

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

For the transition period from to

Commission File No. 0-25969

RADIO ONE, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

52-1166660

(I.R.S. Employer
Identification No.)

**1010 Wayne Avenue,
14th Floor**

Silver Spring, Maryland 20910

(Address of principal executive offices)

**Registrant's telephone number, including area code
(301) 429-3200**

**Securities registered pursuant to Section 12(b) of the Act:
None**

**Securities registered pursuant to Section 12(g) of the Act:
Class A Common Stock, \$.001 par value
Class D Common Stock, \$.001 par value**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company as defined in Rule 12b-2 of the Exchange Act. Yes No

The number of shares outstanding of each of the issuer's classes of common stock is as follows:

Class	Outstanding at March 7, 2016
Class A Common Stock, \$.001 par value	2,091,712
Class B Common Stock, \$.001 par value	2,861,843
Class C Common Stock, \$.001 par value	2,928,906
Class D Common Stock, \$.001 par value	41,726,713

The aggregate market value of common stock held by non-affiliates of the Registrant, based upon the closing price of the Registrant's Class A and Class D common stock on June 30, 2015, was approximately \$99.1 million.

RADIO ONE, INC. AND SUBSIDIARIES

Form 10-K
For the Year Ended December 31, 2015

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CERTAIN DEFINITIONS

Unless otherwise noted, throughout this report, the terms “Radio One,” “the Company,” “we,” “our,” and “us” refer to Radio One, Inc. together with all of its subsidiaries.

We use the terms “local marketing agreement” (“LMA”) or time brokerage agreement (“TBA”) in various places in this report. An LMA or a TBA is an agreement under which a Federal Communications Commission (“FCC”) licensee of a radio station makes available, for a fee, air time on its station to another party. The other party provides programming to be broadcast during the airtime and collects revenues from advertising it sells for broadcast during that programming. In addition to entering into LMAs or TBAs, we will from, time to time, enter into management or consulting agreements that provide us with the ability, as contractually specified, to assist current owners in the management of radio station assets that we have contracted to purchase, subject to FCC approval. In such arrangements, we generally receive a contractually specified management fee or consulting fee in exchange for the services provided.

The term “station operating income” is also used throughout this report. “Station operating income” consists of net loss or income before depreciation and amortization, corporate expenses, stock-based compensation, equity in income or loss of affiliated company, income taxes, noncontrolling interests in income of subsidiaries, interest expense, impairment of long-lived assets, other income or expense, gain or loss on retirement of debt, and income or loss from discontinued operations, net of tax. Station operating income is not a measure of financial performance under U.S. generally accepted accounting principles (“GAAP”). Nevertheless, we believe station operating income is a useful measure of a broadcasting company’s operating performance and is a significant basis used by our management to measure the operating performance of our radio stations within the various markets because station operating income provides helpful information about our results of operations apart from expenses associated with our fixed assets, income taxes, investments, debt financings, gain or loss on retirement of debt, corporate overhead, stock-based compensation, impairment of long-lived assets and income or losses from asset sales. Station operating income is frequently used as one of the bases for comparing businesses in our industry, although our measure of station operating income may not be comparable to similarly titled measures of other radio broadcasting companies as it includes results from all four of our reportable segments (radio broadcasting, Reach Media, internet and cable television). Station operating income does not purport to represent operating income or cash flow from operating activities, as those terms are defined under generally accepted accounting principles, and should not be considered as an alternative to those measurements as an indicator of our performance.

The term “station operating income margin” is also used throughout this report. “Station operating income margin” consists of station operating income as a percentage of net revenue. Station operating income margin is not a measure of financial performance under GAAP. Nevertheless, we believe that station operating income margin is a useful measure of our performance because it provides helpful information about our profitability as a percentage of our net revenue. As with station operating income, station operating income margin also includes results from all four of our reportable segments (radio broadcasting, Reach Media, internet and cable television) and may not be comparable to similarly titled measures of other companies.

Unless otherwise indicated:

- we obtained total radio industry revenue levels from the Radio Advertising Bureau (the “RAB”);
- we obtained audience share and ranking information from Nielsen Audio, Inc. (“Nielsen”, formerly Arbitron Inc.); and
- we derived historical market statistics and market revenue share percentages from data published by Miller, Kaplan, Arase & Co., LLP (“Miller Kaplan”), a public accounting firm that specializes in serving the broadcasting industry and BIA/Kelsey (“BIA”), a media and telecommunications advisory services firm.

Cautionary Note Regarding Forward-Looking Statements

This document, and the documents incorporated by reference into this Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements do not relay historical facts, but rather reflect our current expectations concerning future operations, results and events. All statements other than statements of historical fact are “forward-looking” statements including any projections of earnings, revenues 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. You can identify some of these forward-looking statements by our use of words such as “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “likely,” “may,” “estimates” and similar expressions. You can also identify a forward-looking statement in that such statements discuss matters in a way that anticipates operations, results, or events that have not already occurred but rather will or may occur in future periods. We cannot guarantee that we will achieve any forward-looking plans, intentions, results, operations, or expectations. Because these statements apply to future events, they are subject to risks and uncertainties, some of which are beyond our control that could cause actual results to differ materially from those forecasted or anticipated in the forward-looking statements. These risks, uncertainties, and factors include (in no particular order), but are not limited to:

- economic sluggishness and volatility, credit and equity market unpredictability, employment outlook uncertainties and continued fluctuations in the United States and other world economies that may affect our business and financial condition, and the business and financial conditions of our advertisers;
- our high degree of leverage and potential inability to finance other strategic transactions given fluctuations in market conditions;
- fluctuations in the local economies of the markets in which we operate (particularly our largest markets, Atlanta; Baltimore; Houston; and Washington, DC) that could negatively impact our ability to meet our cash needs and our ability to maintain compliance with our debt covenants;
- fluctuations in the demand for advertising across our various media given fluctuations in the economic environment;
- risks associated with the implementation and execution of our business diversification strategy;
- increased competition in our markets and in the radio broadcasting and media industries;
- changes in media audience ratings and measurement technologies and methodologies;
- regulation by the Federal Communications Commission (“FCC”) relative to maintaining our broadcasting licenses, enacting media ownership rules and enforcing of indecency rules;
- changes in our key personnel and on-air talent;
- increases in the costs of our programming, including on-air talent and content acquisitions costs;
- financial losses that may be incurred due to impairment charges against our broadcasting licenses, goodwill, and other intangible assets, particularly in light of the current economic environment;
- increased competition from new media and new content distribution platforms and technologies;
- the impact of our acquisitions, dispositions and similar transactions, as well as consolidation in industries in which we and our advertisers operate; and
- other factors mentioned in our filings with the Securities and Exchange Commission (“SEC”) including the factors discussed in detail in Item 1A, “Risk Factors,” contained in this report.

You should not place undue reliance on these forward-looking statements, which reflect our views as of the date of this report. We undertake no obligation to publicly update or revise any forward-looking statements because of new information, future events, or otherwise.

PART I

ITEM 1. BUSINESS

Overview

Radio One, Inc., a Delaware corporation, and its subsidiaries (collectively, “Radio One,” “the Company,” “we,” “our” and/or “us”) is an urban-oriented, multi-media company that primarily targets African-American and urban consumers. Our core business is our radio broadcasting franchise that is the largest radio broadcasting operation that primarily targets African-American and urban listeners. As of December 31, 2015, we owned and/or operated 56 broadcast stations located in 16 of the top 33 urban markets in the United States. While our primary source of revenue is the sale of local and national advertising for broadcast on our radio stations, our strategy is to operate the premier multi-media entertainment and information content provider targeting African-American and urban consumers. Thus, we have diversified our revenue streams by making acquisitions and investments in other complementary media properties. Our other media interests include our approximately 99.6% controlling ownership interest in TV One, LLC (“TV One”), an African-American targeted cable television network; our 80.0% ownership interest in Reach Media, Inc. (“Reach Media”) which operates the Tom Joyner Morning Show and our other syndicated programming assets, including the Rickey Smiley Morning Show, the Yolanda Adams Morning Show, the Russ Parr Morning Show and the DL Hughley Show; and our ownership of Interactive One, LLC (“Interactive One”), our wholly owned online platform serving the African-American community through social content, news, information, and entertainment websites, including Global Grind (as defined in the notes to the consolidated financial statements in Note 2 – *Acquisitions and Dispositions*), News One, TheUrbanDaily and HelloBeautiful, and online social networking websites, including BlackPlanet and MiGente. In May 2014, the Company agreed to invest a minimum of \$5 million up to a maximum of \$40 million in MGM’s development of a world-class casino property, MGM National Harbor, located in Prince George’s County, Maryland. Upon completion of the project, currently anticipated to be in late 2016, this investment will further diversify our platform in the entertainment industry while still focusing on our core demographic. Through our national multi-media presence, we provide advertisers with a unique and powerful delivery mechanism to the African-American and urban audiences.

Beginning November 1, 2012, our Columbus, Ohio radio station, WJKR-FM (The Jack, 98.9 FM) was made the subject of an LMA, and, on February 15, 2013, the Company sold that station’s assets. The results from operations of this station for the year ended December 31, 2013, has been classified as discontinued operations in the accompanying consolidated financial statements.

As of June 2011, our remaining Boston radio station was made the subject of a TBA whereby, similar in operation to an LMA, we have made available, for a fee, air time on this station to another party. In December 2013, we renegotiated the terms of the TBA, which now expires December 1, 2016, at which time the station will be conveyed. As a result, that station’s radio broadcasting license was classified as an other current asset as of December 31, 2015 and 2014, and is being amortized through the anticipated conveyance date.

As part of our consolidated financial statements, consistent with our financial reporting structure and how the Company currently manages its businesses, we have provided selected financial information on the Company’s four reportable segments: (i) radio broadcasting; (ii) Reach Media; (iii) internet; and (iv) cable television.

Our Stations and Markets

The table below provides information about our radio stations and the markets in which we owned or operated as of December 31, 2015.

Market	Radio One		Entire Audience Four Book Average Audience Share(2)	Ranking by Size of African-American Population Persons 12+(3)	Market Data	
	Number of Stations(1)				Estimated Fall 2015 Metro Population Persons 12+	
	FM	AM			Total (millions)	African- American %
Atlanta	4	-	13.6	2	4.6	33.6
Washington, DC	3	2	10.5	4	4.9	26.7
Houston	3	-	12.8	5	5.5	17.4
Philadelphia	3	-	7.8	6	4.6	20.5
Dallas	2	-	5.4	7	5.8	16.0
Detroit	3	1	10.2	8	3.8	22.0
Baltimore	2	2	14.8	11	2.4	28.8
Charlotte	3	-	12.4	13	2.2	22.6
St. Louis	2	-	9.7	16	2.3	18.6
Cleveland	2	2	12.4	18	1.8	19.9
Raleigh-Durham	4	-	17.1	19	1.5	22.7
Boston(5)	-	1	N/A	20	4.2	7.5
Richmond(4)	4	1	21.1	21	1.0	30.2
Columbus	4	-	7.1	26	1.6	16.0
Indianapolis	3	1	14.3	28	1.5	16.1
Cincinnati	2	1	6.9	34	1.8	12.6
Total	44	11				

- (1) WDNI-CD (formerly WDNI-LP), the low power television station that we operate in Indianapolis is not included in this table and constitutes the 56th broadcast station.
- (2) Audience share data are for the 12+ demographic and derived from the Nielsen Survey ending with the Fall 2015 Nielsen Survey.
- (3) Population estimates are from the Nielsen Radio Market Survey Population, Rankings and Information, Fall 2015.
- (4) Richmond is the only market in which we operate using the diary methodology of audience measurement.
- (5) We retain ownership of a station in Boston; however, that station is the subject of a TBA and is not operated by us. Therefore, we do not subscribe to Nielsen for our Boston market.

The African-American Market Opportunity

We believe that urban-oriented media primarily targeting African-Americans continues as an attractive opportunity for the following reasons:

African Americans Remain Heavy Consumers of Media. While radio is a maturing industry, radio consumption among African-Americans remains high. A recent survey indicates that 91% of all African-Americans — 31 million people — tune into radio each week. On average, African-Americans listen to more radio relative to the total population at all age levels but particularly in the youngest and Baby Boomer age ranges. African-Americans aged 12-17 listen to an average of over 11% more hours of radio per month than does the total 12-17 population. Further, African-Americans aged 50-64 listen to an average of over 9% more hours of radio per month than the total 50-64 population. Indeed, African-Americans listen to the radio on average more than any other ethnic group, with African-Americans on average having more than 60 hours of radio listening time per month. Critical to advertisers, in the top 50 designated market areas, radio reaches on average each month 94% of African-Americans with a household income of \$75,000 or more and 93% of African-Americans who are college graduates. (Source: “African-American Consumers: The Untold Story”, The Nielsen Company 2015.) African-Americans are also heavily engaged viewers of television - watching an average of nearly 52 hours per week. (Source: “Nielsen Total Audience Report, Quarter 1, 2015). Indeed, networks focused specifically on reaching the African-American audience, such as TV One, produce programming that accounts for 76% of the top 25 indexing programs for African-American adults. (Source: “Powerful, Growing, Influential. The African-American Consumer, 2014 Report,” Nielsen and Essence, 2014.)

Steady African-American Population Growth. From 2000 to 2014, the nation’s African-American population grew at a 35% greater rate than the total population, and at more than double the 8.2% growth rate of the white population. By 2019, the nation’s African-American population is expected to increase 6%, exceeding the 4.4% growth expected of the general U.S. population by that year. By 2060, the African-American population will increase from 45.7 million to 74.5 million, and by that year African-Americans are expected to comprise almost 18% of the total U.S. population. (Source: “African-American Consumers: The Untold Story”, The Nielsen Company 2015.)

High African-American Geographic Concentration. An analysis of the African-American population shows a high degree of geographic concentration. Indeed, according to recent census data, about 60% of African-Americans live in 10 states. The 10 states with the largest African-American populations in 2014 were New York (3.8 million), Texas (3.6 million), Florida (3.6 million), Georgia (3.3 million), California (3.0 million), North Carolina (2.3 million), Illinois (2.0 million), Maryland (1.9 million), Virginia (1.8 million) and Ohio (1.6 million). (Source: U.S. Census Bureau 2014 Estimate). The practical implication of these findings is that a multi-media strategy within these pockets of geographic concentration can have a proportionately much more meaningful reach towards the African-American population than towards non-African-American U.S. populations. Indeed, the markets in which we operate radio stations are home in aggregate to 27% of the total African-American population. (Source: U.S. Census Bureau 2014 Estimate).

Higher African-American Income Growth. The economic status of African-Americans has improved at an above-average rate over the past two decades. African-American buying power is expected to increase to over \$1.3 trillion by 2017. In 2013, the nation’s share of total buying power that was African-American was 8.6%, up from 8.2% in 2000 and from 7.5% in 1990. African-American consumers’ share of the nation’s total buying power will rise to 8.8% in 2018, accounting for almost nine cents out of every dollar that is spent. (Source: “The Multicultural Economy 2013,” Selig Center for Economic Growth, Terry College of Business, The University of Georgia, August 2013.) For the most recent available year (2013), African-American median household income increased 2.3% over the prior year compared to a 0.3% increase across total households. The percentage of African-American households that earned more than \$50,000 per year increased from 30% in 2005 to 36% in 2013 and the percentage of African-American households that earned more than \$75,000 per year increased from 15% in 2005 to 20% in 2013. But perhaps most impressive, between the years 2005 and 2013, the income bracket with the largest percentage increase for African-Americans occurred in households earning over \$200,000 per year. The number of African-American households earning over \$200,000 per year increased 138% in that timeframe compared with an increase of 74% for all households. (Source: U.S. Census, American Community Survey, 2014 Report.) Growth in African-American household income is anticipated to continue to increase at an outsize rate as a relatively larger portions of African-American join the workforce for the first time or move up from entry level jobs. This is particularly likely given the significantly younger median age of African-Americans, since this suggests that proportionately fewer African-Americans have reached their peak earning years. Further, African-Americans are increasingly educated. Indeed, the percentage of African-American high school graduates who enroll in college jumped to 70.9% for 2014 graduates from 59.3% in 2013, a rate that exceeded the 2014 67.3% college enrollment rate for non-Hispanic white high school graduates and the 68.4% enrollment rate for the total population. (Source: U.S. Bureau of Labor Statistics, 2013-2014.)

Growing Influence of African-American Culture. The African-American population, on average, is younger than the average for the total U.S. population, with an average age of 31.4 years, compared to 39 years for the non-Hispanic White population and 37.7 years for the total population. Almost 30% of the African-American population is under the age of 18. Because of their relative youth and role as avid consumers African-Americans are also key influencers and creators of pop culture. (Source: “African-American Consumers: The Untold Story”, The Nielsen Company 2015.) Other demographic segments perceive Blacks as a driving force for popular culture: 73% of whites and 67% of Hispanics believe African-Americans influence mainstream American culture. (Source: “Resilient, Receptive and Relevant: The African-American Consumer,” Nielsen, 2013.) Further, we believe that there continues to be an ongoing “urbanization” of many facets of American society as evidenced by the influence of African-American culture in the areas of politics, music, film, fashion, sports and urban-oriented television shows and networks. We believe that many companies from a broad range of industries have embraced this urbanization trend in their products as well as in their advertising messages. Indeed, African-American celebrities are among the most well-known, influential personalities and trendsetter across the entertainment landscape. In music, Beyonce is one of the top three trendsetting artists in the pop genre, Will Smith is the third most widely recognized actor in film, Oprah Winfrey is viewed as the most influential media personality in television and Michael Jordan is the highest marketable celebrity in all of sports. (Source: Nielsen Entertainment, N-Score 2015.)

Growth in Advertising Targeting the African-American Market. We continue to believe that large corporate advertisers are becoming more focused on reaching minority consumers in the United States. The African-American community is considered an emerging growth market within a mature domestic market. African-American consumers have behavior patterns distinguishable from those of the general market population. For example, African-Americans as a group are, relative to the total population, heavier consumers of media and shop more frequently. (Source: “Resilient, Receptive and Relevant: The African-American Consumer,” Nielsen, 2013.) We believe many large corporations are expanding their commitment to ethnic advertising. The companies that successfully market to the African-American audience have focused on building brand relationships. Advertisers are making an effort to fully understand African-American consumers, and to relate to them with messages that are relevant to their community. These advertisers are accomplishing this by visibly and consistently engaging the African-American consumer, involving themselves with the interests of the African-American consumer and increasing African-American brand loyalty. Using multiple platforms to reach African-American consumers is an effective marketing strategy as 62% of Blacks are likely to feel advertising content accessed via mobile phones and devices is useful. Fifty-three percent agreed that TV ads provided useful information about new products and services, while the respective percentages of Blacks that felt advertising accessed via other media was useful (newspapers (47%), magazines (46%), radio (39%), and internet (38%)) was similar to the percentages for the general population. (Source: “Powerful, Growing, Influential. The African-American Consumer, 2014 Report,” Nielsen and Essence, 2014.) In 2013, \$2.6 billion was spent with media focused on African-American audiences, on cable television, national magazines, network television, spot radio, and syndicated television. This represented a 7 percent growth over 2012, compared to a 2% increase in overall advertising spending. While this growth in spending was a positive sign, it should be noted that this amount was only 2.6% of the total \$69.3 billion companies spent advertising on these media platforms in 2013. (Source: “Powerful, Growing, Influential. The African-American Consumer, 2014 Report,” Nielsen and Essence, 2014.)

Significant and Growing Internet Usage among African-Americans with Limited Targeted Online Content Offerings. African-American households outnumber each other ethnic (non-white) category of households as far as the number of households that reported using the internet. (Source: U.S. Census Bureau, May 2013, “Computer and Internet Use in the United States.”) The same factors driving increases in African-American buying power, such as improvements in education, incomes, and employment, are also increasing African-American internet usage. Further, African-Americans are heavy smartphone owners and users. Smartphone penetration is 83% among Black consumers compared to 75% for non-Hispanic Whites. African-American use the internet for many purposes, including entertainment, sports, dating, personal advancement and commerce. (Source: “African-American Consumers: The Untold Story”, The Nielsen Company 2015.)

Business Strategy

Radio Station Portfolio Optimization. Within our core radio business, our portfolio management strategy is to make select acquisitions of radio stations, primarily in markets where we already have a presence, and to divest stations which are no longer strategic in nature. Depending on market conditions, we may divest stations that do not have an urban format or stations located in smaller markets or markets where the African-American population is smaller, on a relative basis, than other markets in which we operate. Further, given market conditions, changes in ratings methodologies and economic and demographic shifts, from time to time, we may reprogram some of our stations in underperforming segments of certain markets. However, our core franchise remains targeted toward the African-American and/or urban listener and consumer. Through our portfolio management strategy, we are continually looking for opportunities to upgrade the performance of existing radio stations through reprogramming or by strengthening their signals to reach a larger number of potential listeners.

Investment in Complementary Businesses. We continue to invest in complementary businesses in the media and entertainment industry. The primary focus of these investments will be on businesses that provide entertainment and information content to African-American and urban consumers. In April 2015, we increased our ownership interest in TV One, a cable television network targeting African-Americans, to 99.6% by buying the stake of our former partner Comcast Corporation (the remaining 0.4% being held by employees). In December 2014, we acquired certain assets of GG Digital, Inc., including the website and brand Global Grind. The Global Grind website and brand have been integrated into our online operations, as part of Interactive One, which includes the largest social networking site by members primarily targeted at African-Americans. Further, in May 2014, the Company agreed to invest in MGM's development of a world-class casino property, MGM National Harbor, located in Prince George's County, Maryland. Upon completion of the project, currently anticipated to be in late 2016, this investment will further diversify our platform in the entertainment industry while still focusing on our core demographic. The consolidation of Reach Media, TV One and Global Grind into our operations and our investment in MGM National Harbor are consistent with our operating strategy of becoming a multi-media entertainment and information content provider to African-American consumers. We believe that our unique position as a diversified media company focused on the African-American consumer provides us with a competitive advantage in these new businesses.

Top 50 African-American Radio Markets in the United States

The table below notes the top 50 African-American radio markets in the United States. The bold text indicates markets where we own and/or operate radio stations. Population estimates are for 2015 and are based upon data provided by Nielsen.

Rank	Market	African-American Population (Persons 12+) (In thousands)	Percentage of the Overall Population (Persons 12+)
1	New York	2,757	16.9%
2	Atlanta	1,563	33.6%
3	Chicago	1,352	17.0%
4	Washington, DC	1,295	26.7%
5	Houston-Galveston	963	17.4%
6	Philadelphia	938	20.5%
7	Dallas-Ft. Worth	928	16.0%
8	Detroit	838	22.0%
9	Los Angeles	821	7.2%
10	Miami-Ft. Lauderdale-Hollywood	820	20.7%
11	Baltimore	691	28.8%
12	Memphis	513	45.8%
13	Charlotte-Gastonia-Rock Hill	498	22.6%
14	San Francisco	448	6.8%
15	Norfolk-Virginia Beach-Newport News	436	31.1%
16	St. Louis	434	18.6%
17	New Orleans	393	31.5%
18	Cleveland	354	19.9%
19	Raleigh-Durham	342	22.7%
20	Boston	319	7.5%
21	Richmond	311	30.2%
22	Tampa-St. Petersburg-Clearwater	302	11.7%
23	Orlando	291	16.5%
24	Greensboro-Winston-Salem-High Point	285	22.5%
25	Birmingham	271	29.6%
26	Columbus, OH	260	16.0%
27	Jacksonville	259	21.0%
28	Indianapolis	243	16.1%
29	Nassau-Suffolk (Long Island)	238	9.6%
30	Seattle-Tacoma	238	6.4%
31	Minneapolis-St. Paul	236	8.1%
32	Milwaukee-Racine	232	15.5%
33	Nashville	230	16.4%
34	Cincinnati	228	12.6%
35	Kansas City	228	13.3%
36	West Palm Beach-Boca Raton	216	17.4%
37	Las Vegas	210	11.8%
38	Baton Rouge	207	33.6%
39	Middlesex-Somerset-Union	202	13.6%
40	Phoenix	201	5.7%
41	Jackson, MS	199	48.0%
42	Columbia, SC	197	33.4%
43	Hudson Valley	191	12.6%
44	Riverside-San Bernardino	181	8.8%
45	Pittsburgh, PA	177	8.8%
46	Charleston, SC	166	26.2%
47	Greenville-Spartanburg	165	17.5%
48	Augusta, GA	164	34.7%
49	Louisville	157	15.2%
50	Sacramento	154	7.9%

Multi-Media Operating Strategy

To maximize net revenue and station operating income at our radio stations, we strive to achieve the largest audience share of African-American listeners in each market, convert these audience share ratings to advertising revenue, and control operating expenses. Complementing our core broadcast radio franchise are our syndicated radio, cable television, and online media interests. Through our national presence across our various media, we provide our customers with a multi-media advertising platform that is a unique and powerful delivery mechanism toward African-Americans and other urban consumers. We believe that as we continue to diversify into other media, the strength and effectiveness of this unique platform will become even more compelling. The success of our strategy relies on the following:

- market research and targeted programming and marketing;
- ownership and syndication of programming content;
- clustering, programming segmentation and sales bundling;

- strategic and coordinated sales, marketing and special event efforts;
- strong management and performance-based incentives; and
- significant community involvement.

Market Research and Targeted Programming and Marketing

We use market research to tailor the programming, marketing and promotion of our radio stations and the content of our complementary media to maximize audience share. We also use our research to reinforce and refine our current programming and content, to identify unserved or underserved markets or segments within the African-American population and to determine whether to acquire new media properties or reprogram one of our existing media properties.

We also seek to reinforce our targeted programming and content by creating a distinct and marketable identity for each of our media properties. To achieve this objective, in addition to our significant community involvement (discussed below), we employ and promote distinct, high-profile personalities across our media properties, many of whom have strong ties to the African-American community and the local communities in which a broadcasting property is located.

Ownership and Syndication of Programming Content

To diversify our revenue base beyond the markets in which we physically operate, we seek to develop or acquire proprietary African-American targeted content. We distribute this content in a variety of ways, utilizing our own network of multi-media distribution assets or through distribution assets owned by others. If we distribute content through others, we are paid for providing this content or we receive advertising inventory which we monetize through our advertising sales. Our programming content efforts have included our investment in TV One and its related programming and the acquisition and development of our interactive brands including Global Grind, BlackPlanet, NewsOne, TheUrbanDaily and HelloBeautiful. Our efforts also include the development and distribution of several syndicated radio shows, including the Tom Joyner Morning Show, the Rickey Smiley Morning Show, the Yolanda Adams Morning Show, the Russ Parr Morning Show, and the DL Hughley Show. In addition to being broadcast on Radio One stations, our syndicated radio programming also was available on over 220 non-Radio One stations throughout the United States as of December 31, 2015.

Clustering, Programming Segmentation and Sales Bundling

We strive to build clusters of radio stations in our markets, with each radio station targeting different demographic segments of the African-American population. This clustering and programming segmentation strategy allows us to achieve greater penetration within the distinct segments of our overall target market. In a similar fashion, we have multiple online brands including Global Grind, BlackPlanet, NewsOne, TheUrbanDaily, and HelloBeautiful. Each of these brands focuses upon a different segment of African-American online users. With our radio station clusters and multiple online brands, we are able to direct advertisers to specific audiences within the urban communities in which we are located or to bundle the radio stations and brands for advertising sales purposes when advantageous.

We believe there are several potential benefits that result from operating multiple radio stations within the same market as well as operating multiple online brands. First, each additional radio station in a market and online brand provides us with a larger percentage of the prime advertising time available for sale within that market and among online users. Second, the more stations we program and brands that we operate, the greater the market share we can achieve in our target demographic groups through the use of segmented programming and content delivery. Third, we are often able to consolidate sales, promotional, technical support and business functions across stations and brands to produce substantial cost savings. Finally, the purchase of additional radio stations in an existing market and the development of additional online brands allow us to take advantage of our market expertise and leverage our existing relationships with advertisers.

Strategic and Coordinated Sales, Marketing and Special Event Efforts

We have assembled an effective, highly trained sales staff responsible for converting our broadcast and online audience shares into revenue. We operate with a focused, sales-oriented culture, which rewards aggressive selling efforts through a commission and bonus compensation structure. We hire and deploy large teams of sales professionals for each of our media properties or media clusters, and we provide these teams with the resources necessary to compete effectively in the markets in which we operate. We utilize various sales strategies to sell and market our properties on a stand-alone basis, in combination with other properties within a given market, and across our various media properties, where appropriate.

We have created a national platform of radio stations and syndicated programming in some of the largest African-American consumer markets. Our radio platform together with our syndicated programming platform has the ability to reach approximately 20 million listeners weekly, more than that of any other radio broadcaster primarily targeting African-Americans. Given the high degree of geographic concentration among the African-American population, national advertisers find advertising on our radio stations an efficient and cost-effective way to reach this target audience. Through integrated sales efforts, we bundle and sell our platform of radio stations to national advertisers, thereby enhancing our revenue generating opportunities, expanding our base of advertisers, creating greater demand for our advertising inventory, and increasing the capacity utilization of our inventory and making our sales efforts more efficient. We have also created a dedicated online sales force as part of our internet segment. Our leading advertising products, custom marketing solutions, and integrated inventory opportunities provide our advertising customers a unique vehicle to reach online African-American consumers at scale. To allow marketers to reach our audience across all of our platforms (radio, television, and online) in an efficient way, we offer “One Solution”, a cross-platform/brand sales and marketing effort which allows top tier advertisers to take full advantage of our complete suite of offerings through a one-stop shop approach that has the potential to reach approximately 80 percent of African-Americans in the United States.

In order to create advertising loyalty, we strive to be the recognized expert in marketing to the African-American consumer in the markets in which we operate. We believe that we have achieved this recognition by focusing on serving the African-American consumer and by creating innovative advertising campaigns and promotional tie-ins with our advertising clients and sponsoring numerous entertainment events each year. In these events, advertisers buy sponsorships, signage, booth space, and/or broadcast promotions to sell a variety of goods and services to African-American consumers. As we expand our presence in our existing markets and into new markets, we may increase the number of events and the number of markets in which we host events based upon our evaluation of the financial viability and economic benefits of the events.

Strong Management and Performance-Based Incentives

We focus on hiring and retaining highly motivated and talented individuals in each functional area of our organization who can effectively help us implement our growth and operating strategies. Our management team is comprised of a diverse group of individuals who bring significant expertise to their functional areas. To enhance the quality of our management in the areas of sales and programming, general managers, sales managers and program directors have significant portions of their compensation tied to the achievement of certain performance goals. General Managers’ compensation is based partially on increasing market share and achieving station operating income benchmarks, which creates an incentive for management to focus on both sales growth and profitability. Additionally, sales managers and sales personnel have incentive packages based on sales goals, and program directors and on-air talent have incentive packages focused on maximizing ratings in specific target segments. Our One Solution sales approach seeks to drive incremental revenue and value across all of our media properties and includes performance based incentives for our sales team.

Significant Community Involvement

We believe our active involvement and significant relationships in the African-American community across each of our brands and in each of our markets provide a competitive advantage in targeting African-American audiences and significantly improve the marketability of our advertising to businesses that are targeting such communities. We believe that a media property’s image should reflect the lifestyle and viewpoints of the target demographic group it serves. Due to our fundamental understanding of the African-American community, we are well positioned to identify music and musical styles, as well as political and social trends and issues, early in their evolution. This understanding is integrated into significant aspects of our operations across all of our media properties and enables us to create enhanced awareness and name recognition in the marketplace. In addition, we believe our approach to community involvement leads to increased effectiveness in developing and updating our programming formats and online brands and content which in turn leads to greater listenership and users of our online properties, driving higher ratings and online traffic over the long-term.

Our Radio Station Portfolio

The following table sets forth selected information about our portfolio of radio stations as of December 31, 2015. Market population data and revenue rank data are from BIA/Kelsey "Investing in Radio Market Report", 2015 Fourth Edition. Audience share and audience rank data are based on Nielsen Surveys unless otherwise noted. As used in this table, "n/a" means not applicable or not available and ("t") means tied with one or more radio stations. We do not operate the station we own in the Boston market; thus, it is not reflected on this table.

Market	2015 Metro Population	Year Acquired	Format	Target Age Demographic	Audience Share in 12+ Demographic	Audience Rank in 12+ Demographic	Share in Target Demographic	Rank in Target Demographic
Atlanta								
	8							
WPZE-FM		2004	Contemporary Inspirational	25-54	4.2	11	3.3	14
			Urban					
WHTA-FM		2002	Contemporary	18-34	4.2	11	7.1	2
WAMJ-FM		1999	Urban AC	25-54	4.5	7	4.7	8
WUMJ-FM		1999	Urban AC	25-54	*	*	*	*
Washington, DC								
	7							
			Urban					
WKYS-FM		1995	Contemporary	18-34	3.7	11	8.3	2
WMMJ-FM		1987	Urban AC	25-54	3.9	8	3.1	14
			Contemporary					
WPRS-FM		2008	Inspirational	25-54	2.9	15	2.4	15
WOL-AM		1980	News/Talk	35-64	0.0	n/a	n/a	n/a
WYCB-AM		1998	Gospel	25-54	0.0	n/a	n/a	n/a
Philadelphia								
	9							
WPPZ-FM		1997	Contemporary Inspirational	25-54	1.9	18	1.7	19
			Urban					
WPHI-FM		2000	Contemporary	18-34	2.4	17	3.5	14
WRNB-FM		2004	Urban AC	25-54	3.5	12	3.7	13
Houston								
	6							
KMJQ-FM		2000	Urban AC	25-54	6.4	2	5.7	5
			Urban					
KBXX-FM		2000	Contemporary	18-34	4.7	7	8.3	1
KROI-FM		2004	News	25-54	1.7	23	2.2	19
Detroit								
	12							
			Urban					
WGPR-FM		(1)	Contemporary	18-34	3.0	15	6.0	4
WDMK-FM		1998	Urban AC	25-54	4.4	10	4.1	12
			Contemporary					
WPZR-FM		1998	Inspirational	25-54	2.5	17	2.8	16
WCHB-AM		1998	News/Talk	35-64	0.3	29	0.3	30
Dallas								
	5							
			Urban					
KBFB-FM		2000	Contemporary	18-34	3.1	12	4.7	5
KSOC-FM		2001	Urban AC	25-54	2.3	18	2.7	17
Baltimore								
	21							
			Urban					
WERQ-FM		1993	Contemporary	18-34	7.0	2	12.1	1
WWIN-FM		1992	Urban AC	25-54	6.5	4	6.1	4
WOLB-AM		1993	News/Talk	35-64	0.1	49		
WWIN-AM		1992	Gospel	35-64	0.4	39	0.4	38
Charlotte								
	24							
WPZS-FM		2004	Contemporary Inspirational	25-54	3.3	13	2.6	16
			Urban AC/Urban					
WOSF-FM		2014	Oldies	25-54	5.1	7	5.3	8
			Contemporary					
WQNC-FM		2004	Inspirational	25-54	1.7	18	2.9	11
St. Louis								
	22							
WFUN-FM		1999	Urban AC	25-54	5.2	5	4.5	12

WHHL-FM	2006	Urban Contemporary	18-34	4.5	13	9.0	2
Cleveland		31					
WENZ-FM	1999	Urban Contemporary	18-34	4.6	10	9.7	2
WERE-AM	2000	News/Talk	35-64				
WZAK-FM	2000	Urban AC	25-54	6.9	4	5.2	10
WJMO-AM	1999	Contemporary Inspirational	25-54	0.9	21	1.0	20

Market	2015 Metro Population	Year Acquired	Format	Target Age Demographic	Audience Share in 12+ Demographic	Audience Rank in 12+ Demographic	Share in Target Demographic	Rank in Target Demographic
Raleigh-Durham 40								
			Urban					
WQOK-FM		2000	Contemporary	18-34	5.6	7	10.6	2
WFXK-FM		2000	Urban AC	25-54	***	***	***	***
WFXC-FM		2000	Urban AC	25-54	6.6	4	5.9	6
			Contemporary					
WNNL-FM		2000	Inspirational	25-54	4.9	9	5.0	8
Richmond(2) 54								
			Urban					
WCDX-FM		2001	Contemporary	18-34	5.7	5	11.4	2
			Contemporary					
WPZZ-FM		1999	Inspirational	25-54	6.0	4	5.7	5
WKJS-FM		2001	Urban AC	25-54	9.1	1	8.9	1
WKJM-FM		2001	Urban AC	25-54	****	****	****	****
WTPS-AM		2001	News/Talk	35-64	0.3	28	0.3	27
Columbus 37								
			Urban					
WCKX-FM		2001	Contemporary	18-34	3.3	13	5.7	5
WBMO-FM		2001	Urban AC	25-54	3.8	10	2.9	13
			Urban					
WXMG-FM		(3)	Contemporary	25-54				
			Contemporary					
WJYD-FM		(3)	Inspirational	25-54				
Indianapolis(4) 38								
WHHH-FM		2000	Rhythmic CHR	18-34	4.5	12	7.5	3
WTLC-FM		2000	Urban AC	25-54	5.3	8	5.0	8
WNOW-FM		2000	Pop/CHR	18-34	3.4	15	5.0	9
			Contemporary					
WTLC-AM		2001	Inspirational	25-54	1.1	19	1.2	20
Cincinnati 30								
			Urban					
WIZF-FM		2001	Contemporary	18-34	4.0	10	8.0	3
WOSL-FM		2006	Urban AC	25-54	2.6	14	2.2	15
WDBZ-AM		2007	News/Talk	35-64	0.3	32	0.3	33

AC—refers to Adult Contemporary
CHR—refers to Contemporary Hit Radio
R&B—refers to Rhythm and Blues
Pop—refers to Popular Music

* Simulcast with WAMJ-FM
** Simulcast with WPZS-FM
*** Simulcast with WFXC-FM
**** Simulcast with WKJS-FM

- (1) Station was operating under a TBA as of December 31, 2014. The TBA expires December 31, 2019.
- (2) Richmond is the only market in which we operate using the diary methodology of audience measurement.
- (3) WXMG-FM and WJYD-FM began broadcasting under an LMA November 19, 2015; thus, ratings are not available. On February 3, 2016, the Company completed the acquisition of these stations.
- (4) WDNI-CD (formerly WDNI-LP), the low power television station that we acquired in Indianapolis in June 2000, is not included in this table.

Radio Advertising Revenue

For the year ended December 31, 2015, approximately 44.3% of our net revenue was generated from the sale of advertising in our core radio business, excluding Reach Media. Substantially all net revenue generated from our radio franchise is generated from the sale of local, national and network advertising. Local sales are made by the sales staff located in our markets. National sales are made primarily by Katz Communications, Inc. (“Katz”), a firm specializing in radio advertising sales on the national level. Katz is paid agency commissions on the advertising sold. Approximately 61.8% of our net revenue from our core radio business for the year ended December 31, 2015, was generated from the sale of local advertising and 33.3% from sales to national advertisers, including network advertising. Effective, January 1, 2013, we consolidated our syndication network programming within Reach Media to leverage that platform to create the leading syndicated radio network targeted to the African-American audience. The balance of net revenue from our radio segment is primarily derived from tower rental income, ticket sales, and revenue related to sponsored events, management fees and other revenue.

Advertising rates charged by radio stations are based primarily on:

- a radio station’s audience share within the demographic groups targeted by the advertisers;
- the number of radio stations in the market competing for the same demographic groups; and
- the supply and demand for radio advertising time.

A radio station’s listenership is measured by the Portable People Meter™ (the “PPM™”) system or diary ratings surveys, both of which estimate the number of listeners tuned to a radio station and the time they spend listening to that radio station. Ratings are used by advertisers to evaluate whether to advertise on our radio stations, and are used by us to chart audience growth, set advertising rates and adjust programming. Advertising rates are generally highest during the morning and afternoon commuting hours.

Strategic Diversification and Other Sources of Revenue

We have expanded our operations to include other media forms that are complementary to our core radio business. In December 2014, we acquired certain assets of GG Digital, Inc., including the website and brand Global Grind. The Global Grind website and brand have been integrated into our online operations as part of Interactive One, which includes the largest social networking site by members primarily targeted at African-Americans. Interactive One derives revenue from advertising services on non-radio station branded websites, and studio services where Interactive One provides services to other publishers. Advertising services include the sale of banner and sponsorship advertisements. Advertising revenue is recognized either as impressions (the number of times advertisements appear in viewed pages) are delivered, when “click through” purchases are made, or ratably over the contract period, where applicable. In addition, Interactive One derives revenue from its studio operations which provide top-tier third-party clients with digital platforms and expertise. In the case of the studio operations, revenue is recognized primarily through fixed contractual monthly fees and/or as a share of the third party’s reported revenue.

Reach Media primarily derives its revenue from the sale of advertising inventory in connection with its syndicated radio shows, including the Tom Joyner Morning Show and our other syndicated programming assets, including the Rickey Smiley Morning Show, the Yolanda Adams Morning Show, the Russ Parr Morning Show and the DL Hughley Show. Mr. Joyner is a leading nationally syndicated radio personality. As of December 31, 2015, the Tom Joyner Morning Show was broadcast on 94 affiliate stations across the United States and is a top-rated morning show in many of the markets in which it is broadcast. Reach Media operates www.BlackAmericaWeb.com, an African-American targeted website and also operates the Tom Joyner Family Reunion and various other special event-related activities.

In January 2004, the Company, together with an affiliate of Comcast Corporation and other investors, launched TV One, a cable television network featuring lifestyle, entertainment and news-related programming targeted primarily towards African-American viewers. In April 2011, we increased our ownership interest in TV One to 50.9% giving us a controlling interest in the network. Since April 2011, our ownership in TV One has increased to approximately 99.6% after redemptions of certain management interests and, most recently, through our acquisition of Comcast's interest in April 2015.

We have launched websites that simultaneously stream radio station content for each of our radio stations, and we derive revenue from the sale of advertisements on those websites. We generally encourage our web advertisers to run simultaneous radio campaigns and use mentions in our radio airtime to promote our websites. By providing streaming, we have been able to broaden our listener reach, particularly to "office hour" listeners. We believe streaming has had a positive impact on our radio stations' reach to listeners. In addition, our station websites link to our other online properties operated by Interactive One acting as traffic sources for these online brands.

Future opportunities could include investments in, or acquisitions of, companies in diverse media businesses, gaming and entertainment, music production and distribution, movie distribution, internet-based services, and distribution of our content through emerging distribution systems such as the Internet, smartphones, cellular phones, tablets, and the home entertainment market.

Competition

The media industry is highly competitive and we face intense competition across core radio franchise and all of our complementary media properties, including our internet segment. Our media properties compete for audiences and advertising revenue with other radio stations and with other media such as broadcast and cable television, the Internet, satellite radio, newspapers, magazines, direct mail and, outdoor advertising, some of which may be controlled by horizontally-integrated companies. Audience ratings and advertising revenue are subject to change and any adverse change in a market could adversely affect our net revenue in that market. If a competing station converts to a format similar to that of one of our stations, or if one of our competitors strengthens its signal or operations, our stations could suffer a reduction in ratings and advertising revenue. Other media companies which are larger and have more resources may also enter or increase their presence in markets or segments in which we operate. Although we believe our media properties are well positioned to compete, we cannot assure that our properties will maintain or increase their current ratings, market share or advertising revenue.

The radio broadcasting industry is subject to rapid technological change, evolving industry standards and the emergence of new media technologies, which may impact our business. We cannot assure that we will have the resources to acquire new technologies or to introduce new services that could compete with these new technologies. Several new media technologies are being, or have been, developed including the following:

- satellite delivered digital audio radio service with expansive choice, high sound quality, and availability on portable devices and in automobiles;
- audio programming by internet companies, cable television systems, and direct broadcast satellite systems; and
- digital audio and video content available for listening and/or viewing on the Internet and/or available for downloading to portable devices.

Along with most other public radio companies, we have invested in iBiquity, a developer of digital audio broadcast technology. In connection with the investment we committed to convert most of our analog broadcast radio stations to in-band, on-channel digital radio broadcasts, which could provide multi-channel, multi-format digital radio services in the same bandwidth currently occupied by traditional AM and FM radio services. However, we cannot assure that these arrangements will be successful or enable us to adapt effectively to these new media technologies.

Our internet segment competes for the time and attention of internet users and, thus, advertisers and advertising revenues with a wide range of internet companies such as Yahoo!™, Google™, and Microsoft™ and social networking sites such as Facebook™ and traditional media companies, which are increasingly offering their own internet products and services. The Internet is dynamic and rapidly evolving, and new and popular competitors, such as social networking sites, frequently emerge and/or are fragmented by new and evolving technologies.

Antitrust Regulation

The agencies responsible for enforcing the federal antitrust laws, the Federal Trade Commission (“FTC”) and the Department of Justice (“DOJ”), may investigate acquisitions. The DOJ has challenged a number of media property transactions. Some of those challenges ultimately resulted in consent decrees requiring, among other things, divestitures of certain media properties. We cannot predict the outcome of any specific DOJ or FTC review of a particular acquisition.

For acquisitions meeting certain size thresholds, the Hart-Scott-Rodino Act requires the parties to file Notification and Report Forms concerning antitrust issues with the DOJ and the FTC and to observe specified waiting period requirements before completing the acquisition. If the investigating agency raises substantive issues in connection with a proposed transaction, the parties involved frequently engage in lengthy discussions and/or negotiations with the investigating agency to address those issues, including restructuring the proposed acquisition or divesting assets. In addition, the investigating agency could file suit in federal court to enjoin the acquisition or to require the divestiture of assets, among other remedies. All acquisitions, regardless of whether they are required to be reported under the Hart-Scott-Rodino Act, may be investigated by the DOJ or the FTC under the antitrust laws before or after completion. In addition, private parties may under certain circumstances bring legal action to challenge an acquisition under the antitrust laws. The DOJ has stated publicly that it believes that local marketing agreements, joint sales agreements, time brokerage agreements and other similar agreements customarily entered into in connection with radio station transfers could violate the Hart-Scott-Rodino Act if such agreements take effect prior to the expiration of the waiting period under the Hart-Scott-Rodino Act.

Federal Regulation of Radio Broadcasting

The radio broadcasting industry is subject to extensive and changing regulation by the FCC and other federal agencies of ownership, programming, technical operations, employment and other business practices. The FCC regulates radio broadcast stations pursuant to the Communications Act of 1934, as amended (the “Communications Act”). The Communications Act permits the operation of radio broadcast stations only in accordance with a license issued by the FCC upon a finding that the grant of a license would serve the public interest, convenience and necessity. Among other things, the FCC:

- assigns frequency bands for radio broadcasting;
- determines the particular frequencies, locations, operating power, interference standards, and other technical parameters for radio broadcast stations;
- issues, renews, revokes and modifies radio broadcast station licenses;
- imposes annual regulatory fees and application processing fees to recover its administrative costs;
- establishes technical requirements for certain transmitting equipment to restrict harmful emissions;
- adopts and implements regulations and policies that affect the ownership, operation, program content, employment, and business practices of radio broadcast stations; and
- has the power to impose penalties, including monetary forfeitures, for violations of its rules and the Communications Act.

The Communications Act prohibits the assignment of an FCC license, or transfer of control of an FCC licensee, without the prior approval of the FCC. In determining whether to grant or renew a radio broadcast license or consent to assignment or transfer of a license, the FCC considers a number of factors, including restrictions on foreign ownership, compliance with FCC media ownership limits and other FCC rules, the character and other qualifications of the licensee (or proposed licensee) and compliance with the Anti-Drug Abuse Act of 1988. A licensee's failure to comply with the requirements of the Communications Act or FCC rules and policies may result in the imposition of sanctions, including admonishment, fines, the grant of a license renewal for less than a full eight-year term or with conditions, denial of a license renewal application, the revocation of an FCC license, and/or the denial of FCC consent to acquire additional broadcast properties.

Congress, the FCC and, in some cases, local jurisdictions, are considering or may in the future consider and adopt new laws, regulations and policies that could affect the operation, ownership and profitability of our radio stations, result in the loss of audience share and advertising revenue for our radio broadcast stations or affect our ability to acquire additional radio broadcast stations or finance such acquisitions. Such matters include or may include:

- changes to the license authorization and renewal process;
- proposals to increase record keeping, including enhanced disclosure of stations' efforts to serve the public interest;
- proposals to impose spectrum use or other fees on FCC licensees;
- changes to rules relating to political broadcasting, including proposals to grant free air time to candidates, and other changes regarding political and non-political program content, political advertising rates and sponsorship disclosures;
- proposals to restrict or prohibit the advertising of beer, wine, and other alcoholic beverages;
- revised rules and policies regarding the regulation of the broadcast of indecent content;
- proposals to increase the actions stations must take to demonstrate service to their local communities;
- technical and frequency allocation matters;
- changes in broadcast multiple ownership, foreign ownership, cross-ownership and ownership attribution policies;
- changes to allow satellite radio operators to insert local content into their programming service;
- service and technical rules for digital radio, including possible additional public interest requirements for terrestrial digital audio broadcasters;
- legislation that would provide for the payment of sound recording royalties to artists, musicians or record companies whose music is played on terrestrial radio stations; and
- proposals to alter provisions of the tax laws affecting broadcast operations and acquisitions.

