benefit from an uncertain tax position only if it is more likely than not the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement. We recognize interest and penalties related to uncertain tax positions in income tax expense.

Revenue Recognition

Television and radio revenue related to the sale of advertising is recognized at the time of broadcast. Revenue contracts with advertising agencies are recorded at an amount that is net of the commission retained by the agency. Revenue from contracts that we enter into directly with our advertisers is recorded at gross revenue and the related commission or national representation fee is recorded in operating expense. Cash payments received prior to services rendered result in deferred revenue, which is then recognized as revenue when the advertising time or space is actually provided.

Allowance for Doubtful Accounts

Our accounts receivable consist of a homogeneous pool of relatively small dollar amounts from a large number of customers. We evaluate the collectability of our trade accounts receivable based on a number of factors. When we are aware of a specific customer s inability to meet its financial obligations to us, a specific reserve for bad debts is estimated and recorded which reduces the recognized receivable to the estimated amount we believe will ultimately be collected. In addition to specific customer identification of potential bad debts, bad debt charges are recorded based on our recent past loss history and an overall assessment of past due trade accounts receivable amounts outstanding.

Derivative Instruments

All interest rate swap agreements were terminated in July 2010. All references to and discussions regarding interest rate swap agreements should be considered in light of this fact. See Senior Secured Notes and New Credit Facility above.

ASC 820, Fair Value Measurements and Disclosures (formerly SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities), requires us to recognize all of our derivative instruments as either assets or liabilities in our consolidated balance sheet at fair value. The accounting for changes in the fair value of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship, and further, on the type of hedging relationship.

The carrying amount of our interest rate swap agreements is recorded at fair market value, including non-performance risk, and any changes to the value are recorded as an increase or decrease in interest expense. The fair market value of each interest rate swap agreement is determined by using multiple broker quotes, adjusted for non-performance risk, which estimate the future discounted cash flows of any future payments that may be made under such agreements.

As of December 31, 2009, we had three interest rate swap agreements with a $168 million aggregate notional amount, with quarterly reductions, that were to expire on October 1, 2010, and one interest rate swap agreement with a $193.9 million notional amount, with quarterly increases, that also was to expire on October 1, 2010. As of December 31, 2009, these interest rate swap agreements were not designated for hedge accounting treatment, and as a result, the increase in fair value was classified as a reduction of interest expense on our statements of operations. For the year ended December 31, 2009, we recognized a decrease of $7.0 million in interest expense related to the increase in fair value of the interest rate swap agreements. For the year ended December 31, 2008, we recognized an increase of $11.6 million in interest expense related to the decrease in fair value of the interest rate swap agreements.

As of December 31, 2009, the fair value of the interest rate swap agreements was a liability of $16.2 million and was classified in other liabilities on the balance sheet. As of December 31, 2008, the fair value of the interest rate swap agreements was a liability of $23.2 million and was classified in other liabilities on the balance sheet.

Discontinued Operations

We sold the outdoor advertising business in May of 2008 and no longer have outdoor operations. In accordance with ASC 205-20, Discontinued Operations (formerly SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets), we have reported the results of the outdoor advertising business for all periods presented in discontinued operations within the consolidated statements of operations. In the statements of cash flows, the cash flows of discontinued operations have been reclassified for all periods presented and are separately classified within the respective categories with those of continuing operations.

Certain amounts in our prior period consolidated financial statements and notes to the financial statements have been reclassified to conform to current period presentation. All discussions and amounts in the consolidated financial statements and the related notes to consolidated statements for all periods presented relate to continuing operations only, unless otherwise noted.

Additional Information

For additional information on our significant accounting policies, please see Note 3 to Notes to Consolidated Financial Statements included in the 2009 Form 10-K, incorporated by reference herein.