The FCC also has adopted procedures for the auction of broadcast spectrum in circumstances where two or more parties have filed mutually exclusive applications for authority to construct new stations or certain major changes in existing stations. Such procedures may limit our efforts to modify or expand the broadcast signals of our stations.

We cannot predict what changes, if any, might be adopted or considered in the future, or what impact, if any, the implementation of any particular proposals or changes might have on our business.

FCC License Grants and Renewals. In making licensing determinations, the FCC considers an applicant's legal, technical, financial and other qualifications. The FCC grants radio broadcast station licenses for specific periods of time and, upon application, may renew them for additional terms. A station may continue to operate beyond the expiration date of its license if a timely filed license renewal application is pending. Under the Communications Act, radio broadcast station licenses may be granted for a maximum term of eight years.

Generally, the FCC renews radio broadcast licenses without a hearing upon a finding that:

- the radio station has served the public interest, convenience and necessity;
- there have been no serious violations by the licensee of the Communications Act or FCC rules and regulations; and
- there have been no other violations by the licensee of the Communications Act or FCC rules and regulations which, taken together, indicate a pattern of abuse.

After considering these factors and any petitions to deny a license renewal application (which may lead to a hearing), the FCC may grant the license renewal application with or without conditions, including renewal for a term less than the maximum otherwise permitted. Historically, our licenses have been renewed for full eight-year terms without any conditions or sanctions imposed; however, there can be no assurance that the licenses of each of our stations will be renewed for a full term without conditions or sanctions.

Types of FCC Broadcast Licenses. The FCC classifies each AM and FM radio station. An AM radio station operates on either a clear channel, regional channel or local channel. A clear channel serves wide areas, particularly at night. A regional channel serves primarily a principal population center and the contiguous rural areas. A local channel serves primarily a community and the suburban and rural areas immediately contiguous to it. Class A, B and C radio stations each operate unlimited time. Class A radio stations render primary and secondary service over an extended area. Class B radio stations render service only over a primary service area. Class C radio stations render service only over a primary service area that may be reduced as a consequence of interference. Class D radio stations operate either during daytime hours only, during limited times only, or unlimited time with low nighttime power.

FM class designations depend upon the geographic zone in which the transmitter of the FM radio station is located. The minimum and maximum facilities requirements for an FM radio station are determined by its class. In general, commercial FM radio stations are classified as follows, in order of increasing power and antenna height: Class A, B1, C3, B, C2, C1, C0 and C. The FCC has adopted a rule subjecting Class C FM stations that do not satisfy a certain antenna height requirement to an involuntary downgrade in class to Class C0 under certain circumstances.

Radio One's Licenses. The following table sets forth information with respect to each of our radio stations for which we own the license as of December 31, 2015. Stations which we do not own as of December 31, 2015, but operate under an LMA, are not reflected on this table. A broadcast station's market may be different from its community of license. The coverage of an AM radio station is chiefly a function of the power of the radio station's transmitter, less dissipative power losses and any directional antenna adjustments. For FM radio stations, signal coverage area is chiefly a function of the ERP of the radio station's antenna and the HAAT of the radio station's antenna. "ERP" refers to the effective radiated power of an FM radio station. "HAAT" refers to the antenna height above average terrain of an FM radio station.

Market	Station Call Letters	Year of Acquisition	FCC Class	ERP (FM) Power (AM) in Kilowatts	Antenna Height (AM) HAAT in Meters	Operating Frequency	Expiration Date of FCC License
Atlanta	WUMJ-FM	1999	C3	8.5	165.0	97.5 MHz	4/1/2020
	WAMJ-FM	1999	C2	33.0	185.0	107.5 MHz	4/1/2020
	WHTA-FM	2002	C2	35.0	177.0	107.9 MHz	4/1/2020
	WPZE-FM	1999	A	3.0	143.0	102.5 MHz	4/1/2020
Washington, DC	WOL-AM	1980	C	0.37	N/A	1450 kHz	10/1/2019
	WMMJ-FM	1987	A	2.9	146.0	102.3 MHz	10/1/2019
	WKYS-FM	1995	B	24.5	215.0	93.9 MHz	10/1/2019
	WPRS-FM	2008	B	20.0	244.0	104.1 MHz	10/1/2019
	WYCB-AM	1998	C	1.0	N/A	1340 kHz	10/1/2019
Philadelphia	WPPZ-FM(1)	1997	A	0.27	338.0	103.9 MHz	8/1/2022
	WRNB-FM	2000	B	17.0	263.0	100.3 MHz	8/1/2022
	WPHI-FM	2004	A	0.78	276.0	107.9 MHz	6/1/2022
Houston	KMJQ-FM	2000	C	100.0	524.0	102.1 MHz	8/1/2021
	KBXX-FM	2000	C	95.0	585.0	97.9 MHz	8/1/2021
	KROI-FM	2004	C1	21.36	526	92.1 MHz	8/1/2021
Detroit	WDMK-FM	1998	B	20.0	221.0	105.9 MHz	10/1/2020
	WCHB-AM	1998	B	50.0	N/A	1200 kHz	10/1/2020
	WPZR-FM	1998	B	50.0	152.0	102.7 MHz	10/1/2020
Dallas	KBFB-FM	2000	C	99.0	574	97.9 MHz	8/1/2021
	KSOC-FM	2001	C	100.0	591.0	94.5 MHz	8/1/2021
Baltimore	WWIN-AM	1992	C	0.5	N/A	1400 kHz	10/1/2019
	WWIN-FM	1992	A	3.0	91.0	95.9 MHz	10/1/2019
	WOLB-AM	1993	D	0.25	N/A	1010 kHz	10/1/2019
	WERQ-FM	1993	B	37.0	173.0	92.3 MHz	10/1/2019
Charlotte	WQNC-FM	2000	C3	10.5	154.0	92.7 MHz	12/1/2019
	WPZS-FM	2004	A	5.2	107.0	100.9 MHz	12/1/2019
	WOSF-FM	2014	C1	51.0	395.0	105.3 MHz	12/1/2019
St. Louis	WFUN-FM	1999	C3	10.5	155.0	95.5 MHz	12/1/2020
	WHHL-FM	2006	C2	50.0	140.0	104.1 MHz	2/1/2021
Cleveland	WJMO-AM	1999	B	5.0	N/A	1300 kHz	10/1/2020
	WENZ-FM	1999	B	16.0	272.0	107.9 MHz	10/1/2020
	WZAK-FM	2000	B	27.5	189.0	93.1 MHz	10/1/2020
	WERE-AM	2000	C	1.0	N/A	1490 kHz	10/1/2020
Raleigh-Durham	WQOK-FM	2000	C2	50.0	146.0	97.5 MHz	12/1/2019
	WFXX-FM	2000	C1	100.0	299.0	104.3 MHz	12/1/2019
	WFXC-FM	2000	C3	8.0	146.0	107.1 MHz	12/1/2019
	WNNL-FM	2000	C3	7.9	176.0	103.9 MHz	12/1/2019
Richmond	WPZZ-FM	1999	C1	100.0	299.0	104.7 MHz	10/1/2019
	WCDX-FM	2001	B1	4.5	235.0	92.1 MHz	10/1/2019
	WKJM-FM	2001	A	6.0	100.0	99.3 MHz	10/1/2019
	WKJS-FM	2001	A	2.3	162.0	105.7 MHz	10/1/2019
	WTPS-AM	2001	C	1.0	N/A	1240 kHz	10/1/2019
Boston	WILD-AM	2001	D	4.8	N/A	1090 kHz	4/1/2022
Columbus	WCKX-FM	2001	A	1.9	126.0	107.5 MHz	10/1/2020
	WBMO-FM	2001	A	6.0	99.0	106.3 MHz	10/1/2020
Indianapolis	WHHH-FM	2000	A	3.3	87.0	96.3 MHz	8/1/2020
	WTLC-FM	2000	A	6.0	99.0	106.7 MHz	8/1/2020
	WNOW-FM	2000	A	6.0	100.0	100.9 MHz	8/1/2020
	WTLC-AM	2001	B	5.0	N/A	1310 kHz	8/1/2020
Cincinnati	WIZF-FM	2001	A	2.5	155.0	101.1 MHz	8/1/2020
	WDBZ-AM	2007	C	1.0	N/A	1230 kHz	10/1/2020
	WOSL-FM	2006	A	3.1	141.0	100.3 MHz	10/1/2020

(1) WPPZ-FM operates with facilities equivalent to 3kW at 100 meters.

To obtain the FCC's prior consent to assign or transfer control of a broadcast license, an appropriate application must be filed with the FCC. If the assignment or transfer involves a substantial change in ownership or control of the licensee, for example, the transfer or acquisition of more than 50% of the voting stock, the applicant must give public notice and the application is subject to a 30-day period for public comment. During this time, interested parties may file petitions with the FCC to deny the application. Informal objections may be filed at any time until the FCC acts upon the application. If the FCC grants an assignment or transfer application, administrative procedures provide for petitions seeking reconsideration or full FCC review of the grant. The Communications Act also permits the appeal of a contested grant to a federal court.

Under the Communications Act, a broadcast license may not be granted to or held by any persons who are not U.S. citizens or by any entity that has more than 20% of its capital stock owned or voted by non-U.S. citizens or entities or their representatives, by foreign governments or their representatives, or by non-U.S. entities. The Communications Act prohibits indirect foreign ownership or control through a parent company of the licensee of more than 25% if the FCC determines the public interest will be served by the refusal or revocation of such license. The FCC has interpreted this provision of the Communications Act to require an affirmative public interest finding before this 25% limit may be exceeded, and the FCC has made such an affirmative finding only in limited circumstances. Since we serve as a holding company for subsidiaries that serve as licensees for our stations, we are effectively restricted from having more than one-fourth of our stock owned or voted directly or indirectly by non-U.S. citizens or their representatives, foreign governments, representatives of foreign governments, or foreign business entities. In November 2013, the FCC clarified that it would entertain and authorize, on a case-by-case basis and upon a sufficient public interest showing, proposals to exceed the 25% indirect foreign ownership limit in broadcast licensees. In October 2015, the FCC proposed rules to simplify and streamline the process for requesting authority to exceed the 25% indirect foreign ownership limit and solicited public comment on related matters, such as revising the methodology that broadcasters may use to assess their compliance with the 25% limit.

The FCC generally applies its media ownership limits to "attributable" interests. The interests of officers, directors and those who directly or indirectly hold five percent or more of the total outstanding voting stock of a corporation that holds a broadcast license (or a corporate parent) are generally deemed attributable interests, as are any limited partnership or limited liability company interests that are not properly "insulated" from management activities. Certain passive investors that hold stock for investment purposes only may hold attributable interests with the ownership of 20% or more of the voting stock of a licensee or parent corporation. An entity with one or more radio stations in a market that enters into a local marketing agreement or a time brokerage agreement with another radio station in the same market obtains an attributable interest in the brokered radio station, if the brokering station supplies more than 15% of the brokered radio station's weekly broadcast hours. Similarly, a radio station licensee's right under a joint sales agreement ("JSA") to sell more than 15% per week of the advertising time on another radio station in the same market constitutes an attributable ownership interest in such station for purposes of the FCC's ownership rules. Debt instruments, non-voting stock, unexercised options and warrants, minority voting interests in corporations having a single majority shareholder, and limited partnership or limited liability company membership interests where the interest holder is not "materially involved" in the media-related activities of the partnership or limited liability company pursuant to FCC-prescribed "insulation" provisions, generally do not subject their holders to attribution unless such interests implicate the FCC's equity-debt-plus (or "EDP") rule. Under the EDP rule, a major programming supplier or a same-market media entity will have an attributable interest in a station if the supplier or same-market media entity also holds debt or equity, or both, in the station that is greater than 33% of the value of the station's total debt plus equity. For purposes of the EDP rule, equity includes all stock, whether voting or nonvoting, and interests held by limited partners or limited liability company members that are "insulated" from material involvement in the company's media activities. A major programming supplier is any supplier that provides more than 15% of the station's weekly programming hours.

The Communications Act and FCC rules generally restrict ownership, operation or control of, or the common holding of attributable interests in:

- radio broadcast stations above certain numerical limits serving the same local market;
- radio broadcast stations combined with television broadcast stations above certain numerical limits serving the same local market (radio/television cross ownership); and
- a radio broadcast station and an English-language daily newspaper serving the same local market (newspaper/broadcast cross-ownership).

The media ownership rules are subject to periodic review by the FCC. In 2003, the FCC, among other actions, adopted new rules to change the way a local radio market is defined and to make JSAs involving more than 15% of a same-market radio station's weekly advertising time "attributable" under the ownership limits. The FCC grandfathered existing combinations of radio stations that would not comply with the modified rules. However, the FCC ruled that such noncompliant combinations could not be sold intact except to certain "eligible entities," which the agency defined as entities qualifying as a small business consistent with Small Business Administration standards. The 2003 rules were challenged in court and the Third Circuit stayed their implementation, among other things, on the basis that the FCC did not adequately justify its radio ownership limits. Subsequently, the Third Circuit partially lifted its stay to allow the new local market definition, JSA attribution and grandfathering rules to go into effect. The FCC currently is applying such revisions (except for the "eligible entity" exception to the prohibition on the sale of noncompliant grandfathered combinations, which the Third Circuit remanded to the FCC for further consideration) to pending and new applications.

The numerical limits on radio stations that one entity may own in a local market are as follows:

- in a radio market with 45 or more commercial radio stations, a party may hold an attributable interest in up to eight commercial radio stations, not more than five of which are in the same service (AM or FM);
- in a radio market with 30 to 44 commercial radio stations, a party may hold an attributable interest in up to seven commercial radio stations, not more than four of which are in the same service (AM or FM);
- in a radio market with 15 to 29 commercial radio stations, a party may hold an attributable interest in up to six commercial radio stations, not more than four of which are in the same service (AM or FM); and
- in a radio market with 14 or fewer commercial radio stations, a party may hold an attributable interest in up to five commercial radio stations, not more than three of which are in the same service (AM or FM), except that a party may not hold an attributable interest in more than 50% of the radio stations in such market.

To apply these tiers, the FCC currently relies on Nielsen Metro Survey Areas, where they exist. In other areas, the FCC relies on a contour-overlap methodology. The FCC has initiated a rulemaking to determine how to define local radio markets in areas located outside Nielsen Metro Survey Areas. The market definition used by the FCC in applying its ownership rules may not be the same as that used for purposes of the Hart-Scott-Rodino Act.

In its 2003 media ownership decision, the FCC adopted new cross-media limits to replace the newspaper-broadcast and radio-television cross-ownership rules. These provisions were stayed by the Third Circuit and remanded by the court for further FCC consideration. In 2006, the FCC began its next periodic review, which addressed issues on remand from the Third Circuit. That review culminated in a 2007 decision in which the FCC revised the newspaper/broadcast cross-ownership rule to allow a degree of same-market newspaper/broadcast ownership based on certain presumptions, criteria and limitations, but made no changes to the currently effective local radio ownership rules (as modified in 2003) or the radio/television cross-ownership rule (as modified in 1999). In July 2011, ruling on various appeals of the FCC's 2007 decision, the Third Circuit vacated the FCC's revisions to the newspaper/broadcast cross-ownership rule, vacated the FCC's definition of "eligible entity" in connection with various rules designed to increase diversity of broadcast ownership, and otherwise upheld the FCC's decision to retain the current radio ownership and radio-television cross-ownership rules. The U.S. Supreme Court declined to review the Third Circuit's decision.

The FCC began its most recent review of its media ownership rules in March 2014, adopting a further notice of proposed rulemaking that incorporates the record of its uncompleted 2010 review. The FCC proposes once again to permit newspaper-television cross-ownership in certain circumstances, and additionally proposes to eliminate the radio-television cross-ownership rule and the prohibition on newspaper-radio cross-ownership, but proposes no significant changes to the existing rules governing local radio ownership.

The attribution and media ownership rules limit the number of radio stations we may acquire or own in any particular market and may limit the prospective buyers of any stations we want to sell. The FCC's rules could affect our business in a number of ways, including, but not limited to, the following:

- enforcement of a more narrow market definition based upon Nielsen markets could have an adverse effect on our ability to accumulate stations in a given area or to sell a group of stations in a local market to a single entity;
- restricting the assignment and transfer of control of radio combinations that exceed the new ownership limits as a result of the revised local market definitions could adversely affect our ability to buy or sell a group of stations in a local market from or to a single entity; and
- in general terms, future changes in the way the FCC defines radio markets or in the numerical station caps could limit our ability to acquire new stations in certain markets, our ability to operate stations pursuant to certain agreements, and our ability to improve the coverage contours of our existing stations.

Programming and Operations. The Communications Act requires broadcasters to serve the "public interest" by presenting programming that responds to community problems, needs and interests and by maintaining records demonstrating its responsiveness. The FCC considers complaints from viewers or listeners about a broadcast station's programming, and the station is required to maintain letters and emails it receives from the public regarding station operation on public file for three years. In January 2016, the FCC adopted rules requiring that radio stations post and maintain their public inspection files online. The rules require that stations upload their files into an FCC-maintained database that will display the contents of each station's file to the public. Moreover, the FCC has proposed rules designed to increase local programming content and diversity, including renewal application processing guidelines for locally-oriented programming and a requirement that broadcasters establish advisory boards in the communities where they own stations. Stations also must follow FCC rules and policies regulating political advertising, obscene or indecent programming, sponsorship identification, contests and lotteries and technical operation, including limits on human exposure to radio frequency radiation.

The FCC's rules prohibit a broadcast licensee, in certain circumstances, from simulcasting more than 25% of its programming on another radio station in the same broadcast service (that is, AM/AM or FM/FM). The simulcasting restriction applies if the licensee owns both radio broadcast stations or owns one and programs the other through a local marketing agreement, and only if the contours of the radio stations overlap in a certain manner.

The FCC requires that licensees not discriminate in hiring practices on the basis of race, color, religion, national origin or gender. It also requires stations with at least five full-time employees to broadly disseminate information about all full-time job openings and undertake outreach initiatives from an FCC list of activities such as participation in job fairs, internships, or scholarship programs. The FCC is considering whether to apply these recruitment requirements to part-time employment positions. Stations must retain records of their outreach efforts and keep an annual Equal Employment Opportunity ("EEO") report in their public inspection files and post an electronic version on their websites. Radio stations with more than 10 full-time employees must file certain EEO reports with the FCC midway through their license term.

From time to time, complaints may be filed against any of our radio stations alleging violations of these or other rules. In addition, the FCC may conduct audits or inspections to ensure and verify licensee compliance with FCC rules and regulations. Failure to observe these or other rules and regulations can result in the imposition of various sanctions, including fines or conditions, the grant of "short" (less than the maximum eight year) renewal terms or, for particularly egregious violations, the denial of a license renewal application or the revocation of a license.

Employees

As of December 31, 2015, we employed 962 full-time employees and 344 part-time employees. Our employees are not unionized.

Corporate Governance

Code of Ethics. We have adopted a code of ethics that applies to all of our directors, officers (including our principal financial officer and principal accounting officer) and employees and meets the requirements of the SEC and the NASDAQ Stock Market Rules. Our code of ethics can be found on our website, www.radio-one.com. We will provide a paper copy of the code of ethics, free of charge, upon request.

Audit Committee Charter. Our audit committee has adopted a charter as required by the NASDAQ Stock Market Rules. This committee charter can be found on our website, www.radio-one.com. We will provide a paper copy of the audit committee charter, free of charge, upon request.

Compensation Committee Charter. Our Board of Directors has adopted a compensation committee charter. We will provide a paper copy of the compensation committee charter, free of charge, upon request.

Internet Address and Internet Access to SEC Reports

Our internet address is www.radio-one.com. You may obtain through our internet website, free of charge, copies of our proxies, annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934. These reports are available as soon as reasonably practicable after we electronically file them with or furnish them to the SEC. Our website and the information contained therein or connected thereto shall not be deemed to be incorporated into this Form 10-K.

ITEM 1A. RISK FACTORS

Risks Related to Our Business and Industry

For an enterprise as large and complex as ours, a wide range of factors could affect our business and financial results. The factors described below are considered to be the most significant, but are not listed in any particular order. There may be other currently unknown or unpredictable economic, business, competitive, regulatory or other factors that could have material adverse effects on our future results. Past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods. The following discussion of risk factors should be read in conjunction with “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and related notes in “Item 8. Financial Statements and Supplementary Data” of this Form 10-K.

Risks Related to the Nature and Operations of Our Business

The state and condition of the global financial markets and fluctuations in the global and U.S. economies may have an unpredictable impact on our business and financial condition.

The global equity and credit markets continue to experience high levels of volatility and disruption. At various points in time, the markets have produced downward pressure on stock prices and limited credit capacity for certain companies without regard to those companies’ underlying financial strength. In addition, sluggishness in the global and U.S. economies has produced concern over public and private debt levels, high unemployment/underemployment, a drop in consumer confidence and spending, and continued slowness in the U.S. housing market. These factors have impacted corporate profits and resulted in cutbacks in advertising budgets. If the economic sluggishness and/or current levels of market disruption and volatility continue or worsen, we may experience further, potentially material, adverse effects on our business, financial condition, results of operations, and our ability to access capital. For example, any worsening of the economy, credit markets, continuing geopolitical uncertainty, a continuation of market volatility, or further weakness in employment or consumer spending could continue to adversely impact the overall demand for advertising. Such a result could have a negative effect on our revenues and results of operations. In addition, our ability to access the capital markets may be severely restricted at a time when we would like, or need, to do so, which could have an impact on our flexibility to react to changing economic and business conditions.

Any deterioration of the economy’s ongoing gradual recovery could negatively impact our ability to meet our cash needs and our ability to maintain compliance with our debt covenants.

We may not be able to maintain compliance with the covenants contained in our senior credit facility. If economic conditions do not continue to improve, deteriorate, or other adverse factors outside our control arise, our operations could be negatively impacted, which could prevent us from maintaining compliance with our debt covenants. If it appears that we could not meet our liquidity needs or that noncompliance with debt covenants is likely, we would implement remedial measures (as we have done in the past), which could include, but not be limited to, operating cost and capital expenditure reductions and deferrals. In addition, we could implement further de-leveraging actions, which may include, but not be limited to, other debt repayments, subject to our available liquidity and contractual ability to make such repayments and/or debt refinancings and amendments.

We have historically incurred net losses which could continue into the future.

We have historically reported net losses in our consolidated statements of operations, due mostly in part to recording non-cash impairment charges for write-downs to radio broadcasting licenses and goodwill, interest expenses (both cash and non-cash), net losses incurred for discontinued operations, and revenue declines caused by weakened advertising demand resulting from the current economic environment. For the years ended December 31, 2015, 2014 and 2013, we experienced net losses of approximately \$74.0 million, \$62.7 million and \$62.0 million, respectively. These results have had a negative impact on our financial condition and could be exacerbated given the current economic climate. If these trends continue in the future, they could have a material adverse effect on our financial condition.

Our revenue is substantially dependent on spending and allocation decisions by advertisers, and seasonality and/or weakening economic conditions may have an impact upon our business.

Substantially all of our revenue is derived from sales of advertisements and program sponsorships to local and national advertisers. Any reduction in advertising expenditures or changes in advertisers' spending priorities and/or allocations across different types of media or programming could have an adverse effect on the Company's revenues and results of operations. We do not obtain long-term commitments from our advertisers and advertisers may cancel, reduce, or postpone advertisements without penalty, which could adversely affect our revenue. Seasonal net revenue fluctuations are common in the media industries and are due primarily to fluctuations in advertising expenditures by local and national advertisers. In addition, advertising revenues in even-numbered years tend to benefit from advertising placed by candidates for political offices. The effects of such seasonality (including the weather), combined with the severe structural changes that have occurred in the U.S. economy, make it difficult to estimate future operating results based on the previous results of any specific quarter and may adversely affect operating results.

Advertising expenditures also tend to be cyclical and reflect general economic conditions, both nationally and locally. Because we derive a substantial portion of our revenues from the sale of advertising, a decline or delay in advertising expenditures could reduce our revenues or hinder our ability to increase these revenues. Advertising expenditures by companies in certain sectors of the economy, including the automotive, financial, entertainment, and retail industries, represent a significant portion of our advertising revenues. Structural changes (such as the decreased number of automotive dealers and brands and consolidation or reduced footprints in retail) and business failures in these industries have affected our revenues and continued structural changes or business failures in any of these industries could have significant further impact on our revenues. Any political, economic, social, or technological change resulting in a significant reduction in the advertising spending of these sectors could adversely affect our advertising revenues or its ability to increase such revenues. In addition, because many of the products and services offered by our advertisers are largely discretionary items, weakening economic conditions could reduce the consumption of such products and services and, thus, reduce advertising for such products and services. Changes in advertisers' spending priorities during economic cycles (such as the current cycle) may also affect our results. Disasters (domestic or external to the United States), acts of terrorism, political uncertainty or hostilities could also lead to a reduction in advertising expenditures as a result of supply or demand issues, uninterrupted news coverage and economic uncertainty.

Pricing for advertising may continue to face downward pressure.

In response to weakness and fluctuations in the economy, advertisers increasingly purchased lower-priced inventory rather than higher-priced inventory and demanded lower pricing, in addition to increasingly purchasing later and through advertising inventory from third-party advertising networks. If advertisers continue to demand lower-priced inventory and/or otherwise continue to put downward pressure on pricing, our operating margins and ability to generate revenue could be further adversely affected.

Our success is dependent upon audience acceptance of our content, particularly our radio programs, which is difficult to predict.

Media and radio content production and distribution are inherently risky businesses because the revenues derived from the production and distribution of media content or a radio program, and the licensing of rights to the intellectual property associated with the content or program, depend primarily upon their acceptance and perceptions by the public, which can change quickly and are difficult to predict. The commercial success of content or a program also depends upon the quality and acceptance of other competing programs released into the marketplace at or near the same time, the availability of alternative forms of entertainment and leisure time activities, general economic conditions, and other tangible and intangible factors, all of which are difficult to predict.

Ratings for broadcast stations and traffic on a particular website are also factors that are weighed when advertisers determine which outlets to use and in determining the advertising rates that the outlet receives. Poor ratings or traffic levels can lead to a reduction in pricing and advertising revenues. For example, if there is an event causing a change of programming at one of our stations, there could be no assurance that any replacement programming would generate the same level of ratings, revenues, or profitability as the previous programming. In addition, changes in ratings methodology and technology could adversely impact our ratings and negatively affect our advertising revenues.

Finally, the costs of developing and distributing content and programming most popular with the public may change significantly if new performance royalties (such as those that have been proposed by members of Congress from time to time) are imposed upon radio broadcasters or internet operators and such changes could have a material impact upon our business.

A disproportionate share of our radio segment revenue comes from a small number of geographic markets and from Reach Media.

For the year ended December 31, 2015, approximately 44.3% of our net revenue was generated from the sale of advertising in our core radio business, excluding Reach Media. Within our core radio business, four of the 15 markets in which we operate radio stations accounted for approximately 51.7% of our radio station net revenue for the year ended December 31, 2015. Revenue from the operations of Reach Media, along with revenue from both the Houston and Washington, DC markets accounted for approximately 24.6% of our total consolidated net revenue for the year ended December 31, 2015. Revenue from the operations of Reach Media, along with revenue from four of the 15 markets in which we operate radio stations, accounted for approximately 34.8% of our total consolidated net revenue for the year ended December 31, 2015. Adverse events or conditions (economic, including government cutbacks or otherwise) could lead to declines in the contribution of Reach Media or declines in one or more of the significant contributing markets (Houston, Washington, DC, Atlanta and Baltimore), which could have a material adverse effect on our overall financial performance and results of operations.

We may lose audience share and advertising revenue to our competitors.

Our radio stations and other media properties compete for audiences and advertising revenue with other radio stations and station groups and other media such as broadcast television, newspapers, magazines, cable television, satellite television, satellite radio, outdoor advertising, the internet and direct mail. Adverse changes in audience ratings, internet traffic, and market shares could have a material adverse effect on our revenue. Larger media companies, with more financial resources than we have may enter the markets in which we operate, causing competitive pressure. Further, other media and broadcast companies may change their programming format or engage in aggressive promotional campaigns to compete directly with our media properties for audiences and advertisers. Competition in any of our markets could result in lower ratings or traffic and, hence, lower advertising revenue for us, or cause us to increase promotion and other expenses and, consequently, lower our earnings and cash flow. Changes in population, demographics, audience tastes and other factors beyond our control, could also cause changes in audience ratings or market share. Failure by us to respond successfully to these changes could have an adverse effect on our business and financial performance. We cannot assure that we will be able to maintain or increase our current audience ratings and advertising revenue.

If we are unable to successfully identify, acquire, and integrate businesses pursuant to our diversification strategy, our business and prospects may be adversely impacted.

We are pursuing a strategy of acquiring and investing in other forms of media or entertainment that complement our core radio business in an effort to grow and diversify our business and revenue streams. This strategy depends on our ability to find suitable opportunities and obtain acceptable financing. Negotiating transactions and integrating an acquired business could result in significant costs, including significant use of management's time and resources. Further, such acquisitions or investments could involve the incurrence of substantial additional indebtedness.

Our diversification strategy partially depends on our ability to identify attractive opportunities at reasonable prices and to divest properties that are no longer strategic to our business. Further, entering new businesses may subject us to additional risk factors. Some of the material risks that could hinder our ability to implement this strategy include:

- continued economic sluggishness and fluctuations;
- limitations under the terms of our credit facilities and/or bond indentures;
- inability to find buyers for media properties we target for sale at attractive prices due to decreasing market prices for radio stations or the inability of a potential buyer to obtain credit in the current economic environment;
- failure or delays in completing acquisitions or divestitures due to difficulties in obtaining required regulatory approval, including possible difficulties by the seller or buyer in obtaining antitrust approval for acquisitions in markets where we already own multiple stations or establishing compliance with broadcast ownership rules;

- reduction in the number of suitable acquisition targets due to increased competition for acquisitions;
- we may lose key employees of acquired companies or stations;
- difficulty in integrating operations and systems and managing a diverse media business;
- failure of some acquisitions to prove profitable (or as profitable as anticipated) or generate sufficient cash flow;
- changes in distribution arrangements or methods for our content and across our media properties; and
- inability to finance acquisitions on acceptable terms, through incurring debt or issuing stock.

We can provide no assurance that our diversification strategy will be successful.

We must respond to the rapid changes in technology, services, and standards across our entire platform in order to remain competitive.

Technological standards across our media properties are evolving and new distribution technologies/platforms are emerging at a rapid pace. We cannot assure that we will have the resources to acquire new technologies or to introduce new features or services to compete with these new technologies. New media has resulted in fragmentation in the advertising market, and we cannot predict the effect, if any, that additional competition arising from new technologies may have across any of our business segments or our financial condition and results of operations, which may be adversely affected if we are not able to adapt successfully to these new media technologies or distribution platforms. The continuing growth and evolution of channels and platforms has increased our challenges in differentiating ourselves from other media platforms. We continually seek to develop and enhance our content offerings and distribution platforms/methodologies. Failure to effectively execute in these efforts, actions by our competitors, or other failures to deliver content effectively could hurt our ability to differentiate ourselves from our competitors and, as a result, have adverse effects across our business.

The loss of key personnel, including certain on-air talent, could disrupt the management and operations of our business.

Our business depends upon the continued efforts, abilities and expertise of our executive officers and other key employees, including certain on-air personalities. We believe that the combination of skills and experience possessed by our executive officers and other key employees could be difficult to replace, and that the loss of one or more of them could have a material adverse effect on us, including the impairment of our ability to execute our business strategy. In addition, several of our on-air personalities and syndicated radio programs hosts have large loyal audiences in their respective broadcast areas and may be significantly responsible for the ratings of a station. The loss of such on-air personalities or any change in their popularity could impact the ability of the station to sell advertising and our ability to derive revenue from syndicating programs hosted by them. We cannot be assured that these individuals will remain with us or will retain their current audiences or ratings.

As a part of our diversification strategy, we continue to develop our internet businesses. Failure to effectuate this strategy may adversely affect our brands and business prospects.

Our diversification strategy is in part dependent upon the development of our internet businesses. In order for our internet businesses to grow and succeed over the long-term, we must, among other things:

- significantly increase our online traffic and revenue;
- attract and retain a base of frequent visitors to our websites;
- expand the content, products, and tools we offer on our websites;

- respond to competitive developments while maintaining a distinct identity across each of our online brands;
- attract and retain talent for critical positions;
- maintain and form relationships with strategic partners to attract more consumers;
- continue to develop and upgrade our technologies; and
- bring new product features to market in a timely manner.

We cannot assure that we will be successful in achieving these and other necessary objectives. If we are not successful in achieving these objectives, our business, financial condition, and prospects could be adversely affected.

If our internet segment does not continue to develop and offer compelling and differentiated content, products and services, our advertising revenues could be adversely affected.

In order to attract internet consumers and generate increased activity on our internet properties, we believe that we must offer compelling and differentiated content, products and services. However, acquiring, developing, and offering such content, products and services may require significant costs and time to develop, while consumer tastes may be difficult to predict and are subject to rapid change. If we are unable to provide content, products and services that are sufficiently attractive to our internet users, we may not be able to generate the increases in activity necessary to generate increased advertising revenues. In addition, although we have access to certain content provided by our other businesses, we may be required to make substantial payments to license such content. Many of our content arrangements with third parties are non-exclusive, so competitors may be able to offer similar or identical content. If we are not able to acquire or develop compelling content and do so at reasonable prices, or if other companies offer content that is similar to that provided by our internet segment, we may not be able to attract and increase the engagement of internet consumers on our internet properties.

Continued growth in our internet advertising business also depends on our ability to continue offering a competitive and distinctive range of advertising products and services for advertisers and publishers and our ability to maintain or increase prices for our advertising products and services. Continuing to develop and improve these products and services may require significant time and costs. If we cannot continue to develop and improve our advertising products and services or if prices for our advertising products and services decrease, our internet advertising revenues could be adversely affected.

More individuals are using devices other than personal and laptop computers to access and use the internet, and, if we cannot make our products and services available and attractive to consumers via these alternative devices, our internet advertising revenues could be adversely affected.

Internet users are increasingly accessing and using the internet through mobile tablets and smartphones. In order for consumers to access and use our products and services via these devices, we must ensure that our products and services are technologically compatible with such devices. If we cannot effectively make our products and services available on these devices, fewer internet consumers may access and use our products and services and our advertising revenue may be negatively affected.

Unrelated third parties may claim that we infringe on their rights based on the nature and content of information posted on websites we maintain.

We host internet services that enable individuals to exchange information, generate content, comment on our content, and engage in various online activities. The law relating to the liability of providers of these online services for activities of their users is currently unsettled both within the United States and internationally. While we monitor postings to such websites, claims may be brought against us for defamation, negligence, copyright or trademark infringement, unlawful activity, tort, including personal injury, fraud, or other theories based on the nature and content of information that may be posted online or generated by our users. Our defense of such actions could be costly and involve significant time and attention of our management and other resources.

If we are unable to protect our domain names, our reputation and brands could be adversely affected.

We currently hold various domain name registrations relating to our brands, including radio-one.com and interactiveone.com. The registration and maintenance of domain names are generally regulated by governmental agencies and their designees. Governing bodies may establish additional top-level domains, appoint additional domain name registrars, or modify the requirements for holding domain names. As a result, we may be unable to register or maintain relevant domain names. We may be unable, without significant cost or at all, to prevent third parties from registering domain names that are similar to, infringe upon, or otherwise decrease the value of our trademarks and other proprietary rights. Failure to protect our domain names could adversely affect our reputation and brands, and make it more difficult for users to find our websites and our services.

Future asset impairment to the carrying values of our FCC licenses and goodwill could adversely impact our results of operations and net worth.

As of December 31, 2015, we had approximately \$643.2 million in broadcast licenses and \$258.3 million in goodwill, which totaled \$901.5 million, and represented approximately 67.0% of our total assets. Therefore, we believe estimating the fair value of goodwill and radio broadcasting licenses is a critical accounting estimate because of the significance of their carrying values in relation to our total assets. We recorded impairment charges against radio broadcasting licenses and goodwill of approximately \$41.2 million for the year ended December 31, 2015.

We are required to test our goodwill and indefinite-lived intangible assets for impairment at least annually, which we have traditionally done in the fourth quarter, or on an interim basis when events or changes in circumstances suggest impairment may have occurred. Impairment is measured as the excess of the carrying value of the goodwill or indefinite-lived intangible asset over its fair value. Impairment may result from deterioration in our performance, changes in anticipated future cash flows, changes in business plans, adverse economic or market conditions, adverse changes in applicable laws and regulations, or other factors beyond our control. The amount of any impairment must be expensed as a charge to operations. Fair values of FCC licenses and goodwill have been estimated using the income approach, which involves a 10-year model that incorporates several judgmental assumptions about projected revenue growth, future operating margins, discount rates and terminal values. We also utilize a market-based approach to evaluate our fair value estimates. There are inherent uncertainties related to these assumptions and our judgment in applying them to the impairment analysis.

For the second and third quarters in 2015, and for the first, second and third quarters in 2014 and 2013, the total market revenue growth for certain markets in which we operate was below that used in our prior year annual impairment testing. In each quarter, we deemed that to be an impairment indicator that warranted interim impairment testing of certain markets' radio broadcasting licenses, which we performed as of each quarter-end date. We recorded an impairment charge of approximately \$23.6 million related to our Cincinnati, Columbus, Dallas, Houston, Philadelphia, Raleigh and St. Louis radio broadcasting licenses as part of our annual impairment testing as of October 1, 2015. Finally, the Company also recorded an impairment charge of approximately \$3.1 million related to our Cincinnati goodwill balance as part of our annual impairment testing as of October 1, 2015. The remaining radio broadcasting licenses that were tested during 2015 were not impaired. There was no impairment identified as part of this testing in 2014. We recorded an impairment charge of approximately \$1.4 million related to our Cincinnati FCC radio broadcasting licenses during the first quarter of 2013. In addition, we recorded an impairment charge of approximately \$9.8 million related to our Philadelphia, Cincinnati and Cleveland radio broadcasting licenses during the second quarter of 2013. Finally, the Company recorded an impairment charge of approximately \$3.7 million related to our Boston and Cleveland radio broadcasting licenses during the third quarter of 2013. The remaining radio broadcasting licenses that were tested during 2013 were not impaired. There were no impairment indicators present for any of our other radio broadcasting licenses. During the third and fourth quarters of 2015, the Company identified triggering events to perform a goodwill interim impairment analysis on the Interactive One reporting unit. The Company recorded a goodwill impairment charge related to Interactive One of approximately \$14.5 million during the third quarter of 2015. There was no impairment identified during the fourth quarter of 2015 related to Interactive One. For the years ended December 31, 2015, 2014 and 2013, we recorded impairment charges against radio broadcasting licenses and goodwill of approximately \$41.2 million, \$0 and \$14.9 million, respectively.

Changes in certain events or circumstances could result in changes to our estimated fair values, and may result in further write-downs to the carrying values of these assets. Additional impairment charges could adversely affect our financial results, financial ratios and could limit our ability to obtain financing in the future.

If material weaknesses or significant control deficiencies occur in the future, the accuracy and timing of our financial reporting may be adversely affected.

During the second quarter of 2013, we identified a material weakness in our internal control over financial reporting. We did not maintain adequate internal controls with regard to the review of the preparation of the condensed consolidating financial statements of guarantors in the footnotes to our previously filed financial statements in our Form 10-K for the year ended December 31, 2012 (the "2012 10-K"). As a result, we restated our condensed consolidating footnote in our 2012 10-K and in our Forms 10-Q for the quarter ended March 31, 2012, June 30, 2012, September 30, 2012, and March 31, 2013, respectively. In response to this material weakness, we have restructured our Finance and Accounting functions and engaged additional resources with the appropriate depth of experience for our Finance and Accounting departments, updated our accounting policies and procedures to ensure that accounting personnel have sufficient guidance to remediate the previously communicated weakness and to appropriately evaluate all disclosure requirements, and implemented a required senior management, legal and accounting review to specifically address all disclosures and related financial information. We cannot assure you that we will not in the future have additional material weaknesses. If other material weaknesses or other significant control deficiencies occur, our ability to accurately and timely report our financial results could be impaired, which could result in late filings of our annual and quarterly reports under the Securities Exchange Act of 1934, as amended, or the Exchange Act, restatements of our consolidated financial statements and could adversely affect our reputation, results of operations, and financial condition.

Disruptions or security breaches of our information technology infrastructure could interfere with our operations, compromise customer information, and expose us to liability, possibly causing our business and reputation to suffer.

Any internal technology error or failure impacting systems hosted externally at third party locations, or large scale external interruption in technology infrastructure we depend on, such as power, telecommunications or the internet, may disrupt our technology network. Any individual, sustained or repeated failure of technology could impact our customer service and result in increased costs or reduced revenues. Our technology systems and related data may also be vulnerable to a variety of sources of interruption due to events beyond our control, including natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers, and other security issues. While we have in place, and continue to invest in, technology security initiatives and disaster recovery plans, these measures may not be adequate or implemented properly to prevent a business disruption and its adverse financial and reputational consequences to our business.

In addition, as a part of our ordinary business operations, we may collect and store sensitive data, including personal information of our customers and employees. The secure operation of the networks and systems on which this type of information is stored, processed, and maintained is critical to our business operations and strategy. Any compromise of our technology systems resulting from attacks by hackers or breaches due to employee error or malfeasance could result in the loss, disclosure, misappropriation of, or access to customers', employees', or business partners' information. Any such loss, disclosure, misappropriation, or access could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personal information, disrupting operations and damaging our reputation, any or all of which could adversely affect our business.

The capacity, reliability, and security of our information technology hardware and software infrastructure (including our billing systems) are important to the operation of our current business, which would suffer in the event of system failures or cyber-attacks. Likewise, our ability to expand and update our information technology infrastructure in response to our growth and changing needs is important to the continued implementation of our new service offering initiatives. Our inability to expand or upgrade our technology infrastructure could have adverse consequences, which could include the delayed implementation of new service offerings and the diversion of development resources. We rely on third parties for developing key components of these systems and ongoing service after their implementation. Third parties may experience errors, cyber-attacks, or disruptions that could adversely impact us and over which we may have limited control. Interruption and/or failure of any of these new systems could disrupt our operations and damage our reputation thus adversely impacting our ability to provide our services, retain our current subscribers and attract new subscribers. In addition, although we take protective measures and endeavor to modify them as circumstances warrant, our information technology hardware and software infrastructure may be vulnerable to cyber-attacks including, among other things, unauthorized access, misuse, computer viruses or other malicious code, computer denial of service attacks, and other events that could have a security impact. If one or more of such events occur, this potentially could jeopardize our customer and other information processed and stored in, and transmitted through, our information technology hardware and software infrastructure, or otherwise cause interruptions or malfunctions in our operations, which could result in significant losses or reputational damage. We may be required to expend significant additional resources to modify our protective measures or to investigate and remediate vulnerabilities or other exposures, and we may be subject to litigation and financial losses.

We seek to limit the threat of content piracy; however, policing unauthorized use of our products and services and related intellectual property is often difficult, and the steps we take may not in every case prevent infringement by unauthorized third parties. Developments in technology increase the threat of content piracy by making it easier to duplicate and widely distribute pirated material. We have taken, and will continue to take, a variety of actions to combat piracy, both individually and, in some instances, together with industry associations. However, protection of our intellectual property rights is dependent on the scope and duration of our rights as defined by applicable laws in the U.S. and abroad and the manner in which those laws are construed. If those laws are drafted or interpreted in ways that limit the extent or duration of our rights, or if existing laws are changed, our ability to generate revenue from our intellectual property may decrease, or the cost of obtaining and maintaining rights may increase. There can be no assurance that our efforts to enforce our rights and protect our products, services, and intellectual property will be successful in preventing content piracy.

Risks Related to Regulation

Our business depends on maintaining our licenses with the FCC. We could be prevented from operating a radio station if we fail to maintain its license.

Within our primary business, we are required to maintain radio broadcasting licenses issued by the FCC. These licenses are ordinarily issued for a maximum term of eight years and are renewable. Currently, subject to renewal, our radio broadcasting licenses expire beginning in October 2019, and others expire at various times through August 1, 2022. While we anticipate receiving all renewals, interested third parties may challenge our renewal applications. In addition, we are subject to extensive and changing regulation by the FCC with respect to such matters as programming, indecency standards, technical operations, employment and business practices. If we or any of our significant stockholders, officers, or directors violate the FCC's rules and regulations or the Communications Act of 1934, as amended (the "Communications Act"), or is convicted of a felony, the FCC may commence a proceeding to impose fines or other sanctions upon us. Examples of possible sanctions include the imposition of fines, the renewal of one or more of our broadcasting licenses for a term of fewer than eight years or the revocation of our broadcast licenses. If the FCC were to issue an order denying a license renewal application or revoking a license, we would be required to cease operating the radio station covered by the license only after we had exhausted administrative and judicial review without success.

The FCC's media ownership rules could restrict our ability to acquire radio stations.

The Communications Act and FCC rules and policies limit the number of broadcasting properties that any person or entity may own (directly or by attribution) in any market and require FCC approval for transfers of control and assignments of licenses. The FCC's media ownership rules remain subject to further agency and court proceedings. In March 2014, the FCC commenced its most recent quadrennial review of its media ownership rules to seek public comment on and evaluate such rules to determine whether any changes are warranted. See the information contained in "Business-Federal Regulation of Radio Broadcasting."

As a result of the FCC media ownership rules, the outside media interests of our officers and directors could limit our ability to acquire stations. The filing of petitions or complaints against Radio One or any FCC licensee from which we are acquiring a station could result in the FCC delaying the grant of, refusing to grant or imposing conditions on its consent to the assignment or transfer of control of licenses. The Communications Act and FCC rules and policies also impose limitations on non-U.S. ownership and voting of our capital stock.

Increased enforcement by the FCC of its indecency rules against the broadcast industry could adversely affect our business operations.

The FCC's rules prohibit the broadcast of obscene material at any time and indecent or profane material on television broadcast stations between the hours of 6 a.m. and 10 p.m. Broadcasters risk violating the prohibition against broadcasting indecent material because of the vagueness of the FCC's indecency and profanity definitions, coupled with the spontaneity of live programming. The FCC has in the past vigorously enforced its indecency rules against the broadcasting industry and has threatened to initiate license revocation proceedings against broadcast licensees for "serious" indecency violations. In 2004 the FCC indicated that it was enhancing its enforcement efforts relating to the regulation of indecency. The FCC has found on a number of occasions that the content of broadcasts has contained indecent material. In such instances, the FCC has issued fines or advisory warnings to the offending broadcast licensees. Moreover, the FCC has in some instances imposed separate fines against broadcasters for each allegedly indecent "utterance," in contrast with its previous policy, which generally considered all indecent words or phrases within a given program as constituting a single violation. In June 2012, the Supreme Court issued a decision which, while setting aside certain FCC indecency enforcement actions on narrow due process grounds, declined to rule on the constitutionality of the FCC's indecency policies. Following the Supreme Court's decision, the FCC requested public comment on the appropriate substance and scope of its indecency enforcement policy. It is not possible to predict whether and, if so, how the FCC will revise its indecency enforcement policies or the effect of any such changes on us. The fines for broadcasting indecent material are a maximum of \$325,000 per utterance. The determination of whether content is indecent is inherently subjective and, as such, it can be difficult to predict whether particular content could violate indecency standards. The difficulty in predicting whether individual programs, words or phrases may violate the FCC's indecency rules adds significant uncertainty to our ability to comply with the rules. Violation of the indecency rules could lead to sanctions which may adversely affect our business and results of operations. In addition, third parties could oppose our license renewal applications or applications for consent to acquire broadcast stations on the grounds that we broadcast allegedly indecent programming on our stations.

Changes in current federal regulations could adversely affect our business operations.

Congress and the FCC have considered, and may in the future consider and adopt, new laws, regulations and policies that could, directly or indirectly, affect the profitability of our broadcast stations. In particular, Congress may consider and adopt a revocation of terrestrial radio's exemption from paying royalties to performing artists and record companies for use of their recordings (radio already pays a royalty to songwriters, composers and publishers). In addition, commercial radio broadcasters and entities representing artists are negotiating agreements that could result in broadcast stations paying royalties to artists. A requirement to pay additional royalties could have an adverse effect on our business operations and financial performance. Moreover, it is possible that our license fees and negotiating costs associated with obtaining rights to use musical compositions and sound recordings in our programming could sharply increase as a result of private negotiations, one or more regulatory rate-setting processes, or administrative and court decisions. We cannot predict whether such increases will occur.

New or changing federal, state or international privacy legislation or regulation could hinder the growth of our internet business.

A variety of federal and state laws govern the collection, use, retention, sharing and security of consumer data that our internet business uses to operate its services and to deliver certain advertisements to its customers, as well as the technologies used to collect such data. Not only are existing privacy-related laws in these jurisdictions evolving and subject to potentially disparate interpretation by governmental entities, new legislative proposals affecting privacy are now pending at both the federal and state level in the U.S. Changes to the interpretation of existing law or the adoption of new privacy-related requirements could hinder the growth of our internet business. Also, a failure or perceived failure to comply with such laws or requirements or with our own policies and procedures could result in significant liabilities, including a possible loss of consumer or investor confidence or a loss of customers or advertisers.

Our operation of various real properties and facilities could lead to environmental liability.

As the owner, lessee or operator of various real properties and facilities, we are subject to various federal, state and local environmental laws and regulations. Historically, compliance with these laws and regulations has not had a material adverse effect on our business. There can be no assurance, however, that compliance with existing or new environmental laws and regulations will not require us to make significant expenditures of funds.

Risks Related to Our Corporate Governance Structure

Two common stockholders have a majority voting interest in Radio One and have the power to control matters on which our common stockholders may vote, and their interests may conflict with yours.

As of December 31, 2015, our Chairperson and her son, our President and CEO, collectively held approximately 95% of the outstanding voting power of our common stock. As a result, our Chairperson and our CEO control our management and policies and decisions involving or impacting upon Radio One, including transactions involving a change of control, such as a sale or merger. The interests of these stockholders may differ from the interests of our other stockholders and our debtholders. In addition, certain covenants in our debt instruments require that our Chairperson and the CEO maintain a specified ownership and voting interest in Radio One, and prohibit other parties' voting interests from exceeding specified amounts. Our Chairperson and the CEO have agreed to vote their shares together in elections of members to the Board of Directors of Radio One.

Further, we are a "controlled company" under rules governing the listing of our securities on the NASDAQ Stock Market because more than 50% of our voting power is held by our Chairperson and the CEO. Therefore, we are not subject to NASDAQ Stock Market listing rules that would otherwise require us to have: (i) a majority of independent directors on the board; (ii) a compensation committee composed solely of independent directors; (iii) a nominating committee composed solely of independent directors; (iv) compensation of our executive officers determined by a majority of the independent directors or a compensation committee composed solely of independent directors; and (v) director nominees selected, or recommended for the board's selection, either by a majority of the independent directors or a nominating committee composed solely of independent directors. While a majority of our board members are currently independent directors, we do not make any assurances that a majority of our board members will be independent directors at any given time.

Risks Related to Our Ownership of TV One

We may not realize all of the expected benefits from our ownership of TV One.

We believe that our ownership of TV One will provide us with a number of benefits, including helping us realize our operating strategy of becoming a multi-media entertainment and information content provider to African-American consumers. Our ability to realize the anticipated benefits of our TV One ownership will depend on TV One's success. If our management of TV One is not executed effectively, it could preclude realization of the full benefits we expect. Failure to realize the anticipated benefits of our ownership may have a material adverse effect on our results of operations.

A decline in advertising expenditures could cause TV One's revenues and operating results to decline significantly in any given period.

TV One derives substantial revenues from the sale of advertising. A decline in the economic prospects of advertisers or the economy in general could alter current or prospective advertisers' spending priorities. Disasters, acts of terrorism, political uncertainty or hostilities could lead to a reduction in advertising expenditures as a result of economic uncertainty. Advertising expenditures may also be affected by increasing competition for the leisure time of audiences, particularly with increased competition and fragmentation due to new content distribution platforms. In addition, advertising expenditures by companies in certain sectors of the economy, including the automotive and financial segments, represent a significant portion of TV One's advertising revenues. Any political, economic, social, or technological change resulting in a reduction in these sectors' advertising expenditures may adversely affect TV One's revenue. Advertisers' willingness to purchase advertising may also be affected by a decline in audience ratings for TV One's programming, the inability of TV One to retain the rights to popular programming, increasing audience fragmentation caused by the proliferation of new media formats, including other cable networks, the internet and video-on-demand, and the deployment of portable digital devices and new technologies, which allow consumers to time shift programming, make and store digital copies and skip or fast-forward through advertisements. Any reduction in advertising expenditures could have an adverse effect on TV One's revenues and results of operations.

TV One's success is dependent upon audience acceptance of its content, which is difficult to predict.

Television content production is inherently a risky business because the revenues derived from the production and distribution of a television program and the licensing of rights to the associated intellectual property depend primarily upon the public's level of acceptance, which is difficult to predict. The commercial success of a television program also depends upon the quality and acceptance of other competing programs in the marketplace at or near the same time, the availability of alternative forms of entertainment and leisure time activities, general economic conditions, and other tangible and intangible factors, all of which are difficult to predict. Rating points are also factors that are weighed when determining the advertising rates that TV One receives. Poor ratings can lead to a reduction in pricing and advertising revenues. Consequently, low public acceptance of TV One's content may have an adverse effect on TV One's results of operations. Further, recent competitive network launches, such as the networks launched by Oprah Winfrey (OWNTM), Sean Combs (REVOLT TVTM), and Magic Johnson (ASPIRETM), could take away from our audience share and ratings and thus have an adverse effect on TV One's results of operations.

The loss of affiliation agreements could materially adversely affect TV One's results of operations.

TV One is dependent upon the maintenance of affiliation agreements with cable and direct broadcast distributors for its revenues, and there can be no assurance that these agreements will be renewed in the future on terms acceptable to such distributors. The loss of one or more of these arrangements could reduce the distribution of TV One's programming services and reduce revenues from subscriber fees and advertising, as applicable. Further, the loss of favorable packaging, positioning, pricing or other marketing opportunities with any distributor could reduce revenues from subscribers and associated subscriber fees. In addition, consolidation among cable distributors and increased vertical integration of such distributors into the cable or broadcast network business have provided more leverage to these distributors and could adversely affect TV One's ability to maintain or obtain distribution for its network programming on favorable or commercially reasonable terms, or at all. TV One has yet to renew certain of its affiliation agreements. The results of the remaining renewals could have a material adverse effect on TV One's revenues and results and operations. We cannot assure you that TV One will be able to renew its remaining affiliation agreements on commercially reasonable terms, or at all. The loss of a significant number of these arrangements or the loss of carriage on basic programming tiers could reduce the distribution of our content, which may adversely affect our revenues from subscriber fees and our ability to sell national and local advertising time.

Changes in consumer behavior resulting from new technologies and distribution platforms may impact the performance of our businesses.

TV One faces emerging competition from other providers of digital media, some of which have greater financial, marketing and other resources than we do. In particular, content offered over the internet has become more prevalent as the speed and quality of broadband networks have improved. Providers such as HuluTM, NetflixTM, AppleTM, AmazonTM and GoogleTM, as well as gaming and other consoles such as Microsoft's XboxTM, Sony's PS4TM, Nintendo's WiiTM, and RokuTM, are aggressively establishing themselves as alternative providers of video services, including online TV services. Most recently, Dish NetworksTM has released a new online distribution service called Sling TVTM offering live sports and other content without paying for a traditional cable bundle of channels. These services and the growing availability of online content, coupled with an expanding market for mobile devices and tablets that allow users to view content on an on-demand basis and internet-connected televisions, may impact TV One's distribution for its services and content. Additionally, devices or services that allow users to view television programs away from traditional cable providers or on a time-shifted basis and technologies that enable users to fast-forward or skip programming, including commercials, such as DVRs and portable digital devices and systems that enable users to store or make portable copies of content, have caused changes in consumer behavior that may affect the attractiveness of our offerings to advertisers and could therefore adversely affect our revenues. If we cannot ensure that our distribution methods and content are responsive to TV One's target audiences, our business could be adversely affected.

The failure or destruction of satellites and transmitter facilities that TV One depends upon to distribute its programming could materially adversely affect TV One's businesses and results of operations.

TV One uses satellite systems to transmit its programming to affiliates. The distribution facilities include uplinks, communications satellites, and downlinks. Transmissions may be disrupted as a result of local disasters, including extreme weather, that impair on-ground uplinks or downlinks, or as a result of an impairment of a satellite. Currently, there are a limited number of communications satellites available for the transmission of programming. If a disruption occurs, TV One may not be able to secure alternate distribution facilities in a timely manner. Failure to secure alternate distribution facilities in a timely manner could have a material adverse effect on TV One's businesses and results of operations. In addition, TV One uses studio and transmitter facilities that are subject to damage or destruction. Failure to restore such facilities in a timely manner could have a material adverse effect on TV One's businesses and results of operations.

TV One's operating results are subject to seasonal variations and other factors.

TV One's business has experienced and is expected to continue to experience seasonality due to, among other things, seasonal advertising patterns and seasonal influences on people's viewing habits. Typically, TV One revenue from advertising increases in the fourth quarter. In addition, advertising revenues in even-numbered years benefit from advertising placed by candidates for political offices. The effects of such seasonality make it difficult to estimate future operating results based on the previous results of any specific quarter and may adversely affect operating results.

Economic conditions may adversely affect TV One's businesses and customers.

The United States continues to experience sluggishness and volatility in its economy. These factors could lead to lower consumer and business spending for TV One's products and services, particularly if customers, including advertisers, subscribers, licensees, retailers, and other consumers of TV One's offerings and services, reduce demands for TV One's products and services. In addition, in unfavorable economic environments, TV One's customers may have difficulties obtaining capital at adequate or historical levels to finance their ongoing business and operations and may face insolvency, all of which could impair their ability to make timely payments and continue operations. TV One is unable to predict the duration and severity of weakened economic conditions, and such conditions and resultant effects could adversely impact TV One's businesses, operating results, and financial condition.

Increased programming and content costs may adversely affect TV One's profits.

TV One produces and acquires programming (including motion pictures) and content and incurs costs for all types of creative talent, including actors, authors, writers and producers as well as marketing and distribution. An increase in any of these costs may lead to decreased profitability.

Piracy of TV One's programming and other content, including digital and internet piracy, may decrease revenue received from the exploitation of TV One's programming and other content and adversely affect its businesses and profitability.

Piracy of programming is prevalent in many parts of the world and is made easier by the availability of digital copies of content and technological advances allowing conversion of such programming and other content into digital formats, which facilitates the creation, transmission and sharing of high quality unauthorized copies of TV One's content. The proliferation of unauthorized copies and piracy of these products has an adverse effect on TV One's businesses and profitability because these products reduce the revenue that TV One potentially could receive from the legitimate sale and distribution of its products and services. In addition, if piracy were to increase, it would have an adverse effect on TV One's businesses and profitability.

Changes in U.S. communications laws or other regulations may have an adverse effect on TV One's business.

The television and distribution industries in the United States are highly regulated by U.S. federal laws and regulations issued and administered by various federal agencies, including the FCC. The television broadcasting industry is subject to extensive regulation by the FCC under the Communications Act. The U.S. Congress and the FCC currently have under consideration, and may in the future adopt, new laws, regulations, and policies regarding a wide variety of matters that could, directly or indirectly, affect the operation of TV One. For example, the FCC has initiated a proceeding to examine and potentially regulate more closely embedded advertising such as product placement and product integration. Enhanced restrictions affecting these means of delivering advertising messages may adversely affect TV One's advertising revenues. Changes to the media ownership and other FCC rules may affect the competitive landscape in ways that could increase the competition faced by TV One. Proposals have also been advanced from time to time before the U.S. Congress and the FCC to extend the program access rules (currently applicable only to those cable program services which also own or are owned by cable distribution systems) to all cable program services. TV One's ability to obtain the most favorable terms available for its content could be adversely affected should such an extension be enacted into law. TV One is unable to predict the effect that any such laws, regulations or policies may have on its operations.

Vigorous enforcement or enhancement of FCC indecency and other program content rules against the broadcast and cable industries could have an adverse effect on TV One's businesses and results of operations.

The FCC has in the past vigorously enforced its indecency rules against the broadcast industry. See "Risks Related to Regulation-Increased enforcement by the FCC of its indecency rules against the broadcast industry could adversely affect our business operations." Some policymakers support the extension of the indecency rules that are applicable to over-the-air broadcasters to cover cable programming and/or attempts to increase enforcement of or otherwise expand existing laws and rules. If such an extension, attempt to increase enforcement, or other expansion took place and was found to be constitutional, some of TV One's content could be subject to additional regulation and might not be able to attract the same subscription and viewership levels.

Our President and Chief Executive Officer has an interest in TV One that may conflict with your interests.

We have an employment agreement with our President and Chief Executive Officer, Mr. Alfred C. Liggins, III. The employment agreement provides, among other things, that in recognition of Mr. Liggins' contributions in founding TV One on our behalf, he is eligible to receive an award amount equal to approximately 4% of any proceeds from distributions or other liquidity events in excess of the return of our aggregate investment in TV One (the "Employment Agreement Award"). Our obligation to pay the award was triggered only after our recovery of the aggregate amount of our pre-Comcast Buyout capital contribution in TV One, and only upon actual receipt of distributions of cash or marketable securities or proceeds from a liquidity event with respect to such invested amount. Mr. Liggins' rights to the Employment Agreement Award (i) cease if he is terminated for cause or he resigns without good reason and (ii) expire at the termination of his employment (but similar rights could be included in the terms of a new employment agreement). As a result of this arrangement, the interest of Mr. Liggins' with respect to TV One may conflict with your interests as holders of our debt or equity securities.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The types of properties required to support each of our radio stations include offices, studios and transmitter/antenna sites. Our other media properties, such as Interactive One, generally only require office space. We typically lease our studio and office space with lease terms ranging from five to 10 years in length. A station's studios are generally housed with its offices in business districts. We generally consider our facilities to be suitable and of adequate size for our current and intended purposes. We lease a majority of our main transmitter/antenna sites and associated broadcast towers and, when negotiating a lease for such sites, we try to obtain a lengthy lease term with options to renew. In general, we do not anticipate difficulties in renewing facility or transmitter/antenna site leases, or in leasing additional space or sites, if required.

We own substantially all of our equipment, consisting principally of transmitting antennae, transmitters, studio equipment and general office equipment. The towers, antennae and other transmission equipment used by our stations are generally in good condition, although opportunities to upgrade facilities are periodically reviewed. The tangible personal property owned by us and the real property owned or leased by us are subject to security interests under our senior credit facility.

ITEM 3. LEGAL PROCEEDINGS

Legal Proceedings

Radio One is involved from time to time in various routine legal and administrative proceedings and threatened legal and administrative proceedings incidental to the ordinary course of our business. Radio One believes the resolution of such matters will not have a material adverse effect on its business, financial condition or results of operations.

ITEM 4. REMOVED AND RESERVED

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Price Range of Our Class A and Class D Common Stock

Our Class A voting common stock is traded on The NASDAQ Stock Market ("NASDAQ") under the symbol "ROIA." The following table presents, for the quarters indicated, the high and low daily closing prices per share of our Class A Common Stock as reported on the NASDAQ.

	<u>High</u>	<u>Low</u>
2015		
First Quarter	\$ 3.20	\$ 1.50
Second Quarter	\$ 4.11	\$ 3.01
Third Quarter	\$ 3.47	\$ 2.20
Fourth Quarter	\$ 2.46	\$ 1.58
2014		
First Quarter	\$ 5.60	\$ 4.07
Second Quarter	\$ 4.90	\$ 3.78
Third Quarter	\$ 4.99	\$ 2.92
Fourth Quarter	\$ 2.78	\$ 1.37

Our Class D non-voting common stock is traded on the NASDAQ under the symbol "ROIAK." The following table presents, for the quarters indicated, the high and low daily closing prices per share of our Class D Common Stock as reported on the NASDAQ.

	<u>High</u>	<u>Low</u>
2015		
First Quarter	\$ 3.21	\$ 1.49
Second Quarter	\$ 4.12	\$ 3.16
Third Quarter	\$ 3.45	\$ 2.13
Fourth Quarter	\$ 2.46	\$ 1.55
2014		
First Quarter	\$ 5.54	\$ 4.06
Second Quarter	\$ 4.93	\$ 3.75
Third Quarter	\$ 4.95	\$ 2.90
Fourth Quarter	\$ 2.76	\$ 1.38

STOCKHOLDER RETURN PERFORMANCE GRAPHS

Stockholder performance graph (Class A shares)

Performance since December 31, 2009



Source: FactSet, Factiva

Note 1 - Peer group includes Emmis Communications Corp., Entercom Communications Corp., Saga Communications Inc., Cumulus Media Inc. and Salem Communications Corp.

STOCKHOLDER RETURN PERFORMANCE GRAPHS

Stockholder performance graph (Class D shares)

Performance since December 31, 2009



Source: FactSet, Factiva

Note 1 - Peer group includes Emmis Communications Corp., Entercom Communications Corp., Saga Communications Inc., Cumulus Media Inc. and Salem Communications Corp.

Dividends

Since first selling our common stock publicly in May 1999, we have not declared any cash dividends on any class of our common stock. We intend to retain future earnings for use in our business and do not anticipate declaring or paying any cash or stock dividends on shares of our common stock in the foreseeable future. In addition, any determination to declare and pay dividends will be made by our Board of Directors in light of our earnings, financial position, capital requirements, contractual restrictions contained in our credit facility and the indentures governing our senior subordinated notes, and other factors as the Board of Directors deems relevant. (See “Management’s Discussion and Analysis — Liquidity and Capital Resources” and Note 9 of our consolidated financial statements — *Long-Term Debt*.)

Number of Stockholders

Based upon a survey of record holders and a review of our stock transfer records, as of February 11, 2016, there were approximately 1,584 holders of Radio One’s Class A Common Stock, two holders of Radio One’s Class B Common Stock, three holders of Radio One’s Class C Common Stock, and approximately 1,834 holders of Radio One’s Class D Common Stock.

ITEM 6. SELECTED FINANCIAL DATA

The following table contains selected historical consolidated financial data with respect to Radio One. The selected historical consolidated financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements of Radio One included elsewhere in this report.

	For the Years Ended December 31,				
	2015	2014	2013	2012	2011
(In thousands, except share data)					
Statements of Operations (1):					
Net revenue	\$ 450,861	\$ 441,387	\$ 448,700	\$ 424,573	\$ 364,297
Programming and technical expenses including stock-based compensation	134,410	141,689	138,021	135,974	115,106
Selling, general and administrative expenses including stock-based compensation	149,811	142,454	145,261	137,843	126,513
Corporate selling, general and administrative expenses including stock-based compensation	53,907	43,257	39,700	40,457	37,850
Depreciation and amortization	35,355	36,822	37,870	38,777	37,142
Impairment of long-lived assets	41,211	—	14,880	313	22,331
Operating income	36,167	77,165	72,968	71,209	25,355
Interest expense (2)	79,936	79,444	88,951	90,549	87,766
Gain on investment of affiliated company (3)	—	—	—	—	146,879
Loss on retirement of debt	(7,091)	(5,679)	—	—	(7,743)
Equity in income of affiliated company	—	—	—	—	3,287
Other (expense) income, net	(216)	32	307	(1,357)	(324)
(Loss) income before provision for income taxes, noncontrolling interests in income of subsidiaries and discontinued operations	(51,076)	(7,926)	(15,676)	(20,697)	79,688
Provision for income taxes	15,058	34,814	28,719	33,235	66,686
(Loss) income from continuing operations	(66,134)	(42,740)	(44,395)	(53,932)	13,002
Income (loss) from discontinued operations, net of tax	—	—	885	(184)	(99)
Consolidated net (loss) income	(66,134)	(42,740)	(43,510)	(54,116)	12,903
Noncontrolling interests in income of subsidiaries	7,888	19,930	18,471	12,749	10,014
Consolidated net (loss) income applicable to common stockholders	<u>\$ (7,4022)</u>	<u>\$ (62,670)</u>	<u>\$ (61,981)</u>	<u>\$ (66,865)</u>	<u>\$ 2,889</u>
Basic net (loss) income per common share:					
(Loss) income from continuing operations	\$ (1.54)	\$ (1.32)	\$ (1.30)	\$ (1.33)	\$ 0.06
Income (loss) from discontinued operations, net of tax	0.00	0.00	0.02	(0.00)	(0.00)
Net (loss) income applicable to common stockholders per share	<u>\$ (1.54)</u>	<u>\$ (1.32)</u>	<u>\$ (1.28)</u>	<u>\$ (1.34)*</u>	<u>\$ 0.06</u>
Diluted net (loss) income per common share:					
(Loss) income from continuing operations	\$ (1.54)	\$ (1.32)	\$ (1.30)	\$ (1.33)	\$ 0.06
Income (loss) from discontinued operations, net of tax	0.00	0.00	0.02	(0.00)	(0.00)
Net (loss) income applicable to common stockholders per share	<u>\$ (1.54)</u>	<u>\$ (1.32)</u>	<u>\$ (1.28)</u>	<u>\$ (1.34)*</u>	<u>\$ 0.06</u>
*Per share amounts do not add due to rounding					
Balance Sheet Data (4):					
Cash and cash equivalents	\$ 67,376	\$ 67,781	\$ 56,676	\$ 57,255	\$ 35,939
Intangible assets, net	1,042,956	1,112,443	1,137,762	1,191,013	1,226,696
Total assets	1,346,524	1,391,694	1,405,100	1,447,445	1,473,216
Total debt (including current portion)	1,024,337	813,444	806,380	805,968	795,638
Total liabilities	1,407,062	1,160,286	1,108,126	1,080,094	1,042,275
Total (deficit) equity	(71,824)	220,572	284,975	354,498	410,598

- (1) Year-to-year comparisons are significantly affected by Radio One's acquisitions and dispositions during the periods covered.
- (2) Interest expense includes non-cash interest, such as the accretion of principal, local marketing agreement ("LMA") fees, time brokerage agreement ("TBA") fees, the amortization of discounts on debt and the amortization of deferred financing costs.
- (3) The Company recognized an after-tax gain of approximately \$146.9 million during the second quarter of 2011 associated with our acquisition of the controlling ownership interest in TV One.
- (4) During 2015, the Company early adopted Accounting Standards Update ("ASU") 2015-03, "Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs" ("ASU 2015-03") and adjusted its balance sheets to present net debt issuance costs as a direct reduction to the Company's long-term debt. The retrospective application of ASU 2015-03 decreased other intangible assets and long-term debt in the consolidated balance sheets above.

The following table contains selected historical consolidated financial data derived from the audited financial statements of Radio One for each of the years in the five-year period ended December 31:

	For the Years Ended December 31,				
	2015	2014	2013	2012	2011
	(In thousands)				
Statement of Cash Flows:					
Cash flows from (used in):					
Operating activities	\$ 41,752	\$ 53,920	\$ 37,029	\$ 45,447	\$ 31,606
Investing activities	(219,261)	(15,100)	(6,073)	(8,044)	55,800
Financing activities	177,104	(27,715)	(31,535)	(16,087)	(60,659)
Other Data:					
Cash interest expense (1)	\$ 69,934	\$ 68,536	\$ 83,612	\$ 73,307	\$ 56,072
Capital expenditures	7,339	5,537	9,194	12,485	9,445

- (1) Cash interest expense is calculated as interest expense less non-cash interest, including the accretion of principal, the amortization of discounts on debt and the amortization of deferred financing costs for the indicated period.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following information should be read in conjunction with "Selected Financial Data" and the Consolidated Financial Statements and Notes thereto included elsewhere in this report.

Overview

For the year ended December 31, 2015, consolidated net revenue increased approximately 2.1% compared to the year ended December 31, 2014. Given the recent and gradual recovery seen in the advertising environments, we project our 2016 business results will improve and compare favorably to that of 2015. Our strategy for 2016 will be to continue to: (i) grow market share; (ii) improve audience share in certain markets and improve revenue conversion of strong and stable audience share in certain other markets; and (iii) grow and diversify our revenue by successfully executing our multimedia strategy.

The state of the economy, competition from digital audio players, the internet, cable television and satellite radio, among other new media outlets, audio and video streaming on the internet, and consumers' increased focus on mobile applications, are some of the reasons our core radio business has seen slow or negative growth over the past few years. In addition to making overall cutbacks, advertisers continue to shift their advertising budgets away from traditional media such as newspapers, broadcast television and radio to these new media outlets. Internet companies have evolved from being large sources of advertising revenue for radio companies to being significant competitors for radio advertising dollars. While these dynamics present significant challenges for companies that are focused solely in the radio industry, through our online properties, which includes our radio websites, Interactive One and other online verticals, as well as our cable television business, we are poised to provide advertisers and creators of content with a multifaceted way to reach African-American consumers.

Results of Operations

Revenue

Within our core radio business, we primarily derive revenue from the sale of advertising time and program sponsorships to local and national advertisers on our radio stations. Advertising revenue is affected primarily by the advertising rates our radio stations are able to charge, as well as the overall demand for radio advertising time in a market. These rates are largely based upon a radio station's audience share in the demographic groups targeted by advertisers, the number of radio stations in the related market, and the supply of, and demand for, radio advertising time. Advertising rates are generally highest during morning and afternoon commuting hours.

In the broadcasting industry, radio stations and television stations often utilize trade or barter agreements to reduce cash expenses by exchanging advertising time for goods or services. In order to maximize cash revenue for our spot inventory, we closely monitor the use of trade and barter agreements.

Interactive One derives its revenue from advertising services. Advertising services include the sale of banner and sponsorship advertisements. Advertising revenue is recognized either as impressions (the number of times advertisements appear in viewed pages) are delivered, when "click through" purchases are made, or ratably over the contract period, where applicable. In addition, Interactive One derives revenue from its studio operations, in which it provides third-party clients with publishing services including digital platforms and related expertise. In the case of the studio operations, revenue is recognized primarily through fixed contractual monthly fees and/or as a share of the third party's reported revenue.

TV One generates the Company's cable television revenue, and derives its revenue principally from advertising and affiliate revenue. Advertising revenue is derived from the sale of television air time to advertisers and is recognized when the advertisements are run. TV One also derives revenue from affiliate fees under the terms of various affiliation agreements based upon a per subscriber fee multiplied by most recent subscriber counts reported by the applicable affiliate.

Reach Media primarily derives its revenue from the sale of advertising inventory in connection with its syndicated radio shows, including the Tom Joyner Morning Show and our other syndicated programming assets, including the Rickey Smiley Morning Show, the Yolanda Adams Morning Show, the Russ Parr Morning Show and the DL Hughley Show. Reach Media also operates www.BlackAmericaWeb.com, an African-American targeted news and entertainment website. Additionally, Reach Media operates various other event-related activities.

Net revenue consists of gross revenue, net of local and national agency and outside sales representative commissions. Agency and outside sales representative commissions are calculated based on a stated percentage applied to gross billing.

The following chart shows the percentage of consolidated net revenue generated by each reporting segment.

	For the Years Ended December 31,		
	2015	2014	2013
Radio broadcasting segment	43.8%	48.3%	49.6%
Reach Media segment	12.1%	11.9%	12.7%
Internet segment	4.7%	5.5%	5.7%
Cable television segment	40.8%	35.6%	33.3%
Corporate/eliminations	(1.4)%	(1.3)%	(1.3)%

The following chart shows net revenue generated from our core radio business as a percentage of consolidated net revenue. The downward trend is consistent with our strategic diversification strategy. In addition, it shows the percentages generated from local and national advertising as a subset of net revenue from our core radio business.

	For the Years Ended December 31,		
	2015	2014	2013
Net revenue generated from core radio business, excluding Reach Media, as a percentage of consolidated net revenue	44.3%	48.8%	50.2%
Percentage of core radio business generated from local advertising	61.8%	62.7%	65.9%
Percentage of core radio business generated from national advertising, including network advertising	33.3%	33.0%	30.4%

National advertising also includes advertising revenue generated from our internet segment. The balance of net revenue from our radio segment was generated from tower rental income, ticket sales and revenue related to our sponsored events, management fees and other revenue.

The following charts show our net revenue (and sources) for the years ended December 31, 2015 and 2014:

	Year Ended December 31,		\$ Change	% Change
	2015	2014		
	(Unaudited)			
	(In thousands)			
Net Revenue:				
Radio Advertising	\$ 218,727	\$ 233,116	\$ (14,389)	(6.2)%
Political Advertising	2,090	3,890	(1,800)	(46.3)%
Digital Advertising	26,310	29,113	(2,803)	(9.6)%
Cable Television Advertising	83,086	76,792	6,294	8.2%
Cable Television Affiliate Fees	100,222	79,654	20,568	25.8%
Event Revenues & Other	20,426	18,822	1,604	8.5%
Net Revenue (as reported)	<u>\$ 450,861</u>	<u>\$ 441,387</u>	<u>\$ 9,474</u>	<u>2.1%</u>

Expenses

Our significant expenses are: (i) employee salaries and commissions; (ii) programming expenses; (iii) marketing and promotional expenses; (iv) rental of premises for office facilities and studios; (v) rental of transmission tower space; (vi) music license royalty fees; and (vii) content amortization. We strive to control these expenses by centralizing certain functions such as finance, accounting, legal, human resources and management information systems and, in certain markets, the programming management function. We also use our multiple stations, market presence and purchasing power to negotiate favorable rates with certain vendors and national representative selling agencies. In addition to salaries and commissions, major expenses for our internet business include membership traffic acquisition costs, software product design, post application software development and maintenance, database and server support costs, the help desk function, data center expenses connected with internet service provider (“ISP”) hosting services and other internet content delivery expenses. Major expenses for our cable television business include content acquisition and amortization, sales and marketing.

We generally incur marketing and promotional expenses to increase and maintain our audiences. However, because Nielsen reports ratings either monthly or quarterly, depending on the particular market, any changed ratings and the effect on advertising revenue tends to lag behind both the reporting of the ratings and the incurrence of advertising and promotional expenditures.

Measurement of Performance

We monitor and evaluate the growth and operational performance of our business using net income and the following key metrics:

(a) *Net revenue*: The performance of an individual radio station or group of radio stations in a particular market is customarily measured by its ability to generate net revenue. Net revenue consists of gross revenue, net of local and national agency and outside sales representative commissions consistent with industry practice. Net revenue is recognized in the period in which advertisements are broadcast. Net revenue also includes advertising aired in exchange for goods and services, which is recorded at fair value, revenue from sponsored events and other revenue. Net revenue is recognized for our online business as impressions are delivered, as “click throughs” are made or ratably over contract periods, where applicable. Net revenue is recognized for our cable television business as advertisements are run, and during the term of the affiliation agreements at levels appropriate for the most recent subscriber counts reported by the affiliate, net of launch support.

(b) *Station operating income*: Net income (loss) before depreciation and amortization, income taxes, interest expense, interest income, noncontrolling interests in income of subsidiaries, other (income) expense, corporate selling, general and administrative, expenses, stock-based compensation, impairment of long-lived assets and loss on retirement of debt, is commonly referred to in our industry as station operating income. Station operating income is not a measure of financial performance under generally accepted accounting principles in the United States (“GAAP”). Nevertheless, station operating income is a significant basis used by our management to measure the operating performance of our stations within the various markets. Station operating income provides helpful information about our results of operations, apart from expenses associated with our fixed and long-lived intangible assets, income taxes, investments, impairment charges, debt financings and retirements, corporate overhead and stock-based compensation. Our measure of station operating income may not be comparable to similarly titled measures of other companies as our definition includes the results of all four of our operating segments (radio broadcasting, Reach Media, internet and cable television). Station operating income does not represent operating loss or cash flow from operating activities, as those terms are defined under GAAP, and should not be considered as an alternative to those measurements as an indicator of our performance.

(c) *Station operating income margin*: Station operating income margin represents station operating income as a percentage of net revenue. Station operating income margin is not a measure of financial performance under GAAP. Nevertheless, we believe that station operating income margin is a useful measure of our performance because it provides helpful information about our profitability as a percentage of our net revenue. Station operating margin includes results from all four segments (radio broadcasting, Reach Media, internet and cable television).

(d) *Adjusted EBITDA*: Adjusted EBITDA consists of net (loss) income plus (1) depreciation and amortization, income taxes, interest expense, noncontrolling interests in income of subsidiaries, impairment of long-lived assets, stock-based compensation, loss on retirement of debt, employment agreement and incentive plan award expenses, severance related costs, less (2) other income and interest income. Net income before interest income, interest expense, income taxes, depreciation and amortization is commonly referred to in our business as “EBITDA.” Adjusted EBITDA and EBITDA are not measures of financial performance under generally accepted accounting principles. We believe Adjusted EBITDA is often a useful measure of a company’s operating performance and is a significant basis used by our management to measure the operating performance of our business because Adjusted EBITDA excludes charges for depreciation, amortization and interest expense that have resulted from our acquisitions and debt financing, our taxes, impairment charges, and gain on retirements of debt. Accordingly, we believe that Adjusted EBITDA provides useful information about the operating performance of our business, apart from the expenses associated with our fixed assets and long-lived intangible assets, capital structure or the results of our affiliated company. Adjusted EBITDA is frequently used as one of the bases for comparing businesses in our industry, although our measure of Adjusted EBITDA may not be comparable to similarly titled measures of other companies, including, but not limited to the fact that our definition includes the results of all four of our operating segments (radio broadcasting, Reach Media, internet and cable television). Adjusted EBITDA and EBITDA do not purport to represent operating income or cash flow from operating activities, as those terms are defined under generally accepted accounting principles, and should not be considered as alternatives to those measurements as an indicator of our performance.

Summary of Performance

The table below provides a summary of our performance based on the metrics described above:

	For the Years Ended December 31,		
	2015	2014	2013
	(In thousands, except margin data)		
Net revenue	\$ 450,861	\$ 441,387	\$ 448,700
Station operating income	167,007	157,381	165,461
Station operating income margin	37.0%	35.7%	36.9%
Net loss applicable to common stockholders	(74,022)	(62,670)	(61,981)

The reconciliation of net loss to station operating income is as follows:

	For the Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
Net loss applicable to common stockholders, as reported	\$ (74,022)	\$ (62,670)	\$ (61,981)
Add back non-station operating income items included in net loss:			
Interest income	(102)	(366)	(245)
Interest expense	80,038	79,810	89,196
Provision for income taxes	15,058	34,814	28,719
Corporate selling, general and administrative, excluding stock-based compensation	49,167	41,800	39,552
Stock-based compensation	5,107	1,594	191
Loss on retirement of debt	7,091	5,679	—
Other expense (income), net	216	(32)	(307)
Depreciation and amortization	35,355	36,822	37,870
Noncontrolling interests in income of subsidiaries	7,888	19,930	18,471
Impairment of long-lived assets	41,211	—	14,880
Income discontinued operations, net of tax	—	—	(885)
Station operating income	<u>\$ 167,007</u>	<u>\$ 157,381</u>	<u>\$ 165,461</u>

	For the Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
Adjusted EBITDA reconciliation:			
Consolidated net loss applicable to common stockholders, as reported	\$ (74,022)	\$ (62,670)	\$ (61,981)
Interest income	(102)	(366)	(245)
Interest expense	80,038	79,810	89,196
Provision for income taxes	15,058	34,814	28,719
Depreciation and amortization	35,355	36,822	37,870
EBITDA	<u>\$ 56,327</u>	<u>\$ 88,410</u>	<u>\$ 93,559</u>
Stock-based compensation	5,107	1,594	191
Loss on retirement of debt	7,091	5,679	—
Other expense (income), net	216	(32)	(307)
Noncontrolling interests in income of subsidiaries	7,888	19,930	18,471
Impairment of long-lived assets	41,211	—	14,880
Employment Agreement and incentive plan award expenses	4,884	4,606	2,301
Severance related costs*	2,746	1,201	1,233
Income from discontinued operations, net of tax	—	—	(885)
Adjusted EBITDA	<u>\$ 125,470</u>	<u>\$ 121,388</u>	<u>\$ 129,443</u>

* The Company has modified the definition of Adjusted EBITDA during 2015 for the inclusion of severance related costs. All prior periods have been reclassified to conform to current period presentation.

RADIO ONE, INC. AND SUBSIDIARIES

RESULTS OF OPERATIONS

The following table summarizes our historical consolidated results of operations:

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014 (In thousands)

	For the Years Ended		Increase/(Decrease)	
	December 31,			
	2015	2014		
Statements of Operations:				
Net revenue	\$ 450,861	\$ 441,387	\$ 9,474	2.1%
Operating expenses:				
Programming and technical, excluding stock-based compensation	134,410	141,689	(7,279)	(5.1)
Selling, general and administrative, excluding stock-based compensation	149,444	142,317	7,127	5.0
Corporate selling, general and administrative, excluding stock-based compensation	49,167	41,800	7,367	17.6
Stock-based compensation	5,107	1,594	3,513	220.4
Depreciation and amortization	35,355	36,822	(1,467)	(4.0)
Impairment of long-lived assets	41,211	—	41,211	100.0
Total operating expenses	414,694	364,222	50,472	13.9
Operating income	36,167	77,165	(40,998)	(53.1)
Interest income	102	366	(264)	(72.1)
Interest expense	80,038	79,810	228	0.3
Loss on retirement of debt	7,091	5,679	1,412	24.9
Other expense (income), net	216	(32)	(248)	(775.0)
Loss before provision for income taxes and noncontrolling interests in income of subsidiaries	(51,076)	(7,926)	(43,150)	(544.4)
Provision for income taxes	15,058	34,814	(19,756)	(56.7)
Net loss	(66,134)	(42,740)	(23,394)	(54.7)
Noncontrolling interests in income of subsidiaries	7,888	19,930	(12,042)	(60.4)
Net loss attributable to common stockholders	\$ (74,022)	\$ (62,670)	\$ (11,352)	(18.1)%

Net revenue

Year Ended December 31,				Increase/(Decrease)		
2015		2014				
\$	450,861	\$	441,387	\$	9,474	2.1%

During the year ended December 31, 2015, we recognized approximately \$450.9 million in net revenue compared to approximately \$441.4 million during the year ended December 31, 2014. These amounts are net of agency and outside sales representative commissions. Net revenues from our radio broadcasting segment for the year ended December 31, 2015, decreased 7.3% from the same period in 2014, primarily to continued declines in net revenue in our four largest markets. Based on reports prepared by the independent accounting firm Miller, Kaplan, Arase & Co., LLP ("Miller Kaplan"), the radio markets we operate in (excluding Richmond and Raleigh, both of which no longer participate in Miller Kaplan) decreased 2.4% in total revenues for the year ended December 31, 2015, made up of a decrease of 3.3% in local revenues and a decrease of 5.0% in national revenues, partially offset by an increase of 4.3% in digital revenues. We experienced net revenue growth most significantly in our Dallas, Philadelphia and St. Louis markets, however, this growth was countered by declines in other markets, with our Atlanta, Baltimore, Columbus, Detroit, Houston, Indianapolis, and Washington DC markets experiencing the most significant declines. Net revenue for our Reach Media segment increased 4.3% versus 2014, due primarily to better performance at an annual promotional event. We recognized approximately \$183.6 million and \$157.1 million of revenue from our cable television segment during the years ended December 31, 2015, and 2014, respectively, with the increase due to higher advertising demand and an increase in subscriber rates for certain affiliates. Our internet segment generated approximately \$21.2 million in net revenue for the year ended December 31, 2015, compared to approximately \$24.3 million during 2014, a decrease of 13%, due to decreases in alliance revenues.

Operating expenses

Programming and technical, excluding stock-based compensation

Year Ended December 31,				Increase/(Decrease)		
2015		2014				
\$	134,410	\$	141,689	\$	(7,279)	(5.1)%

Programming and technical expenses include expenses associated with on-air talent and the management and maintenance of the systems, tower facilities, and studios used in the creation, distribution and broadcast of programming content on our radio stations. Programming and technical expenses for the radio segment also include expenses associated with our programming research activities and music royalties. For our internet segment, programming and technical expenses include software product design, post-application software development and maintenance, database and server support costs, the help desk function, data center expenses connected with ISP hosting services and other internet content delivery expenses. For our cable television segment, programming and technical expenses include expenses associated with technical, programming, production, and content management. The decrease in programming and technical expenses for the year ended December 31, 2015, compared to the same period in 2014 is due primarily from lower expenses in our radio broadcasting and Reach Media segments. These decreases are partially offset by an increase in expenses from our cable television segment. Our radio broadcasting segment generated a decrease of approximately \$2.3 million for the year ended December 31, 2015, compared to the same period in 2014, as there were lower employee compensation costs associated with format changes in our Houston market. Our Reach Media segment generated a decrease of approximately \$8.6 million for the year ended December 31, 2015, compared to the same period in 2014, with the decrease due to a reduction in talent compensation as a result of renegotiated contracts. Approximately \$67.3 million of our consolidated programming and technical operating expenses were incurred by our cable broadcasting segment for the year ended December 31, 2015, versus approximately \$64.3 million for the same period in 2014. Of this total amount incurred by our cable broadcasting segment, approximately \$57.8 million and \$54.6 million, respectively, relates specifically to program content expense. The increase in program content expense was a result of certain new series and movie premieres.

Selling, general and administrative, excluding stock-based compensation

Year Ended December 31,				Increase/(Decrease)	
2015		2014			
\$	149,444	\$	142,317	\$	7,127
					5.0%

Selling, general and administrative expenses include expenses associated with our sales departments, offices and facilities and personnel (outside of our corporate headquarters), marketing and promotional expenses, special events and sponsorships and back office expenses. Expenses to secure ratings data for our radio stations and visitors' data for our websites are also included in selling, general and administrative expenses. In addition, selling, general and administrative expenses for the radio broadcasting segment and internet segment include expenses related to the advertising traffic (scheduling and insertion) functions. Selling, general and administrative expenses also include membership traffic acquisition costs for our online business. The increase in selling, general and administrative expenses for the year ended December 31, 2015, compared to the same period in 2014, was driven primarily by our Reach Media and cable television segments. Commensurate with the increase in revenue, Reach Media incurred higher costs associated with its annual promotional event. Our cable television segment generated an increase of approximately \$5.5 million, primarily due to marketing and promotional expenses to advertise and promote certain programs in addition to higher employee compensation costs.

Corporate selling, general and administrative, excluding stock-based compensation

Year Ended December 31,				Increase/(Decrease)	
2015		2014			
\$	49,167	\$	41,800	\$	7,367
					17.6%

Corporate expenses consist of expenses associated with our corporate headquarters and facilities, including personnel as well as other corporate overhead functions. There was an increase in corporate expenses due to an increase in compensation expense for the Chief Executive Officer in connection with the valuation of the Employment Agreement Award element in his employment agreement. Our cable television segment also generated an increase in corporate expenses due primarily to higher management employee compensation costs and an increase in the allowance for doubtful accounts.

Stock-based compensation

Year Ended December 31,				Increase/(Decrease)	
2015		2014			
\$	5,107	\$	1,594	\$	3,513
					220.4%

On September 30, 2014, the Compensation Committee of the Board of Directors of the Company approved the principal terms of new employment agreements for each of the Company's named executive officers which included the granting of restricted shares and stock options effective October 6, 2014, under a long-term incentive plan ("LTIP"). Also effective October 6, 2014, the Compensation Committee awarded 410,000 shares of restricted stock to certain employees pursuant to the LTIP. Stock-based compensation requires measurement of compensation costs for all stock-based awards at fair value on date of grant and recognition of compensation expense over the service period for which awards are expected to vest. The increase in stock-based compensation for the year ended December 31, 2015, compared to the same period in 2014 is primarily due to a full year's impact of the actions taken above.

Depreciation and amortization

Year Ended December 31,				Increase/(Decrease)	
2015		2014			
\$	35,355	\$	36,822	\$	(1,467)
					(4.0)%

The decrease in depreciation and amortization expense for the year ended December 31, 2015, was due to the completion of amortization for certain intangible assets and the completion of useful lives for certain assets.

Impairment of long-lived assets

Year Ended December 31,		Increase/(Decrease)	
2015	2014		
\$ 41,211	\$ —	\$ 41,211	100.0%

The impairment of long-lived assets for the year ended December 31, 2015, was related to a non-cash impairment charge recorded to reduce the carrying value of our internet segment's goodwill and a non-cash impairment charge recorded to reduce the carrying value of our Cincinnati market goodwill and several radio broadcasting licenses. There was no impairment of long-lived assets for the year ended December 31, 2014.

Interest expense

Year Ended December 31,		Increase/(Decrease)	
2015	2014		
\$ 80,038	\$ 79,810	\$ 228	0.3%

Despite increased debt balances, interest expense remained relatively flat for the year ended December 31, 2015, compared to the same period in 2014 due to a lower overall effective rate in 2015. On April 17, 2015, the Company's 2011 Credit Agreement, as amended, and TV One Notes were paid off, with balances of \$367.6 million and \$119.0 million, respectively. The payoffs were achieved by the Company entering into its new \$350.0 million 2015 Credit Facility, issuing the 2022 Notes in an aggregate principal amount of \$350.0 million and the Comcast Note in the aggregate principal amount of approximately \$11.9 million. The terms 2011 Credit Agreement, TV One Notes, 2015 Credit Facility, 2022 Notes and Comcast Note are all defined below in "Liquidity and Capital Resources."

Loss on retirement of debt

Year Ended December 31,		Increase/(Decrease)	
2015	2014		
\$ 7,091	\$ 5,679	\$ 1,412	24.9%

The loss on retirement of debt of approximately \$7.1 million for the year ended December 31, 2015, was due to the retirement of the 2011 Credit Agreement and payoff of the TV One Notes during the second quarter. This amount included a write-off of approximately \$1.3 million of previously capitalized debt financing costs, a write-off of \$844,000 of original issue discount associated with the 2011 Credit Agreement, as amended, as well as \$827,000 associated with the call premium to refinance the credit facility, \$106,000 associated with the consent to the existing holders of the 2020 Notes and approximately \$4.0 million of costs associated with the financing transactions. The loss on retirement of debt of approximately \$5.7 million for the year ended December 31, 2014, was due to the retirement of the 2016 Notes. This amount included a write-off of approximately \$4.1 million of previously capitalized debt financing costs and approximately \$1.6 million associated with the net premium paid to retire the 2016 Notes.

Provision for income taxes

Year Ended December 31,		Increase/(Decrease)	
2015	2014		
\$ 15,058	\$ 34,814	\$ (19,756)	(56.7)%

During the year ended December 31, 2015, the provision for income taxes decreased to approximately \$15.1 million compared to approximately \$34.8 million for the year ended December 31, 2014. The decrease in tax provision was primarily due to the impairment of long-lived intangible assets and completion of tax amortization from previously acquired indefinite-lived intangible assets, which reduced the deferred tax liabilities ("DTLs") and related deferred tax expense. For the year ended December 31, 2015, the income tax provision consisted of deferred tax expense of approximately \$14.5 million related to temporary differences due to tax amortization of indefinite-lived intangible assets, and current provision expense of approximately \$572,000. For the year ended December 31, 2014, the income tax provision consisted of deferred tax expense of approximately \$34.3 million related to temporary differences due to tax amortization of indefinite-lived intangible assets, and current provision expense of approximately \$558,000. The Company continued to maintain a full valuation allowance for its net deferred tax assets ("DTAs"). We do not consider DTLs related to indefinite-lived assets in evaluating the realizability of our DTAs, as the timing of their reversal cannot be determined.

The tax provision and offsetting valuation allowance resulted in an effective tax rate of (29.5)% and (439.2)% for the years ended December 31, 2015 and 2014, respectively. The annual effective tax rate for Radio One in 2015 and 2014 primarily reflects the change in DTLs associated with the tax amortization of indefinite-lived intangible assets.

Noncontrolling interests in income of subsidiaries

Year Ended December 31,				Increase/(Decrease)	
2015		2014			
\$	7,888	\$	19,930	\$	(12,042)
					(60.4)%

The decrease in noncontrolling interests in income of subsidiaries was due primarily to our increased ownership percentage of TV One.

Other Data

Station operating income

Station operating income increased to approximately \$167.0 million for the year ended December 31, 2015, compared to approximately \$157.4 million for the year ended December 31, 2014, an increase of approximately \$9.6 million or 6.1%. This increase was primarily due to higher station operating income from our Reach Media and cable television segments, partially offset by a decrease of station operating income at our radio broadcasting segment. Reach Media generated approximately \$13.3 million of station operating income during the year ended December 31, 2015, compared to approximately \$6.5 million during the year ended December 31, 2014, an increase of \$6.8 million. The increase was due primarily to lower programming and technical expenses association with a decrease in talent compensation as a result of certain renegotiated contracts. TV One generated approximately \$78.7 million of station operating income for the year ended December 31, 2015, compared to approximately \$60.7 million for the year ended December 31, 2014, an increase of \$18.0 million, with the increase due primarily to increased advertising and affiliate revenues. The radio broadcasting segment generated approximately \$72.9 million of station operating income during the year ended December 31, 2015, compared to \$86.3 million during the year ended December 31, 2014, with the decrease due primarily to continued net revenue declines at four of our largest markets.