Sensitivity of Critical Accounting Estimates

We have critical accounting estimates that are sensitive to change. The most significant of those sensitive estimates relate to the impairment of intangible assets. Goodwill and indefinite life intangible assets are not amortized but are tested annually on October 1 for impairment, or more frequently if events or changes in circumstances indicate that the assets might be impaired. In assessing the recoverability of goodwill and indefinite life intangible assets, we must make assumptions about the estimated future cash flows and other factors to determine the fair value of these assets.

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Television

We conducted our annual review of our television reporting unit and determined that the fair value of our television reporting unit exceeded the carrying value. The fair value of the television reporting unit was primarily determined by evaluating discounted cash flow models and a market-based approach. The revenue projections and profit margin projections in the models are based on various market clusters signal coverage of the markets and industry information for an average station within a given market. The information for each market cluster includes such things as estimated market share, estimated capital start-up costs, population, household income, retail sales and other expenditures that would influence advertising expenditures. Alternatively, some stations under evaluation have had limited relevant cash flow history due to planned or actual conversion of format or upgrade of station signal. The assumptions about cash flows after conversion are based on the performance of similar stations in similar markets and potential proceeds from the sale of the assets. The market-based approach used comparable company earnings multiples.

In calculating the estimated fair value of our television reporting unit and FCC licenses, we used discounted cash flow models that rely on various assumptions, such as future cash flows, discount rates and multiples. Our estimates of future cash flows assume that our television segment revenues will increase significantly faster than the increase in our television expenses, and therefore our television assets will also increase in value. If any of the estimates of future cash flows, discount rates, multiples or assumptions were to change in any future valuation, it could affect our impairment analysis and cause us to record an additional expense for impairment.

Radio

We conducted our annual review of our radio reporting unit and determined that the fair value of our radio reporting unit exceeded the carrying value. The fair value of the radio reporting unit was primarily determined by evaluating discounted cash flow models. The revenue projections and profit margin projections in the models are based on various market clusters signal coverage of the markets and industry information for an average station within a given market. The information for each market cluster includes such things as estimated market share, estimated capital start-up costs, population, household income, retail sales and other expenditures that would influence advertising expenditures. Alternatively, some stations under evaluation have had limited relevant cash flow history due to planned or actual conversion of format or upgrade of station signal. The assumptions about cash flows after conversion are based on the performance of similar stations in similar markets and potential proceeds from the sale of the assets.

In calculating the estimated fair value of our radio reporting unit and FCC licenses, we used discounted cash flow models that rely on various assumptions, such as future cash flows, discount rates and multiples. Our estimates of future cash flows assume that our radio segment revenues will increase significantly faster than the increase in our radio expenses, and therefore our radio assets will also increase in value. If any of the estimates of future cash flows, discount rates, multiples or assumptions were to change in any future valuation, it could affect our impairment analysis and cause us to record an additional expense for impairment. Based on the assumptions and estimates described above, we recognized impairment losses of $48 million relating to radio FCC licenses in the fourth quarter of 2009.

Impact of Inflation

We believe that inflation has not had a material impact on our results of operations for each of our fiscal years in the three-year period ended December 31, 2009. However, there can be no assurance that future inflation would not have an adverse impact on our operating results and financial condition.

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BUSINESS

Overview

Introduction

Entravision Communications Corporation and its wholly owned subsidiaries, or Entravision, is a diversified Spanish-language media company utilizing a combination of television and radio operations to reach Hispanic consumers across the United States, as well as the border markets of Mexico. We own and/or operate 53 primary television stations located primarily in California, Colorado, Connecticut, Florida, Massachusetts, Nevada, New Mexico, Texas and Washington, D.C. Entravision is the largest affiliate group of both the top-ranked Univision television network and Univision s TeleFutura network, with television stations in 20 of the nation s top 50 U.S. Hispanic markets. Univision s primary network is the most watched television network (English- or Spanish-language) among U.S. Hispanic households. Univision is a key source of programming for our television broadcasting business and we consider it to be a valuable strategic partner of ours. For a more complete discussion of our relationship with Univision, please see Our Relationship with Univision and Television Television Programming below and Management s Discussion and Analysis of Financial Condition and Results of Operations Overview; and for a discussion of various r