Station operating income margin

Station operating income margin increased to 37.0% for the year ended December 31, 2015, from 35.7% for 2014. The margin increase was primarily attributable to TV One's and Reach Media's greater operating income as described above.

RADIO ONE, INC. AND SUBSIDIARIES

RESULTS OF OPERATIONS

The following table summarizes our historical consolidated results of operations:

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013 (In thousands)

	For the Years Ended		Increase/(Decrease)	
	December 31,			
	2014	2013		
Statements of Operations:				
Net revenue	\$ 441,387	\$ 448,700	\$ (7,313)	(1.6)%
Operating expenses:				
Programming and technical, excluding stock-based compensation	141,689	138,021	3,668	2.7
Selling, general and administrative, excluding stock-based compensation	142,317	145,218	(2,901)	(2.0)
Corporate selling, general and administrative, excluding stock-based compensation	41,800	39,552	2,248	5.7
Stock-based compensation	1,594	191	1,403	734.6
Depreciation and amortization	36,822	37,870	(1,048)	(2.8)
Impairment of long-lived assets	—	14,880	(14,880)	(100.0)
Total operating expenses	<u>364,222</u>	<u>375,732</u>	<u>(11,510)</u>	<u>(3.1)</u>
Operating income	77,165	72,968	4,197	5.8
Interest income	366	245	121	49.4
Interest expense	79,810	89,196	(9,386)	(10.5)
Loss on retirement of debt	5,679	—	5,679	100.0
Other income, net	<u>32</u>	<u>307</u>	<u>(275)</u>	<u>(89.6)</u>
Loss before provision for income taxes, noncontrolling interests in income of subsidiaries and income from discontinued operations, net of tax	(7,926)	(15,676)	7,750	49.4
Provision for income taxes	<u>34,814</u>	<u>28,719</u>	<u>6,095</u>	<u>21.2</u>
Net loss from continuing operations	(42,740)	(44,395)	1,655	3.7
Income from discontinued operations, net of tax	<u>—</u>	<u>885</u>	<u>(885)</u>	<u>(100.0)</u>
Net loss	(42,740)	(43,510)	770	1.8
Noncontrolling interests in income of subsidiaries	19,930	18,471	1,459	7.9
Net loss attributable to common stockholders	<u>\$ (62,670)</u>	<u>\$ (61,981)</u>	<u>\$ (689)</u>	<u>(1.1)%</u>

Net revenue

Year Ended December 31,				Increase/(Decrease)		
2014		2013				
\$	441,387	\$	448,700	\$	(7,313)	(1.6)%

During the year ended December 31, 2014, we recognized approximately \$441.4 million in net revenue compared to approximately \$448.7 million during the year ended December 31, 2013. These amounts are net of agency and outside sales representative commissions. Net revenues from our radio broadcasting segment for the year ended December 31, 2014, decreased 4.3% from the same period in 2013, primarily due to declines in our four largest markets. In two of our largest markets, there were additions of direct competitors. Based on reports prepared by Miller Kaplan, the radio markets we operated in (excluding Richmond, the sole market in which we did not participate in Miller Kaplan in 2014) decreased 1.6% in total revenues for the year ended December 31, 2014, made up of a decrease of 4.9% in local revenues, partially offset by an increase of 0.9% in national revenues, and an increase of 9.8% in digital revenues. We experienced net revenue growth most significantly in our Charlotte, Dallas and Detroit markets, however, this growth was countered by declines in other markets, with our Atlanta, Baltimore, Houston, Philadelphia, Richmond and Washington DC markets experiencing the most significant declines. Net revenue for our Reach Media segment decreased 7.4% versus 2013, due to a mix of customer turnover and lower rates. We recognized approximately \$157.1 million and \$149.5 million of revenue from our cable television segment during the years ended December 31, 2014 and 2013, respectively, with the increase due to higher advertising demand and an increase in subscriber rates for certain affiliates. Our internet segment generated approximately \$24.3 million in net revenue for the year ended December 31, 2014, compared to approximately \$25.6 million during 2013, a decrease of 5.1%, due to a decrease in direct revenues.

Operating expenses

Programming and technical, excluding stock-based compensation

Year Ended December 31,				Increase/(Decrease)		
2014		2013				
\$	141,689	\$	138,021	\$	3,668	2.7%

Programming and technical expenses include expenses associated with on-air talent and the management and maintenance of the systems, tower facilities, and studios used in the creation, distribution and broadcast of programming content on our radio stations. Programming and technical expenses for the radio segment also include expenses associated with our programming research activities and music royalties. For our internet segment, programming and technical expenses include software product design, post-application software development and maintenance, database and server support costs, the help desk function, data center expenses connected with ISP hosting services and other internet content delivery expenses. For our cable television segment, programming and technical expenses include expenses associated with the technical, programming, production, and content management. Approximately \$64.3 million of our consolidated programming and technical operating expenses were incurred by TV One for the year ended December 31, 2014, compared to approximately \$61.0 million for 2013. Of this total amount incurred by TV One, approximately \$54.6 million and \$51.8 million for the years ended December 31, 2014 and 2013, respectively, relates specifically to content amortization. The increase in TV One content amortization was a result of an increased investment in original programming as well as incremental acquisitions. In addition, the cable television segment generated greater music royalties as well as higher travel and entertainment expenses for the year ended December 31, 2014, compared to 2013.

Selling, general and administrative, excluding stock-based compensation

Year Ended December 31,				Increase/(Decrease)	
2014		2013			
\$	142,317	\$	145,218	\$	(2,901)
					(2.0)%

Selling, general and administrative expenses include expenses associated with our sales departments, offices and facilities and personnel (outside of our corporate headquarters), marketing and promotional expenses, special events and sponsorships and back office expenses. Expenses to secure ratings data for our radio stations and visitors' data for our websites are also included in selling, general and administrative expenses. In addition, selling, general and administrative expenses for the radio broadcasting segment and internet segment include expenses related to the advertising traffic (scheduling and insertion) functions. Selling, general and administrative expenses also include membership traffic acquisition costs for our online business. Approximately \$32.1 million of our consolidated selling, general and administrative operating expenses were incurred by TV One for the year ended December 31, 2014, compared to approximately \$30.8 million for 2013. TV One incurred higher selling, general and administrative expenses related to higher marketing and promotional expenses to advertise and promote new TV One shows, in addition to higher professional fees as well as higher travel and entertainment expenses. This increase was offset by decreases in each of our other segments. Our internet business incurred lower traffic acquisition and production costs as well as lower compensation costs during the year ended December 31, 2014, compared to the same period in 2013, resulting in a decrease of approximately \$2.7 million. Reach Media incurred lower contract labor expenses and our radio broadcasting segment incurred lower bad debt expenses for the year ended December 31, 2014, compared to 2013.

Corporate selling, general and administrative, excluding stock-based compensation

Year Ended December 31,				Increase/(Decrease)	
2014		2013			
\$	41,800	\$	39,552	\$	2,248
					5.7%

Corporate expenses consist of expenses associated with our corporate headquarters and facilities, including personnel as well as other corporate overhead functions. There was an increase in corporate expenses due primarily to an increase in compensation expense for the Chief Executive Officer in connection with the valuation of the potential payment for the Employment Agreement Award.

Stock-based compensation

Year Ended December 31,				Increase/(Decrease)	
2014		2013			
\$	1,594	\$	191	\$	1,403
					734.6%

On September 30, 2014, the Compensation Committee of the Board of Directors of the Company approved the principal terms of new employment agreements for each of the Company's named executive officers which included the granting of restricted shares and stock options effective October 6, 2014, under a LTIP. Also effective October 6, 2014, the Compensation Committee awarded 410,000 shares of restricted stock to certain employees pursuant to the LTIP. Stock-based compensation requires measurement of compensation costs for all stock-based awards at fair value on date of grant and recognition of compensation expense over the service period for which awards are expected to vest.

Depreciation and amortization

Year Ended December 31,				Increase/(Decrease)	
2014		2013			
\$	36,822	\$	37,870	\$	(1,048)
					(2.8)%

Depreciation and amortization expense decreased to approximately \$36.8 million compared to approximately \$37.9 million for the years ended December 31, 2014 and 2013, respectively, a decrease of 2.8%. The decrease was due to the completion of amortization for certain intangible assets and the completion of useful lives for certain assets.

Impairment of long-lived assets

Year Ended December 31,		Increase/(Decrease)	
2014	2013		
\$ —	\$ 14,880	\$ (14,880)	(100.0)%

The impairment of long-lived assets for the year ended December 31, 2013, was related to a non-cash impairment charge recorded to reduce the carrying value of our Boston, Cincinnati, Cleveland and Philadelphia radio broadcasting licenses. There was no impairment of long-lived assets for the year ended December 31, 2014.

Interest expense

Year Ended December 31,		Increase/(Decrease)	
2014	2013		
\$ 79,810	\$ 89,196	\$ (9,386)	(10.5)%

Interest expense decreased to approximately \$79.8 million for the year ended December 31, 2014, compared to approximately \$89.2 million for the same period in 2013. The primary driver of the decrease in interest expense was due to the lower interest rate associated with the 2020 Notes, compared to the 2016 Notes which were redeemed during the first quarter of 2014.

Provision for income taxes

Year Ended December 31,		Increase/(Decrease)	
2014	2013		
\$ 34,814	\$ 28,719	\$ 6,095	21.2%

During the year ended December 31, 2014, the provision for income taxes increased to approximately \$34.8 million compared to approximately \$28.7 million for the year ended December 31, 2013. The increase in tax provision was due to the impairment of long-lived intangible assets that reduced the DTLs and related deferred tax expense for 2013. For the year ended December 31, 2014, the income tax provision consisted of deferred tax expense of approximately \$34.3 million related to temporary differences due to tax amortization of indefinite-lived intangible assets, and current provision expense of approximately \$558,000. For the year ended December 31, 2013, the income tax provision consisted of deferred tax expense of approximately \$27.3 million related to temporary differences due to tax amortization of indefinite-lived intangible assets, and current provision expense of approximately \$1.4 million. The reduction of current tax expense was primarily attributable to certain state restructuring activities. The Company continued to maintain a full valuation allowance for its net DTAs. We do not consider DTLs related to indefinite-lived assets in evaluating the realizability of our DTAs, as the timing of their reversal cannot be determined.

The tax provision and offsetting valuation allowance resulted in an effective tax rate of (439.2)% and (183.2)% for the years ended December 31, 2014 and 2013, respectively. The annual effective tax rate for Radio One in 2014 and 2013 primarily reflects the change in DTLs associated with the tax amortization of indefinite-lived intangible assets.

Income from discontinued operations, net of tax

Year Ended December 31,		Increase/(Decrease)	
2014	2013		
\$ —	\$ 885	\$ (885)	(100.0)%

Income from discontinued operations, net of tax, includes the results of operations for our Columbus, Ohio radio station, WJKR-FM (The Jack, 98.9 FM). The activity for the year ended December 31, 2013, resulted primarily from the sale of this station in February 2013, which resulted in a one-time gain of \$893,000.

Noncontrolling interests in income of subsidiaries

Year Ended December 31,		Increase/(Decrease)	
2014	2013		
\$ 19,930	\$ 18,471	\$ 1,459	7.9%

The increase in noncontrolling interests in income of subsidiaries was due primarily to greater net income generated by TV One during the year ended December 31, 2014, compared to the same period in 2013. Reach Media generated lower net income during the year ended December 31, 2014, compared to 2013, which partially offset the increase generated by TV One.

Other Data

Station operating income

Station operating income decreased to approximately \$157.4 million for the year ended December 31, 2014, compared to approximately \$165.5 million for the year ended December 31, 2013, a decrease of approximately \$8.1 million or 4.9%. This decrease was primarily due to lower radio broadcasting segment and Reach Media station operating income during the year ended December 31, 2014, compared to 2013. Reach Media generated approximately \$6.5 million of station operating income during the year ended December 31, 2014, compared to approximately \$10.3 million during the year ended December 31, 2013, primarily due to declines in net revenue which was due to a mix of customer turnover and lower rates. The radio broadcasting segment generated approximately \$86.3 million of station operating income during the year ended December 31, 2014, compared to \$94.6 million during the year ended December 31, 2013, with the decrease due primarily to declines in net revenue in our four largest markets. These decreases in station operating income were partially offset by increases in station operating income of approximately \$1.0 million and \$3.0 million at our internet and cable television segments, respectively.

Station operating income margin

Station operating income margin decreased to 35.7% for the year ended December 31, 2014, from 36.9% for 2013. The margin decrease was primarily attributable to declines in net revenue as described above.

Liquidity and Capital Resources

Our primary source of liquidity is cash provided by operations and, to the extent necessary, other debt or equity financing.

2022 Notes and 2015 Credit Facilities

On April 17, 2015, the Company closed its private offering of \$350.0 million aggregate principal amount of 7.375% senior secured notes due 2022 (the “2022 Notes”). The 2022 Notes were offered at an original issue price of 100.0% plus accrued interest from April 17, 2015, and will mature on April 15, 2022. Interest on the 2022 Notes accrues at the rate of 7.375% per annum and is payable semiannually in arrears on April 15 and October 15, commencing on October 15, 2015. The 2022 Notes are guaranteed, jointly and severally, on a senior secured basis by the Company’s existing and future domestic subsidiaries, including TV One, that guarantee any of its new \$350.0 million senior secured credit facility (the “2015 Credit Facility”) entered into concurrently with the closing of the 2022 Notes.

The 2015 Credit Facility matures on December 31, 2018. At the Company’s election, the interest rate on borrowings under the 2015 Credit Facility is based on either (i) the then applicable base rate plus 3.5% (as defined in the 2015 Credit Facility) as, for any day, a rate per annum (rounded upward, if necessary, to the next 1/100th of 1%) equal to the greater of (a) the prime rate published in the Wall Street Journal, (b) 1/2 of 1% in excess rate of the overnight Federal Funds Rate at any given time and (c) the one-month LIBOR rate commencing on such day plus 1.00%), or (ii) the then applicable LIBOR rate plus 4.5% (as defined in the 2015 Credit Facility). The average interest rate was approximately 4.80% for 2015. Quarterly installments of 0.25%, or \$875,000, of the principal balance on the term loan are payable on the last day of each March, June, September and December beginning on September 30, 2015. During the year ended December 31, 2015, the Company repaid approximately \$1.8 million under the 2015 Credit Facility.

In connection with the closing of the financing transactions, the Company and the guarantor parties thereto entered into a Fourth Supplemental Indenture to the indenture governing the 2020 Notes (as defined below). Pursuant to this Fourth Supplemental Indenture, TV One, which previously did not guarantee the 2020 Notes, became a guarantor under the 2020 Notes indentures. In addition, the closing of the financing transactions caused a “Triggering Event” (as defined in the 2020 Notes Indenture) and as a result, the 2020 Notes became an unsecured obligation of the Company and the subsidiary guarantors and rank equal in right of payment with the Company’s other senior indebtedness.

The Company used the net proceeds from the 2022 Notes, along with term loan borrowings under the 2015 Credit Facility to refinance its 2011 Credit Agreement, refinance the TV One Notes and finance the buyout of membership interests of Comcast in TV One and pay the related accrued interest, premiums, fees and expenses associated therewith.

The 2015 Credit Facility contains affirmative and negative covenants that the Company is required to comply with, including:

(a) maintaining an interest coverage ratio of no less than:

- 1.25 to 1.00 on June 30, 2015 and the last day of each fiscal quarter thereafter.

(b) maintaining a senior leverage ratio of no greater than:

- 5.85 to 1.00 on June 30, 2015 and the last day of each fiscal quarter thereafter.

(c) limitations on:

- liens;
- sale of assets;
- payment of dividends; and
- mergers.

As of December 31, 2015, ratios calculated in accordance with the 2015 Credit Facility were as follows:

	As of December 31, 2015	Covenant Limit	Excess Coverage
Pro Forma Last Twelve Months Covenant EBITDA (In millions)	\$ 126.6		
Pro Forma Last Twelve Months Interest Expense (In millions)	\$ 74.7		
Senior Debt (In millions)	\$ 632.3		
Interest Coverage			
Covenant EBITDA / Interest Expense	1.69x	1.25x	0.44x
Senior Secured Leverage			
Senior Secured Debt / Covenant EBITDA	4.99x	5.85x	0.86x
Covenant EBITDA – Earnings before interest, taxes, depreciation and amortization (“EBITDA”) adjusted for certain other adjustments, as defined in the 2015 Credit Facility			

As of December 31, 2015, the Company was in compliance with all of its financial covenants under the 2015 Credit Facility.

As of December 31, 2015, the Company had outstanding approximately \$348.3 million on its 2015 Credit Facility. The original issue discount is being reflected as an adjustment to the carrying amount of the debt obligations and amortized to interest expense over the term of the credit facility. The Company early adopted ASU 2015-03 during the year ended December 31, 2015, resulting in approximately \$7.4 million of net debt issuance costs presented as a direct reduction to the Company's long-term debt in the consolidated balance sheet as of December 31, 2015. The retrospective application of ASU 2015-03 decreased other intangible assets and long-term debt by approximately \$6.9 million in the consolidated balance sheet as of December 31, 2014. The amortization of deferred financing costs was charged to interest expense for all periods presented. The amount of deferred financing costs included in interest expense for the years ended December 31, 2015, 2014 and 2013 was approximately \$4.9 million, \$4.6 million and \$5.3 million, respectively.

2011 Credit Facilities

On March 31, 2011, the Company entered into a senior secured credit facility (the “2011 Credit Agreement”) with a syndicate of banks, and simultaneously borrowed \$386.0 million to retire all outstanding obligations under the Company's previous amended and restated credit agreement and to fund a past obligation with respect to a capital call initiated by TV One. The total amount available under the 2011 Credit Agreement was \$411.0 million, initially consisting of a \$386.0 million term loan facility that matured on March 31, 2016, and a \$25.0 million revolving loan facility that matured on March 31, 2015. Borrowings under the 2011 Credit Agreement were subject to compliance with certain covenants including, but not limited to, certain financial covenants. Proceeds from the 2011 Credit Agreement could be used for working capital, capital expenditures made in the ordinary course of business, a common stock repurchase program, permitted direct and indirect investments and other lawful corporate purposes. On December 19, 2012, the Company entered into an amendment to the 2011 Credit Agreement (the “December 2012 Amendment”). The December 2012 Amendment: (i) modified financial covenant levels with respect to the Company's total-leverage, secured-leverage, and interest-coverage ratios; (ii) increased the amount of cash the Company can net for determination of its net indebtedness tests; and (iii) extended the time for certain of the 2011 Credit Agreement's call premium while reducing the time for its later and lower premium.

On January 21, 2015, the Company entered into a second amendment to the 2011 Credit Agreement (the “Second Amendment”) with its lenders. The provisions of the 2011 Credit Agreement relating to the call premium were revised by the Second Amendment to extend the call protection from April 1, 2015 until maturity. The Second Amendment provided a call premium of 101.5% if the 2011 Credit Agreement were refinanced with proceeds from a notes offering and 100.5% if the 2011 Credit Agreement was refinanced with proceeds from any other repayment, including proceeds from a new term loan. The call premium was payable at the earlier of any refinancing or final maturity.

The 2011 Credit Agreement, as amended on December 19, 2012, and January 21, 2015, contained affirmative and negative covenants with which the Company was required to comply, including financial covenants. In accordance with the 2011 Credit Agreement, as amended, the calculations for the ratios did not include the operating results or related debt of TV One, but rather included our proportionate share of cash dividends received from TV One for periods presented.

Under the terms of the 2011 Credit Agreement, as amended, interest on base rate loans was payable quarterly and interest on LIBOR loans was payable monthly or quarterly. The base rate was equal to the greater of: (i) the prime rate; (ii) the Federal Funds Effective Rate plus 0.50%; or (iii) the LIBOR Rate for a one-month period plus 1.00%. The applicable margin on the 2011 Credit Agreement was between (i) 4.50% and 5.50% on the revolving portion of the facility and (ii) 5.00% (with a base rate floor of 2.5% per annum) and 6.00% (with a LIBOR floor of 1.5% per annum) on the term portion of the facility. The average interest rate was 7.50% for the first quarter of 2015 prior to the refinancing. Quarterly installments of 0.25%, or \$957,000, of the principal balance on the term loan were payable on the last day of each March, June, September and December.

On February 24, 2015, the Company entered into a letter of credit reimbursement and security agreement. As of December 31, 2015, the Company had letters of credit totaling \$908,000 under the agreement. Letters of credit issued under the agreement are required to be collateralized with cash.

During the year ended December 31, 2015, the Company repaid approximately \$368.5 million under the 2011 Credit Agreement, as amended. During the year ended December 31, 2014, the Company repaid approximately \$4.9 million under the 2011 Credit Agreement, as amended. The original issue discount was being reflected as an adjustment to the carrying amount of the debt obligations and amortized to interest expense over the term of the credit facility. According to the terms of the Credit Agreement, as amended, the Company did not make an excess cash flow payment in April 2015. According to the terms of the Credit Agreement, as amended, the Company made an excess cash flow payment of approximately \$1.1 million during April 2014.

As noted above, the Company used the net proceeds from the private offering of the 2022 Notes, along with term loan borrowings under the 2015 Credit Facility, to refinance its 2011 Credit Agreement, as amended. The Company recorded a loss on retirement of debt of approximately \$7.1 million for the year ended December 31, 2015. This amount included a write-off of approximately \$1.3 million of previously capitalized debt financing costs, a write-off of \$844,000 of original issue discount associated with the 2011 Credit Agreement, as amended, as well as \$827,000 associated with the call premium to refinance the credit facility, \$106,000 associated with the consent to the existing holders of the 2020 Notes and approximately \$4.0 million of costs associated with the financing transactions.

Senior Subordinated Notes

On November 24, 2010, we issued \$286.8 million of our 12.5%/15% Senior Subordinated Notes due May 2016 (the "2016 Notes") in a private placement and exchanged and then cancelled approximately \$97.0 million of \$101.5 million in aggregate principal amount outstanding of our 8 7/8% senior subordinated notes due 2011 (the "2011 Notes") and approximately \$199.3 million of \$200.0 million in aggregate principal amount outstanding of our 6 3/8% Senior Subordinated Notes that matured in February 2013 (the "2013 Notes" and the 2013 Notes together with the 2011 Notes, the "Prior Notes"). Subsequently, we repurchased or redeemed all remaining Prior Notes pursuant to the terms of their respective indentures. Effective March 13, 2014, the Company repurchased or otherwise redeemed all of the amounts outstanding under the 2016 Notes using proceeds from our 2020 Notes (defined below). The Company recorded a loss on retirement of debt of approximately \$5.7 million during the first quarter of 2014. This amount included a write-off of approximately \$4.1 million of previously capitalized debt financing costs and approximately \$1.6 million associated with the net premium paid to retire the 2016 Notes.

Interest on the 2016 Notes, that the Company repurchased or otherwise redeemed in March 2014, was initially payable in cash, or at our election, partially in cash and partially through the issuance of additional 2016 Notes (a "PIK Election") on a quarterly basis in arrears. For fiscal 2014, interest accrued at a rate of 12.5% and was payable in cash.

On February 10, 2014, the Company closed a private placement offering of \$335.0 million aggregate principal amount of 9.25% senior subordinated notes due 2020 (the "2020 Notes"). The 2020 Notes were offered at an original issue price of 100.0% plus accrued interest from February 10, 2014. The 2020 Notes mature on February 15, 2020. Interest accrues at the rate of 9.25% per annum and is payable semiannually in arrears on February 15 and August 15 in the amount of approximately \$15.5 million, commencing on August 15, 2014. The 2020 Notes are guaranteed by certain of the Company's existing and future domestic subsidiaries and any other subsidiaries that guarantee the existing senior credit facility or any of the Company's other syndicated bank indebtedness or capital markets securities. The Company used the net proceeds from the offering to repurchase or otherwise redeem all of the amounts then outstanding under its 2016 Notes and to pay the related accrued interest, premiums, fees and expenses associated therewith. As of December 31, 2015, the Company had \$335.0 million of our 2020 Notes outstanding. During the year ended December 31, 2014, the Company capitalized approximately \$4.5 million of costs associated with our 2020 Notes.

The indenture that governs the 2020 Notes contains covenants that restrict, among other things, the ability of the Company to incur additional debt, purchase common stock, make capital expenditures, make investments or other restricted payments, swap or sell assets, engage in transactions with related parties, secure non-senior debt with assets, or merge, consolidate or sell all or substantially all of its assets.

TV One Senior Secured Notes

TV One issued \$119.0 million in senior secured notes on February 25, 2011 ("TV One Notes"). The proceeds from the notes were used to purchase equity interests from certain financial investors and TV One management. The notes bore interest at 10.0% per annum, which was payable monthly, and the entire principal amount was due on March 15, 2016. In connection with the closing of the financing transactions on April 17, 2015, the TV One Notes were repaid.

Comcast Note

The Company also has outstanding our new senior unsecured promissory note in the aggregate principal amount of approximately \$11.9 million due to Comcast ("Comcast Note"). The Comcast Note bears interest at 10.47%, is payable quarterly in arrears, and the entire principal amount is due on April 17, 2019.

The Company conducts a portion of its business through its subsidiaries. Certain of the Company's subsidiaries have fully and unconditionally guaranteed the Company's 2022 Notes, 2020 Notes and the Company's obligations under the 2015 Credit Facility.

The 2022 Notes are the Company's senior secured obligations and rank equal in right of payment with all of the Company's and the guarantors' existing and future senior indebtedness, including obligations under the 2015 Credit Facility and the Company's 2020 Notes. The 2022 Notes and related guarantees are equally and ratably secured by the same collateral securing the 2015 Credit Facility and any other parity lien debt issued after the issue date of the 2022 Notes, including any additional notes issued under the Indenture, but are effectively subordinated to the Company's and the guarantors' secured indebtedness to the extent of the value of the collateral securing such indebtedness that does not also secure the 2022 Notes. Collateral includes substantially all of the Company's and the guarantors' current and future property and assets for accounts receivable, cash, deposit accounts, other bank accounts, securities accounts, inventory and related assets including the capital stock of each subsidiary guarantor. Finally, the Company also has the Comcast Note which is a general but senior unsecured obligation of the Company.

The following table summarizes the interest rates in effect with respect to our debt as of December 31, 2015:

Type of Debt	Amount Outstanding (In millions)	Applicable Interest Rate
Senior bank term debt, net of original issue discount (at variable rates)(1)	\$ 336.3	5.11%
9.25% Senior Subordinated Notes, net of original issue discount and issuance costs (fixed rate)	331.8	9.25%
7.375% Senior Secured Notes, net of original issue discount and issuance costs (fixed rate)	344.3	7.375%
Comcast Note due April 2019 (fixed rate)	11.9	10.47%

(1) Subject to variable Libor plus a spread that is incorporated into the applicable interest rate set forth above.

The following table provides a comparison of our statements of cash flows for the years ended December 31, 2015 and 2014:

	2015	2014
	(In thousands)	
Net cash flows provided by operating activities	\$ 41,752	\$ 53,920
Net cash flows used in investing activities	(219,261)	(15,100)
Net cash flows provided by (used in) financing activities	177,104	(27,715)

Net cash flows provided by operating activities were approximately \$41.8 million and \$53.9 million for the years ended December 31, 2015 and 2014, respectively. Cash flow from operating activities for the year ended December 31, 2015, decreased from the prior year primarily due to higher cash payments for content assets during the year ended December 31, 2015, compared to the same period in 2014. In addition, operating cash flow decreased due to an increase in the accounts receivable balance, due primarily to higher revenues in our cable television segment. These decreases in operating cash flows were partially offset by increased bonus accruals.

Net cash flows used in investing activities were approximately \$219.3 million and \$15.1 million for the years ended December 31, 2015 and 2014, respectively. Capital expenditures, including digital tower and transmitter upgrades, and deposits for station equipment and purchases were approximately \$7.3 million and \$5.5 million for the years ended December 31, 2015 and 2014, respectively. Proceeds from sales of investment securities were approximately \$3.5 million and \$482,000 for the years ended December 31, 2015 and 2014, respectively. Purchases of investment securities were \$591,000 and \$930,000 for the years ended December 31, 2015 and 2014, respectively. During the year ended December 31, 2015, the Company paid approximately \$209.9 million to purchase the additional membership interest in TV One and paid approximately \$5.0 million for the cost method investment in MGM. During the year ended December 31, 2014, the Company paid approximately \$9.1 million to complete various acquisitions.

Net cash flows provided by financing activities were approximately \$177.1 million compared to net cash flows used in financing activities of approximately \$27.7 million for the years ended December 31, 2015 and 2014, respectively. During the years ended December 31, 2015 and 2014, the Company repaid approximately \$370.3 million and \$332.0 million respectively, in outstanding debt. In addition, during the year ended December 31, 2015, the Company repaid approximately \$119.0 million in TV One Notes. During the year ended December 31, 2015, we borrowed approximately \$350.0 million in 2022 Notes and approximately \$350.0 million in our new 2015 Credit Facility. During the year ended December 31, 2014, we borrowed approximately \$335.0 million in 2020 Notes. During the year ended December 31, 2015 and 2014, respectively, we paid debt refinancing costs of approximately \$23.5 million and \$4.7 million. During the year ended December 31, 2015, we repurchased approximately \$1.4 million of our Class D Common Stock. TV One paid approximately \$5.9 million and \$24.6 million in dividends to noncontrolling interest shareholders for the year ended December 31, 2015 and 2014, respectively. Reach Media paid approximately \$2.0 million in dividends to noncontrolling interest shareholders for the year ended December 31, 2015. During the year ended December 31, 2015, the Company paid a net premium of \$827,000 associated with the call premium to refinance the credit facility. Finally, during the year ended December 31, 2014, the Company paid a net premium of approximately \$1.6 million to retire the 2016 Notes.

Credit Rating Agencies

Our corporate credit ratings by Standard & Poor's Rating Services and Moody's Investors Service are speculative-grade and have been downgraded and upgraded at various times during the last several years. Any reductions in our credit ratings could increase our borrowing costs, reduce the availability of financing to us or increase our cost of doing business or otherwise negatively impact our business operations.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, “*Revenue from Contracts with Customers*,” (“ASU 2014-09”) which supersedes the revenue recognition requirements in ASC 605, “Revenue Recognition” and most industry-specific guidance throughout the codification. The standard requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. On July 9, 2015, the FASB voted and approved to defer the effective date of ASU 2014-09 by one year. As a result, ASU 2014-09 will be effective for fiscal years beginning after December 15, 2017, with early adoption permitted but not prior to the original effective date of annual periods beginning after December 15, 2016. The Company has not yet completed its assessment of the impact of the new standard, including possible transition alternatives, on its financial statements.

In April 2015, the FASB issued ASU 2015-03, “*Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*” (“ASU 2015-03”). ASU 2015-03 aims to simplify the presentation of debt issuance costs by requiring debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. Currently, debt issuance costs are presented as a deferred charge under GAAP. ASU 2015-03 is effective for fiscal years beginning after December 15, 2015, and is to be applied retrospectively, with early adoption permitted. The Company early adopted ASU 2015-03 during the year ended December 31, 2015, resulting in approximately \$7.4 million of net debt issuance costs presented as a direct reduction to the Company's long-term debt in the consolidated balance sheet as of December 31, 2015. The retrospective application of ASU 2015-03 decreased other intangible assets and long-term debt by approximately \$6.9 million in the consolidated balance sheet as of December 31, 2014.

In November 2015, the FASB issued ASU 2015-17, “*Balance Sheet Classification of Deferred Taxes*” (“ASU 2015-17”), which simplifies the presentation of deferred income taxes by requiring deferred tax assets and liabilities be classified as noncurrent in the consolidated balance sheet. ASU 2015-17 is effective for financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted and may be applied either prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. We early adopted ASU 2015-17 in the fourth quarter of 2015 on a retroactive basis and included the current portion of deferred tax liabilities within the noncurrent portion of deferred tax liabilities within our consolidated balance sheets. However, we did not adjust our prior period consolidated balance sheet as a result of the adoption of this ASU as the impact was immaterial.

In February 2015, the FASB issued ASU 2016-02, “*Leases (Topic 842)*” (“ASU 2016-02”), which is a new lease standard that amends lease accounting. ASU 2016-02 will require lessees to recognize a lease asset and lease liability for leases classified as operating leases. ASU 2016-02 is effective for annual periods beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption is permitted. The Company has not yet completed its assessment of the impact of the new standard on its consolidated financial statements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our accounting policies are described in Note 1 of our consolidated financial statements – *Organization and Summary of Significant Accounting Policies*. We prepare our consolidated financial statements in conformity with accounting principles generally accepted in the United States, which require us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. We consider the following policies and estimates to be most critical in understanding the judgments involved in preparing our financial statements and the uncertainties that could affect our results of operations, financial condition and cash flows.

Stock-Based Compensation

The Company accounts for stock-based compensation for stock options and restricted stock grants in accordance with ASC 718, "*Compensation - Stock Compensation*." Under the provisions of ASC 718, stock-based compensation cost for stock options is estimated at the grant date based on the award's fair value as calculated by the Black-Scholes ("BSM") valuation option-pricing model and is recognized as expense, less estimated forfeitures, ratably over the requisite service period. The BSM incorporates various highly subjective assumptions including expected stock price volatility, for which historical data is heavily relied upon, expected life of options granted, forfeiture rates and interest rates. If any of the assumptions used in the BSM model change significantly, stock-based compensation expense may differ materially in the future from that previously recorded. Compensation expense for restricted stock grants is measured based on the fair value on the date of grant less estimated forfeitures. Compensation expense for restricted stock grants is recognized ratably during the vesting period.

Goodwill and Radio Broadcasting Licenses

Impairment Testing

We have made several acquisitions in the past for which a significant portion of the purchase price was allocated to radio broadcasting licenses and goodwill. Goodwill exists whenever the purchase price exceeds the fair value of tangible and identifiable intangible net assets acquired in business combinations. As of December 31, 2015, we had approximately \$643.2 million in broadcast licenses and \$258.3 million in goodwill, which totaled \$901.5 million, and represented approximately 67.0% of our total assets. Therefore, we believe estimating the fair value of goodwill and radio broadcasting licenses is a critical accounting estimate because of the significance of their carrying values in relation to our total assets. For the years ended December 31, 2015, 2014 and 2013, we recorded impairment charges against radio broadcasting licenses and goodwill, collectively, of approximately \$41.2 million, \$0 and \$14.9 million, respectively. Significant impairment charges have been an on-going trend experienced by media companies in general, and are not unique to us.

We test for impairment annually across all reporting units, or when events or changes in circumstances or other conditions suggest impairment may have occurred in any given reporting unit. Our annual impairment testing is performed as of October 1 of each year. Impairment exists when the carrying value of these assets exceeds its respective fair value. When the carrying value exceeds fair value, an impairment amount is charged to operations for the excess.

Valuation of Broadcasting Licenses

We utilize the services of a third-party valuation firm to assist us in estimating the fair value of our radio broadcasting licenses and reporting units. Fair value is estimated to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. We use the income approach to test for impairment of radio broadcasting licenses. A projection period of 10 years is used, as that is the time horizon in which operators and investors generally expect to recover their investments. When evaluating our radio broadcasting licenses for impairment, the testing is done at the unit of accounting level as determined by ASC 350, "*Intangibles - Goodwill and Other*." In our case, each unit of accounting is a cluster of radio stations into one of our 16 geographical markets. Broadcasting license fair values are based on the discounted future cash flows of the applicable unit of accounting assuming an initial hypothetical start-up operation which possesses FCC licenses as the only asset. Over time, it is assumed the operation acquires other tangible assets such as advertising and programming contracts, employment agreements and going concern value, and matures into an average performing operation in a specific radio market. The income approach model incorporates several variables, including, but not limited to: (i) radio market revenue estimates and growth projections; (ii) estimated market share and revenue for the hypothetical participant; (iii) likely media competition within the market; (iv) estimated start-up costs and losses incurred in the early years; (v) estimated profit margins and cash flows based on market size and station type; (vi) anticipated capital expenditures; (vii) estimated future terminal values; (viii) an effective tax rate assumption; and (ix) a discount rate based on the weighted-average cost of capital for the radio broadcast industry. In calculating the discount rate, we considered: (i) the cost of equity, which includes estimates of the risk-free return, the long-term market return, small stock risk premiums and industry beta; (ii) the cost of debt, which includes estimates for corporate borrowing rates and tax rates; and (iii) estimated average percentages of equity and debt in capital structures.

Valuation of Goodwill

The impairment testing of goodwill is performed at the reporting unit level. We had 19 reporting units as of our October 2015 annual impairment assessment, consisting of each of the 16 radio markets within the radio division and each of the other three business divisions. In testing for the impairment of goodwill, we primarily rely on the income approach. The approach involves a 10-year model with similar variables as described above for broadcasting licenses, except that the discounted cash flows are based on the Company's estimated and projected market revenue, market share and operating performance for its reporting units, instead of those for a hypothetical participant. We use a 5-year model for our Reach Media reporting unit. We evaluate all events and circumstances on an interim basis to determine if a two-step process is required. The first step of the process involves estimating the fair value of each reporting unit. If the reporting unit's fair value is less than its carrying value, a second step is performed to attribute the fair value of the reporting unit to the individual assets and liabilities of the reporting unit in order to determine the implied fair value of the reporting unit's goodwill as of the impairment assessment date. Any excess of the carrying value of the goodwill over the implied fair value of the goodwill is written off as a charge to operations.

As part of our annual testing, when arriving at the estimated fair values for radio broadcasting licenses and goodwill, we also performed an analysis by comparing our overall average implied multiple based on our cash flow projections and fair values to recently completed sales transactions, and by comparing our fair value estimates to the market capitalization of the Company. The results of these comparisons confirmed that the fair value estimates resulting from our annual assessment for 2015 were reasonable.

Below are some of the key assumptions used in the income approach model for estimating the broadcasting license and goodwill fair values for the annual impairment testing performed and interim impairment testing performed where an impairment charge was recorded since October 2013.

Radio Broadcasting Licenses	October 1, 2015	October 1, 2014	October 1, 2013
Impairment charge (in millions)	\$ 23.6	\$ —	\$ —
Discount Rate	9.5%	9.5%	10.0%
Year 1 Market Revenue Growth Rate Range	0.7% – 2.2%	0.3% – 1.0%	0.0% – 2.0%
Long-term Market Revenue Growth Rate Range (Years 6 – 10)	0.5% – 1.5%	1.0% – 2.0%	1.0% – 2.0%
Mature Market Share Range	7.0% – 25.8%	6.9% – 25.2%	6.4% – 26.9%
Mature Operating Profit Margin Range	30.5% – 50.4%	30.0% – 48.4%	30.8% – 47.8%
Goodwill (Radio Market Reporting Units)	October 1, 2015 (a)	October 1, 2014 (a)	October 1, 2013 (a)
Impairment charge (in millions)	\$ 3.1	\$ —	\$ —
Discount Rate	9.5%	9.5%	10.0%
Year 1 Market Revenue Growth Rate Range	(9.0)% – 23.3%	0.3% – 1.0%	0.0% – 2.0%
Long-term Market Revenue Growth Rate Range (Years 6 – 10)	0.5% – 1.5%	1.0% – 2.0%	1.0% – 2.0%
Mature Market Share Range	8.0% – 19.1%	7.2% – 19.5%	7.1% – 19.8%
Mature Operating Profit Margin Range	25.6% – 53.3%	26.4% – 52.2%	28.4% – 56.4%

(a) Reflects the key assumptions for testing only those radio markets with remaining goodwill.

Below are some of the key assumptions used in the income approach model for estimating the fair value for Reach Media for the annual assessments since October 2013. When compared to the discount rates used for assessing radio market reporting units, the higher discount rates used in these assessments reflect a premium for a riskier and broader media business, with a heavier concentration and significantly higher amount of programming content assets that are highly dependent on the on-air personality Tom Joyner. As a result of our interim, annual and year-end assessments, the Company concluded that goodwill was not impaired.

Reach Media Segment Goodwill	October 1, 2015	October 1, 2014	October 1, 2013
Impairment charge (in millions)	\$ —	\$ —	\$ —
Discount Rate	11.5%	12.0%	13.0%
Year 1 Revenue Growth Rate	(0.6)%	1.5%	1.5%
Long-term Revenue Growth Rate (Year 5)	1.5%	1.9%	2.1%
Operating Profit Margin Range	14.0% - 15.7%	10.0% - 14.9%	11.5% - 21.5%

Below are some of the key assumptions used in the income approach model for determining the fair value of our internet reporting unit since October 2013. When compared to discount rates for the radio reporting units, the higher discount rate used to value the reporting unit is reflective of discount rates applicable to internet media businesses. During the third and fourth quarters of 2015, the Company performed interim impairment testing on the valuation of goodwill associated with Interactive One. Interactive One's net revenues and cash flows declined and internal projections were revised downward, which we deemed to be impairment indicators. The Company reduced its operating cash flow projections and assumptions from the prior year based on Interactive One's actual results which did not meet budget. As a result of our interim assessment for the third quarter of 2015, the Company recorded a goodwill impairment charge of approximately \$14.5 million. As a result of the testing performed during the fourth quarter of 2015, the Company concluded that no further impairment to the carrying value of goodwill had occurred.

Internet Segment Goodwill	October 1, 2015	September 30, 2015	October 1, 2014	October 1, 2013
Impairment charge (in millions)	\$ —	\$ 14.5	\$ —	\$ —
Discount Rate	14.0%	14.0%	13.5%	14.5%
Year 1 Revenue Growth Rate	5.3%	5.3%	11.8%	10.0%
Long-term Revenue Growth Rate (Years 6 - 10)	2.6 - 4.4%	2.6 - 4.4%	2.7% - 6.5%	2.8% - 6.2%
Operating Profit Margin Range	4.5% - 23.9%	4.5% - 23.9%	9.1% - 25.6%	5.4% - 24.8%

Below are some of the key assumptions used in the income approach model for determining the fair value of our cable television segment since October 2013. As a result of the testing performed in 2015, 2014 and 2013, the Company concluded no impairment to the carrying value of goodwill had occurred.

Cable Television Segment Goodwill	October 1, 2015	October 1, 2014	October 1, 2013
Impairment charge (in millions)	\$ —	\$ —	\$ —
Discount Rate	10.8%	10.4%	10.8%
Year 1 Revenue Growth Rate	7.1%	11.5%	12.1%
Long-term Revenue Growth Rate Range (Years 6 - 10)	2.7% - 4.2%	2.7% - 4.7%	2.8% - 4.7%
Operating Profit Margin Range	37.6% - 38.7%	29.8% - 36.1%	30.6% - 35.7%

The above four goodwill tables reflect some of the key valuation assumptions used for 12 of our 19 reporting units. The other seven remaining reporting units had no goodwill carrying value balances as of December 31, 2015.

In arriving at the estimated fair values for radio broadcasting licenses and goodwill, we also performed an analysis by comparing our overall average implied multiple based on our cash flow projections and fair values to recently completed sales transactions, and by comparing our fair value estimates to the market capitalization of the Company. The results of these comparisons confirmed that the fair value estimates resulting from our annual assessment for 2015 were reasonable.

Sensitivity Analysis

We believe both the estimates and assumptions we utilized when assessing the potential for impairment are individually and in aggregate reasonable; however, our estimates and assumptions are highly judgmental in nature. Further, there are inherent uncertainties related to these estimates and assumptions and our judgment in applying them to the impairment analysis. While we believe we have made reasonable estimates and assumptions to calculate the fair values, changes in any one estimate, assumption or a combination of estimates and assumptions, or changes in certain events or circumstances (including uncontrollable events and circumstances resulting from continued deterioration in the economy or credit markets) could require us to assess recoverability of broadcasting licenses and goodwill at times other than our annual October 1 assessments, and could result in changes to our estimated fair values and further write-downs to the carrying values of these assets. Impairment charges are non-cash in nature, and as with current and past impairment charges, any future impairment charges will not impact our cash needs or liquidity or our bank ratio covenant compliance.

We had a total goodwill carrying value of approximately \$258.3 million across 12 of our 19 reporting units as of December 31, 2015. The below table indicates the long-term cash flow growth rates assumed in our impairment testing and the long-term cash flow growth/decline rates that would result in additional goodwill impairment. For five of the reporting units, given the significant excess of their fair value over carrying value, any future goodwill impairment is not likely. However, should our estimates and assumptions for assessing the fair values of the remaining reporting units with goodwill worsen to reflect the below or lower cash flow growth/decline rates, additional goodwill impairments may be warranted in the future.

Reporting Unit	Long-Term Cash Flow Growth Rate Used	Long-Term Cash Flow Growth/(Decline) Rate That Would Result in a Step 2 Test (a)
6	0.5%	Impairment not likely
16	1.5%	Impairment not likely
2	1.5%	Impairment not likely
19	1.5%	Impairment not likely
21	3.0%	Impairment not likely
1	1.5%	0.8%
4	1.5%	(0.6)%
13	1.5%	(1.1)%
11	1.0%	(3.5)%
18	2.5%	(5.2)%
12	1.0%	(5.5)%
10	1.5%	(7.0)%

(a) The long-term cash flow growth/(decline) rate that would result in failing Step 1 of the goodwill impairment test applies only to further goodwill impairment and not to any future license impairment that would result from lowering the long-term cash flow growth rates used.

Several of the licenses in our units of accounting have limited or no excess of fair values over their respective carrying values. As set forth in the table below, as of October 1, 2015, we appraised the radio broadcasting licenses at a fair value of approximately \$758.0 million, which was in excess of the \$643.2 million carrying value by \$114.8 million, or 17.8%. After the impairment charges were recorded for the year ended December 31, 2015, the fair values of the licenses exceeded or equaled the carrying values of the licenses for all units of accounting. Should our estimates, assumptions, or events or circumstances for any upcoming valuations worsen in the units with no or limited fair value cushion, additional license impairments may be needed in the future. The Company's remaining Boston radio station's broadcasting license is classified as an other current asset and is not included in the table below.

Unit of Accounting (a)	Radio Broadcasting Licenses			
	As of		Excess	
	October 1, 2015 Carrying Values ("CV")	October 1, 2015 Fair Values ("FV")	FV vs. CV	% FV Over CV
	(In thousands)			
Unit of Accounting 2	\$ 3,086	\$ 54,818	\$ 51,732	1,676.3%
Unit of Accounting 7	15,871	15,871	—	—%
Unit of Accounting 5	16,100	16,100	—	—%
Unit of Accounting 4	16,142	17,278	1,136	7.0%
Unit of Accounting 14	20,434	21,253	819	4.0%
Unit of Accounting 15	20,736	20,736	—	—%
Unit of Accounting 11	21,135	21,796	661	3.1%
Unit of Accounting 6	22,642	24,654	2,012	8.9%
Unit of Accounting 9	34,270	35,304	1,034	3.0%
Unit of Accounting 13	47,846	47,846	—	—%
Unit of Accounting 12	49,663	49,663	—	—%
Unit of Accounting 16	52,965	100,527	47,562	89.8%
Unit of Accounting 8	62,015	62,015	—	—%
Unit of Accounting 1	93,394	103,247	9,853	10.5%
Unit of Accounting 10	166,940	166,940	—	—%
Total	\$ 643,239	\$ 758,048	\$ 114,809	17.8%

(a) The units of accounting are not disclosed on a specific market basis so as to not make publicly available sensitive information that could be competitively harmful to the Company.

The following table presents a sensitivity analysis showing the impact on our impairment testing resulting from: (i) a 100 basis point decrease in industry or reporting unit growth rates; (ii) a 100 basis point decrease in cash flow margins; (iii) a 100 basis point increase in the discount rate; and (iv) both a 5% and 10% reduction in the fair values of broadcasting licenses and reporting units.

**Hypothetical Increase in
the Recorded Impairment
Charge
For the Year Ended
December 31, 2015**

	Broadcasting Licenses	Goodwill (a)
	(In millions)	
Impairment charge recorded:		
Radio Market Reporting Units	\$ 23.6	\$ 3.1
Radio Syndication Reporting Unit	-	-
Cable Television Reporting Unit	-	-
Internet Reporting Unit	-	14.5
Total Impairment Recorded	<u>\$ 23.6</u>	<u>\$ 17.6</u>
Hypothetical Change for Radio Market Reporting Units:		
A 100 basis point decrease in radio industry long-term growth rates	\$ 27.0	\$ 2.5
A 100 basis point decrease in cash flow margin in the projection period	\$ 10.4	\$ -
A 100 basis point increase in the applicable discount rate	\$ 66.5	\$ 9.9
A 5% reduction in the fair value of broadcasting licenses and reporting units	\$ 20.4	\$ 1.8
A 10% reduction in the fair value of broadcasting licenses and reporting units	\$ 44.8	\$ 7.6
Hypothetical Change for Reach Media Reporting Unit:		
A 100 basis point decrease in long-term growth rates	Not applicable	\$ -
A 100 basis point decrease in cash flow margin in the projection period	Not applicable	\$ -
A 100 basis point increase in the applicable discount rate	Not applicable	\$ -
A 5% reduction in the fair value of the reporting unit	Not applicable	\$ -
A 10% reduction in the fair value of the reporting unit	Not applicable	\$ -
Hypothetical Change for Cable Television Reporting Unit:		
A 100 basis point decrease in long-term growth rates	Not applicable	\$ -
A 100 basis point decrease in cash flow margin in the projection period	Not applicable	\$ -
A 100 basis point increase in the applicable discount rate	Not applicable	\$ -
A 5% reduction in the fair value of the reporting unit	Not applicable	\$ -
A 10% reduction in the fair value of the reporting unit	Not applicable	\$ -
Hypothetical Change for Internet Reporting Unit:		
A 100 basis point decrease in long-term growth rates	Not applicable	\$ -
A 100 basis point decrease in cash flow margin in the projection period	Not applicable	\$ -
A 100 basis point increase in the applicable discount rate	Not applicable	\$ -
A 5% reduction in the fair value of the reporting unit	Not applicable	\$ -
A 10% reduction in the fair value of the reporting unit	Not applicable	\$ -

- (a) Could require the Company to perform a Step 2 impairment analysis if these hypothetical changes would result in a failure of the Step 1 goodwill impairment test. Goodwill impairment charge applies only to further goodwill impairment and not to any potential license impairment that could result from changing other assumptions.

Impairment of Intangible Assets Excluding Goodwill, Radio Broadcasting Licenses and Other Indefinite-Lived Intangible Assets

Intangible assets, excluding goodwill, radio broadcasting licenses and other indefinite-lived intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be fully recoverable. These events or changes in circumstances may include a significant deterioration of operating results, changes in business plans, or changes in anticipated future cash flows. If an impairment indicator is present, we will evaluate recoverability by a comparison of the carrying amount of the asset or group of assets to future discounted net cash flows expected to be generated by the asset or group of assets. Assets are grouped at the lowest level for which there is identifiable cash flows that are largely independent of the cash flows generated by other asset groups. If the assets are impaired, the impairment is measured by the amount by which the carrying amount exceeds the fair value of the assets determined by estimates of discounted cash flows. The discount rate used in any estimate of discounted cash flows would be the rate required for a similar investment of like risk. The Company reviewed certain intangibles for impairment during 2015 and 2014 and determined no impairment charges were necessary. Any changes in the valuation estimates and assumptions or changes in certain events or circumstances could result in changes to the estimated fair values of these intangible assets and may result in future write-downs to the carrying values.

Revenue Recognition

Within our radio broadcasting and Reach Media segments, we recognize revenue for broadcast advertising when the commercial is broadcast and we report revenue net of agency and outside sales representative commissions in accordance with ASC 605, "*Revenue Recognition*." When applicable, agency and outside sales representative commissions are calculated based on a stated percentage applied to gross billing. Generally, advertisers remit the gross billing amount to the agency or outside sales representative, and the agency or outside sales representative remits the gross billing, less their commission, to us.

Interactive One generates the majority of the Company's internet revenue, and derives such revenue from advertising services on non-radio station branded but Company owned websites. Advertising services include the sale of banner and sponsorship advertisements. Advertising revenue is recognized either as impressions (the number of times advertisements appear in viewed pages) are delivered, when "click through" purchases are made, or ratably over the contract period, where applicable. In addition, Interactive One derives revenue from its studio operations, in which it provides third-party clients with publishing services including digital platforms and related expertise. In the case of the studio operations, revenue is recognized primarily through fixed contractual monthly fees and/or as a share of the third party's reported revenue.

TV One derives advertising revenue from the sale of television air time to advertisers and recognizes revenue when the advertisements are run. TV One also derives revenue from affiliate fees under the terms of various affiliation agreements based on a per subscriber fee multiplied by the most recent subscriber counts reported by the applicable affiliate.

Contingencies and Litigation

We regularly evaluate our exposure relating to any contingencies or litigation and record a liability when available information indicates that a liability is probable and estimable. We also disclose significant matters that are reasonably possible to result in a loss, or are probable but for which an estimate of the liability is not currently available. To the extent actual contingencies and litigation outcomes differ from amounts previously recorded, additional amounts may need to be reflected.

Uncertain Tax Positions

To address the exposures of uncertain tax positions, we recognize the impact of a tax position in the financial statements if it is more likely than not that the position would be sustained on audit based on the technical merits of the position. As of December 31, 2015, we had approximately \$4.0 million in unrecognized tax benefits. Future outcomes of our tax positions may be more or less than the currently recorded liability, which could result in recording additional taxes, or reversing some portion of the liability, and recognizing a tax benefit once it is determined the liability is either inadequate or no longer necessary as potential issues get resolved, or as statutes of limitations in various tax jurisdictions close.

Realizability of Deferred Tax Assets

The Company maintains a full valuation allowance for its deferred tax assets (“DTAs”), primarily attributable to net operating losses (“NOLs”), as we determined that it is more likely than not that the DTAs will not be realized. The Company reached this determination based on its cumulative loss position and the uncertainty of future taxable income. Consistent with such realizability assessment, the Company has recorded a full valuation allowance for additional NOLs generated from the tax deductible amortization of indefinite-lived assets, as well as DTAs created by impairment charges on certain indefinite-lived intangibles for the years ended December 31, 2015, 2014 and 2013.

Redeemable noncontrolling interests

Redeemable noncontrolling interests are interests in subsidiaries that are redeemable outside of the Company’s control either for cash or other assets. These interests are classified as mezzanine equity and measured at the greater of estimated redemption value at the end of each reporting period or the historical cost basis of the noncontrolling interests adjusted for cumulative earnings allocations. The resulting increases or decreases in the estimated redemption amount are affected by corresponding charges against retained earnings, or in the absence of retained earnings, additional paid-in-capital.

With the assistance of a third-party valuation firm, the Company assesses the fair value of the redeemable noncontrolling interest in Reach Media as of the end of each reporting period. The fair value of the redeemable noncontrolling interests as of December 31, 2015 and 2014, was approximately \$11.3 million and \$10.8 million, respectively. The determination of fair value incorporated a number of assumptions and estimates including, but not limited to, forecasted operating results, discount rates and a terminal value. Different estimates and assumptions may result in a change to the fair value of the redeemable noncontrolling interests amount previously recorded.

Fair Value Measurements

The Company has accounted for an award called for in the CEO’s employment agreement (the “Employment Agreement”) as a derivative instrument. According to the Employment Agreement, executed in April 2008, the CEO is eligible to receive an award (the “Employment Agreement Award”) amount equal to 4% of any proceeds from distributions or other liquidity events in excess of the return of the Company’s aggregate investment in TV One. The Company’s obligation to pay the award was triggered only after the Company’s recovery of the aggregate amount of our pre-Comcast Buyout capital contribution in TV One, and only upon actual receipt of distributions of cash or marketable securities or proceeds from a liquidity event with respect to such invested amount. The CEO was fully vested in the award upon execution of the Employment Agreement, and the award lapses if the CEO voluntarily leaves the Company or is terminated for cause. As noted in our current report on Form 8-K filed October 6, 2014, the Compensation Committee of the Board of Directors of the Company has approved terms for a new employment agreement with the CEO, including a renewal of the Employment Agreement Award upon similar terms as in the prior Employment Agreement. While a new employment agreement has not been executed as of the date of this report, the CEO is being compensated according to the new terms approved by the Compensation Committee.

The Company estimated the fair value of the award as of December 31, 2015, at approximately \$20.9 million and, accordingly, recorded compensation expense and a liability for that amount. The fair valuation incorporated a number of assumptions and estimates, including but not limited to TV One’s future financial projections, probability factors and the likelihood of various scenarios that would trigger payment of the award. As the Company will measure changes in the fair value of this award at each reporting period as warranted by certain circumstances, different estimates or assumptions may result in a change to the fair value of the award amount previously recorded.

Content Assets

TV One has entered into contracts to acquire entertainment programming rights and programs from distributors and producers. The license periods granted in these contracts generally run from one year to ten years. Contract payments are made in installments over terms that are generally shorter than the contract period. Each contract is recorded as an asset and a liability at an amount equal to its gross contractual commitment when the license period begins and the program is available for its first airing. Acquired content is generally amortized based on the greater of usage of the program or term of license.

The Company also has programming for which the Company has engaged third parties to develop and produce, and it owns most or all rights to this programming (commissioned programming). Content amortization expense for each period is recognized based on the revenue forecast model, which approximates the proportion that estimated advertising and affiliate revenues for the current period represent in relation to the estimated remaining total lifetime revenues.

Acquired program rights are recorded at the lower of unamortized cost or estimated net realizable value. Estimated net realizable values are based on the estimated revenues associated with the program materials and related expenses. All produced and licensed content is classified as a long-term asset, except for the portion of the unamortized content balance that will be amortized within one year which is classified as a current asset.

Tax incentives state and local governments offer that are directly measured based on production activities are recorded as reductions in production costs.

Capital and Commercial Commitments

Indebtedness

We have several debt instruments outstanding within our corporate structure. We incurred senior bank debt as part of our 2015 Credit Facility in the amount of \$350.0 that matures on December 31, 2018. We also have outstanding \$335.0 million in our 2020 Notes and \$350.0 million in our 2022 Notes. Finally, we also have outstanding our new senior unsecured promissory note in the aggregate principal amount of approximately \$11.9 million under the Comcast Note. The note bears interest at 10.47%, is payable quarterly in arrears, and the entire principal amount is due on April 17, 2019. See “*Liquidity and Capital Resources*.”

Lease obligations

We have non-cancelable operating leases for office space, studio space, broadcast towers and transmitter facilities that expire over the next 16 years.

Operating Contracts and Agreements

We have other operating contracts and agreements including employment contracts, on-air talent contracts, severance obligations, retention bonuses, consulting agreements, equipment rental agreements, programming related agreements, and other general operating agreements that expire over the next five years.

Royalty Agreements

The Company has entered into fixed fee and variable share agreements with music performance rights organizations, which will expire as late as December 31, 2016. In connection with all performance rights organization agreements, including American Society of Composers, Authors and Publishers (“ASCAP”) and Broadcast Music, Inc. (“BMI”), the Company incurred expenses of approximately \$10.3 million, \$9.2 million and \$9.2 million, during the years ended December 31, 2015, 2014 and 2013, respectively.

Reach Media Noncontrolling Interest Shareholders' Put Rights

Beginning on January 1, 2018, the noncontrolling interest shareholders of Reach Media have an annual right to require Reach Media to purchase all or a portion of their shares at the then current fair market value for such shares (the "Put Right"). Beginning in 2018, this annual right is exercisable for a 30-day period beginning January 1 of each year. The purchase price for such shares may be paid in cash and/or registered Class D common stock of Radio One, at the discretion of Radio One.

Contractual Obligations Schedule

The following table represents our scheduled contractual obligations as of December 31, 2015:

Contractual Obligations	Payments Due by Period						2021 and Beyond	Total
	2016	2017	2018	2019	2020			
	(In thousands)							
9.25% Senior Subordinated Notes(1)	\$ 30,988	\$ 30,988	\$ 30,988	\$ 30,988	\$ 30,988	\$ 307,456	\$ 462,396	
7.375% Senior Subordinated Notes(1)	25,813	25,813	25,813	25,813	25,813	383,341	512,406	
Credit facilities(2)	21,206	21,027	358,598	—	—	—	400,831	
Other operating contracts/agreements(3)	71,845	29,533	9,233	2,903	280	20,829	134,623	
Operating lease obligations	10,904	10,068	6,277	5,355	4,615	14,775	51,994	
Comcast Note	1,243	1,243	1,243	12,086	—	—	15,815	
Total	\$ 161,999	\$ 118,672	\$ 432,152	\$ 77,145	\$ 61,696	\$ 726,401	\$ 1,578,065	

- (1) Includes interest obligations based on effective interest rates on senior subordinated and secured notes outstanding as of December 31, 2015.
- (2) Includes interest obligations based on effective interest rate and projected interest expense on credit facilities outstanding as of December 31, 2015.
- (3) Includes employment contracts, (including the Employment Agreement Award), severance obligations, on-air talent contracts, consulting agreements, equipment rental agreements, programming related agreements, and other general operating. Also includes contracts that TV One has entered into to acquire entertainment programming rights and programs from distributors and producers. These contracts relate to their content assets as well as prepaid programming related agreements.

Off-Balance Sheet Arrangements

On February 24, 2015, the Company entered into a letter of credit reimbursement and security agreement. As of December 31, 2015, the Company had letters of credit totaling \$908,000 under the agreement. Letters of credit issued under the agreement are required to be collateralized with cash.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

As of December 31, 2015, our exposure related to market risk had not changed materially since December 31, 2014.

The 2015 Credit Facility bears interest, at our option, on either (i) the then applicable base rate plus 3.5% (as defined in the 2015 Credit Facility) as, for any day, a rate per annum (rounded upward, if necessary, to the next 1/100th of 1%) equal to the greater of (a) the prime rate published in the Wall Street Journal, (b) 1/2 of 1% in excess rate of the overnight Federal Funds Rate at any given time and (c) the one-month LIBOR rate commencing on such day plus 1.00%, or (ii) the then applicable LIBOR rate plus 4.5% (as defined in the 2015 Credit Facility). We are exposed to interest rate volatility with respect to this variable rate debt. If the borrowing rates under LIBOR were to increase two percentage points above the current rates at December 31, 2015, our interest expense on the term portion of the credit facility would increase approximately \$7.0 million on an annual basis.

The determination of the estimated fair value of our fixed-rate debt is subject to the effects of interest rate risk. The estimated fair value of our 9.25% senior subordinated notes at December 31, 2015 was approximately \$258.0 million, and the carrying amount was \$335.0 million. The estimated fair value of our 7.375% senior secured notes at December 31, 2015 was approximately \$311.5 million, and the carrying amount was \$350.0 million. The estimated fair value of the Comcast Note approximates carrying value. The estimated fair value of our 9.25% Senior Subordinated Notes at December 31, 2014 was approximately \$294.8 million, and the carrying amount was \$335.0 million.

The effect of a hypothetical one percentage point decrease in expected current interest rate yield would be to increase the estimated fair value of our 9.25% senior subordinated notes from approximately \$258.0 million to \$281.4 million at December 31, 2015. The effect of a hypothetical one percentage point decrease in expected current interest rate yield would be to increase the estimated fair value of our 7.375% senior secured notes from approximately \$311.5 million to \$354.2 million at December 31, 2015.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements of Radio One required by this item are filed with this report on Pages F-1 to F-42.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures

We have carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”), of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on this evaluation, our CEO and CFO concluded that as of such date, our disclosure controls and procedures are effective in timely alerting them to material information required to be included in our periodic SEC reports. Disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, are controls and procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms.

In designing and evaluating the disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance of achieving the desired control objectives and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our disclosure controls and procedures are designed to provide a reasonable level of assurance of reaching our desired disclosure controls objective. Our management, including our CEO and CFO, has concluded that our disclosure controls and procedures are effective in reaching that level of reasonable assurance.

(b) Management's report on internal control over financial reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our CEO and CFO, we conducted an evaluation of the effectiveness of our internal control over financial reporting. Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, our management conducted an assessment of the effectiveness of internal control over financial reporting as of December 31, 2015 based on the criteria established in Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on this assessment, our management has concluded that our internal control over financial reporting was effective as of December 31, 2015.

Our independent registered public accounting firm is engaged to express an opinion on our internal control over financial reporting, as stated in its report which is included in Part IV, Item 15 of this Form 10-K under the caption "Report of Independent Registered Public Accounting Firm—Internal Control Over Financial Reporting."

(c) Changes in internal control over financial reporting

During the year ended December 31, 2015, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information with respect to directors and executive officers required by this Item 10 is incorporated into this report by reference to the information set forth under the caption “Nominees for Class A Directors,” “Nominees for Other Directors,” “Code of Conduct,” and “Executive Officers” in our proxy statement for the 2016 Annual Meeting of Stockholders, which is expected to be filed with the Commission within 120 days after the close of our fiscal year.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item 11 is incorporated into this report by reference to the information set forth under the caption “Compensation of Directors and Executive Officers” in our proxy statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item 12 is incorporated into this report by reference to the information set forth under the caption “Principal Stockholders” in our proxy statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this Item 13 is incorporated into this report by reference to the information set forth under the caption “Certain Relationships and Related Transactions” in our proxy statement.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item 14 is incorporated into this report by reference to the information set forth under the caption “Audit Fees” in our proxy statement.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) *Financial Statements*

The following financial statements required by this item are submitted in a separate section beginning on page F-1 of this report:

Report of Independent Registered Public Accounting Firm – Internal Control Over Financial Reporting

Report of Independent Registered Public Accounting Firm – Consolidated Financial Statements

Consolidated Balance Sheets as of December 31, 2015 and 2014

Consolidated Statements of Operations for the years ended December 31, 2015, 2014 and 2013

Consolidated Statements of Comprehensive Loss for the years ended December 31, 2015, 2014 and 2013

Consolidated Statements of Changes in Stockholders' Equity (Deficit) and Noncontrolling Interest for the years ended December 31, 2015, 2014 and 2013

Consolidated Statements of Cash Flows for the years ended December 31, 2015, 2014 and 2013

Notes to Consolidated Financial Statements

Schedule II — Valuation and Qualifying Accounts

Schedules other than those listed above have been omitted from this Form 10-K because they are not required, are not applicable, or the required information is included in the financial statements and notes thereto.

(a)(2) *EXHIBITS AND FINANCIAL STATEMENTS*: The following exhibits are filed as part of this Annual Report, except for Exhibits 32.1 and 32.2, which are furnished, but not filed, with this Annual Report.

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of Radio One, Inc., dated as of May 4, 2000, as filed with the State of Delaware on May 9, 2000 (incorporated by reference to Radio One's Quarterly Report on Form 10-Q for the period ended March 31, 2000).
3.1.1	Certificate of Amendment, dated as of September 21, 2000, of the Amended and Restated Certificate of Incorporation of Radio One, Inc., dated as of May 4, 2000, as filed with the State of Delaware on September 21, 2000 (incorporated by reference to Radio One's Current Report on Form 8-K filed October 6, 2000).
3.2	Amended and Restated By-laws of Radio One, Inc. amended as of August 7, 2009 (incorporated by reference to Radio One's Current Report on Form 8-K filed August 21, 2009).
3.3	Certificate of Conversion of Bell Broadcasting Company into Bell Broadcasting Company LLC*
3.4	Articles of Organization of Blue Chip Broadcasting Licenses, Ltd. (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
3.5	Operating Agreement of Blue Chip Broadcasting Licenses, Ltd. (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
3.6	Articles of Organization of Blue Chip Broadcasting, Ltd. (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
3.7	Amended and Restated Operating Agreement of Blue Chip Broadcasting, Ltd. (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).

- 3.8 Certificate of Formation of Charlotte Broadcasting, LLC (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
- 3.9 Limited Liability Company Agreement of Charlotte Broadcasting, LLC (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
- 3.10 Certificate of Formation of Distribution One, LLC. (incorporated by reference to Radio One's Registration Statement on Form S-4, filed February 9, 2011).
- 3.11 Limited Liability Company Agreement of Distribution One, LLC. (incorporated by reference to Radio One's Registration Statement on Form S-4, filed February 9, 2011).
- 3.12 Articles of Incorporation of Interactive One, Inc. (incorporated by reference to Radio One's Registration Statement on Form S-4, filed February 9, 2011).
- 3.13 Bylaws of Interactive One, Inc. (incorporated by reference to Radio One's Registration Statement on Form S-4, filed February 9, 2011).
- 3.14 Certificate of Formation of Interactive One, LLC. (incorporated by reference to Radio One's Registration Statement on Form S-4, filed February 9, 2011).
- 3.15 Limited Liability Company Agreement of Interactive One, LLC. (incorporated by reference to Radio One's Registration Statement on Form S-4, filed February 9, 2011).
- 3.16 Certificate of Incorporation of New Mableton Broadcasting Corporation (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
- 3.17 Bylaws of New Mableton Broadcasting Corporation (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
- 3.18 Certificate of Conversion of Radio One Cable Holdings, Inc. to Radio One Cable Holdings, LLC. (incorporated by reference to Radio One's Annual Report on Form 10K, filed February 17, 2015).
- 3.19 Certificate of Conversion of formation of Radio One Cable Holdings, LLC. (incorporated by reference to Radio One's Annual Report on Form 10K, filed February 17, 2015).
- 3.20 Certificate of Formation of Radio One Distribution Holdings, LLC. (incorporated by reference to Radio One's Registration Statement on Form S-4, filed February 9, 2011).
- 3.21 Limited Liability Company Agreement of Radio One Cable Holdings, LLC. (incorporated by reference to Radio One's Annual Report on Form 10K, filed February 17, 2015).
- 3.22 Limited Liability Company Agreement of Radio One Distribution Holdings, LLC. (incorporated by reference to Radio One's Registration Statement on Form S-4, filed February 9, 2011).
- 3.23 Certificate of Formation of Radio One Licenses, LLC (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
- 3.24 Limited Liability Company Agreement of Radio One Licenses, LLC (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
- 3.25 Certificate of Formation of Radio One Media Holdings, LLC (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
- 3.26 Limited Liability Company Agreement of Radio One Media Holdings, LLC (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
- 3.27 Certificate of Formation of Radio One of Boston Licenses, LLC (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
- 3.28 Limited Liability Company Agreement of Radio One of Boston Licenses, LLC (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
- 3.29 Certificate of Incorporation of Radio One of Boston, Inc. (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
- 3.30 Bylaws of Radio One of Boston, Inc. (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
- 3.31 Certificate of Formation of Radio One of Charlotte, LLC (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
- 3.32 Limited Liability Company Agreement of Radio One of Charlotte, LLC (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
- 3.33 Certificate of Formation of Radio One of Detroit, LLC (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).

- 3.34 Limited Liability Company Agreement of Radio One of Detroit, LLC (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
- 3.35 Certificate of Limited Partnership of Radio One of Indiana, L.P. (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
- 3.36 Limited Partnership Agreement of Radio One of Indiana, L.P. (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
- 3.37 Certificate of Formation of Radio One of Indiana, LLC (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
- 3.38 Limited Liability Company Agreement of Radio One of Indiana, LLC (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
- 3.39 Certificate of Formation of Radio One of North Carolina, LLC (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
- 3.40 Limited Liability Company Agreement of Radio One of North Carolina, LLC (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
- 3.41 Certificate of Formation of Radio One of Texas II, LLC (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
- 3.42 Limited Liability Company Agreement of Radio One of Texas II, LLC (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
- 3.43 Certificate of Formation of Satellite One, L.L.C. (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
- 3.44 Limited Liability Company Agreement of Satellite One, L.L.C. (incorporated by reference to Radio One's Registration Statement on Form S-4, filed August 5, 2005).
- 3.45 Certificate of Formation of IO Acquisition Sub, LLC (incorporated by reference to Radio One's Annual Report on Form 10K, filed February 17, 2015).
- 3.46 Limited Liability Company Agreement of IO Acquisition Sub, LLC (incorporated by reference to Radio One's Annual Report on Form 10K, filed February 17, 2015).
- 3.47 Certificate of Formation of Radio One Urban Network Holdings, LLC (incorporated by reference to Radio One's Annual Report on Form 10K, filed February 17, 2015).
- 3.48 Limited Liability Company Agreement of Radio One Urban Network Holdings, LLC (incorporated by reference to Radio One's Annual Report on Form 10K, filed February 17, 2015).
- 3.49 Certificate of Formation of Radio One Entertainment Holdings, LLC (incorporated by reference to Radio One's Annual Report on Form 10K, filed February 17, 2015).
- 3.50 Limited Liability Company Agreement of Radio One Entertainment Holdings, LLC (incorporated by reference to Radio One's Annual Report on Form 10K, filed February 17, 2015).
- 3.51 Certificate of Conversion of Gaffney Broadcasting, LLC (incorporated by reference to Radio One's Annual Report on Form 10K, filed February 17, 2015).
- 3.52 Certificate of Incorporation of Reach Media, Inc. (incorporated by reference to Radio One's Annual Report on Form 10K, filed February 17, 2015).
- 3.53 Bylaws of Reach Media, Inc. (incorporated by reference to Radio One's Annual Report on Form 10K, filed February 17, 2015).
- 3.54 Certificate of Formation of RO One Solution, LLC*
- 4.1 Indenture, dated as of April 17, 2015, among Radio One, Inc., the guarantors named therein and Wilmington Trust, National Association, as trustee, relating to the 7.375% Senior Secured Notes due 2022 (incorporated by reference to Radio One's Current Report on Form 8-K filed April 23, 2015).
- 4.2 Indenture, dated as of February 10, 2014, among Radio One, Inc., the guarantors named therein and Wilmington Trust, National Association, as trustee, relating to the 9.25% Senior Subordinated Notes due 2020 (incorporated by reference to Radio One's Current Report on Form 8-K filed February 10, 2014).
- 4.3 Supplemental Indenture dated as of April 30, 2014, among Gaffney Broadcasting, Incorporated, a subsidiary of Radio One, Inc., Radio One, Inc., the other Guarantors and Wilmington Trust, National Association, as trustee under the Indenture (incorporated by reference to Radio One's Quarterly Report on Form 10-Q filed May 9, 2014).

- 4.4 Second Supplemental Indenture dated as of February 13, 2015, among Radio One Urban Network Holdings, LLC, a Delaware limited liability company, IO Acquisition Sub, LLC, a Delaware limited liability company, each a subsidiary of Radio One, Inc., the other Guarantors and Wilmington Trust, National Association, as trustee under the Indenture. (incorporated by reference to Radio One’s Annual Report on Form 10K, filed February 17, 2015).
- 4.5 Third Supplemental Indenture dated as of March 26, 2015 (this “Supplemental Indenture”), by and between Radio One, Inc., a Delaware corporation (the “Company”), the Other Guarantors and Wilmington Trust, National Association, as trustee under the Indenture (incorporated by reference to Radio One’s Current Report on Form 8-K filed April 1, 2015).
- 4.6 Fourth Supplemental Indenture dated as of April 17, 2015, among TV One, LLC, Radio One, Inc., the other Guarantors and Wilmington Trust, National Association, as trustee under the Indenture (incorporated by reference to Radio One’s Current Report on Form 8-K filed April 23, 2015).
- 10.1 Amended and Restated Stockholders Agreement dated as of September 28, 2004 among Catherine L. Hughes and Alfred C. Liggins, III (incorporated by reference to Radio One’s Quarterly Report on Form 10-Q for the period ended June 30, 2005).
- 10.2 Credit Agreement, dated April 17, 2015, by and among Radio One Inc., Various Lenders and Jefferies Finance LLC, as administrative agent (incorporated by reference to Radio One’s Current Report on Form 8-K filed April 23, 2015).
- 10.3 Pledge Agreement, dated April 17, 2015, made by Radio One, Inc. and certain Subsidiaries and Jefferies Finance LLC*
- 10.4 Radio One, Inc. 2009 Stock Option and Restricted Stock Grant Plan (incorporated by reference to Radio One’s Definitive Proxy on Schedule 14A filed November 6, 2009).
- 10.5 Employment Agreement between Radio One, Inc. and Peter D. Thompson dated October 9, 2014 (incorporated by reference to Radio One’s Current Report on Form 8-K filed November 4, 2014).
- 10.6 Employment Agreement between Radio One, Inc. and Alfred C. Liggins, III dated April 16, 2008 (incorporated by reference to Radio One’s Current Report on Form 8-K filed April 18, 2008).
- 10.7 Terms of Employment Agreement between Radio One, Inc. and Alfred C. Liggins, III approved September 30, 2014 (incorporated by reference to Radio One’s Current Report on Form 8-K filed October 6, 2014).
- 10.8 Employment Agreement between Radio One, Inc. and Catherine L. Hughes dated April 16, 2008 (incorporated by reference to Radio One’s Current Report on Form 8-K filed April 18, 2008).
- 10.9 Terms of Employment Agreement between Radio One, Inc. and Catherine L. Hughes approved September 30, 2014 (incorporated by reference to Radio One’s Current Report on Form 8-K filed October 6, 2014).
- 10.10 Employment Agreement between Radio One, Inc. and Linda. J. Vilardo dated as of October 15, 2015 (incorporated by reference to Radio One’s Current Report on Form 8-K filed March 26, 2015).
- 21.1 Subsidiaries of Radio One, Inc.*
- 23.1 Consent of Ernst & Young LLP.*
- 31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
- 31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
- 32.1 Certification of Chief Executive Officer pursuant to 18 U.S.C § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
- 32.2 Certification of Chief Financial Officer pursuant to 18 U.S.C § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
- 101 Financial information from the Annual Report on Form 10-K for the year ended December 31, 2015, formatted in XBRL.*

*Indicates document filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on March 14, 2016.

Radio One, Inc.

By: /s/ Peter D. Thompson
Name: Peter D. Thompson
Title: *Chief Financial Officer and Principal Accounting Officer*

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant in the capacities indicated on March 14, 2016.

By: /s/ Catherine L. Hughes

Name: Catherine L. Hughes

Title: *Chairperson, Director and Secretary*

By: /s/ Alfred C. Liggins, III

Name: Alfred C. Liggins, III

Title: *Chief Executive Officer, President and Director*

By: /s/ Terry L. Jones

Name: Terry L. Jones

Title: *Director*

By: /s/ Brian W. McNeill

Name: Brian W. McNeill

Title: *Director*

By: /s/ D. Geoffrey Armstrong

Name: D. Geoffrey Armstrong

Title: *Director*

By: /s/ Ronald E. Blaylock

Name: Ronald E. Blaylock

Title: *Director*

Report of Independent Registered Public Accounting Firm
Internal Control Over Financial Reporting

The Board of Directors and Stockholders of Radio One, Inc.:

We have audited Radio One, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Radio One, Inc. and subsidiaries' management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Radio One, Inc. and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Radio One, Inc. and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive loss, changes in stockholders' equity (deficit) and noncontrolling interest and cash flows for each of the three years in the period ended December 31, 2015 and our report dated March 14, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

McLean, Virginia
March 14, 2016

Report of Independent Registered Public Accounting Firm
Consolidated Financial Statements

The Board of Directors and Stockholders of Radio One, Inc.:

We have audited the accompanying consolidated balance sheets of Radio One, Inc. and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive loss, changes in stockholders' equity (deficit) and noncontrolling interest and cash flows for each of the three years in the period ended December 31, 2015. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Radio One, Inc. and subsidiaries at December 31, 2015 and 2014, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Radio One, Inc.'s internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated March 14, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

McLean, Virginia
March 14, 2016

RADIO ONE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	As of December 31,	
	2015	2014 (as adjusted)
	(In thousands, except share data)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 67,376	\$ 67,781
Trade accounts receivable, net of allowance for doubtful accounts of \$6,899 and \$3,975, respectively	105,184	96,426
Prepaid expenses	7,650	6,910
Current portion of content assets	28,638	25,615
Other current assets	4,711	5,185
Total current assets	213,559	201,917
CONTENT ASSETS, net	48,244	42,715
PROPERTY AND EQUIPMENT, net	29,278	30,977
GOODWILL	258,284	275,355
RADIO BROADCASTING LICENSES	643,239	666,797
LAUNCH ASSETS, net	665	2,640
OTHER INTANGIBLE ASSETS, net	140,768	167,651
OTHER ASSETS	12,487	3,642
Total assets	<u>\$ 1,346,524</u>	<u>\$ 1,391,694</u>
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 8,464	\$ 6,602
Accrued interest	17,366	12,226
Accrued compensation and related benefits	12,929	8,729
Current portion of content payables	14,998	15,043
Other current liabilities	26,149	16,124
Current portion of long-term debt	3,500	3,829
Total current liabilities	83,406	62,553
LONG-TERM DEBT, net of current portion, original issue discount and issuance costs	1,020,837	809,615
CONTENT PAYABLES, net of current portion	6,885	14,579
OTHER LONG-TERM LIABILITIES	29,034	21,076
DEFERRED TAX LIABILITIES, net	266,900	252,463
Total liabilities	<u>1,407,062</u>	<u>1,160,286</u>
REDEEMABLE NONCONTROLLING INTERESTS	11,286	10,836
STOCKHOLDERS' EQUITY:		
Convertible preferred stock, \$.001 par value, 1,000,000 shares authorized; no shares outstanding at December 31, 2015 and 2014	—	—
Common stock — Class A, \$.001 par value, 30,000,000 shares authorized; 2,103,907 and 2,249,809 shares issued and outstanding as of December 31, 2015 and 2014, respectively	2	2
Common stock — Class B, \$.001 par value, 150,000,000 shares authorized; 2,861,843 shares issued and outstanding as of December 31, 2015 and 2014	3	3
Common stock — Class C, \$.001 par value, 150,000,000 shares authorized; 2,928,906 shares issued and outstanding as of December 31, 2015 and 2014	3	3
Common stock — Class D, \$.001 par value, 150,000,000 shares authorized; 42,096,641 and 42,102,352 shares issued and outstanding as of December 31, 2015 and 2014, respectively	42	42
Accumulated other comprehensive loss	—	(115)
Additional paid-in capital	983,847	1,006,635
Accumulated deficit	(1,055,721)	(987,672)
Total stockholders' (deficit) equity	(71,824)	18,898
Noncontrolling interest	—	201,674
Total (deficit) equity	<u>(71,824)</u>	<u>220,572</u>
Total liabilities, redeemable noncontrolling interests and equity	<u>\$ 1,346,524</u>	<u>\$ 1,391,694</u>

The accompanying notes are an integral part of these consolidated financial statements.

RADIO ONE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Years Ended December 31,		
	2015	2014	2013
(In thousands, except share data)			
NET REVENUE	\$ 450,861	\$ 441,387	\$ 448,700
OPERATING EXPENSES:			
Programming and technical	134,410	141,689	138,021
Selling, general and administrative, including stock-based compensation of \$367, \$137 and \$43, respectively	149,811	142,454	145,261
Corporate selling, general and administrative, including stock-based compensation of \$4,740, \$1,457, and \$148, respectively	53,907	43,257	39,700
Depreciation and amortization	35,355	36,822	37,870
Impairment of long-lived assets	41,211	—	14,880
Total operating expenses	<u>414,694</u>	<u>364,222</u>	<u>375,732</u>
Operating income	36,167	77,165	72,968
INTEREST INCOME	102	366	245
INTEREST EXPENSE	80,038	79,810	89,196
LOSS ON RETIREMENT OF DEBT	7,091	5,679	—
OTHER EXPENSE (INCOME), net	216	(32)	(307)
Loss before provision for income taxes, noncontrolling interests in income of subsidiaries and income from discontinued operations, net of tax	(51,076)	(7,926)	(15,676)
PROVISION FOR INCOME TAXES	15,058	34,814	28,719
Net loss from continuing operations	(66,134)	(42,740)	(44,395)
INCOME FROM DISCONTINUED OPERATIONS, net of tax	—	—	885
CONSOLIDATED NET LOSS	(66,134)	(42,740)	(43,510)
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	7,888	19,930	18,471
CONSOLIDATED NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	<u>\$ (74,022)</u>	<u>\$ (62,670)</u>	<u>\$ (61,981)</u>
BASIC AND DILUTED NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS:			
Continuing operations	\$ (1.54)	\$ (1.32)	\$ (1.30)
Discontinued operations	0.00	0.00	0.02
Net loss attributable to common stockholders	<u>\$ (1.54)</u>	<u>\$ (1.32)</u>	<u>\$ (1.28)</u>
WEIGHTED AVERAGE SHARES OUTSTANDING:			
Basic and Diluted	<u>48,027,888</u>	<u>47,525,726</u>	<u>48,370,195</u>

The accompanying notes are an integral part of these consolidated financial statements.

RADIO ONE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	For The Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
CONSOLIDATED NET LOSS	\$ (66,134)	\$ (42,740)	\$ (43,510)
NET CHANGE IN UNREALIZED GAIN (LOSS) ON INVESTMENT ACTIVITIES	115	98	(111)
COMPREHENSIVE LOSS	(66,019)	(42,642)	(43,621)
LESS: COMPREHENSIVE INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	7,888	19,930	18,471
COMPREHENSIVE LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ (73,907)	\$ (62,572)	\$ (62,092)

The accompanying notes are an integral part of these consolidated financial statements.

RADIO ONE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) AND
NONCONTROLLING INTEREST
For The Years Ended December 31, 2013, 2014 and 2015

	Radio One, Inc. Stockholders									
	Convertible Preferred Stock	Common Stock Class A	Common Stock Class B	Common Stock Class C	Common Stock Class D	Accumulated Other Comprehensive (Loss) Income	Additional Paid-In Capital	Accumulated Deficit	Noncontrolling Interest	Total Equity (Deficit)
	(In thousands)									
BALANCE, as of										
December 31, 2012	\$ —	\$ 3	\$ 3	\$ 3	\$ 41	\$ (102)	\$ 1,006,873	\$ (863,021)	\$ 210,698	\$ 354,498
Consolidated net loss	—	—	—	—	—	—	—	(61,981)	17,807	(44,174)
Net change in unrealized loss on investment activities, net of taxes	—	—	—	—	—	(111)	—	—	—	(111)
Stock-based compensation expense	—	—	—	—	—	—	191	—	—	191
Repurchase of 32,669 shares of Class A common stock	—	—	—	—	—	—	(71)	—	—	(71)
Repurchase of 2,630,574 shares of Class D common stock	—	—	—	—	(2)	—	(5,396)	—	—	(5,398)
Adjustment of redeemable noncontrolling interests to estimated redemption value	—	—	—	—	—	—	1,519	—	—	1,519
Dividends paid to noncontrolling interest	—	—	—	—	—	—	—	—	(21,479)	(21,479)
BALANCE, as of										
December 31, 2013	\$ —	\$ 3	\$ 3	\$ 3	\$ 39	\$ (213)	\$ 1,003,116	\$ (925,002)	\$ 207,026	\$ 284,975
Consolidated net loss	—	—	—	—	—	—	—	(62,670)	19,291	(43,379)
Net change in unrealized gain on investment activities, net of taxes	—	—	—	—	—	98	—	—	—	98
Stock-based compensation expense	—	—	—	—	2	—	1,592	—	—	1,594
Conversion of 324,482 shares of Class A common stock to Class D common stock	—	(1)	—	—	1	—	—	—	—	—
Conversion of 192,142 shares of Class C common stock to Class D common stock	—	—	—	—	—	—	—	—	—	—
Adjustment of redeemable noncontrolling interests to estimated redemption value	—	—	—	—	—	—	1,802	—	—	1,802
Exercise of options for 92,040 shares of common stock	—	—	—	—	—	—	125	—	—	125
Dividends paid to noncontrolling interest	—	—	—	—	—	—	—	—	(24,643)	(24,643)
BALANCE, as of										
December 31, 2014	\$ —	\$ 2	\$ 3	\$ 3	\$ 42	\$ (115)	\$ 1,006,635	\$ (987,672)	\$ 201,674	\$ 220,572
Consolidated net loss	—	—	—	—	—	—	—	(74,022)	6,149	(67,873)
Net change in unrealized gain on investment activities, net of taxes	—	—	—	—	—	115	—	—	—	115
Stock-based compensation expense	—	—	—	—	—	—	5,107	—	—	5,107
Conversion of 145,902 shares of Class A common stock to Class D common stock	—	—	—	—	—	—	—	—	—	—
Acquisition of additional membership interest in TV One *	—	—	—	—	—	—	(25,760)	5,973	(201,940)	(221,727)
Repurchase of 345,293 shares of Class D common stock	—	—	—	—	—	—	(1,423)	—	—	(1,423)
Adjustment of redeemable noncontrolling interests to estimated redemption value	—	—	—	—	—	—	(712)	—	—	(712)
Dividends paid to noncontrolling interest	—	—	—	—	—	—	—	—	(5,883)	(5,883)
BALANCE, as of										
December 31, 2015	\$ —	\$ 2	\$ 3	\$ 3	\$ 42	\$ —	\$ 983,847	\$ (1,055,721)	\$ —	\$ (71,824)

The accompanying notes are an integral part of these consolidated financial statements.

* This entry includes the correction of an immaterial prior period error of approximately \$5.9 million, reducing both accumulated deficit and noncontrolling interest. The error derived from the use of an incorrect noncontrolling interest percentage when calculating the gain on our previously held interest in affiliated company upon consolidation of TV One on April 14, 2011.

RADIO ONE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Consolidated net loss	\$ (66,134)	\$ (42,740)	\$ (43,510)
Adjustments to reconcile consolidated net loss to net cash from operating activities:			
Depreciation and amortization	35,355	36,822	37,870
Amortization of debt financing costs	4,901	4,623	5,347
Amortization of content assets	50,858	47,086	50,412
Amortization of launch assets	2,645	9,913	9,967
Deferred income taxes	14,486	34,256	27,308
Impairment of long-lived assets	41,211	—	14,880
Stock-based compensation	5,107	1,594	191
Loss on retirement of debt	7,091	5,679	—
Effect of change in operating assets and liabilities, net of assets acquired and disposed of:			
Trade accounts receivable	(8,758)	1,897	(16,340)
Prepaid expenses and other assets	(779)	(1,426)	(1,482)
Other assets	1,267	943	145
Accounts payable	1,862	(691)	1,859
Accrued interest	5,140	6,395	(18)
Accrued compensation and related benefits	4,200	(5,226)	2,790
Income taxes payable	79	(572)	893
Other liabilities	10,639	1,123	150
Payments for content assets	(66,748)	(45,756)	(52,596)
Payment of launch support	(670)	—	—
Net cash flows used in operating activities from discontinued operations	—	—	(837)
Net cash flows provided by operating activities	<u>41,752</u>	<u>53,920</u>	<u>37,029</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property and equipment	(7,339)	(5,537)	(9,194)
Purchase of cost method investment	(5,000)	—	—
Purchase of additional membership interest in TV One	(209,855)	—	—
Proceeds from sale of assets held for sale	—	225	—
Proceeds from sales of investment securities	3,524	482	1,665
Purchases of investment securities	(591)	(930)	(2,544)
Purchase of intangible assets	—	(200)	—
Proceeds from sale of discontinued operations	—	—	4,000
Cash paid for acquisitions	—	(9,140)	—
Net cash flows used in investing activities	<u>(219,261)</u>	<u>(15,100)</u>	<u>(6,073)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from debt issuance	350,000	335,000	—
Proceeds from 2015 Credit Facility	350,000	—	—
Debt refinancing costs and original issue discount	(23,480)	(4,685)	—
Premium paid on repayment of long-term debt	(827)	(1,554)	—
Payment of dividends to noncontrolling interest members of TV One	(5,883)	(24,643)	(21,479)
Payment of dividends to noncontrolling interest members of Reach Media	(2,001)	—	—
Repayment of senior subordinated notes	—	(327,034)	(747)
Repayment of credit facilities	(370,282)	(4,924)	(3,840)
Repayment of TV One senior secured notes	(119,000)	—	—
Proceeds from exercise of stock options	—	125	—
Repurchase of common stock	(1,423)	—	(5,469)
Net cash flows provided by (used in) financing activities	<u>177,104</u>	<u>(27,715)</u>	<u>(31,535)</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(405)	11,105	(579)
CASH AND CASH EQUIVALENTS, beginning of year	67,781	56,676	57,255
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 67,376</u>	<u>\$ 67,781</u>	<u>\$ 56,676</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid for:			
Interest	\$ 69,934	\$ 68,536	\$ 83,612
Income taxes	<u>\$ 346</u>	<u>\$ 1,016</u>	<u>\$ 513</u>
NON-CASH FINANCIAL AND INVESTING ACTIVITIES:			
Note payable incurred as part of purchase of additional membership interest in TV One	\$ 11,872	\$ —	\$ —

The accompanying notes are an integral part of these consolidated financial statements.

RADIO ONE, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015, 2014 and 2013

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Organization

Radio One, Inc., a Delaware corporation, and its subsidiaries (collectively, “Radio One,” the “Company”, “we” and/or “us”) is an urban-oriented, multi-media company that primarily targets African-American and urban consumers. Our core business is our radio broadcasting franchise that is the largest radio broadcasting operation that primarily targets African-American and urban listeners. We currently own and/or operate 56 broadcast stations located in 16 urban markets in the United States. While our primary source of revenue is the sale of local and national advertising for broadcast on our radio stations, our strategy is to operate the premier multi-media entertainment and information content provider targeting African-American and urban consumers. Thus, we have diversified our revenue streams by making acquisitions and investments in other complementary media properties. Our other media interests include our approximately 99.6% ownership interest in TV One, LLC (“TV One”), an African-American targeted cable television network; our 80.0% ownership interest in Reach Media, Inc. (“Reach Media”) which operates the Tom Joyner Morning Show and our other syndicated programming assets, including the Rickey Smiley Morning Show, the Yolanda Adams Morning Show, the Russ Parr Morning Show and the DL Hughley Show; and our ownership of Interactive One, LLC (“Interactive One”), our wholly owned online platform serving the African-American community through social content, news, information, and entertainment websites, including Global Grind (as defined in Note 2 – *Acquisitions and Dispositions*), News One, TheUrbanDaily and HelloBeautiful, and online social networking websites, including BlackPlanet and MiGente. In May 2014, the Company agreed to invest a minimum of \$5 million up to a maximum of \$40 million in MGM’s development of a world-class casino property, MGM National Harbor, located in Prince George’s County, Maryland. Upon completion of the project, currently anticipated to be in late 2016, this investment will further diversify our platform in the entertainment industry while still focusing on our core demographic. On April 10, 2015, the Company made its minimum \$5 million investment and accounted for this investment on a cost basis.

As part of our consolidated financial statements, consistent with our financial reporting structure and how the Company currently manages its businesses, we have provided selected financial information on the Company’s four reportable segments: (i) radio broadcasting; (ii) Reach Media; (iii) internet; and (iv) cable television. (See Note 15 – *Segment Information*.)

(b) Basis of Presentation

The consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States and require management to make certain estimates and assumptions. These estimates and assumptions may affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements. The Company bases these estimates on historical experience, current economic environment or various other assumptions that are believed to be reasonable under the circumstances. However, continuing economic uncertainty and any disruption in financial markets increase the possibility that actual results may differ from these estimates.

(c) Principles of Consolidation

The consolidated financial statements include the accounts and operations of Radio One and subsidiaries in which Radio One has a controlling financial interest, which is generally determined when the Company holds a majority voting interest. All significant intercompany accounts and transactions have been eliminated in consolidation. Noncontrolling interests have been recognized where a controlling interest exists, but the Company owns less than 100% of the controlled entity.

(d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash, repurchase agreements and money market funds at various commercial banks that have original maturities of 90 days or less. Investments with contractual maturities of 90 days or less from the date of original purchase are classified as cash and cash equivalents. For cash and cash equivalents, cost approximates fair value.

(e) Trade Accounts Receivable

Trade accounts receivable are recorded at the invoiced amount. The allowance for doubtful accounts is the Company's estimate of the amount of probable losses in the Company's existing accounts receivable portfolio. The Company determines the allowance based on the aging of the receivables, the impact of economic conditions on the advertisers' ability to pay and other factors. Inactive delinquent accounts that are past due beyond a certain amount of days are written off and often pursued by other collection efforts. Bankruptcy accounts are immediately written off upon receipt of the bankruptcy notice from the courts.

(f) Goodwill and Indefinite-Lived Intangible Assets (Primarily Radio Broadcasting Licenses)

In connection with past acquisitions, a significant amount of the purchase price was allocated to radio broadcasting licenses, goodwill and other intangible assets. Goodwill consists of the excess of the purchase price over the fair value of tangible and identifiable intangible net assets acquired. In accordance with Accounting Standards Codification ("ASC") 350, "*Intangibles - Goodwill and Other*," goodwill and other indefinite-lived intangible assets are not amortized, but are tested annually for impairment at the reporting unit level and unit of accounting level, respectively. We test for impairment annually, on October 1 of each year, or more frequently when events or changes in circumstances or other conditions suggest impairment may have occurred. Radio broadcasting license impairment exists when the asset carrying values exceed their respective fair values, and the excess is then recorded to operations as an impairment charge. With the assistance of a third-party valuation firm, we test for radio broadcasting license impairment at the unit of accounting level using the income approach, which involves, but is not limited to, judgmental estimates and assumptions about projected revenue growth, future operating margins, discount rates and terminal values. In testing for goodwill impairment, we follow a two-step approach, also relying primarily on the income approach that first estimates the fair value of the reporting unit. If the carrying value of the reporting unit exceeds its fair value, we then determine the implied goodwill after allocating the reporting unit's fair value of assets and liabilities in accordance with ASC 805-10, "*Business Combinations*." We then perform a market-based analysis by comparing the average implied multiple arrived at based on our cash flow projections and estimated fair values to multiples for actual recently completed sale transactions and by comparing the total of the estimated fair values of our reporting units to the market capitalization of the Company. Any excess of carrying value of the reporting unit's goodwill balance over its respective implied goodwill is written off as a charge to operations.

(g) Impairment of Long-Lived Assets, Excluding Goodwill and Indefinite-Lived Intangible Assets

The Company accounts for the impairment of long-lived intangible assets, excluding goodwill and other indefinite-lived intangible assets, in accordance with ASC 360, "*Property, Plant and Equipment*." Long-lived intangible assets, excluding goodwill and other indefinite-lived intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be fully recoverable. These events or changes in circumstances may include a significant deterioration in operating results, changes in business plans, or changes in anticipated future cash flows. If an impairment indicator is present, the Company evaluates recoverability by a comparison of the carrying amount of the asset or group of assets to future discounted net cash flows expected to be generated by the asset or group of assets. Assets are grouped at the lowest levels for which there are identifiable cash flows that are largely independent of the cash flows generated by other asset groups. If the assets are impaired, the impairment recognized is measured by the amount by which the carrying amount exceeds the fair value of the asset or group of assets. Fair value is generally determined by estimates of discounted future cash flows. The discount rate used in any estimate of discounted cash flows would be the rate of return for a similar investment of like risk. The Company reviewed these long-lived assets during 2015 and 2014 and concluded that no impairment to the carrying value of these assets was required.

(h) Financial Instruments

Financial instruments as of December 31, 2015 and 2014, consisted of cash and cash equivalents, investments, trade accounts receivable, long-term debt and redeemable noncontrolling interests. The carrying amounts approximated fair value for each of these financial instruments as of December 31, 2015 and 2014, except for the Company's outstanding senior subordinated notes and secured notes. The 9.25% Senior Subordinated Notes that are due in February 2020 (the "2020 Notes") had a carrying value of approximately \$335.0 million and fair value of approximately \$258.0 million and \$294.8 million as of December 31, 2015 and December 31, 2014, respectively. The fair values of the 2020 Notes, classified as Level 2 instruments, were determined based on the trading values of these instruments in an inactive market as of the reporting date. The Company's 10% Senior Secured TV One Notes that were due in March 2016 and paid off in April 2015, were classified as Level 3 instruments at December 31, 2014, since they were not market traded financial instruments. In April 2015, we entered into a series of transactions to refinance certain portions of our debt and to finance our acquisition of Comcast's membership interest in TV One. Our new 7.375% Senior Secured Notes that are due in March 2022 (the "2022 Notes") had a carrying value of approximately \$350.0 million and fair value of approximately \$311.5 million as of December 31, 2015. The fair values of the 2022 Notes, classified as Level 2 instruments, were determined based on the trading values of these instruments in an inactive market as of the reporting date. Our new \$350.0 million senior secured credit facility (the "2015 Credit Facility") had a carrying value of approximately \$348.3 million and fair value of approximately \$353.0 million as of December 31, 2015. The fair values of the 2015 Credit Facility, classified as Level 2 instruments, were determined based on the trading values of these instruments in an inactive market as of the reporting date. As a part of our acquisition of Comcast's membership interest in TV One, we issued a new senior unsecured promissory note in the aggregate principal amount of approximately \$11.9 million (the "Comcast Note"). The fair value of the Comcast Note was approximately \$11.9 million as of December 31, 2015. The fair value of the Comcast Note, classified as a Level 3 instrument, was determined based on the fair value of a similar instrument as of the reporting date using updated interest rate information derived from changes in interest rates since inception to the reporting date. See Note 9 – *Long-Term Debt* for further description of our new credit facilities and outstanding notes.

(i) Derivative Financial Instruments

The Company recognizes all derivatives at fair value in the consolidated balance sheet as either an asset or liability. The accounting for changes in the fair value of a derivative, including certain derivative instruments embedded in other contracts, depends on the intended use of the derivative and the resulting designation. (See Note 8 – *Derivative Instruments*.)

(j) Revenue Recognition

Within our radio broadcasting and Reach Media segments, the Company recognizes revenue for broadcast advertising when a commercial is broadcast, and the revenue is reported net of agency and outside sales representative commissions, in accordance with ASC 605, "Revenue Recognition." Agency and outside sales representative commissions are calculated based on a stated percentage applied to gross billing. Generally, clients remit the gross billing amount to the agency or outside sales representative, and the agency or outside sales representative remits the gross billing, less their commission, to the Company. For our radio broadcasting segment, agency and outside sales representative commissions were approximately \$27.5 million, \$30.8 million and \$32.4 million for the years ended December 31, 2015, 2014 and 2013, respectively.

Interactive One generates the majority of the Company's internet revenue, and derives such revenue from advertising services on non-radio station branded but Company owned websites. Advertising services include the sale of banner and sponsorship advertisements. Advertising revenue is recognized either as impressions (the number of times advertisements appear in viewed pages) are delivered, when "click through" purchases are made, or ratably over the contract period, where applicable. In addition, Interactive One derives revenue from its studio operations, in which it provides third-party clients with publishing services including digital platforms and related expertise. In the case of the studio operations, revenue is recognized primarily through fixed contractual monthly fees and/or as a share of the third party's reported revenue.

TV One derives advertising revenue from the sale of television air time to advertisers and recognizes revenue when the advertisements are run. For our cable television segment, agency and outside sales representative commissions were approximately \$15.1 million, \$14.4 million and \$13.9 million for the years ended December 31, 2015, 2014 and 2013, respectively. TV One also derives revenue from affiliate fees under the terms of various affiliation agreements based on a per subscriber fee multiplied by the most recent subscriber counts reported by the applicable affiliate.

(k) Launch Support

TV One has entered into certain affiliate agreements requiring various payments by TV One for launch support. Launch support assets are used to initiate carriage under affiliation agreements and are amortized over the term of the respective contracts. Amortization is recorded as a reduction to revenue. TV One paid \$670,000 of launch support for the year ended December 31, 2015 and made no payments during the years ended December 31, 2014 and 2013. The weighted-average amortization period for launch support was approximately 10.9 years as of each of December 31, 2015, and 2014. The remaining weighted-average amortization period for launch support is 8.9 years and 0.9 years as of December 31, 2015, and 2014, respectively. For the years ended December 31, 2015 and 2014, launch support asset amortization of approximately \$2.6 million and \$9.9 million, respectively, was recorded as a reduction of revenue.

The gross value and accumulated amortization of the launch assets is as follows:

	As of December 31,	
	2015	2014
	(In thousands)	
Launch assets	\$ 726	\$ 37,746
Less: Accumulated amortization	(61)	(35,106)
Launch assets, net	<u>\$ 665</u>	<u>\$ 2,640</u>

Future estimated launch support amortization expense or revenue reduction related to launch assets for years 2016 through 2020 is as follows:

	(In thousands)	
2016	\$	81
2017	\$	81
2018	\$	70
2019	\$	70
2020	\$	70

(l) Barter Transactions

For barter transactions, the Company provides broadcast advertising time in exchange for programming content and certain services and accounts for these exchanges in accordance with ASC 605, "Revenue Recognition." The Company includes the value of such exchanges in both broadcasting net revenue and station operating expenses. The valuation of barter time is based upon the fair value of the network advertising time provided for the programming content and services received. For the years ended December 31, 2015, 2014 and 2013, barter transaction revenues were approximately \$2.3 million, \$3.2 million and \$2.6 million, respectively. Additionally, for the years ended December 31, 2015, 2014 and 2013, barter transaction costs were reflected in programming and technical expenses of approximately \$2.2 million, \$3.1 million and \$2.4 million, respectively, and selling, general and administrative expenses of approximately \$197,000, \$162,000 and \$169,000, respectively.

(m) Network Affiliation Agreements

The Company has network affiliation agreements classified as Other Intangible Assets. These agreements are amortized over their useful lives. (See Note 4 — *Goodwill, Radio Broadcasting Licenses and Other Intangible Assets.*)

(n) Advertising and Promotions

The Company expenses advertising and promotional costs as incurred. Total advertising and promotional expenses for continuing operations, for the years ended December 31, 2015, 2014 and 2013, were approximately \$19.7 million, \$16.9 million and \$17.4 million, respectively. Advertising and promotional expenses related to discontinued operations were not significant.

(o) Income Taxes

The Company accounts for income taxes in accordance with ASC 740, "Income Taxes." Under ASC 740, deferred tax assets or liabilities are computed based upon the difference between financial statement and income tax bases of assets and liabilities using the enacted marginal tax rate. The Company has provided a valuation allowance on its net deferred tax assets where it is more likely than not such assets will not be realized. The Company maintains certain deferred tax liabilities that cannot be used to offset deferred tax assets and, therefore, does not consider these attributes in evaluating the realizability of its deferred tax assets. Deferred income tax expense or benefits are based upon the changes in the asset or liability from period to period.

(p) Stock-Based Compensation

The Company accounts for stock-based compensation for stock options and restricted stock grants in accordance with ASC 718, "Compensation - Stock Compensation." Under the provisions of ASC 718, stock-based compensation cost for stock options is estimated at the grant date based on the award's fair value as calculated by the Black-Scholes ("BSM") valuation option-pricing model and is recognized as expense ratably over the requisite service period. The BSM incorporates various highly subjective assumptions including expected stock price volatility, for which historical data is heavily relied upon, expected life of options granted, forfeiture rates and interest rates. Compensation expense for restricted stock grants is measured based on the fair value on the date of grant less estimated forfeitures. Compensation expense for restricted stock grants is recognized ratably during the vesting period. (See Note 11 - Stockholders' Equity.)

(q) Segment Reporting and Major Customers

In accordance with ASC 280, "Segment Reporting," and given its diversification strategy, the Company has determined it has four reportable segments: (i) radio broadcasting; (ii) Reach Media; (iii) internet; and (iv) cable television. These four segments operate in the United States and are consistently aligned with the Company's management of its businesses and its financial reporting structure.

The radio broadcasting segment consists of all radio broadcast results of operations. The Reach Media segment consists of the results of operations for the Tom Joyner Morning Show and related activities in addition to other syndicated radio shows including the Rickey Smiley Morning Show, the Yolanda Adams Morning Show, the Russ Parr Morning Show and the DL Hughley Show. The internet segment includes the results of our online business, which includes websites from all of our business divisions. The cable television segment consists of TV One's results of operations. Corporate/Eliminations/Other represents financial activity associated with our corporate staff and offices and intercompany activity among the four segments. Intercompany revenue earned and expenses charged between segments are recorded at fair value and eliminated in consolidation.

No single customer accounted for over 10% of our consolidated net revenues during any of the years ended December 31, 2015, 2014 and 2013.

(r) Earnings Per Share

Basic earnings per share is computed on the basis of the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is computed on the basis of the weighted average number of shares of common stock plus the effect of potential dilutive common shares outstanding during the period using the treasury stock method.

The Company's potentially dilutive securities include stock options and unvested restricted stock. Diluted earnings per share considers the impact of potentially dilutive securities except in periods in which there is a net loss, as the inclusion of the potentially dilutive common shares would have an anti-dilutive effect.

All stock options and restricted stock awards were excluded from the diluted calculation for the years ended December 31, 2015, 2014 and 2013, respectively, as their inclusion would have been anti-dilutive. The following table summarizes the potential common shares excluded from the diluted calculation.

	Year ended December 31, 2015	Year ended December 31, 2014	Year ended December 31, 2013
Stock options	3,712	3,737	4,300
Restricted stock awards	2,064	2,575	160

(s) Discontinued Operations

For those businesses where management has committed to a plan to divest or discontinue operations, and for which disposition is probable within the next 12 months, each business is valued at the lower of its carrying amount or estimated fair value less cost to sell. If the carrying amount of the business exceeds its estimated fair value, a loss is recognized. The fair values are estimated using accepted valuation techniques such as a discounted cash flow model, earnings multiples, or indicative bids, when available. A number of significant estimates and assumptions are involved in the application of these techniques, including the forecasting of markets and market share, revenues, costs and expenses, and multiple other factors. Management considers historical experience and all available information at the time the estimates are made. However, the fair values that are ultimately realized upon the sale of the businesses to be divested may differ from the estimated fair values reflected in the consolidated financial statements.

Businesses to be divested or operationally cease are classified in the consolidated financial statements as discontinued operations. For businesses classified as discontinued operations, the balance sheet amounts and statement of operations results are reclassified from their historical presentation to assets and liabilities of discontinued operations on the consolidated balance sheets and to discontinued operations in the consolidated statements of operations for all periods presented. The gains or losses associated with these divested or ceased businesses are recorded in income or loss from discontinued operations on the consolidated statements of operations. The consolidated statements of cash flows are also reclassified for discontinued operations for all periods presented. For businesses reclassified as discontinued, management does not expect any continuing involvement with these businesses after the disposition of these businesses.

(t) Fair Value Measurements

We report our financial and non-financial assets and liabilities measured at fair value on a recurring and non-recurring basis under the provisions of ASC 820, "Fair Value Measurements and Disclosures." ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements.

The fair value framework requires the categorization of assets and liabilities into three levels based upon the assumptions (inputs) used to price the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management judgment. The three levels are defined as follows:

Level 1: Inputs are unadjusted quoted prices in active markets for identical assets and liabilities that can be accessed at the measurement date.

Level 2: Observable inputs other than those included in Level 1 (i.e., quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets).

Level 3: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value instrument.

As of December 31, 2015 and 2014, the fair values of our financial assets and liabilities measured at fair value on a recurring basis are categorized as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	(In thousands)			
As of December 31, 2015				
Liabilities subject to fair value measurement:				
Incentive award plan (a)	\$ 1,506	\$ —	\$ —	\$ 1,506
Employment agreement award (b)	20,915	—	—	20,915
Total	<u>\$ 22,421</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 22,421</u>
Mezzanine equity subject to fair value measurement:				
Redeemable noncontrolling interests (c)	\$ 11,286	\$ —	\$ —	\$ 11,286
As of December 31, 2014				
Assets subject to fair value measurement:				
Corporate debt securities (d)	\$ 805	\$ 805	\$ —	\$ —
Government sponsored enterprise mortgage-backed securities (d)	102	—	102	—
Mutual funds (d)	2,004	2,004	—	—
Total	<u>\$ 2,911</u>	<u>\$ 2,809</u>	<u>\$ 102</u>	<u>\$ —</u>
Liabilities subject to fair value measurement:				
Incentive award plan (a)	\$ 1,044	\$ —	\$ —	\$ 1,044
Employment agreement award (b)	17,993	—	—	17,993
Total	<u>\$ 19,037</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 19,037</u>
Mezzanine equity subject to fair value measurement:				
Redeemable noncontrolling interests (c)	\$ 10,836	\$ —	\$ —	\$ 10,836

(a) Balance is measured based on the estimated enterprise fair value of TV One as determined by a combination of a discounted cash flow analysis and the value used in connection with the Comcast Buyout (as defined in Note 2 – *Acquisitions and Dispositions*). Significant inputs to the discounted cash flow analysis include forecasted operating results, discount rate and a terminal value. A third-party valuation firm assisted the Company in estimating TV One's fair value using the discounted cash flow analysis.

(b) Pursuant to an employment agreement (the "Employment Agreement") executed in April 2008, the Chief Executive Officer ("CEO") is eligible to receive an award (the "Employment Agreement Award") amount equal to 4% of any proceeds from distributions or other liquidity events in excess of the return of the Company's aggregate investment in TV One. The Company reviews the factors underlying this award at the end of each quarter including the valuation of TV One (based on the estimated enterprise fair value of TV One as determined by a combination of a discounted cash flow analysis and the value used in connection with the Comcast Buyout, as defined in Note 2 – *Acquisitions and Dispositions*), and an assessment of the probability that the Employment Agreement will be renewed and contain the award. There are probability factors included in the calculation of the award related to the likelihood that the award will be realized. The Company's obligation to pay the award was triggered only after the Company's recovery of the aggregate amount of our pre-Comcast Buyout capital contribution in TV One, and only upon actual receipt of distributions of cash or marketable securities or proceeds from a liquidity event with respect to such invested amount. The CEO was fully vested in the award upon execution of the Employment Agreement, and the award lapses if the CEO voluntarily leaves the Company or is terminated for cause. A third-party valuation firm assisted the Company in estimating TV One's fair value using the discounted cash flow analysis. Significant inputs to the discounted cash flow analysis include forecasted operating results, discount rate and a terminal value. As noted in our current report on Form 8-K filed October 6, 2014, the Compensation Committee of the Board of Directors of the Company has approved terms for a new employment agreement with the CEO, including a renewal of the Employment Agreement Award upon similar terms as in the prior Employment Agreement. While a new employment agreement has not been executed as of the date of this report, the CEO is being compensated according to the new terms approved by the Compensation Committee.

(c) The redeemable noncontrolling interest in Reach Media is measured at fair value using a discounted cash flow methodology. A third-party valuation firm assisted the Company in estimating the fair value. Significant inputs to the discounted cash flow analysis include forecasted operating results, discount rate and a terminal value.

(d) Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, fair values are estimated using pricing models, quoted prices of securities with similar characteristics or discounted cash flows.

There were no transfers in or out of Level 1, 2, or 3 during the year ended December 31, 2015. The following table presents the changes in Level 3 liabilities measured at fair value on a recurring basis for the years ended December 31, 2014 and 2015:

	Incentive Award Plan	Employment Agreement Award	Redeemable Noncontrolling Interests
	(In thousands)		
Balance at December 31, 2013	\$ 2,114	\$ 13,688	\$ 11,999
Net income attributable to redeemable noncontrolling interests	—	—	639
Distribution	(1,370)	—	—
Change in fair value	300	4,305	(1,802)
Balance at December 31, 2014	\$ 1,044	\$ 17,993	\$ 10,836
Dividends paid to redeemable noncontrolling interests	—	—	(2,001)
Net income attributable to redeemable noncontrolling interests	—	—	1,739
Distribution	—	(1,500)	—
Change in fair value	462	4,422	712
Balance at December 31, 2015	\$ 1,506	\$ 20,915	\$ 11,286

The amount of total losses for the period included in earnings attributable to the change in unrealized losses relating to assets and liabilities still held at December 31, 2015

\$ (462)	\$ (4,422)	\$ —
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The amount of total losses for the period included in earnings attributable to the change in unrealized losses relating to assets and liabilities held at December 31, 2014

\$ (300)	\$ (4,305)	\$ —
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The amount of total losses for the period included in earnings attributable to the change in unrealized losses relating to assets and liabilities held at December 31, 2013

\$ 12	\$ (2,314)	\$ —
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Losses included in earnings were recorded in the consolidated statement of operations as corporate selling, general and administrative expenses for the years ended December 31, 2015 and 2014.

For Level 3 assets and liabilities measured at fair value on a recurring basis, the significant unobservable inputs used in the fair value measurements were as follows:

Level 3 liabilities	Valuation Technique	Significant Unobservable Inputs	As of	As of
			December 31, 2015	December 31, 2014
			Significant Unobservable Input Value	
Incentive award plan	Discounted Cash Flow	Discount Rate	10.8%	10.4%
Incentive award plan	Discounted Cash Flow	Long-term Growth Rate	3.0%	3.0%
Employment agreement award	Discounted Cash Flow	Discount Rate	10.8%	10.4%
Employment agreement award	Discounted Cash Flow	Long-term Growth Rate	3.0%	3.0%
Redeemable noncontrolling interest	Discounted Cash Flow	Discount Rate	11.8%	12.0%
Redeemable noncontrolling interest	Discounted Cash Flow	Long-term Growth Rate	1.5%	1.5%

Any significant increases or decreases in discount rate or long-term growth rate inputs could result in significantly higher or lower fair value measurements.

Certain assets and liabilities are measured at fair value on a non-recurring basis using Level 3 inputs as defined in ASC 820. These assets are not measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances. Included in this category are goodwill, radio broadcasting licenses and other intangible assets, net, that are written down to fair value when they are determined to be impaired, as well as content assets that are periodically written down to net realizable value. The Company recorded an impairment charge of approximately \$41.2 million for the year ended December 31, 2015, related to goodwill and radio broadcasting licenses. The Company concluded that these assets were not impaired at December 31, 2014, and, therefore, were reported at carrying value as opposed to fair value.

As of December 31, 2015, the total recorded carrying values of goodwill and radio broadcasting licenses were approximately \$258.3 million and \$643.2 million, respectively. Pursuant to ASC 350, “*Intangibles – Goodwill and Other*,” for the year ended December 31, 2015, the Company recorded impairment charges totaling approximately \$41.2 million related to our Cincinnati, Columbus, Dallas, Houston, Philadelphia, Raleigh and St. Louis radio broadcasting licenses and Cincinnati market and Interactive One goodwill balances. We performed Step 2 impairment tests related to our goodwill balances. For the year ended December 31, 2013, the Company recorded impairment charges totaling approximately \$14.9 million related to our Boston, Philadelphia, Cincinnati and Cleveland radio broadcasting licenses. A description of the Level 3 inputs and the information used to develop the inputs is discussed in Note 4 — *Goodwill, Radio Broadcasting Licenses and Other Intangible Assets*.

(u) Software and Web Development Costs

The Company capitalizes direct internal and external costs incurred to develop internal-use computer software during the application development stage pursuant to ASC 350-40, “*Intangibles – Goodwill and Other*.” Internal-use software is amortized under the straight-line method using an estimated life of three years. All web development costs incurred in connection with operating our websites are accounted for under the provisions of ASC 350-40 and ASC 350-50, *Website Development Costs*, unless a plan exists or is being developed to market the software externally. The Company has no plans to market software externally.

(v) Redeemable noncontrolling interests

Redeemable noncontrolling interests are interests in subsidiaries that are redeemable outside of the Company’s control either for cash or other assets. These interests are classified as mezzanine equity and measured at the greater of estimated redemption value at the end of each reporting period or the historical cost basis of the noncontrolling interests adjusted for cumulative earnings allocations. The resulting increases or decreases in the estimated redemption amount are affected by corresponding charges against retained earnings, or in the absence of retained earnings, additional paid-in-capital.

(w) Investments

Investment Securities

Investments consisted primarily of corporate fixed maturity securities and mutual funds.

Investments with original maturities in excess of three months and less than one year are classified as short-term investments. Long-term investments have original maturities in excess of one year.

Debt securities are classified as “available-for-sale” and reported at fair value. Investments in available-for-sale fixed maturity securities are classified as either current or noncurrent assets based on their contractual maturities. Fixed maturity securities are carried at estimated fair value based on quoted market prices for the same or similar instruments. Investment income is recognized when earned and reported net of investment expenses. Unrealized gains and losses are excluded from earnings and are reported as a separate component of accumulated other comprehensive income (loss) until realized, unless the losses are deemed to be other than temporary. Realized gains or losses, including any provision for other-than-temporary declines in value, are included in the statements of operations. For purposes of computing realized gains and losses, the specific-identification method of determining cost was used.

(x) Content Assets

TV One has entered into contracts to acquire entertainment programming rights and programs from distributors and producers. The license periods granted in these contracts generally run from one year to ten years. Contract payments are made in installments over terms that are generally shorter than the contract period. Each contract is recorded as an asset and a liability at an amount equal to its gross contractual commitment when the license period begins and the program is available for its first airing. Acquired content is generally amortized based on the greater of usage of the program or term of license.

The Company also has programming for which the Company has engaged third parties to develop and produce, and it owns most or all rights (commissioned programming). Content amortization expense for each period is recognized based on the revenue forecast model, which approximates the proportion that estimated advertising and affiliate revenues for the current period represent in relation to the estimated remaining total lifetime revenues.

Acquired program rights are recorded at the lower of unamortized cost or estimated net realizable value. Estimated net realizable values are based on the estimated revenues associated with the program materials and related expenses. The Company recorded additional amortization expense of \$804,000 and \$58,000 as a result of evaluating its contracts for recoverability for the years ended December 31, 2015 and 2014, respectively. All produced and licensed content is classified as a long-term asset, except for the portion of the unamortized content balance that is expected to be amortized within one year which is classified as a current asset.

Tax incentives state and local governments offer that are directly measured based on production activities are recorded as reductions in production costs.

(y) Impact of Recently Issued Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, “*Revenue from Contracts with Customers*,” (“ASU 2014-09”) which supersedes the revenue recognition requirements in ASC 605, “Revenue Recognition” and most industry-specific guidance throughout the codification. The standard requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. On July 9, 2015, the FASB voted and approved to defer the effective date of ASU 2014-09 by one year. As a result, ASU 2014-09 will be effective for fiscal years beginning after December 15, 2017, with early adoption permitted but not prior to the original effective date of annual periods beginning after December 15, 2016. The Company has not yet completed its assessment of the impact of the new standard, including possible transition alternatives, on its financial statements.

In April 2015, the FASB issued ASU 2015-03, “*Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*” (“ASU 2015-03”). ASU 2015-03 aims to simplify the presentation of debt issuance costs by requiring debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. Currently, debt issuance costs are presented as a deferred charge under GAAP. ASU 2015-03 is effective for fiscal years beginning after December 15, 2015, and is to be applied retrospectively, with early adoption permitted. The Company early adopted ASU 2015-03 during the year ended December 31, 2015, resulting in approximately \$7.4 million of net debt issuance costs presented as a direct reduction to the Company's long-term debt in the consolidated balance sheet as of December 31, 2015. The retrospective application of ASU 2015-03 decreased other intangible assets and long-term debt by approximately \$6.9 million in the consolidated balance sheet as of December 31, 2014.

In November 2015, the FASB issued ASU 2015-17, “*Balance Sheet Classification of Deferred Taxes*” (“ASU 2015-17”), which simplifies the presentation of deferred income taxes by requiring deferred tax assets and liabilities be classified as noncurrent in the consolidated balance sheet. ASU 2015-17 is effective for financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted and may be applied either prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. We early adopted ASU 2015-17 in the fourth quarter of 2015 on a retroactive basis and included the current portion of deferred tax liabilities within the noncurrent portion of deferred tax liabilities within our consolidated balance sheets. However, we did not adjust our prior period consolidated balance sheet as a result of the adoption of this ASU as the impact was immaterial.

In February 2015, the FASB issued ASU 2016-02, “*Leases (Topic 842)*” (“ASU 2016-02”), which is a new lease standard that amends lease accounting. ASU 2016-02 will require lessees to recognize a lease asset and lease liability for leases classified as operating leases. ASU 2016-02 is effective for annual periods beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption is permitted. The Company has not yet completed its assessment of the impact of the new standard on its consolidated financial statements.

(z) Related Party Transactions

Reach Media provides office facilities (including office space, telecommunications facilities, and office equipment) to the Tom Joyner Foundation, Inc. (the “Foundation”), a 501(c)(3) entity, and to Tom Joyner, LTD. (“Limited”), Tom Joyner's production company. Such services are provided to the Foundation and to Limited on a pass-through basis at cost. Under these arrangements, as of December 31, 2015, the Foundation and Limited owed \$3,000 and \$11,000 to Reach Media, respectively. As of December 31, 2014, the Foundation and Limited owed \$3,000 and \$113,000 to Reach Media, respectively.

Reach Media operates the Tom Joyner Fantastic Voyage, a fund raising event for the Foundation. The terms of the agreement are that Reach Media provides all necessary operations for the Fantastic Voyage, that the Foundation reimburse the Company for all related expenses, and that the Foundation pay a fee plus a performance bonus to Reach Media. The fee is up to the first \$1.0 million after the Fantastic Voyage nets \$250,000 to the Foundation. The balance of any operating income is earned by the Foundation less a performance bonus of 50% to Reach Media of any excess over \$1.25 million. The Foundation's remittances to Reach Media under the agreement are limited to its Fantastic Voyage-related cash revenues; Reach Media bears the risk should the Fantastic Voyage sustain a loss and bears all credit risk associated with the related customer cabin sales.

For the year ended December 31, 2015, Reach Media's revenues, expenses, and operating income for the Fantastic Voyage were approximately \$8.7 million, \$7.5 million, and \$1.2 million, respectively; for the year ended December 31, 2014, approximately \$6.6 million, \$5.7 million, and \$900,000, respectively; for the year ended December 31, 2013, approximately \$7.2 million, \$6.0 million, and \$1.2 million, respectively. As of December 31, 2015 and 2014, the Foundation owed Reach Media approximately \$1.2 million and \$0, respectively under the agreement, for operations on the next sailing.

2. ACQUISITIONS AND DISPOSITIONS:

As of June 2011, our remaining Boston radio station was made the subject of a time brokerage agreement (“TBA”), similar in operation to a local marketing agreement (“LMA”), whereby, we have made available, for a fee, air time on this station to another party. On February 3, 2014, the Company executed a new TBA, effective December 1, 2013, for its remaining station in Boston. The TBA has a three-year term, and at the conclusion of the TBA, the Company’s remaining Boston station will be conveyed to Radio Boston Broadcasting, Inc., an affiliate of Pacific Media International, LLC. As a result, that station’s radio broadcasting license was classified as a short-term other asset as of December 31, 2015 and a long-term other asset as of December 31, 2014, and is being amortized through the anticipated conveyance date.

On October 20, 2011, we entered into a TBA with WGPR, Inc. (“WGPR”). Pursuant to the TBA, beginning October 24, 2011, we began to broadcast programs produced, owned or acquired by Radio One on WGPR’s Detroit radio station, WGPR-FM. We pay certain operating costs of WGPR-FM, and in exchange we retain all revenues from the sale of the advertising within the programming we provide. The original term of the TBA was through December 31, 2014; however, in September 2014, we entered into an amendment to the TBA to extend the term of the TBA through December 31, 2019. Under the terms of the TBA, WGPR has also granted us certain rights of first negotiation and first refusal with respect to the sale of WGPR-FM by WGPR and with respect to any potential time brokerage agreement for WGPR-FM covering any time period subsequent to the term of the TBA.

In November 2012, one of our Columbus, Ohio radio stations, operating under the call letters WJKR-FM (The Jack, 98.9 FM) was made the subject of an LMA with Salem Media of Ohio, Inc., a subsidiary of Salem Communications (“Salem”). On February 15, 2013, the Company closed on the sale of the assets of WJKR-FM to Salem. The Company sold the assets of WJKR for \$4.0 million and recognized a gain on the sale of \$893,000 during the year ended December 31, 2013. The remaining assets and liabilities of the Columbus station have been classified as discontinued operations as of December 31, 2013, and the results from operations of this station for the year ended December 31, 2013, has been classified as discontinued operations in the accompanying consolidated financial statements.

On February 27, 2014, the Company completed the acquisition of Gaffney Broadcasting, Incorporated (“Gaffney”), which consisted of an AM and FM station (WOSF-FM) in the Charlotte market. Total consideration paid for the two stations was approximately \$7.7 million, which included a deposit that was paid in a prior period. In connection with the acquisition, the Company added Gaffney as a party to the agreements governing its outstanding notes and its senior credit facility. At the February 27, 2014 acquisition date, the AM station assets were classified as assets held for sale in the amount of \$225,000. On March 31, 2014, the AM station assets held for sale were sold for \$225,000. The Company’s purchase accounting to reflect the fair value of assets acquired and liabilities assumed consisted of approximately \$426,000 to fixed assets, \$7.0 million to radio broadcasting licenses, \$2.7 million to goodwill (not deductible for tax purposes), \$44,000 to other definite-lived intangible assets and \$2.7 million to deferred tax liabilities.

On December 17, 2014, the Company acquired certain assets of GG Digital, Inc., including the website and brand Global Grind (“Global Grind”), and for accounting purposes this was considered a business combination. The Global Grind website and brand was subsequently integrated into Interactive One. Total consideration paid was approximately \$2.0 million. The Company’s purchase accounting to reflect the fair value of assets acquired consisted of approximately \$440,000 to content, approximately \$1.2 million to goodwill (not deductible for tax purposes), \$314,000 to brand, \$38,000 to mobile software application and \$10,000 to trademarks, trade names and domain names.

On April 17, 2015, the Company used the net proceeds from its issuance of its 2022 Notes, along with the 2015 Credit Facility and Comcast Note, to refinance certain indebtedness and finance the purchase of the membership interests of an affiliate of Comcast Corporation (“Comcast”) in TV One (the “Comcast Buyout”). In connection with the Comcast Buyout, the Company acquired all of Comcast’s membership interest in TV One for approximately \$221.7 million which consisted of approximately \$211.1 million in cash paid at closing with a subsequent favorable working capital adjustment of approximately \$1.3 million and the issuance of the Comcast Note in the amount of approximately \$11.9 million. The Company now owns a 99.6% interest in TV One. The Comcast Buyout was treated as an equity transaction in accordance with ASC 810-45-23, as the Company already had control of TV One.

On November 12, 2015, the Company entered into a two-station LMA with Wilks Broadcasting Group for 95.5 FM-WZOH and 107.1 FM-WHOK. We believe this LMA represents a variable interest entity (“VIE”) which we are not the primary beneficiary based on the fact that we do not have the power to direct the activities of the VIE that most significantly impacts its economic performance. The Company also entered into an asset purchase agreement to acquire the stations. This acquisition doubles the size of the previously two-station urban music cluster in Columbus, Ohio. See Note 16 – *Subsequent Events*.

3. PROPERTY AND EQUIPMENT:

Property and equipment are carried at cost less accumulated depreciation and amortization. Depreciation is calculated using the straight-line method over the related estimated useful lives. Property and equipment consists of the following:

	<u>As of December 31,</u>		<u>Estimated</u>
	<u>2015</u>	<u>2014</u>	
	(In thousands)		
Land and improvements	\$ 3,777	\$ 3,777	—
Buildings	1,554	1,554	31 years
Transmitters and towers	41,317	39,837	7-15 years
Equipment	55,767	54,034	3-7 years
Furniture and fixtures	9,369	8,997	6 years
Software and web development	22,411	20,918	3 years
Leasehold improvements	24,133	23,228	Lease Term
Construction-in-progress	152	919	—
	<u>158,480</u>	<u>153,264</u>	
Less: Accumulated depreciation and amortization	<u>(129,202)</u>	<u>(122,287)</u>	
Property and equipment, net	<u>\$ 29,278</u>	<u>\$ 30,977</u>	

Repairs and maintenance costs are expensed as incurred.

4. GOODWILL, RADIO BROADCASTING LICENSES AND OTHER INTANGIBLE ASSETS:

Impairment Testing

In the past, we have made acquisitions whereby a significant amount of the purchase price was allocated to radio broadcasting licenses, goodwill and other intangible assets. In accordance with ASC 350, “*Intangibles - Goodwill and Other*,” we do not amortize our radio broadcasting licenses and goodwill. Instead, we perform a test for impairment annually across all reporting units, or on an interim basis when events or changes in circumstances or other conditions suggest impairment may have occurred in any given reporting unit. Other intangible assets continue to be amortized on a straight-line basis over their useful lives. We perform our annual impairment test as of October 1 of each year. For the years ended December 31, 2015, 2014 and 2013, we recorded impairment charges against radio broadcasting licenses and goodwill collectively, of approximately \$41.2 million, \$0 and \$14.9 million, respectively.

2015 Interim Impairment Testing

For the second and third quarters in 2015, the total market revenue growth for certain markets in which we operate was below that used in our prior year annual impairment testing. In each quarter, we deemed that to be an impairment indicator that warranted interim impairment testing of certain markets' radio broadcasting licenses, which we performed as of June 30, 2015 and September 30, 2015. There was no impairment identified as part of this testing. During the third and fourth quarters of 2015, the Company performed interim impairment testing on the valuation of goodwill associated with Interactive One. Upon review of the results of this testing, the Company recorded a goodwill impairment charge of approximately \$14.5 million during the quarter ended September 30, 2015, and no further impairment was identified during the fourth quarter of 2015.

2015 Annual Impairment Testing

We completed our 2015 annual impairment assessment as of October 1, 2015. Our 2015 annual impairment testing indicated the carrying values for our goodwill attributable to Reach Media, TV One and Interactive One were not impaired. The Company recorded an impairment charge of approximately \$23.6 million related to our Cincinnati, Columbus, Dallas, Houston, Philadelphia, Raleigh and St. Louis radio broadcasting licenses and approximately \$3.1 million related to Cincinnati market goodwill.

2014 Interim Impairment Testing

For the first, second and third quarters in 2014, the total market revenue growth for certain markets in which we operate was below that used in our prior year annual impairment testing. In each quarter, we deemed that to be an impairment indicator that warranted interim impairment testing of certain markets' radio broadcasting licenses, which we performed as of March 31, 2014, June 30, 2014 and September 30, 2014. There was no impairment identified as part of this testing in 2014. During the third quarter of 2014, the Company performed interim impairment testing on the valuation of goodwill associated with Reach Media. Upon review of the results of this testing, the Company concluded that the carrying value of goodwill attributable to Reach Media had not been impaired.

2014 Annual Impairment Testing

We completed our 2014 annual impairment assessment as of October 1, 2014. Our 2014 annual impairment testing indicated the carrying values for our radio broadcasting licenses, radio market goodwill and goodwill attributable to Reach Media, TV One and Interactive One were not impaired.

2013 Interim Impairment Testing

During 2013, the total market revenue growth for certain markets in which we operate was below that used in our 2012 annual impairment testing. We deemed that to be an impairment indicator that warranted interim impairment testing of certain market's radio broadcasting licenses, which we performed as of March 31, 2013, June 30, 2013 and September 30, 2013. The Company recorded an impairment charge of approximately \$1.4 million related to our Cincinnati FCC radio broadcasting licenses during the first quarter of 2013. In addition, the Company recorded an impairment charge of approximately \$9.8 million related to our Philadelphia, Cincinnati and Cleveland radio broadcasting licenses during the second quarter of 2013. Finally, the Company recorded an impairment charge of approximately \$3.7 million related to our Boston and Cleveland radio broadcasting licenses during the third quarter of 2013. The remaining radio broadcasting licenses that were tested during 2013 were not impaired. Due to the fact that there were impairment charges recognized for certain FCC licenses during 2013, we deemed that to be a goodwill impairment indicator and, as such, we performed an interim analysis for certain radio markets' goodwill as of June 30, 2013, and September 30, 2013. There was no goodwill impairment recorded as a result of these interim analyses. There were no interim impairment indicators identified for any of our other reporting units during 2013.

2013 Annual Impairment Testing

We completed our 2013 annual impairment assessment as of October 1, 2013. Our 2013 annual impairment testing indicated the carrying values for our radio broadcasting licenses, radio market goodwill and goodwill attributable to Reach Media, TV One and Interactive One were not impaired.

Valuation of Broadcasting Licenses

We utilize the services of a third-party valuation firm to assist us with estimating the fair value of our radio broadcasting licenses. Fair value is estimated to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. We use the income approach to test for impairment of radio broadcasting licenses. A projection period of 10 years is used, as that is the time horizon in which operators and investors generally expect to recover their investments. When evaluating our radio broadcasting licenses for impairment, the testing is done at the unit of accounting level as determined by ASC 350, "Intangibles - Goodwill and Other." In our case, each unit of accounting is a cluster of radio stations into one of our 16 geographical markets. Broadcasting license fair values are based on the discounted future cash flows of the applicable unit of accounting assuming an initial hypothetical start-up operation which possesses FCC licenses as the only asset. Over time, it is assumed the operation acquires other tangible assets such as advertising and programming contracts, employment agreements and going concern value, and matures into an average performing operation in a specific radio market. The income approach model incorporates several variables, including, but not limited to: (i) radio market revenue estimates and growth projections; (ii) estimated market share and revenue for the hypothetical participant; (iii) likely media competition within the market; (iv) estimated start-up costs and losses incurred in the early years; (v) estimated profit margins and cash flows based on market size and station type; (vi) anticipated capital expenditures; (vii) estimated future terminal values; (viii) an effective tax rate assumption; and (ix) a discount rate based on the weighted-average cost of capital for the radio broadcast industry. In calculating the discount rate, we considered: (i) the cost of equity, which includes estimates of the risk-free return, the long-term market return, small stock risk premiums and industry beta; (ii) the cost of debt, which includes estimates for corporate borrowing rates and tax rates; and (iii) estimated average percentages of equity and debt in capital structures.

Our methodology for valuing broadcasting licenses has been consistent for all periods presented. Below are some of the key assumptions used in the income approach model for estimating the broadcasting license and goodwill fair values for the annual impairment testing performed and interim impairment testing performed where an impairment charge was recorded since October 2013. The Company recorded an impairment charge of approximately \$23.6 million related to our Cincinnati, Columbus, Dallas, Houston, Philadelphia, Raleigh and St. Louis radio broadcasting licenses during the year ended December 31, 2015. We did not identify any radio broadcasting license impairment during the year ended December 31, 2014, and recorded an impairment charge of approximately \$14.9 million during the year ended December 31, 2013.

Radio Broadcasting Licenses	October 1, 2015	October 1, 2014	October 1, 2013
Impairment charge (in millions)	\$ 23.6	\$ —	\$ —
Discount Rate	9.5%	9.5%	10.0%
Year 1 Market Revenue Growth Rate Range	0.7% – 2.2%	0.3% – 1.0%	0.0% – 2.0%
Long-term Market Revenue Growth Rate Range (Years 6 – 10)	0.5% – 1.5%	1.0% – 2.0%	1.0% – 2.0%
Mature Market Share Range	7.0% – 25.8%	6.9% – 25.2%	6.4% – 26.9%
Mature Operating Profit Margin Range	30.5% – 50.4%	30.0% – 48.4%	30.8% – 47.8%

Broadcasting Licenses Valuation Results

The Company's total broadcasting licenses carrying value is approximately \$643.2 million as of December 31, 2015. The units of accounting reflected in the table below are not disclosed on a specific market basis so as to not make sensitive information publicly available that could be competitively harmful to the Company.

Radio Broadcasting Licenses Carrying Balances			
Unit of Accounting	As of December 31, 2014	Increase (Decrease)	As of December 31, 2015
(In thousands)			
Unit of Accounting 2	\$ 3,086	\$ —	\$ 3,086
Unit of Accounting 4	16,142	—	16,142
Unit of Accounting 5	16,687	(587)	16,100
Unit of Accounting 7	16,165	(294)	15,871
Unit of Accounting 14	20,434	—	20,434
Unit of Accounting 15	20,886	(150)	20,736
Unit of Accounting 11	21,135	—	21,135
Unit of Accounting 9	34,270	—	34,270
Unit of Accounting 6	22,642	—	22,642
Unit of Accounting 16	52,965	—	52,965
Unit of Accounting 13	52,556	(4,710)	47,846
Unit of Accounting 8	66,715	(4,700)	62,015
Unit of Accounting 12	50,179	(516)	49,663
Unit of Accounting 1	93,394	—	93,394
Unit of Accounting 10	179,541	(12,601)	166,940
Total	<u>\$ 666,797</u>	<u>\$ (23,558)</u>	<u>\$ 643,239</u>

Our licenses expire at various dates through August 1, 2022.

Valuation of Goodwill

The impairment testing of goodwill is performed at the reporting unit level. We had 19 reporting units as of our October 2015 annual impairment assessment, consisting of each of the 16 radio markets within the radio division and each of the other three business divisions. In testing for the impairment of goodwill, we primarily rely on the income approach. The approach involves a 10-year model with similar variables as described above for broadcasting licenses, except that the discounted cash flows are based on the Company's estimated and projected market revenue, market share and operating performance for its reporting units, instead of those for a hypothetical participant. We use a 5-year model for our Reach Media reporting unit.

We have not made any changes to the methodology for valuing or allocating goodwill when determining the fair values of the reporting units. The Company recorded an impairment charge of approximately \$3.1 million related to our Cincinnati goodwill and an impairment charge of approximately \$14.5 million related to our Interactive One goodwill during the year ended December 31, 2015. We did not identify any goodwill impairment during the years ended December 31, 2014 and 2013.

Below are some of the key assumptions used in the income approach model for estimating reporting unit fair values for all annual impairment assessments performed since October 2013.

Goodwill (Radio Market Reporting Units)	October 1, 2015 (a)	October 1, 2014 (a)	October 1, 2013 (a)
Impairment charge (in millions)	\$ 3.1	\$ —	\$ —
Discount Rate	9.5%	9.5%	10.0%
Year 1 Market Revenue Growth Rate Range	(9.0)% – 23.3%	0.3% – 1.0%	0.0% - 2.0%
Long-term Market Revenue Growth Rate Range (Years 6 – 10)	0.5% – 1.5%	1.0% - 2.0%	1.0% - 2.0%
Mature Market Share Range	8.0% - 19.1%	7.2% - 19.5%	7.1% - 19.8%
Mature Operating Profit Margin Range	25.6% - 53.3%	26.4% - 52.2%	28.4% - 56.4%

(a) Reflects the key assumptions for testing only those radio markets with remaining goodwill.

Below are some of the key assumptions used in the income approach model for estimating the fair value for Reach Media for the annual assessments since October 2013. When compared to the discount rates used for assessing radio market reporting units, the higher discount rates used in these assessments reflect a premium for a riskier and broader media business, with a heavier concentration and significantly higher amount of programming content assets that are highly dependent on the on-air personality Tom Joyner. As a result of our impairment assessments, the Company concluded that goodwill was not impaired.

Reach Media Segment Goodwill	October 1, 2015	October 1, 2014	October 1, 2013
Impairment charge (in millions)	\$ —	\$ —	\$ —
Discount Rate	11.5%	12.0%	13.0%
Year 1 Revenue Growth Rate	(0.6)%	1.5%	1.5%
Long-term Revenue Growth Rate (Year 5)	1.5%	1.9%	2.1%
Operating Profit Margin Range	14.0% – 15.7%	10.0% – 14.9%	11.5% - 21.5%

Below are some of the key assumptions used in the income approach model for determining the fair value of our internet reporting unit since October 2013. When compared to discount rates for the radio reporting units, the higher discount rate used to value the reporting unit is reflective of discount rates applicable to internet media businesses. During the third and fourth quarters of 2015, the Company performed interim impairment testing on the valuation of goodwill associated with Interactive One. Interactive One's net revenues and cash flows declined and internal projections were revised downward, which we deemed to be impairment indicators. The Company reduced its operating cash flow projections and assumptions from the prior year based on Interactive One's actual results which did not meet budget. As a result of our interim assessment for the third quarter of 2015, the Company recorded a goodwill impairment charge of approximately \$14.5 million. As a result of the testing performed during the fourth quarter of 2015, the Company concluded that no further impairment to the carrying value of goodwill had occurred.

Internet Segment Goodwill	October 1, 2015	September 30, 2015	October 1, 2014	October 1, 2013
Impairment charge (in millions)	\$ —	\$ 14.5	\$ —	\$ —
Discount Rate	14.0%	14.0%	13.5%	14.5%
Year 1 Revenue Growth Rate	5.3%	5.3%	11.8%	10.0%
Long-term Revenue Growth Rate (Years 6 - 10)	2.6 - 4.4%	2.6 - 4.4%	2.7% - 6.5%	2.8% - 6.2%
Operating Profit Margin Range	4.5% - 23.9%	4.5% - 23.9%	9.1% - 25.6%	5.4% - 24.8%

Below are some of the key assumptions used in the income approach model for determining the fair value of our cable television segment since October 2013. As a result of the testing performed in 2015, 2014 and 2013, the Company concluded no impairment to the carrying value of goodwill had occurred.

Cable Television Segment Goodwill	October 1, 2015	October 1, 2014	October 1, 2013
Impairment charge (in millions)	\$ —	\$ —	\$ —
Discount Rate	10.8%	10.4%	10.8%
Year 1 Revenue Growth Rate	7.1%	11.5%	12.1%
Long-term Revenue Growth Rate Range (Years 6 – 10)	2.7% - 4.2%	2.7% - 4.7%	2.8% - 4.7%
Operating Profit Margin Range	37.6% - 38.7%	29.8% - 36.1%	30.6% - 35.7%

The above four goodwill tables reflect some of the key valuation assumptions used for 12 of our 19 reporting units. The other seven remaining reporting units had no goodwill carrying value balances as of December 31, 2015.

Goodwill Valuation Results

The table below presents the changes in Company's goodwill carrying values for its four reportable segments during 2015 and 2014:

	Radio Broadcasting Segment	Reach Media Segment	Internet Segment	Cable Television Segment	Total
	(In thousands)				
Gross goodwill	\$ 152,151	\$ 30,468	\$ 21,816	\$ 165,044	\$ 369,479
Accumulated impairment losses	(81,328)	(16,114)	—	—	(97,442)
Additions	—	—	—	—	—
Impairments	—	—	—	—	—
Net goodwill at December 31, 2013	\$ 70,823	\$ 14,354	\$ 21,816	\$ 165,044	\$ 272,037
Gross goodwill	\$ 152,151	\$ 30,468	\$ 21,816	\$ 165,044	\$ 369,479
Accumulated impairment losses	(81,328)	(16,114)	—	—	(97,442)
Additions	2,712	—	606	—	3,318
Impairments	—	—	—	—	—
Net goodwill at December 31, 2014	\$ 73,535	\$ 14,354	\$ 22,422	\$ 165,044	\$ 275,355
Gross goodwill	\$ 154,862	\$ 30,468	\$ 22,422	\$ 165,044	\$ 372,797
Accumulated impairment losses	(81,328)	(16,114)	—	—	(97,442)
Additions	—	—	582	—	582
Impairments	(3,108)	—	(14,545)	—	(17,653)
Net goodwill at December 31, 2015	\$ 70,427	\$ 14,354	\$ 8,459	\$ 165,044	\$ 258,284

In arriving at the estimated fair values for radio broadcasting licenses and goodwill, we also performed an analysis by comparing our overall average implied multiple based on our cash flow projections and fair values to recently completed sales transactions, and by comparing our estimated fair values to the market capitalization of the Company. The results of these comparisons confirmed that the fair value estimates resulting from our annual assessments in 2015 were reasonable.

Intangible Assets Excluding Goodwill and Radio Broadcasting Licenses

Other intangible assets, excluding goodwill and radio broadcasting licenses, are being amortized on a straight-line basis over various periods. Other intangible assets consist of the following:

	As of December 31,		Period of Amortization	Remaining Weighted- Average Period of Amortization
	2015	2014		
	(In thousands)			
Trade names	\$ 17,344	\$ 17,344	2-5 Years	3.2 Years
Intellectual property	9,531	9,531	4-10 Years	1.9 Years
Affiliate agreements	178,986	178,986	8 Years	3.3 Years
Acquired income leases	44	44	3-9 Years	2.7 Years
Advertiser agreements	44,871	44,871	2-12 Years	7.3 Years
Favorable office and transmitter leases	2,097	2,097	2-60 Years	41.1 Years
Brand names	2,853	2,983	10 Years	9.1 Years
Brand names - unamortized	39,690	39,690	Indefinite	—
Other intangibles	606	1,053	1-5 Years	1.5 Years
	296,022	296,599		
Less: Accumulated amortization	(155,254)	(128,948)		
Other intangible assets, net	\$ 140,768	\$ 167,651		3.8 Years

Amortization expense of intangible assets for the years ended December 31, 2015, 2014 and 2013 was approximately \$26.3 million, \$27.1 million and \$27.7 million, respectively.

The Company's affiliation agreements have expiration dates ranging from December 2017 to January 2025.

The following table presents the Company's estimate of amortization expense for the years 2016 through 2020 for intangible assets:

	(In thousands)
2016	\$ 26,147
2017	\$ 26,013
2018	\$ 25,904
2019	\$ 10,045
2020	\$ 3,519

Actual amortization expense may vary as a result of future acquisitions and dispositions.

5. CONTENT ASSETS:

The gross value and accumulated amortization of content assets is as follows:

	As of December 31,		Period of Amortization
	2015	2014	
	(In thousands)		
Produced content assets:			
Completed	\$ 194,035	\$ 144,151	
In-production	14,897	10,862	
Licensed content assets acquired:			
Acquired	65,799	82,216	
Content assets, at cost	274,731	237,229	1-5 Years
Less: Accumulated amortization	(197,849)	(168,899)	
Content assets, net	76,882	68,330	
Current portion	(28,638)	(25,615)	
Noncurrent portion	<u>\$ 48,244</u>	<u>\$ 42,715</u>	

Produced content assets include certain unamortized costs that will not be 80% amortized within three years from December 31, 2015, totaling approximately \$10.9 million. Approximately 74.5% of these unamortized costs are expected to be amortized within three years from December 31, 2015. The remaining balance of these costs will be amortized during the year ending December 31, 2019.

Future estimated content amortization expense related to agreements entered into as of December 31, 2015, for years 2016 through 2020 is as follows:

	(In thousands)
2016	\$ 28,638
2017	\$ 18,484
2018	\$ 10,276
2019	\$ 3,707
2020	\$ 661

Future estimated content amortization expense is not included for in-production content assets in the table above.

Future minimum content payments required under agreements entered into as of December 31, 2015, are as follows:

	(In thousands)
2016	\$ 33,339
2017	\$ 15,734
2018	\$ 8,052
2019	\$ 2,385

6. INVESTMENTS:

The company liquidated its investment portfolio during 2015. As of December 31, 2014, the Company's investments (short-term and long-term) consist of the following:

	Amortized Cost Basis	Gross Unrealized Losses	Gross Unrealized Gains	Fair Value
(In thousands)				
December 31, 2014				
Corporate debt securities	\$ 789	\$ (1)	\$ 17	\$ 805
Government-sponsored enterprise mortgage-backed securities	102	—	—	102
Mutual funds	2,135	(131)	—	2,004
Total investments	\$ 3,026	\$ (132)	\$ 17	\$ 2,911

The following tables show the gross unrealized losses and fair value of the Company's investments with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position:

	Fair Value < 1 Year	Unrealized Losses < 1 Year	Fair Value > 1 Year	Unrealized Losses > 1 Year	Total Unrealized Losses
(In thousands)					
December 31, 2014					
Corporate debt securities	\$ 374	\$ (1)	\$ —	\$ —	\$ (1)
Mutual funds	—	—	2,004	(131)	(131)
Total investments	\$ 374	\$ (1)	\$ 2,004	\$ (131)	\$ (132)

The Company's investments in debt securities are sensitive to interest rate fluctuations, which impact the fair value of individual securities. The Company has analyzed the unrealized losses on the 23 securities that were in an unrealized loss position as of December 31, 2014, and believe that they do not meet the criteria for an other than temporary impairment.

A primary objective in the management of the fixed maturity portfolios is to maximize total return relative to underlying liabilities and respective liquidity needs. In achieving this goal, assets may be sold to take advantage of market conditions or other investment opportunities, as well as tax considerations. Sales will generally produce realized gains or losses. Available-for-sale securities were sold as follows:

	Year Ended December 31,	
	2015	2014
(In thousands)		
Proceeds from sales	\$ 3,524	\$ 482
Gross realized gains	19	—
Gross realized losses	133	4

7. OTHER CURRENT LIABILITIES:

Other current liabilities consist of the following:

	As of December 31,	
	2015	2014
	(In thousands)	
Deferred revenue	\$ 7,491	\$ 5,957
Deferred barter revenue	1,049	1,471
Deferred rent	646	643
Employment Agreement Award	1,898	1,458
Incentive award plan	1,506	—
Accrued national representative fees	708	718
Accrued miscellaneous taxes	428	563
Income taxes payable	642	475
Tenant allowance	230	346
Other current liabilities	11,551	4,493
Other current liabilities	<u>\$ 26,149</u>	<u>\$ 16,124</u>

8. DERIVATIVE INSTRUMENTS:

The Company has accounted for an award called for in the CEO's employment agreement (the "Employment Agreement") as a derivative instrument in accordance with ASC 815, "Derivatives and Hedging." The Company estimated the fair value of the award as of December 31, 2015 and 2014, at approximately \$20.9 million and \$18.0 million, respectively. The long-term portion is recorded in other long-term liabilities and the current portion is recorded in other current liabilities in the consolidated balance sheets. The expense associated with the Employment Agreement was recorded in the consolidated statement of operations as corporate selling, general and administrative expenses for the years ended December 31, 2015, 2014 and 2013.

The Company's obligation to pay the Employment Agreement Award was triggered only after the Company's recovery of the aggregate amount of its capital contribution in TV One and only upon actual receipt of distributions of cash or marketable securities or proceeds from a liquidity event with respect to the Company's membership interest in TV One. The CEO was fully vested in the award upon execution of the Employment Agreement, and the award lapses if the CEO voluntarily leaves the Company, or is terminated for cause. The Compensation Committee of the Board of Directors of the Company has approved terms for a new employment agreement with the CEO, including a renewal of the Employment Agreement Award upon similar terms as in the prior Employment Agreement. While a new Employment Agreement has not been executed as of the date of this report, the CEO is being compensated according to the new terms approved by the Compensation Committee.

9. LONG-TERM DEBT:

Long-term debt consists of the following:

	As of December 31,	
	2015	2014
	(In thousands)	
Senior bank term debt (2011 Credit Facilities)	\$ —	\$ 368,532
2015 Credit Facility	348,250	—
9.25% Senior Subordinated Notes due February 2020	335,000	335,000
7.375% Senior Secured Notes due April 2022	350,000	—
Comcast Note due April 2019	11,872	—
10% Senior Secured TV One Notes due March 2016	—	119,000
Total debt	<u>1,045,122</u>	<u>822,532</u>
Less: current portion of long-term debt	3,500	3,829
Less: original issue discount and issuance costs	20,785	9,088
Long-term debt, net	<u>\$ 1,020,837</u>	<u>\$ 809,615</u>

2022 Notes and 2015 Credit Facilities

On April 17, 2015, the Company closed its private offering of \$350.0 million aggregate principal amount of 7.375% senior secured notes due 2022 (the "2022 Notes"). The 2022 Notes were offered at an original issue price of 100.0% plus accrued interest from April 17, 2015, and will mature on April 15, 2022. Interest on the 2022 Notes accrues at the rate of 7.375% per annum and is payable semiannually in arrears on April 15 and October 15, commencing on October 15, 2015. The 2022 Notes are guaranteed, jointly and severally, on a senior secured basis by the Company's existing and future domestic subsidiaries, including TV One, that guarantee any of its new \$350.0 million senior secured credit facility (the "2015 Credit Facility") entered into concurrently with the closing of the 2022 Notes.

The 2015 Credit Facility matures on December 31, 2018. At the Company's election, the interest rate on borrowings under the 2015 Credit Facility is based on either (i) the then applicable base rate plus 3.5% (as defined in the 2015 Credit Facility) as, for any day, a rate per annum (rounded upward, if necessary, to the next 1/100th of 1%) equal to the greater of (a) the prime rate published in the Wall Street Journal, (b) 1/2 of 1% in excess rate of the overnight Federal Funds Rate at any given time and (c) the one-month LIBOR rate commencing on such day plus 1.00%, or (ii) the then applicable LIBOR rate plus 4.5% (as defined in the 2015 Credit Facility). The average interest rate was approximately 4.80% for 2015. Quarterly installments of 0.25%, or \$875,000, of the principal balance on the term loan are payable on the last day of each March, June, September and December beginning on September 30, 2015. During the year ended December 31, 2015, the Company repaid approximately \$1.8 million under the 2015 Credit Facility.

In connection with the closing of the financing transactions, the Company and the guarantor parties thereto entered into a Fourth Supplemental Indenture to the indenture governing the 2020 Notes (as defined below). Pursuant to this Fourth Supplemental Indenture, TV One, which previously did not guarantee the 2020 Notes, became a guarantor under the 2020 Notes indentures. In addition, the closing of the financing transactions caused a "Triggering Event" (as defined in the 2020 Notes Indenture) and, as a result, the 2020 Notes became an unsecured obligation of the Company and the subsidiary guarantors and rank equal in right of payment with the Company's other senior indebtedness.

The Company used the net proceeds from the 2022 Notes, along with term loan borrowings under the 2015 Credit Facility, to refinance its 2011 Credit Agreement, refinance the TV One Notes, and finance the buyout of membership interests of Comcast in TV One and pay the related accrued interest, premiums, fees and expenses associated therewith.

The 2015 Credit Facility contains affirmative and negative covenants that the Company is required to comply with, including:

- (a) maintaining an interest coverage ratio of no less than:
 - 1.25 to 1.00 on June 30, 2015 and the last day of each fiscal quarter thereafter.
- (b) maintaining a senior leverage ratio of no greater than:
 - 5.85 to 1.00 on June 30, 2015 and the last day of each fiscal quarter thereafter.
- (c) limitations on:
 - liens;
 - sale of assets;
 - payment of dividends; and
 - mergers.

As of December 31, 2015, ratios calculated in accordance with the 2015 Credit Facility were as follows:

	As of December 31, 2015	Covenant Limit	Excess Coverage
Pro Forma Last Twelve Months Covenant EBITDA (In millions)	\$ 126.6		
Pro Forma Last Twelve Months Interest Expense (In millions)	\$ 74.7		
Senior Debt (In millions)	\$ 632.3		
Interest Coverage			
Covenant EBITDA / Interest Expense	1.69x	1.25x	0.44x
Senior Secured Leverage			
Senior Secured Debt / Covenant EBITDA	4.99x	5.85x	0.86x
Covenant EBITDA – Earnings before interest, taxes, depreciation and amortization ("EBITDA") adjusted for certain other adjustments, as defined in the 2015 Credit Facility			

As of December 31, 2015, the Company was in compliance with all of its financial covenants under the 2015 Credit Facility.

As of December 31, 2015, the Company had outstanding approximately \$348.3 million on its 2015 Credit Facility. The original issue discount is being reflected as an adjustment to the carrying amount of the debt obligations and amortized to interest expense over the term of the credit facility. The Company early adopted ASU 2015-03 during the year ended December 31, 2015, resulting in approximately \$7.4 million of net debt issuance costs presented as a direct reduction to the Company's long-term debt in the consolidated balance sheet as of December 31, 2015. The retrospective application of ASU 2015-03 decreased other intangible assets and long-term debt by approximately \$6.9 million in the consolidated balance sheet as of December 31, 2014. The amortization of deferred financing costs was charged to interest expense for all periods presented. The amount of deferred financing costs included in interest expense for the years ended December 31, 2015, 2014 and 2013 was approximately \$4.9 million, \$4.6 million and \$5.3 million, respectively.

2011 Credit Facilities

On March 31, 2011, the Company entered into a senior secured credit facility (the "2011 Credit Agreement") with a syndicate of banks, and simultaneously borrowed \$386.0 million to retire all outstanding obligations under the Company's previous amended and restated credit agreement and to fund a past obligation with respect to a capital call initiated by TV One. The total amount available under the 2011 Credit Agreement was \$411.0 million, initially consisting of a \$386.0 million term loan facility that matured on March 31, 2016, and a \$25.0 million revolving loan facility that matured on March 31, 2015. Borrowings under the 2011 Credit Agreement were subject to compliance with certain covenants including, but not limited to, certain financial covenants. Proceeds from the 2011 Credit Agreement could be used for working capital, capital expenditures made in the ordinary course of business, a common stock repurchase program, permitted direct and indirect investments and other lawful corporate purposes. On December 19, 2012, the Company entered into an amendment to the 2011 Credit Agreement (the "December 2012 Amendment"). The December 2012 Amendment: (i) modified financial covenant levels with respect to the Company's total-leverage, secured-leverage, and interest-coverage ratios; (ii) increased the amount of cash the Company can net for determination of its net indebtedness tests; and (iii) extended the time for certain of the 2011 Credit Agreement's call premium while reducing the time for its later and lower premium.

On January 21, 2015, the Company entered into a second amendment to the 2011 Credit Agreement (the "Second Amendment") with its lenders. The provisions of the 2011 Credit Agreement relating to the call premium were revised by the Second Amendment to extend the call protection from April 1, 2015 until maturity. The Second Amendment provided a call premium of 101.5% if the 2011 Credit Agreement were refinanced with proceeds from a notes offering and 100.5% if the 2011 Credit Agreement was refinanced with proceeds from any other repayment, including proceeds from a new term loan. The call premium was payable at the earlier of any refinancing or final maturity.

The 2011 Credit Agreement, as amended on December 19, 2012, and January 21, 2015, contained affirmative and negative covenants with which the Company was required to comply, including financial covenants. In accordance with the 2011 Credit Agreement, as amended, the calculations for the ratios did not include the operating results or related debt of TV One, but rather included our proportionate share of cash dividends received from TV One for periods presented.

Under the terms of the 2011 Credit Agreement, as amended, interest on base rate loans was payable quarterly and interest on LIBOR loans was payable monthly or quarterly. The base rate was equal to the greater of: (i) the prime rate; (ii) the Federal Funds Effective Rate plus 0.50%; or (iii) the LIBOR Rate for a one-month period plus 1.00%. The applicable margin on the 2011 Credit Agreement was between (i) 4.50% and 5.50% on the revolving portion of the facility and (ii) 5.00% (with a base rate floor of 2.5% per annum) and 6.00% (with a LIBOR floor of 1.5% per annum) on the term portion of the facility. The average interest rate was 7.50% for the first quarter of 2015 prior to the refinancing. Quarterly installments of 0.25%, or \$957,000, of the principal balance on the term loan were payable on the last day of each March, June, September and December.

On February 24, 2015, the Company entered into a letter of credit reimbursement and security agreement. As of December 31, 2015, the Company had letters of credit totaling \$908,000 under the agreement. Letters of credit issued under the agreement are required to be collateralized with cash.

During the year ended December 31, 2015, the Company repaid approximately \$368.5 million under the 2011 Credit Agreement, as amended. During the year ended December 31, 2014, the Company repaid approximately \$4.9 million under the 2011 Credit Agreement, as amended. The original issue discount was being reflected as an adjustment to the carrying amount of the debt obligations and amortized to interest expense over the term of the credit facility. According to the terms of the Credit Agreement, as amended, the Company did not make an excess cash flow payment in April 2015. According to the terms of the Credit Agreement, as amended, the Company made an excess cash flow payment of approximately \$1.1 million during April 2014.

As noted above, the Company used the net proceeds from the private offering of the 2022 Notes, along with term loan borrowings under the 2015 Credit Facility, to refinance its 2011 Credit Agreement, as amended. The Company recorded a loss on retirement of debt of approximately \$7.1 million for the year ended December 31, 2015. This amount included a write-off of approximately \$1.3 million of previously capitalized debt financing costs, a write-off of \$844,000 of original issue discount associated with the 2011 Credit Agreement, as amended, as well as \$827,000 associated with the call premium to refinance the credit facility, \$106,000 associated with the consent to the existing holders of the 2020 Notes and approximately \$4.0 million of costs associated with the financing transactions.

Senior Subordinated Notes

On November 24, 2010, we issued \$286.8 million of our 12.5%/15% Senior Subordinated Notes due May 2016 (the “2016 Notes”) in a private placement and exchanged and then cancelled approximately \$97.0 million of \$101.5 million in aggregate principal amount outstanding of our 8 7/8% senior subordinated notes due 2011 (the “2011 Notes”) and approximately \$199.3 million of \$200.0 million in aggregate principal amount outstanding of our 6 3/8% Senior Subordinated Notes that matured in February 2013 (the “2013 Notes” and the 2013 Notes together with the 2011 Notes, the “Prior Notes”). Subsequently, we repurchased or redeemed all remaining Prior Notes pursuant to the terms of their respective indentures. Effective March 13, 2014, the Company repurchased or otherwise redeemed all of the amounts outstanding under the 2016 Notes using proceeds from our 2020 Notes (defined below). The Company recorded a loss on retirement of debt of approximately \$5.7 million during the first quarter of 2014. This amount included a write-off of approximately \$4.1 million of previously capitalized debt financing costs and approximately \$1.6 million associated with the net premium paid to retire the 2016 Notes.

Interest on the 2016 Notes, that the Company repurchased or otherwise redeemed in March 2014, was initially payable in cash, or at our election, partially in cash and partially through the issuance of additional 2016 Notes (a “PIK Election”) on a quarterly basis in arrears. For fiscal 2014, interest accrued at a rate of 12.5% and was payable in cash.

On February 10, 2014, the Company closed a private placement offering of \$335.0 million aggregate principal amount of 9.25% senior subordinated notes due 2020 (the “2020 Notes”). The 2020 Notes were offered at an original issue price of 100.0% plus accrued interest from February 10, 2014. The 2020 Notes mature on February 15, 2020. Interest accrues at the rate of 9.25% per annum and is payable semiannually in arrears on February 15 and August 15 in the amount of approximately \$15.5 million, commencing on August 15, 2014. The 2020 Notes are guaranteed by certain of the Company’s existing and future domestic subsidiaries and any other subsidiaries that guarantee the existing senior credit facility or any of the Company’s other syndicated bank indebtedness or capital markets securities. The Company used the net proceeds from the offering to repurchase or otherwise redeem all of the amounts then outstanding under its 2016 Notes and to pay the related accrued interest, premiums, fees and expenses associated therewith. As of December 31, 2015, the Company had \$335.0 million of our 2020 Notes outstanding. During the year ended December 31, 2014, the Company capitalized approximately \$4.5 million of costs associated with our 2020 Notes.

The indenture that governs the 2020 Notes contains covenants that restrict, among other things, the ability of the Company to incur additional debt, purchase common stock, make capital expenditures, make investments or other restricted payments, swap or sell assets, engage in transactions with related parties, secure non-senior debt with assets, or merge, consolidate or sell all or substantially all of its assets.

TV One Senior Secured Notes

TV One issued \$119.0 million in senior secured notes on February 25, 2011 (“TV One Notes”). The proceeds from the notes were used to purchase equity interests from certain financial investors and TV One management. The notes bore interest at 10.0% per annum, which was payable monthly, and the entire principal amount was due on March 15, 2016. In connection with the closing of the financing transactions on April 17, 2015, the TV One Notes were repaid.

Comcast Note

The Company also has outstanding our new senior unsecured promissory note in the aggregate principal amount of approximately \$11.9 million due to Comcast (“Comcast Note”). The Comcast Note bears interest at 10.47%, is payable quarterly in arrears, and the entire principal amount is due on April 17, 2019.

The Company conducts a portion of its business through its subsidiaries. Certain of the Company’s subsidiaries have fully and unconditionally guaranteed the Company’s 2022 Notes, 2020 Notes and the Company’s obligations under the 2015 Credit Facility.

The 2022 Notes are the Company’s senior secured obligations and rank equal in right of payment with all of the Company’s and the guarantors’ existing and future senior indebtedness, including obligations under the 2015 Credit Facility and the Company’s 2020 Notes. The 2022 Notes and related guarantees are equally and ratably secured by the same collateral securing the 2015 Credit Facility and any other parity lien debt issued after the issue date of the 2022 Notes, including any additional notes issued under the Indenture, but are effectively subordinated to the Company’s and the guarantors’ secured indebtedness to the extent of the value of the collateral securing such indebtedness that does not also secure the 2022 Notes. Collateral includes substantially all of the Company’s and the guarantors’ current and future property and assets for accounts receivable, cash, deposit accounts, other bank accounts, securities accounts, inventory and related assets including the capital stock of each subsidiary guarantor. Finally, the Company also has the Comcast Note which is a general but senior unsecured obligation of the Company.

Future scheduled minimum principal payments of debt as of December 31, 2015, are as follows:

	Comcast Note due April 2019	2015 Credit Facility	9.25% Senior Subordinated Notes due February 2020	7.375% Senior Secured Notes due April 2022	Total
	(In thousands)				
2016	\$ —	\$ 3,500	\$ —	\$ —	\$ 3,500
2017	—	3,500	—	—	3,500
2018	—	341,250	—	—	341,250
2019	11,872	—	—	—	11,872
2020	—	—	335,000	—	335,000
2021 and thereafter	—	—	—	350,000	350,000
Total Debt	\$ 11,872	\$ 348,250	\$ 335,000	\$ 350,000	\$ 1,045,122

10. INCOME TAXES:

A reconciliation of the statutory federal income taxes to the recorded provision for income taxes from continuing operations is as follows:

	For the Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
Statutory tax (@ 35% rate)	\$ (17,877)	\$ (2,775)	\$ (5,486)
Effect of state taxes, net of federal benefit	(3,437)	(719)	(189)
Effect of state rate and tax law changes	4,791	600	145
Other permanent items	198	206	214
Impairment of long-lived assets	6,103	—	—
Disallowed interest	—	799	5,632
Non-deductible officer’s compensation	3,021	2,369	1,453
Valuation allowance	23,170	35,951	42,845
Noncontrolling interest	(2,152)	(6,752)	(16,229)
NOL adjustments	—	4,724	—
Expiring NOLs and charitable carryovers	1,592	156	64
Forfeiture of stock-based compensation	189	61	512
Uncertain tax positions	(772)	153	—
Other	232	41	(242)
Provision for income taxes	\$ 15,058	\$ 34,814	\$ 28,719

The components of the provision for income taxes from continuing operations are as follows:

	For the Years Ended		
	December 31,		
	2015	2014	2013
	(In thousands)		
Federal:			
Current	\$ —	\$ —	\$ 92
Deferred	15,161	31,402	21,084
State:			
Current	572	558	1,319
Deferred	(675)	2,854	6,224
Provision for income taxes	\$ 15,058	\$ 34,814	\$ 28,719

The significant components of the Company's deferred tax assets and liabilities are as follows:

	As of December 31,	
	2015	2014
	(In thousands)	
Deferred tax assets/(liabilities):		
Allowance for doubtful accounts	\$ 1,831	\$ 1,315
Accruals	1,903	1,974
Fixed assets	734	901
Stock-based compensation	1,213	1,200
Net operating loss carryforwards	354,545	336,020
Charitable contribution carryforward	586	563
Prepaid expenses	(150)	(122)
Intangible assets	(223,576)	(209,278)
Partnership interests	(22,051)	(26,039)
Other	(349)	(531)
Valuation allowance	(381,586)	(358,416)
Net deferred tax liability	\$ (266,900)	\$ (252,413)

As of December 31, 2015, the Company had federal and state net operating loss ("NOL") carryforward amounts of approximately \$923.2 million and \$713.9 million, respectively. The state NOLs are applied separately from the federal NOL as the Company generally files separate state returns for each subsidiary. Additionally, the amount of the state NOLs may change if future apportionment factors differ from current factors. The NOLs may be subject to limitation under Internal Revenue Code Section 382. The federal and state NOLs begin to expire as early as 2016, with the final expirations in 2035.

Deferred income taxes reflect the impact of temporary differences between the assets and liabilities recognized for financial reporting purposes and amounts recognized for tax purposes. Deferred taxes are based on tax laws as currently enacted.

The Company concluded it was more likely than not that the benefit from certain of its deferred tax assets ("DTAs") would not be realized. The Company considered its historically profitable jurisdictions, its sources of future taxable income and tax planning strategies in determining the amount of valuation allowance recorded. As part of that assessment, the Company also determined that it was not appropriate under generally accepted accounting principles to benefit its DTAs with deferred tax liabilities ("DTLs") related to indefinite-lived intangibles that cannot be scheduled to reverse in the same requisite period. Because the DTL in this case would not reverse until some future indefinite period when the intangibles are either sold or impaired, any resulting temporary differences cannot be considered a source of future taxable income to support realization of the DTAs. As a result of the assessment, and given the current total three year cumulative loss position, the uncertainty of future taxable income and the feasibility of tax planning strategies, the Company recorded a valuation allowance of approximately \$381.6 million and \$358.4 million as of December 31, 2015 and 2014, respectively.

The Company had unrecognized tax benefits of approximately \$3.8 million related to state NOLs of approximately \$52.0 million as of December 31, 2015.

The nature of the uncertainties pertaining to the Company's income taxes is primarily due to various state NOL positions. As of December 31, 2015, the Company had unrecognized tax benefits of approximately \$4.0 million, of which a net amount of approximately \$2.6 million, if recognized, would impact the effective tax rate if there was no valuation allowance. The Company estimated a reduction of approximately \$1.2 million of unrecognized tax benefits for the year ended December 31, 2015. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as a component of tax expense. Accordingly, we recorded \$22,000 of interest and penalties for the year ended December 31, 2015. The Company does not anticipate any significant increases or decreases to the total unrecognized tax benefits within the next twelve months subsequent to December 31, 2015. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	2015	2014	2013
	(In thousands)		
Balance as of January 1	\$ 5,224	\$ 5,071	\$ 5,071
(Deductions) additions for tax positions related to current years	—	153	—
(Deductions) additions for tax positions related to prior years	(1,188)	—	—
Balance as of December 31	<u>\$ 4,036</u>	<u>\$ 5,224</u>	<u>\$ 5,071</u>

As of December 31, 2015, the Company's previously open income tax examinations were closed without material adjustments. The Company's open tax years for federal income tax examinations include the tax years ended December 31, 2012 through 2015. For state and local purposes, the open years for tax examinations include the tax years ended December 31, 2011 through 2015. Prior years are open to the extent of the amount of the net operating loss from that year.

11. STOCKHOLDERS' EQUITY:

Common Stock

The Company has four classes of common stock, Class A, Class B, Class C and Class D. Generally, the shares of each class are identical in all respects and entitle the holders thereof to the same rights and privileges. However, with respect to voting rights, each share of Class A common stock entitles its holder to one vote and each share of Class B common stock entitles its holder to ten votes. The holders of Class C and Class D common stock are not entitled to vote on any matters. The holders of Class A common stock can convert such shares into shares of Class C or Class D common stock. Subject to certain limitations, the holders of Class B common stock can convert such shares into shares of Class A common stock. The holders of Class C common stock can convert such shares into shares of Class A common stock. The holders of Class D common stock have no such conversion rights.

Stock Repurchase Program

In December 2015, the Company's Board of Directors authorized a repurchase of shares of the Company's Class A and Class D common stock (the "December 2015 Repurchase Authorization"). Under the December 2015 Repurchase Authorization, the Company is authorized, but is not obligated, to repurchase up to \$3.5 million worth of its Class A and/or Class D common stock. As of December 31, 2015, the Company had \$3.5 million remaining under the authorization with respect to its Class A and Class D common stock. Repurchases may be made from time to time in the open market or in privately negotiated transactions in accordance with applicable laws and regulations. The timing and extent of any repurchases will depend upon prevailing market conditions, the trading price of the Company's Class A and/or Class D common stock and other factors, and subject to restrictions under applicable law. The Company executes upon the stock repurchase program in a manner consistent with market conditions and the interests of the stockholders, including maximizing stockholder value. In addition, the Company has limited but ongoing authority to purchase shares of Class D common stock (in one or more transactions at any time there remain outstanding grants) under the Company's 2009 Stock Plan (as defined below) to satisfy any employee's or other recipient's tax obligations in connection with the exercise of an option or a share grant under the 2009 Stock Plan, to the extent that the Company has capacity under its financing agreements (i.e., its current credit facilities and indentures) (each a "Stock Vest Tax Repurchase").

During the year ended December 31, 2015, the Company did not repurchase any Class A Common Stock and executed a Stock Vest Tax Repurchase of 345,293 shares of Class D Common Stock in the amount of approximately \$1.4 million at an average price of \$4.12 per share. During the year ended December 31, 2014, the Company did not repurchase any Class A common stock or Class D common stock. During the year ended December 31, 2013, the Company repurchased 2,630,574 shares of Class D common stock in the amount of approximately \$5.4 million at an average price of \$2.05 per share and 32,669 shares of Class A common stock in the amount of \$71,000 at an average price of \$2.17 per share. The shares repurchased during the year ended December 31, 2013, were repurchased under a prior authorization.

Stock Option and Restricted Stock Grant Plan

Under the Company's 1999 Stock Option and Restricted Stock Grant Plan ("Plan"), the Company had the authority to issue up to 10,816,198 shares of Class D common stock and 1,408,099 shares of Class A common stock. The Plan expired March 10, 2009. The options previously issued under this plan are exercisable in installments determined by the compensation committee of the Company's Board of Directors at the time of grant. These options expire as determined by the compensation committee, but no later than ten years from the date of the grant. The Company uses an average life for all option awards. The Company settles stock options upon exercise by issuing stock.

A stock option and restricted stock plan ("the 2009 Stock Plan") was approved by the stockholders at the Company's annual meeting on December 16, 2009. The Company had the authority to issue up to 8,250,000 shares of Class D Common Stock under the 2009 Stock Plan. On September 26, 2013, the Board of Directors adopted, and our stockholders approved on November 14, 2013, certain amendments to and restatement of the 2009 Stock Plan (the "Amended and Restated 2009 Stock Plan"). The amendments under the Amended and Restated 2009 Stock Plan primarily affected (i) the number of shares with respect to which options and restricted stock grants may be granted under the 2009 Stock Plan and (ii) the maximum number of shares that can be awarded to any individual in any one calendar year. The Amended and Restated 2009 Stock Plan increased the authorized plan shares remaining available for grant to 7,000,000 shares of Class D common stock after giving effect to the issuances prior to the amendment. Prior to the amendment, under the 2009 Plan, in any one calendar year, the compensation committee could not grant to any one participant options to purchase, or grants of, a number of shares of Class D common stock in excess of 1,000,000. Under the Amended and Restated 2009 Stock Plan, this limitation was eliminated. The purpose of eliminating this limitation is to provide the compensation committee with maximum flexibility in setting executive compensation. On April 13, 2015, the Board of Directors adopted, and our stockholders approved on June 2, 2015, a further amendment to the Amended and Restated 2009 Stock Plan. This further amendment increased the authorized plan shares remaining available for grant to 8,250,000 shares of Class D common stock. As of December 31, 2015, 8,125,661 shares of Class D common stock were available for grant under the Amended and Restated 2009 Stock Plan.

On September 30, 2014, the Compensation Committee ("Compensation Committee") of the Board of Directors of the Company approved the principal terms of new employment agreements for each of the Company's named executive officers which included the granting of restricted shares and stock options under a long-term incentive plan ("LTIP") as follows, effective October 6, 2014:

Cathy Hughes, Founder and Executive Chairperson was awarded 456,000 restricted shares of the Company's Class D common stock vesting in approximately equal 1/3 tranches on April 20, 2015, December 31, 2015 and December 31, 2016, and stock options to purchase 293,000 shares of the Company's Class D common stock, vesting in approximately equal 1/3 tranches on April 6, 2015, December 31, 2015 and December 31, 2016.

Alfred C. Liggins, President and Chief Executive Officer of Radio One, Inc. and TV One, LLC was awarded 913,000 restricted shares of the Company's Class D common stock vesting in approximately equal 1/3 tranches on April 20, 2015, December 31, 2015 and December 31, 2016, and stock options to purchase 587,000 shares of the Company's Class D common stock, vesting in approximately equal 1/3 tranches on April 6, 2015, December 31, 2015 and December 31, 2016.

Peter Thompson, Executive Vice President and Chief Financial Officer was awarded 350,000 restricted shares of the Company's Class D common stock with 200,000 shares vesting on April 20, 2015, and with the remaining shares vesting in equal 75,000 share tranches on December 31, 2015 and December 31, 2016, and stock options to purchase 225,000 shares of the Company's Class D common stock vesting in equal 112,500 share tranches on December 31, 2015 and December 31, 2016.

Linda Vilardo, Executive Vice President and Chief Administrative Officer was awarded 225,000 restricted shares of the Company's Class D common stock vesting in equal 75,000 share tranches on April 20, 2015, December 31, 2015 and December 31, 2016.

Christopher Wegmann, President, radio division, was awarded 70,000 restricted shares of the Company's Class D common stock vesting in approximately equal 1/3 tranches on April 20, 2015, December 31, 2015 and December 31, 2016.

Also on September 30, 2014, the Compensation Committee awarded 410,000 shares of restricted stock to certain employees pursuant to the Company's LTIP. The grants were effective October 6, 2014, and will vest in three installments, with the first installment of 33% vesting on April 6, 2015, and the second installment vesting on December 31, 2015. The remaining installment will vest on December 31, 2016. Pursuant to the terms of the 2009 Stock Option and Restricted Stock Grant Plan, as amended and restated as of December 31, 2013, and subject to the Company's insider trading policy, a portion of each recipient's vested shares may be sold in the open market for tax purposes on or about the vesting dates.

On October 26, 2015, the Compensation Committee awarded David Kantor, Chief Executive Officer, Radio Division, 100,000 restricted shares of the Company's Class D common stock, and stock options to purchase 300,000 shares of the Company's Class D common stock. The grants were effective November 5, 2015, and will vest in approximately equal 1/3 tranches on November 5, 2016, November 5, 2017 and November 5, 2018.

The Company measures compensation cost for all stock-based awards at fair value on date of grant and recognizes the related expense over the service period for awards expected to vest. These stock-based awards do not participate in dividends until fully vested. The fair value of stock options is determined using the Black-Scholes ("BSM") valuation model. Such fair value is recognized as an expense over the service period, net of estimated forfeitures, using the straight-line method. Estimating the number of stock awards that will ultimately vest requires judgment, and to the extent actual forfeitures differ substantially from our current estimates, amounts will be recorded as a cumulative adjustment in the period the estimated number of stock awards are revised. We consider many factors when estimating expected forfeitures, including the types of awards, employee classification and historical experience. Actual forfeitures may differ substantially from our current estimate.

The Company's use of the BSM valuation model to calculate the fair value of stock-based awards incorporates various assumptions including volatility, expected life, and interest rates. For options granted, the BSM option-pricing model determines: (i) the term by using the simplified "plain-vanilla" method as allowed under SAB No. 110; (ii) a historical volatility over a period commensurate with the expected term, with the observation of the volatility on a daily basis; and (iii) a risk-free interest rate that was consistent with the expected term of the stock options and based on the U.S. Treasury yield curve in effect at the time of the grant.

Stock-based compensation expense for the years ended December 31, 2015, 2014 and 2013, was approximately \$5.1 million, \$1.6 million and \$191,000, respectively

The Company granted 350,000 and 1,105,000 stock options during the years ended December 31, 2015 and 2014, respectively. The Company did not grant any stock options during the year ended December 31, 2013. The per share weighted-average fair value of options granted during the years ended December 31, 2015 and 2014 was \$1.51 and \$2.40, respectively.

These fair values were derived using the BSM with the following weighted-average assumptions:

	For the Years Ended December 31,		
	2015	2014	2013
Average risk-free interest rate	1.89%	1.94%	—
Expected dividend yield	0.00%	0.00%	—
Expected lives	6.38 years	6.00 years	—
Expected volatility	85.9%	121.1%	—

Transactions and other information relating to stock options for the years December 31, 2015, 2014 and 2013 are summarized below:

	Number of Options	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2012	4,630,000	\$ 8.17	—	—
Grants	—	\$ —		
Exercised	—	\$ —		
Forfeited/cancelled/expired	(330,000)	\$ 17.43		
Outstanding at December 31, 2013	4,300,000	\$ 7.46	—	—
Grants	1,105,000	\$ 2.75		
Exercised	(92,000)	\$ 1.36		
Forfeited/cancelled/expired	(1,576,000)	\$ 14.81		
Outstanding at December 31, 2014	3,737,000	\$ 3.12	5.18	\$ 629,440
Grants	350,000	\$ 2.10		
Exercised	—	\$ —		
Forfeited/cancelled/expired	(375,000)	\$ 12.63		
Outstanding at December 31, 2015	3,712,000	\$ 2.06	5.20	\$ 733,000
Vested and expected to vest at December 31, 2015	3,602,000	\$ 2.05	5.08	\$ 733,000
Unvested at December 31, 2015	756,000	\$ 2.45	9.25	\$ —
Exercisable at December 31, 2015	2,956,000	\$ 1.96	4.16	\$ 733,000

The aggregate intrinsic value in the table above represents the difference between the Company's stock closing price on the last day of trading during the year ended December 31, 2015, and the exercise price, multiplied by the number of shares that would have been received by the holders of in-the-money options had all the option holders exercised their in-the-money options on December 31, 2015. This amount changes based on the fair market value of the Company's stock.

There were no options exercised during the year ended December 31, 2015. The number of options that were exercised during the year ended December 31, 2014 was 92,000. There were no options exercised during the year ended December 31, 2013. The number of options that vested during the year ended December 31, 2015 was 699,169. The number of options that vested during the year ended December 31, 2014 was 75,300.

As of December 31, 2015, approximately \$1.9 million of total unrecognized compensation cost related to stock options is expected to be recognized over a weighted-average period of 1.4 years. The stock option weighted-average fair value per share was \$1.41 at December 31, 2015.

The Company granted 193,680 and 2,480,050 shares, respectively, of restricted stock during the years ended December 31, 2015 and 2014. As noted above, during the year ended December 31, 2014, 2,424,000 restricted shares were issued to the Company's Executives and other LTIP participants. During the years ended December 31, 2015 and 2014, respectively, 68,680 and 56,050 shares of restricted stock were issued to the Company's non-executive directors as a part of their 2014 and 2015 compensation packages. Each of the five non-executive directors received 13,736 shares of restricted stock or \$50,000 worth of restricted stock based upon the closing price of the Company's Class D common stock on June 16, 2015. Each of the five non-executive directors received 11,210 shares of restricted stock or \$50,000 worth of restricted stock based upon the closing price of the Company's Class D common stock on June 14, 2014. Both of the grants vest over a two-year period in equal 50% installments.

Transactions and other information relating to restricted stock grants for the years ended December 31, 2015, 2014 and 2013 are summarized below:

	Shares	Average Fair Value at Grant Date
Unvested at December 31, 2012	82,000	\$ 1.11
Grants	110,000	\$ 2.28
Vested	(62,000)	\$ 1.09
Forfeited/cancelled/expired	—	\$ —
Unvested at December 31, 2013	130,000	\$ 2.11
Grants	2,480,000	\$ 2.79
Vested	(75,000)	\$ 1.99
Forfeited/cancelled/expired	—	\$ —
Unvested at December 31, 2014	2,535,000	\$ 2.78
Grants	194,000	\$ 2.66
Vested	(1,707,000)	\$ 2.76
Forfeited/cancelled/expired	(69,000)	\$ 3.06
Unvested at December 31, 2015	953,000	\$ 2.76

Restricted stock grants were and are included in the Company's outstanding share numbers on the effective date of grant. As of December 31, 2015, approximately \$3.4 million of total unrecognized compensation cost related to restricted stock grants was expected to be recognized over the weighted-average period of 1.2 years.

12. PROFIT SHARING AND EMPLOYEE SAVINGS PLAN:

The Company maintains a profit sharing and employee savings plan under Section 401(k) of the Internal Revenue Code. This plan allows eligible employees to defer allowable portions of their compensation on a pre-tax basis through contributions to the savings plan. The Company may contribute to the plan at the discretion of its Board of Directors. The Company does not match employee contributions. The Company did not make any contributions to the plan during the years ended December 31, 2015, 2014 and 2013.

13. COMMITMENTS AND CONTINGENCIES:

Radio Broadcasting Licenses

Each of the Company's radio stations operates pursuant to one or more licenses issued by the Federal Communications Commission that have a maximum term of eight years prior to renewal. The Company's radio broadcasting licenses expire at various times beginning in October 2019 through August 1, 2022. Although the Company may apply to renew its radio broadcasting licenses, third parties may challenge the Company's renewal applications. The Company is not aware of any facts or circumstances that would prevent the Company from having its current licenses renewed.

Royalty Agreements

The Company has entered into fixed fee and variable share agreements with music performance rights organizations, which will expire as late as December 31, 2016. In connection with all performance rights organization agreements, including American Society of Composers, Authors and Publishers ("ASCAP") and Broadcast Music, Inc. ("BMI"), the Company incurred expenses of approximately \$10.3 million, \$9.2 million and \$9.2 million, during the years ended December 31, 2015, 2014 and 2013, respectively.

Leases and Other Operating Contracts and Agreements

The Company has noncancelable operating leases for office space, studio space, broadcast towers and transmitter facilities that expire over the next 16 years. The Company's leases for broadcast facilities generally provide for a base rent plus real estate taxes and certain operating expenses related to the leases. Certain of the Company's leases contain renewal options, escalating payments over the life of the lease and rent concessions. Scheduled rent increases and rent concessions are being amortized over the terms of the agreements using the straight-line method, and are included in other liabilities in the accompanying consolidated balance sheets. The future rentals under non-cancelable leases as of December 31, 2015, are shown below.

The Company has other operating contracts and agreements including employment contracts, on-air talent contracts, severance obligations, retention bonuses, consulting agreements, equipment rental agreements, programming related agreements, and other general operating agreements that expire over the next five years. The amounts the Company is obligated to pay for these agreements are shown below.

	Operating Lease Payments	Other Operating Contracts and Agreements
	(In thousands)	
Years ending December 31:		
2016	\$ 10,904	\$ 71,845
2017	10,068	29,533
2018	6,277	9,233
2019	5,355	2,903
2020	4,615	280
2021 and thereafter	14,775	20,829
Total	<u>\$ 51,994</u>	<u>\$ 134,623</u>

Of the total amount of other operating contracts and agreements included in the table above, approximately \$87.9 million has not been recorded on the balance sheet as of December 31, 2015, as it does not meet recognition criteria. Approximately \$37.6 million relates to certain commitments for content agreements for our cable television segment, approximately \$29.7 million relates to employment agreements, and the remainder relates to other agreements.

Rent expense included in continuing operations for the years ended December 31, 2015, 2014 and 2013 was approximately \$11.4 million, \$10.9 million and \$10.3 million, respectively.

Reach Media Noncontrolling Interest Shareholders' Put Rights

Beginning on January 1, 2018, the noncontrolling interest shareholders of Reach Media have an annual right to require Reach Media to purchase all or a portion of their shares at the then current fair market value for such shares (the "Put Right"). Beginning in 2018, this annual right is exercisable for a 30-day period beginning January 1 of each year. The purchase price for such shares may be paid in cash and/or registered Class D common stock of Radio One, at the discretion of Radio One.

Letters of Credit

On February 24, 2015, the Company entered into a letter of credit reimbursement and security agreement. As of December 31, 2015, the Company had letters of credit totaling \$908,000 under the agreement. Letters of credit issued under the agreement are required to be collateralized with cash.

Other Contingencies

The Company has been named as a defendant in several legal actions arising in the ordinary course of business. It is management's opinion, after consultation with its legal counsel, that the outcome of these claims will not have a material adverse effect on the Company's financial position or results of operations.

14. QUARTERLY FINANCIAL DATA (UNAUDITED):

	Quarters Ended			
	March 31	June 30	September 30(a)	December 31 (a)
(In thousands, except share data)				
2015:				
Net revenue	\$ 105,763	\$ 119,821	\$ 115,893	\$ 109,384
Operating income (loss)	15,593	24,787	7,092	(11,305)
Net loss	(12,023)	(12,674)	(17,631)	(23,806)
Consolidated net loss attributable to common stockholders	(18,489)	(13,039)	(18,145)	(24,349)
BASIC NET (LOSS) INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS				
Net (loss) income per share	\$ (0.39)	\$ (0.27)	\$ (0.38)	\$ (0.50)
Consolidated net (loss) income per share attributable to common stockholders	<u>\$ (0.39)</u>	<u>\$ (0.27)</u>	<u>\$ (0.38)</u>	<u>\$ (0.50)</u>
DILUTED NET (LOSS) INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS				
Net (loss) income per share	\$ (0.39)	\$ (0.27)	\$ (0.38)	\$ (0.50)
Consolidated net (loss) income per share attributable to common stockholders	<u>\$ (0.39)</u>	<u>\$ (0.27)</u>	<u>\$ (0.38)</u>	<u>\$ (0.50)</u>
WEIGHTED AVERAGE SHARES OUTSTANDING				
Weighted average shares outstanding — basic and diluted	<u>47,608,038</u>	<u>48,062,991</u>	<u>48,220,262</u>	<u>48,220,262</u>

(a) The net loss from continuing operations for the quarters ended September 30, 2015 and December 31, 2015, includes approximately \$14.5 million and \$26.7 million, respectively of impairment charges.

	Quarters Ended			
	March 31	June 30	September 30	December 31
(In thousands, except share data)				
2014:				
Net revenue	\$ 111,072	\$ 108,414	\$ 112,171	\$ 109,730
Operating income	15,831	22,350	19,560	19,424
Net loss	(20,302)	(5,408)	(8,758)	(8,272)
Consolidated net loss attributable to common stockholders	(25,183)	(10,816)	(13,220)	(13,451)
BASIC NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS				
Net loss per share	\$ (0.53)	\$ (0.23)	\$ (0.28)	\$ (0.28)
Consolidated net loss per share attributable to common stockholders	<u>\$ (0.53)</u>	<u>\$ (0.23)</u>	<u>\$ (0.28)</u>	<u>\$ (0.28)</u>
DILUTED NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS				
Net loss per share	\$ (0.53)	\$ (0.23)	\$ (0.28)	\$ (0.28)
Consolidated net loss per share attributable to common stockholders	<u>\$ (0.53)</u>	<u>\$ (0.23)</u>	<u>\$ (0.28)</u>	<u>\$ (0.28)</u>
WEIGHTED AVERAGE SHARES OUTSTANDING				
Weighted average shares outstanding — basic and diluted	<u>47,441,175</u>	<u>47,465,653</u>	<u>47,601,371</u>	<u>47,608,038</u>

	Quarters Ended			
	March 31 (a)	June 30 (a)	September 30(a)	December 31
(In thousands, except share data)				
2013:				
Net revenue	\$ 99,112	\$ 119,602	\$ 118,391	\$ 111,595
Operating income	15,455	18,330	21,795	17,388
Net loss from continuing operations	(13,305)	(8,555)	(8,904)	(13,631)
Income (loss) from discontinued operations	890	3	—	(8)
Consolidated net loss attributable to common stockholders	(18,106)	(14,214)	(13,221)	(16,440)
BASIC NET (LOSS) INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS				
Net (loss) income from continuing operations per share	\$ (0.38)	\$ (0.29)	\$ (0.28)	\$ (0.35)
Net (loss) income from discontinued operations per share	0.02	0.00	—	(0.00)
Consolidated net (loss) income per share attributable to common stockholders	<u>\$ (0.36)</u>	<u>\$ (0.29)</u>	<u>\$ (0.28)</u>	<u>\$ (0.35)</u>
DILUTED NET (LOSS) INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS				
Net (loss) income from continuing operations per share	\$ (0.38)	\$ (0.29)	\$ (0.28)	\$ (0.35)
Net (loss) income from discontinued operations per share	0.02	0.00	—	(0.00)
Consolidated net (loss) income per share attributable to common stockholders	<u>\$ (0.36)</u>	<u>\$ (0.29)</u>	<u>\$ (0.28)</u>	<u>\$ (0.35)</u>
WEIGHTED AVERAGE SHARES OUTSTANDING				
Weighted average shares outstanding — basic and diluted	<u>49,861,964</u>	<u>48,737,941</u>	<u>47,443,031</u>	<u>47,441,175</u>

(a) The net loss from continuing operations for the quarters ended March 31, 2013, June 30, 2013 and September 30, 2013 includes approximately \$1.4 million, \$9.8 million and \$3.7 million, respectively of impairment charges.

15. SEGMENT INFORMATION:

The Company has four reportable segments: (i) radio broadcasting; (ii) Reach Media; (iii) internet; and (iv) cable television. These segments operate in the United States and are consistently aligned with the Company's management of its businesses and its financial reporting structure.

The radio broadcasting segment consists of the results of operations of all radio markets. The Reach Media segment consists of the results of operations for the Tom Joyner Morning Show and related activities and operations of other syndicated shows. Effective, January 1, 2013, we consolidated our syndication network programming within Reach Media to leverage that platform to create the leading syndicated radio network targeted to the African-American audience. The internet segment includes the results of our online business, including the operations of Interactive One. The cable television segment consists of TV One's results of operations. Corporate/Eliminations/Other represents financial activity associated with our corporate staff and offices and intercompany activity among the four segments.

Operating loss or income represents total revenues less operating expenses, depreciation and amortization, and impairment of long-lived assets. Intercompany revenue earned and expenses charged between segments are recorded at estimated fair value and eliminated in consolidation.

The accounting policies described in the summary of significant accounting policies in Note 1 – *Organization and Summary of Significant Accounting Policies* are applied consistently across the segments.

Detailed segment data for the years ended December 31, 2015, 2014 and 2013 is presented in the following table:

	For the Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
Net Revenue:			
Radio Broadcasting	\$ 197,396	\$ 213,037	\$ 222,544
Reach Media	54,779	52,543	56,741
Internet	21,177	24,337	25,639
Cable Television	183,623	157,086	149,472
Corporate/Eliminations/Other*	(6,114)	(5,616)	(5,696)
Consolidated	\$ 450,861	\$ 441,387	\$ 448,700
Operating Expenses (including stock-based compensation and excluding depreciation and amortization and impairment of long-lived assets):			
Radio Broadcasting	\$ 124,755	\$ 126,842	\$ 128,001
Reach Media	45,784	50,849	50,833
Internet	21,699	22,998	25,319
Cable Television	117,132	104,210	100,117
Corporate/Eliminations/Other	28,758	22,501	18,712
Consolidated	\$ 338,128	\$ 327,400	\$ 322,982
Depreciation and Amortization:			
Radio Broadcasting	\$ 4,910	\$ 5,039	\$ 6,071
Reach Media	185	1,146	1,242
Internet	1,997	2,422	2,490
Cable Television	26,152	26,115	26,324
Corporate/Eliminations/Other	2,111	2,100	1,743
Consolidated	\$ 35,355	\$ 36,822	\$ 37,870
Impairment of Long-Lived Assets:			
Radio Broadcasting	\$ 26,666	\$ —	\$ 14,880
Reach Media	—	—	—
Internet	14,545	—	—
Cable Television	—	—	—
Corporate/Eliminations/Other	—	—	—
Consolidated	\$ 41,211	\$ —	\$ 14,880
Operating income (loss):			
Radio Broadcasting	\$ 41,065	\$ 81,156	\$ 73,592
Reach Media	8,810	548	4,666
Internet	(17,064)	(1,083)	(2,170)
Cable Television	40,339	26,761	23,031
Corporate/Eliminations/Other	(36,983)	(30,217)	(26,151)
Consolidated	\$ 36,167	\$ 77,165	\$ 72,968
* Intercompany revenue included in net revenue above is as follows:			
Radio Broadcasting	\$ (3,470)	\$ (3,159)	\$ (3,162)
Reach Media	(1,595)	(1,246)	(1,235)
Internet	(3,527)	(3,693)	(3,812)
Capital expenditures by segment are as follows:			
Radio Broadcasting	\$ 5,021	\$ 2,226	\$ 4,641
Reach Media	209	176	163
Internet	1,337	1,323	1,797
Cable Television	281	301	282
Corporate/Eliminations/Other	491	1,511	2,311
Consolidated	\$ 7,339	\$ 5,537	\$ 9,194
		As of	
		December 31,	December 31,
		2015	2014 (as
			adjusted)
		(In thousands)	
Total Assets:			
Radio Broadcasting		\$ 781,022	\$ 807,760
Reach Media		36,989	36,376

Internet	18,427	33,375
Cable Television	445,660	464,661
Corporate/Eliminations/Other	64,426	49,522
Consolidated	<u>\$ 1,346,524</u>	<u>\$ 1,391,694</u>

16. SUBSEQUENT EVENTS:

Since January 1, 2016, and through the date of this filing, the Company repurchased 382,123 shares of Class D common stock in the amount of \$636,134 at an average price of \$1.66 per share. As of March 4, 2016, the Company had approximately \$3.4 million available under its repurchase authorizations.

On February 3, 2016, the Company paid approximately \$2.0 million to complete the acquisition of WZOH-FM and WHOK-FM in Columbus, Ohio.

RADIO ONE, INC. AND SUBSIDIARIES

 SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS
For the Years Ended December 31, 2015, 2014 and 2013

Description	Balance at Beginning of Year	Additions Charged to Expense	Acquired from Acquisitions	Deductions	Balance at End of Year
(In thousands)					
Allowance for Doubtful Accounts:					
2015	\$ 3,975	\$ 4,980	\$ —	\$ 2,056	\$ 6,899
2014	4,393	1,921	—	2,339	3,975
2013	3,631	2,124	—	1,362	4,393

Description	Balance at Beginning of Year	Additions Charged to Expense	Acquired from Acquisitions	Deductions	Balance at End of Year
(In thousands)					
Valuation Allowance for Deferred Tax Assets:					
2015	\$ 358,416	\$ 24,762	\$ —	\$ 1,592	\$ 381,586
2014	322,465	36,107	—	156	358,416
2013	279,620	42,845	—	—	322,465

CERTIFICATE OF CONVERSION

For use by a Corporation Converting into a Business Organization

Pursuant to the provisions of Act 284, Public Acts of 1972 (profit corporations), Act 23, Public Acts of 1993 (limited liability companies), and Act 162, Public Acts of 1982 (nonprofit corporations), the undersigned corporation executes the following Certificate of Conversion.

1. Before Conversion

Entity Name:
Bell Broadcasting Company

Entity ID:
184654

Domestic Profit Corporation

Domestic Nonprofit Corporation

Indicate (X)
Entity Type

Street Address, if different than the one provided in Item 3:

Foreign Profit Corporation

Foreign Nonprofit Corporation

2. After Conversion

Entity Name:
Bell Broadcasting Company

Domestic Profit Corporation

Domestic Nonprofit Corporation

Indicate (X)
Entity Type

Foreign Profit Corporation

Foreign Nonprofit Corporation

Domestic Limited Liability Company

Foreign Limited Liability Company

If the converting corporation is a domestic corporation that has not commenced business, has not issued any shares or memberships, and has not elected a board of directors, proceed to Item 9.

If the converting corporation is a domestic corporation that has commenced business or a foreign corporation, proceed to Item 3.



3. Surviving Business Organization

Governing Statute:

The Michigan Limited Liability Company Act, Act 23 of 1993

Street Address:

1010 Wayne Avenue, 14th Floor, Silver Spring, MD 20910

Principal Place of Business:

3250 Franklin Street, Detroit., MI 48207

4. Complete only if converting a profit corporation.

Designation and number of outstanding shares in each class and series __ Class A (800 shares/100%); Class B (20,700.55 shares/100%)__

Indicate class and series of shares entitled to vote ____ Class A _____

Indicate class and series entitled to vote as a class, if any _____ Class B _____

If the number of shares is subject to change prior to the effective date of the conversion, the manner in which the change may occur is as follows:

5. Complete only if converting a nonprofit corporation and it is organized on a stock basis.

Designation and number of outstanding shares in each class _____

Indicate class of shares entitled to vote _____

Indicate class of shares entitled to vote as a class, if any

If the number of shares is subject to change prior to the effective date of the conversion, the manner in which the change may occur is as follows:

6. Complete only if converting a nonprofit corporation and it is organized on a membership basis.

For a corporation organized on a membership basis, state (a) a description of its members and (b) the number, classification, and voting rights of its members:

7. Complete only if converting a nonprofit corporation and it is organized on directorship basis.

For a corporation organized on a directorship basis, state (a) a description of the organization of its board and (b) the number, classification, and voting rights of its directors:

8. The manner and basis of converting the shares or memberships of the converting corporation into ownership interests or obligations of the surviving business organization, into cash, into other consideration that may include ownership interests or obligations of an entity that is not a party to the conversion, or into a combination of cash and other consideration.

100% of equity in corporation converts to 100% of equity in LLC.

9. (Complete only if a later effective date is desired other than the date of filing. The date must be no more than 90 days after the receipt of this document by the administrator.)

The conversion is effective on the ____ day of _____

The plan of conversion will be furnished by the surviving business organization, on request and without cost, to any shareholder or member of the converting corporation.

The conversion is permitted by the law that will govern the internal affairs of the business organization after conversion and the surviving business organization complies with that law in converting.

10. The assumed names being transferred to continue for the remaining effective period of the Certificate of Assumed Name on file prior to the conversion are:

Assumed Name

Expiration Date

11. The converting corporation's name and/or assumed name(s) to be used as new assumed name(s) of the surviving business organization:

Assumed Name

Expiration Date

12. Signatures: Complete only Section (a) or (b) if the converting corporation is domestic.
Complete only (c) if the converting corporation is foreign.

Complete if the domestic corporation has not commenced business:

a) The plan of conversion was approved by unanimous consent of the incorporators of the converting domestic corporation and the corporation has not yet commenced business, has not issued any shares or memberships, and has not elected a board of directors in accordance with Section 745(1) (d) of the Act.

Signed this ____ day of _____, _____

(Signature of Incorporator)

(Type or Print Name)

(Signature of Incorporator)

(Type or Print Name)

(Signature of Incorporator)

(Type or Print Name)

(Signature of Incorporator)

(Type or Print Name)

Complete if the domestic corporation has commenced business:

(b) The plan of conversion was adopted by the Board of Directors and approved by the shareholders of the domestic corporation in accordance with Section 745(1) (c) of the Act.

Signed this __2nd__ day of __November____, __2015__

By

(Signature of Authorized officer or Agent)

Linda J. Vilardo, Executive Vice President

(Type or Print Name)

Complete only if the converting corporation is foreign:

(c) The plan of conversion was adopted and submitted for approval in the manner required by the law governing the internal affairs of the converting foreign corporation.

Signed this ____ day of _____ _

By

(Signature of Authorized Officer or Agent)

(Type or Print Name)

STATE OF DELAWARE

LIMITED LIABILITY COMPANY CERTIFICATE OF FORMATION

First: The name of the limited liability company is
RO One Solution, LLC

Second: The address of its registered office in the State of Delaware is
2711 Centerville Road, Suite 400 in the City of Wilmington Zip code 19808. The name of its Registered agent at such address is Corporation Service
Company.

Third:
(Insert any other matters the members determine to include herein.)

In Witness Whereof, the undersigned have executed this Certificate Formation this 9th day of June 2015.

PLEDGE AGREEMENT

among

RADIO ONE, INC.,

CERTAIN SUBSIDIARIES OF RADIO ONE, INC.

and

JEFFERIES FINANCE LLC,
as COLLATERAL AGENT

Dated as of April 17, 2015

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PLEDGE AGREEMENT

PLEDGE AGREEMENT (as amended, modified, restated, amended and restated, and/or supplemented from time to time, this "Agreement"), dated as of April 17, 2015, among each of the undersigned pledgors (each, a "Pledgor") and, together with any other entity that becomes a Pledgor hereunder pursuant to Section 29 hereof, the "Pledgors") and JEFFERIES FINANCE LLC, as collateral agent (together with any permitted successor collateral agent, the "Pledgee"), for the benefit of the Secured Creditors (as defined below). Except as otherwise defined herein, all capitalized terms used herein and defined in the Credit Agreement (as defined below) shall be used herein as therein defined.

WITNESSETH :

WHEREAS, Radio One, Inc., a Delaware corporation (the "Borrower"), the lenders from time to time party thereto (the "Lenders"), and JEFFERIES FINANCE LLC, as administrative agent (together with any permitted successor administrative agent, the "Administrative Agent"), have entered into a Credit Agreement, dated as of the date hereof (as amended, modified, restated, amended and restated, and/or supplemented from time to time, the "Credit Agreement"), providing for the making of Loans to the Borrower, all as contemplated therein (the Lenders, the Administrative Agent, the Collateral Agent, each other Agent and the Pledgee are herein called the "Lender Creditors");

WHEREAS, the Borrower may at any time and from time to time enter into one or more Interest Rate Protection Agreements and/or Other Hedging Agreements with one or more Lenders or any affiliate thereof (each such Lender or affiliate, even if the respective Lender subsequently ceases to be a Lender under the Credit Agreement for any reason, together with such Lender's or affiliate's permitted successors and assigns, if any, collectively, the "Other Creditors") and, together with the Lender Creditors, the "Secured Creditors", with each such Interest Rate Protection Agreement and/or Other Hedging Agreement with an Other Creditor, to the extent that prior to or within 15 days after the Borrower enters into such Interest Rate Protection Agreement or Other Hedging Agreement, as the case may be, the Borrower and such Other Creditor shall designate such Interest Rate Protection Agreement or Other Hedging Agreement, as the case may be, as a "Secured Hedge Agreement" in writing to the Administrative Agent and the Collateral Agent, being herein called a "Secured Hedging Agreement");

WHEREAS, pursuant to the Subsidiaries Guaranty, each Subsidiary Guarantor has jointly and severally guaranteed to the Secured Creditors the payment when due of all Guaranteed Obligations as described therein;

WHEREAS, it is a condition precedent to the making of Loans to the Borrower under the Credit Agreement and to the Other Creditors entering into Secured Hedging Agreements that each Pledgor shall have executed and delivered to the Pledgee this Agreement; and

WHEREAS, each Pledgor will obtain benefits from the incurrence of Loans by the Borrower under the Credit Agreement and the entering into by the Borrower of Secured Hedging Agreements and, accordingly, desires to execute this Agreement in order to satisfy the condition described in the preceding paragraph and to induce the Lenders to make Loans to the Borrower and the Other Creditors to enter into Secured Hedging Agreements with the Borrower;

NOW, THEREFORE, in consideration of the foregoing and other benefits accruing to each Pledgor, the receipt and sufficiency of which are hereby acknowledged, each Pledgor hereby makes the following representations and warranties to the Pledgee for the benefit of the Secured Creditors and hereby covenants and agrees with the Pledgee for the benefit of the Secured Creditors as follows:

1. SECURITY FOR OBLIGATIONS. This Agreement is made by each Pledgor for the benefit of the Secured Creditors to secure:

(i) the full payment when due (whether at stated maturity, by acceleration or otherwise) of all obligations, liabilities and indebtedness (including, without limitation, principal, premium, interest (including, without limitation, all interest that accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency, reorganization or similar proceeding of any Pledgor at the rate provided for in the respective documentation, whether or not a claim for post-petition interest is allowed in any such proceeding), fees, costs and indemnities) of such Pledgor to the Lender Creditors, whether now existing or hereafter incurred under, arising out of, or in connection with, each Credit Document to which such Pledgor is a party (including, without limitation, in the case of each Pledgor that is a Guarantor, all such obligations, liabilities and indebtedness of such Pledgor under its Subsidiaries Guaranty) and the due performance and compliance by such Pledgor with all of the terms, conditions and agreements contained in each such Credit Document (all such obligations, liabilities and indebtedness under this clause (i), except to the extent consisting of obligations or indebtedness with respect to Secured Hedging Agreements, being herein collectively called the “Credit Document Obligations”);

(ii) the full payment when due (whether at stated maturity, by acceleration or otherwise) of all obligations, liabilities and indebtedness (including, without limitation, all interest that accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency, reorganization or similar proceeding of the Borrower at the rate provided for in the respective documentation, whether or not a claim for post-petition interest is allowed in any such proceeding) owing by the Borrower to the Other Creditors, now existing or hereafter incurred under, arising out of or in connection with any Secured Hedging Agreement, whether such Secured Hedging Agreement is now in existence or hereinafter arising (including, without limitation, in the case of each Pledgor that is a Guarantor, all such obligations, liabilities and indebtedness of such Pledgor under its Subsidiaries Guaranty in respect of the Secured Hedging Agreements), and the due performance and compliance by the Borrower with all of the terms, conditions and agreements contained in each such Secured Hedging Agreement (all such obligations, liabilities and indebtedness under this clause (ii) being herein collectively called the “Other Obligations”);

(iii) any and all sums advanced by the Pledgee in order to preserve the Collateral (as hereinafter defined) or preserve its security interest in the Collateral;

(iv) in the event of any proceeding for the collection or enforcement of any indebtedness, obligations or liabilities of such Pledgor referred to in clauses (i) and (ii) above, after an Event of Default shall have occurred and be continuing, the reasonable expenses of retaking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on the Collateral, or of any exercise by the Pledgee of its rights hereunder, together with reasonable attorneys' fees and court costs;

(v) all amounts paid by any Indemnified Person as to which such Indemnified Person has the right to reimbursement under Section 11 of this Agreement; and

(vi) all amounts owing to any Agent or any of its affiliates pursuant to any of the Credit Documents in its capacity as such;

all such obligations, liabilities, indebtedness, sums and expenses set forth in clauses (i) through (vi) of this Section 1 being herein collectively called the "Obligations", it being acknowledged and agreed that the "Obligations" shall include extensions of credit of the types described above, whether outstanding on the date of this Agreement or extended from time to time after the date of this Agreement and shall exclude, notwithstanding anything to the contrary contained in any Credit Document, any Excluded Swap Obligations of such Pledgor.

2. DEFINITIONS. (a) Unless otherwise defined herein, all capitalized terms used herein and defined in the Credit Agreement shall be used herein as therein defined. Reference to singular terms shall include the plural and vice versa.

(b) The following capitalized terms used herein shall have the definitions specified below:

"Administrative Agent" shall have the meaning set forth in the recitals hereto.

"Agreement" shall have the meaning set forth in the first paragraph hereof.

"Borrower" shall have the meaning set forth in the recitals hereto.

"Collateral" shall have the meaning set forth in Section 3.1 hereof.

"Collateral Accounts" shall mean any and all accounts established and maintained by the Pledgee in the name of any Pledgor to which Collateral may be credited.

"Communications Act" shall mean the Communications Act of 1934, as amended, and the rules and regulations and published policies thereunder.

"Credit Agreement" shall have the meaning set forth in the recitals hereto.

"Credit Document Obligations" shall have the meaning set forth in Section 1(i) hereof.

“Domestic Corporation” shall have the meaning set forth in the definition of “Stock.”

“Event of Default” shall mean any Event of Default under, and as defined in, the Credit Agreement.

“FCC” shall mean the Federal Communications Commission (or any successor agency, commission, bureau, department or other political subdivision of the United States of America).

“FCC License” shall mean any radio or television broadcast service, community antenna relay service, broadcast auxiliary license, earth station registration, business radio, microwave, special safety radio service license or other license, permit, authorization or certificate issued by the FCC pursuant to the Communications Act.

“Foreign Corporation” shall have the meaning set forth in the definition of “Stock”.

“Lender Creditors” shall have the meaning set forth in the recitals hereto.

“Lenders” shall have the meaning set forth in the recitals hereto.

“Limited Liability Company Interests” shall mean the entire limited liability company membership interest at any time owned by any Pledgor in any limited liability company.

“Location” of any Pledgor has the meaning, as applicable, in Section 9-307 of the UCC.

“Notes” shall mean (x) all intercompany notes at any time issued to each Pledgor and (y) all other promissory notes from time to time issued to, or held by, each Pledgor.

“Noticed Event of Default” shall mean (x) an Event of Default under Section 10.05 of the Credit Agreement and (y) any other Event of Default in respect of which the Pledgee has given the Borrower prior written notice that such Event of Default constitutes a “Noticed Event of Default”.

“Obligations” shall have the meaning set forth in Section 1 hereof.

“Other Creditors” shall have the meaning set forth in the recitals hereto.

“Other Obligations” shall have the meaning set forth in Section 1(ii) hereof.

“Partnership Assets” shall mean all assets, whether tangible or intangible and whether real, personal or mixed (including, without limitation, all partnership capital and interest in other partnerships), at any time owned by any Pledgor or represented by any Partnership Interest.

“Partnership Interest” shall mean the entire general partnership interest or limited partnership interest at any time owned by any Pledgor in any general partnership or limited partnership.

“Pledged Notes” shall mean all Notes at any time pledged or required to be pledged hereunder.

“Pledgee” shall have the meaning set forth in the first paragraph hereof.

“Pledgor” shall have the meaning set forth in the first paragraph hereof.

“Secured Creditors” shall have the meaning set forth in the recitals hereto.

“Secured Debt Agreements” shall mean and includes (x) this Agreement, (y) the other Credit Documents and (z) the Secured Hedging Agreements.

“Secured Hedging Agreements” shall have the meaning set forth in the recitals hereto.

“Securities Act” shall mean the Securities Act of 1933, as amended, as in effect from time to time.

“Security” and “Securities” shall have the meaning given such term in Section 8-102(a)(15) of the UCC and shall in any event also include all Stock and all Notes.

“Stock” shall mean (x) with respect to corporations incorporated under the laws of the United States or any State or territory thereof or the District of Columbia (each, a “Domestic Corporation”), all of the issued and outstanding shares of capital stock of any Domestic Corporation at any time owned by any Pledgor and (y) with respect to corporations not Domestic Corporations (each, a “Foreign Corporation”), all of the issued and outstanding shares of capital stock of any Foreign Corporation at any time owned by any Pledgor.

“Termination Date” shall have the meaning provided in the Security Agreement.

“Transmitting Utility” has the meaning given such term in Section 9-102(a)(80) of the UCC.

“UCC” shall mean the Uniform Commercial Code as in effect in the State of New York from time to time; provided that all references herein to specific Sections or subsections of the UCC are references to such Sections or subsections, as the case may be, of the Uniform Commercial Code as in effect in the State of New York on the date hereof.

Terms defined in the UCC which are not otherwise defined in this Agreement are used herein as defined in the UCC.

3. PLEDGE OF SECURITIES, ETC.

3.1 Pledge. To secure the Obligations now or hereafter owed by such Pledgor, each Pledgor does hereby grant, pledge and collaterally assign to the Pledgee, for the benefit of the Secured Creditors, and does hereby create a continuing security interest in favor of the Pledgee for the benefit of the Secured Creditors in, all of its right, title and interest in and to the following, whether now existing or hereafter from time to time acquired (collectively, the "Collateral");

(a) each of the Collateral Accounts (to the extent a security interest therein is not created pursuant to the Security Agreement), including any and all assets of whatever type or kind deposited by such Pledgor in any such Collateral Account, whether now owned or hereafter acquired, existing or arising, including, without limitation, all Financial Assets, Investment Property, monies, checks, drafts, Instruments, Securities or interests therein of any type or nature deposited or required by the Credit Agreement or any other Secured Debt Agreement to be deposited in such Collateral Account, and all investments and all certificates and other Instruments (including depository receipts, if any) from time to time representing or evidencing the same, and all dividends, interest, distributions, cash and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing;

(b) all Securities directly owned or held by such Pledgor from time to time and all options and warrants owned by such Pledgor from time to time to purchase Securities;

(c) all Limited Liability Company Interests directly owned by such Pledgor from time to time and all of its right, title and interest in each limited liability company to which each such Limited Liability Company Interest relates, whether now existing or hereafter acquired, including, without limitation, to the fullest extent permitted under the terms and provisions of the documents and agreements governing such Limited Liability Company Interests and applicable law:

(A) all its capital therein and its interest in all profits, income, surpluses, losses and other distributions to which such Pledgor shall at any time be entitled in respect of such Limited Liability Company Interests;

(B) all other payments due or to become due to such Pledgor in respect of Limited Liability Company Interests, whether under any limited liability company agreement or otherwise, whether as contractual obligations, damages, insurance proceeds or otherwise;

(C) all of its claims, rights, powers, privileges, authority, options, security interests, liens and remedies, if any, under any limited liability company agreement or operating agreement, or at law or otherwise in respect of such Limited Liability Company Interests;

(D) all present and future claims, if any, of such Pledgor against any such limited liability company for monies loaned or advanced, for services rendered or otherwise;

(E) all of such Pledgor's rights under any limited liability company agreement or operating agreement or at law to exercise and enforce every right, power, remedy, authority, option and privilege of such Pledgor relating to such Limited Liability Company Interests, including any power to terminate, cancel or modify any such limited liability company agreement or operating agreement, to execute any instruments and to take any and all other action on behalf of and in the name of any of such Pledgor in respect of such Limited Liability Company Interests and any such limited liability company, to make determinations, to exercise any election (including, but not limited to, election of remedies) or option or to give or receive any notice, consent, amendment, waiver or approval, together with full power and authority to demand, receive, enforce, collect or receipt for any of the foregoing, to enforce or execute any checks, or other instruments or orders, to file any claims and to take any action in connection with any of the foregoing; and

(F) all other property hereafter delivered in substitution for or in addition to any of the foregoing, all certificates and instruments representing or evidencing such other property and all cash, securities, interest, dividends, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof;

(d) all Partnership Interests directly owned by such Pledgor from time to time and all of its right, title and interest in each partnership to which each such Partnership Interest relates, whether now existing or hereafter acquired, including, without limitation, to the fullest extent permitted under the terms and provisions of the documents and agreements governing such Partnership Interests and applicable law:

(A) all its capital therein and its interest in all profits, income, surpluses, losses, Partnership Assets and other distributions to which such Pledgor shall at any time be entitled in respect of such Partnership Interests;

(B) all other payments due or to become due to such Pledgor in respect of Partnership Interests, whether under any partnership agreement or otherwise, whether as contractual obligations, damages, insurance proceeds or otherwise;

(C) all of its claims, rights, powers, privileges, authority, options, security interests, liens and remedies, if any, under any partnership agreement or operating agreement, or at law or otherwise in respect of such Partnership Interests;

(D) all present and future claims, if any, of such Pledgor against any such partnership for monies loaned or advanced, for services rendered or otherwise;

(E) all of such Pledgor's rights under any partnership agreement or operating agreement or at law to exercise and enforce every right, power, remedy, authority, option and privilege of such Pledgor relating to such Partnership Interests, including any power to terminate, cancel or modify any partnership agreement or operating agreement, to execute any instruments and to take any and all other action on behalf of and in the name of such Pledgor in respect of such Partnership Interests and any such partnership, to make determinations, to exercise any election (including, but not limited to, election of remedies) or option or to give or receive any notice, consent, amendment, waiver or approval, together with full power and authority to demand, receive, enforce, collect or receipt for any of the foregoing or for any Partnership Asset, to enforce or execute any checks, or other instruments or orders, to file any claims and to take any action in connection with any of the foregoing; and

(F) all other property hereafter delivered in substitution for or in addition to any of the foregoing, all certificates and instruments representing or evidencing such other property and all cash, securities, interest, dividends, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof;

(e) all Financial Assets and Investment Property owned by such Pledgor from time to time;

(f) all Security Entitlements owned by such Pledgor from time to time in any and all of the foregoing; and

(g) all Proceeds of any and all of the foregoing;

provided, that "Collateral" shall not include (and nor shall any defined term used in this Section 2.2 include), and a security interest shall not attach to any Excluded Asset. None of the covenants or representations and warranties herein shall be deemed to apply to any property constituting an Excluded Asset.

3.2 Procedures. (a) To the extent that any Pledgor at any time or from time to time owns, acquires or obtains any right, title or interest in any Collateral, such Collateral shall automatically (and without the taking of any action by such Pledgor) be pledged pursuant to Section 3.1 of this Agreement and, in addition thereto, such Pledgor shall (to the extent provided below) take the following actions as set forth below (as promptly as practicable and, in any event, within ten (10) Business Days after it obtains such Collateral) (or such longer time period as agreed by the Collateral Agent in its reasonable discretion) for the benefit of the Pledgee and the other Secured Creditors:

(i) with respect to a Certificated Security (other than a Certificated Security credited on the books of a Clearing Corporation or Securities Intermediary), such Pledgor shall physically deliver such Certificated Security to the Pledgee, duly endorsed to the Pledgee or endorsed in blank in a manner reasonably satisfactory to the Pledgee;

(ii) with respect to an Uncertificated Security (other than an Uncertificated Security credited on the books of a Clearing Corporation or Securities Intermediary), such Pledgor shall cause the issuer of such Uncertificated Security to either (i) register the Collateral Agent as the registered owner of such Uncertificated Security, upon original issue or registration of transfer or (ii) duly authorize, execute, and deliver to the Pledgee, an agreement for the benefit of the Pledgee and the other Secured Creditors substantially in the form of Annex H hereto (appropriately completed to the satisfaction of the Pledgee and with such modifications, if any, as shall be satisfactory to the Pledgee) pursuant to which such issuer agrees to comply with any and all instructions originated by the Pledgee without further consent by the registered owner and not to comply with instructions regarding such Uncertificated Security (and any Partnership Interests and Limited Liability Company Interests issued by such issuer) originated by any other Person other than a court of competent jurisdiction;

(iii) with respect to a Certificated Security, Uncertificated Security, Partnership Interest or Limited Liability Company Interest credited on the books of a Clearing Corporation or Securities Intermediary (including a Federal Reserve Bank, Participants Trust Company or The Depository Trust Company), such Pledgor shall promptly notify the Pledgee thereof and shall promptly take (x) all actions required (i) to comply with the applicable rules of such Clearing Corporation or Securities Intermediary and (ii) to perfect the security interest of the Pledgee under applicable law (including, in any event, under Sections 9-314(a), (b) and (c), 9-106 and 8-106(d) of the UCC) and (y) such other actions as the Pledgee deems necessary or desirable to effect the foregoing;

(iv) with respect to a Partnership Interest or a Limited Liability Company Interest (other than a Partnership Interest or Limited Liability Company Interest credited on the books of a Clearing Corporation or Securities Intermediary), (1) if such Partnership Interest or Limited Liability Company Interest is represented by a certificate and is a Security for purposes of the UCC, the procedure set forth in Section 3.2(a)(i) hereof, and (2) if such Partnership Interest or Limited Liability Company Interest is not represented by a certificate or is not a Security for purposes of the UCC, the procedure set forth in Section 3.2(a)(ii) hereof;

(v) with respect to any Note with an individual value in excess of \$2,500,000, physical delivery of such Note to the Pledgee, endorsed in blank, or, at the request of the Pledgee, endorsed to the Pledgee, in each case, in a manner reasonably satisfactory to the Pledgee; and

(vi) with respect to cash proceeds from any of the Collateral described in Section 3.1 hereof, (i) establishment by the Pledgee of a cash account in the name of such Pledgor over which the Pledgee shall have "control" within the meaning of the UCC and at any time any Event of Default is in existence no withdrawals or transfers may be made therefrom by any Person except with the prior written consent of the Pledgee and (ii) deposit of such cash in such cash account.

(b) Each Pledgor shall from time to time approve the appropriate financing statements (on appropriate forms) under the Uniform Commercial Code as in effect in the various relevant States, covering the Collateral hereunder (with the form of such financing statements to be reasonably satisfactory to the Pledgee), and hereby authorizes the Pledgee to file such financing statement in the relevant filing offices.

3.3 Subsequently Acquired Collateral. If any Pledgor shall acquire (by purchase, stock dividend, distribution or otherwise) any additional Collateral at any time or from time to time after the date hereof, (i) such Collateral shall automatically (and without any further action being required to be taken) be subject to the pledge and security interests created pursuant to Section 3.1 hereof and, furthermore, such Pledgor will thereafter take (or cause to be taken) all action (as promptly as practicable and, in any event, within ten (10) Business Days (or such longer time period as agreed by the Collateral Agent) after it obtains such Collateral) with respect to such Collateral in accordance with the procedures set forth in Section 3.2 hereof, and will promptly thereafter deliver to the Pledgee (i) a certificate executed by an authorized officer of such Pledgor describing such Collateral and certifying that the same has been duly pledged in favor of the Pledgee (for the benefit of the Secured Creditors) hereunder and (ii) supplements to Annexes A through G hereto as are necessary to cause such Annexes to be complete and accurate in all material respects at such time. Without limiting the foregoing, no Pledgor shall be required to pledge any Excluded Assets (so long as same remains "Excluded Assets" in accordance with the definition thereof).

3.4 Certain Representations and Warranties Regarding the Collateral. Each Pledgor represents and warrants that on the Effective Date: (i) each direct Subsidiary of such Pledgor, and the direct ownership thereof, is listed in Annex B hereto; (ii) the Stock (and any warrants or options to purchase Stock) directly held by such Pledgor consists of the number and type of shares of the stock (or warrants or options to purchase any stock) of the corporations as described in Annex C hereto; (iii) such Stock referenced in clause (ii) of this paragraph constitutes that percentage of the issued and outstanding capital stock of the issuing corporation as is set forth in Annex C hereto; (iv) the Notes held by such Pledgor consist of the promissory notes described in Annex D hereto where such Pledgor is listed as the lender; (v) the Limited Liability Company Interests held by such Pledgor consist of the number and type of interests of the Persons described in Annex E hereto; (vi) each such Limited Liability Company Interest referenced in clause (v) of this paragraph constitutes that percentage of the issued and outstanding equity interest of the issuing Person as set forth in Annex E hereto; (vii) the Partnership Interests held by such Pledgor consist of the number and type of interests of the Persons described in Annex F hereto; (viii) each such Partnership Interest referenced in clause (viii) of this paragraph constitutes that percentage or portion of the entire partnership interest of the Partnership as set forth in Annex F hereto; (ix) the exact address of each chief executive office of such Pledgor is listed on Annex G hereto; (x) the Pledgor has complied with the respective procedure set forth in Section 3.2(a) hereof with respect to each item of Collateral described in Annexes C through F hereto; and (xi) on the date hereof, such Pledgor owns no other Securities, Stock, Notes, Limited Liability Company Interests or Partnership Interests other than as listed on the aforementioned Annexes.

4. APPOINTMENT OF SUB-AGENTS; ENDORSEMENTS, ETC. The Pledgee shall have the right to appoint one or more sub-agents for the purpose of retaining physical possession of the Collateral, which shall be held (in the reasonable discretion of the Pledgee) in the name of the relevant Pledgor, endorsed or assigned in blank or in favor of the Pledgee or any nominee or nominees of the Pledgee or a sub-agent appointed by the Pledgee.

5. VOTING, ETC., WHILE NO NOTICED EVENT OF DEFAULT. Unless and until there shall have occurred and be continuing a Noticed Event of Default under the Credit Agreement, (i) each Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Collateral owned by it, and to give consents, waivers or ratifications in respect thereof and (ii) there will not have been any transfer, assignment, disposition in any manner, voluntarily or involuntarily, directly or indirectly, of any FCC Licenses by any Pledgor or any Subsidiary thereof, or transfer of control of any Pledgor or any Subsidiary thereof within the meaning of Section 310(d) of the Communications Act; provided that, in each case, no vote shall be cast or any consent, waiver or ratification given or any action taken or omitted to be taken which would violate, result in a breach of any covenant contained in any of the terms of any Credit Agreement. All such rights of each Pledgor to vote and to give consents, waivers and ratifications shall cease in case a Noticed Event of Default has occurred and is continuing, and the Pledgee has given the applicable Pledgor prior written notice of the revocation of such rights. After the cure or waiver of any Noticed Event of Default and the Pledgee has given the Pledgor notice of such cure or waiver, each applicable Pledgor's voting rights hereunder shall be automatically restored.

6. DIVIDENDS AND OTHER DISTRIBUTIONS. Unless and until there shall have occurred and be continuing a Noticed Event of Default, all cash dividends, cash distributions, cash Proceeds and other cash amounts payable in respect of the Collateral shall be paid to the respective Pledgor. The Pledgee shall be entitled to receive directly, and to retain as part of the Collateral, in each case to the extent required to be pledged and delivered hereunder:

(i) all other or additional stock, notes, certificates, limited liability company interests, partnership interests, instruments or other securities or property (including, but not limited to, cash dividends other than as set forth above) paid or distributed by way of dividend or otherwise in respect of the Collateral;

(ii) all other or additional stock, notes, certificates, limited liability company interests, partnership interests, instruments or other securities or property (including, but not limited to, cash (although such cash may be paid directly to the respective Pledgor so long as no Event of Default then exists)) paid or distributed in respect of the Collateral by way of stock-split, spin-off, split-up, reclassification, combination of shares or similar rearrangement; and

(iii) all other or additional stock, notes, certificates, limited liability company interests, partnership interests, instruments or other securities or property (including, but not limited to, cash, other than as set forth above) which may be paid in respect of the Collateral by reason of any consolidation, merger, exchange of stock, conveyance of assets, liquidation or similar corporate or other reorganization.

Nothing contained in this Section 6 shall limit or restrict in any way the Pledgee's right to receive the proceeds of the Collateral in any form in accordance with Section 3 of this Agreement. All dividends, distributions or other payments which are received by any Pledgor contrary to the provisions of this Section 6 or Section 7 hereof shall be received for the benefit of the Pledgee, shall be segregated from other property or funds of such Pledgor and shall be promptly paid over to the Pledgee as Collateral in the same form as so received (with any necessary endorsement) for application to the Obligations in accordance with the Credit Agreement. After such Noticed Event of Default has been cured or waived, (i) Pledgor shall have the right to receive the payments, proceeds, dividends, distributions, monies, compensation, property, assets, instruments or rights that it would be authorized to receive and retain pursuant to this Agreement; and (ii) within five (5) Business Days after such cure or waiver, the Pledgee shall repay and deliver to Pledgor all cash and monies that such Pledgor is entitled to retain pursuant to this Agreement which have not been applied to the repayment of the Obligations pursuant to the Security Agreement or the Credit Agreement.

7. REMEDIES IN CASE OF AN EVENT OF DEFAULT OR A SPECIFIED DEFAULT. Subject to the terms of the Revolver Intercreditor Agreement and the Senior Notes Intercreditor Agreement, (a) upon prior written notice to the Borrower or each Pledgor, if there shall have occurred and be continuing an Event of Default, then and in every such case, the Pledgee shall be entitled to exercise all of the rights, powers and remedies (whether vested in it by this Agreement, any other Credit Document or by law) for the protection and enforcement of its rights in respect of the Collateral, and the Pledgee shall be entitled to exercise all the rights and remedies of a secured party under the UCC as in effect in any relevant jurisdiction, in each case to the extent not prohibited by the Communications Act, and also shall be entitled with prior written notice to the Borrower or such Pledgor, without limitation, to exercise the following rights, which each Pledgor hereby agrees to be commercially reasonable:

- (i) to receive all amounts payable in respect of the Collateral otherwise payable under Section 6 hereof to the respective Pledgor;
 - (ii) to transfer all or any part of the Collateral into the Pledgee's name or the name of its nominee or nominees;
 - (iii) to accelerate any Pledged Note which may be accelerated in accordance with its terms, and take any other lawful action to collect upon any Pledged Note (including, without limitation, to make any demand for payment thereon);
 - (iv) with two (2) Business Days prior written notice to the Borrower or such Pledgor, to vote (and exercise all rights and powers in respect of voting) all or any part of the Collateral (whether or not transferred into the name of the Pledgee) and give all consents, waivers and ratifications in respect of the Collateral and otherwise act with respect thereto as though it were the outright owner thereof (each Pledgor hereby irrevocably constituting and appointing the Pledgee the proxy and attorney-in-fact of such Pledgor, with full power of substitution to do so);
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(v) at any time and from time to time to sell, assign and deliver, or grant options to purchase, all or any part of the Collateral, or any interest therein, at any public or private sale, without demand of performance, advertisement or, notice of intention to sell or of the time or place of sale or adjournment thereof or to redeem or otherwise purchase or dispose (all of which are hereby waived by each Pledgor to the extent permitted by applicable law), for cash, on credit or for other property, for immediate or future delivery without any assumption of credit risk, and for such price or prices and on such terms as the Pledgee in its absolute discretion may determine in compliance with any mandatory requirements of applicable law, provided at least ten (10) days' advance written notice of the time and place of any such sale shall be given to the respective Pledgor. The Pledgee shall not be obligated to make any such sale of Collateral regardless of whether any such notice of sale has theretofore been given. Each Pledgor hereby waives and releases to the fullest extent permitted by law any right or equity of redemption with respect to the Collateral, whether before or after sale hereunder, and all rights, if any, of marshalling the Collateral and any other security or the Obligations or otherwise. At any such sale, unless prohibited by applicable law, the Pledgee on behalf of the Secured Creditors may bid for and purchase all or any part of the Collateral so sold free from any such right or equity of redemption. Neither the Pledgee nor any other Secured Creditor shall be liable for failure to collect or realize upon any or all of the Collateral or for any delay in so doing nor shall any of them be under any obligation to take any action whatsoever with regard thereto. Without limiting the generality of the foregoing and subject to Section 7(c), if an Event of Default shall have occurred and be continuing, each of the Pledgors shall take any action which the Collateral Agent may reasonably request of such Pledgor in order to effect the transfer of control or assignment to the Collateral Agent, or to such one or more third Persons as such Pledgor may designate, or to a combination of the foregoing, of all Collateral controlled by such Pledgor. To enforce this Section 7(a)(v), the Collateral Agent is empowered to seek from the FCC or any other Governmental Authority consent to or approval of any involuntary transfer of control of any entity whose Collateral is subject to this Agreement for the purpose of seeking a bona fide purchaser to whom control will ultimately be transferred. Each of the Pledgors hereby agrees to authorize such an involuntary transfer of control upon the request of the Collateral Agent and, if such Pledgor shall refuse to authorize the transfer, its approval may be required by the court. Upon the occurrence of an Event of Default, each of the Pledgors shall further use its commercially reasonable efforts to assist in obtaining approval of the FCC or any other Governmental Authority, if required, for any action or transactions contemplated by this Agreement including, without limitation, the preparation, execution and filing with the FCC of the assignor's or transferor's portion of any application or applications for consent to the transfer or assignment of any such Collateral or transfer of control necessary or appropriate under the FCC's rules and regulations for approval of the transfer or assignment of any portion of the Collateral, together with any FCC License controlled by such Pledgor. Each Pledgor hereby agrees to consent to any such voluntary or involuntary transfer after and during the continuation of an Event of Default and, without limiting any rights of the Collateral Agent under this Agreement, to authorize the Collateral Agent to nominate a trustee or receiver to assume control of the Collateral, subject only to required judicial, FCC or other consents required by Governmental Authorities, in order to effectuate the transactions contemplated by this Section 7(a)(v). Such trustee or receiver shall have all the rights and powers as provided to it by law or court order, or to the Collateral Agent under this Agreement. Each Pledgor shall cooperate fully in obtaining the consent of the FCC and the approval or consent of each other Governmental Authority required to effectuate the foregoing. Without limiting the obligations of any Pledgor hereunder in any respect, each Pledgor further agrees that if such Pledgor, upon or after the occurrence (and during the continuance) of an Event of Default, should fail or refuse for any reason whatsoever, without limitation, including any refusal to execute any application necessary or appropriate to obtain any governmental consent necessary or appropriate for the exercise of any right of the Collateral Agent hereunder, such Pledgor agrees that such application may be executed on such Pledgor's behalf by the clerk of any court of competent jurisdiction without notice to such Pledgor pursuant to court order; and

(vi) to set off any and all Collateral against any and all Obligations, and to withdraw any and all cash or other Collateral from any and all Collateral Accounts and to apply such cash and other Collateral to the payment of any and all Obligations, in each case in accordance with the terms of the Credit Agreement and the Security Agreement.

(b) If there shall have occurred and be continuing a Noticed Event of Default, then and in every such case, the Pledgee shall be entitled to vote (and exercise all rights and powers in respect of voting) all or any part of the Collateral (whether or not transferred into the name of the Pledgee) and give all consents, waivers and ratifications in respect of the Collateral and otherwise act with respect thereto as though it were the outright owner thereof (each Pledgor hereby irrevocably constituting and appointing the Pledgee the proxy and attorney-in-fact of such Pledgor, with full power of substitution to do so). Upon the cure or waiver of all Noticed Events of Default in accordance with the Credit Agreement, each Pledgor shall automatically have the right to exercise the voting, managerial and other consensual rights and powers that it would otherwise be entitled to pursuant to this Agreement.

(c) Notwithstanding any other provision of this Agreement, during the continuance of an Event of Default, (i) any foreclosure, sale, transfer, assignment or other disposition of, or the exercise of any rights and remedies by the Collateral Agent or any Lender with respect to any of the Collateral or any FCC License which would effect or constitute an assignment of any FCC License or affect the operation or voting or other control of any Pledgor or any Subsidiary thereof or any Station of any Pledgor or any Subsidiary thereof shall be pursuant to, and in accordance with, the Communications Act, to all other applicable laws and to the applicable rules and regulations thereunder and, if and to the extent required thereby, subject to the prior approval of the FCC; (ii) voting rights in any Collateral representing direct or indirect control of any FCC License shall remain with the Pledgor thereof notwithstanding the occurrence or continuation of any Event of Default until all required consents of the FCC shall have been obtained; (iii) prior to the exercise of voting rights by any purchaser at a public or private sale of any Collateral representing direct or indirect control of any FCC License, the consent and approval of the FCC as required pursuant to the Communications Act shall have first been obtained; and (iv) the Collateral Agent shall not be authorized to sign on behalf of any Pledgor any application, document or other instrument to be filed with the FCC.

8. REMEDIES, CUMULATIVE, ETC. Each and every right, power and remedy of the Pledgee provided for in this Agreement or in any other Secured Debt Agreement, or now or hereafter existing at law or in equity or by statute shall be cumulative and concurrent and shall be in addition to every other such right, power or remedy. The exercise or beginning of the exercise by the Pledgee or any other Secured Creditor of any one or more of the rights, powers or remedies provided for in this Agreement or any other Secured Debt Agreement or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the Pledgee or any other Secured Creditor of all such other rights, powers or remedies, and no failure or delay on the part of the Pledgee or any other Secured Creditor to exercise any such right, power or remedy shall operate as a waiver thereof. No notice to or demand on any Pledgor in any case shall entitle it to any other or further notice or demand in similar or other circumstances or constitute a waiver of any of the rights of the Pledgee or any other Secured Creditor to any other or further action in any circumstances without notice or demand. The Secured Creditors agree that this Agreement may be enforced only by the action of the Pledgee, in each case, acting upon the instructions of the Required Lenders, and that no other Secured Creditor shall have any right individually to seek to enforce or to enforce this Agreement or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by the Pledgee for the benefit of the Secured Creditors upon the terms of this Agreement and the Security Agreement.

9. APPLICATION OF PROCEEDS. (a) Subject to the terms of the Revolver Intercreditor Agreement and the Senior Notes Intercreditor Agreement and except as otherwise provided in the Credit Documents, all monies collected by the Pledgee upon any sale or other disposition of the Collateral as a result of the exercise of remedies by the Pledgee pursuant to the terms of this Agreement after the occurrence and during the continuance of an Event of Default, together with all other monies received by the Pledgee hereunder, shall be applied in the manner provided in Section 6.4 of the Security Agreement.

(b) It is understood and agreed that each Pledgor shall remain jointly and severally liable with respect to its Obligations to the extent of any deficiency between the amount of the proceeds of the Collateral pledged by it hereunder and the aggregate amount of such Obligations.

10. PURCHASERS OF COLLATERAL. Upon any sale of the Collateral by the Pledgee hereunder (whether by virtue of the power of sale herein granted, pursuant to judicial process or otherwise), the receipt of the Pledgee or the officer making such sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold, and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Pledgee or such officer or be answerable in any way for the misapplication or nonapplication thereof.

11. INDEMNITY. (a) Each Pledgor jointly and severally agrees to be bound by the provisions of Section 12.01 of the Credit Agreement with the same force and effect, and to the same extent, as if each reference therein to the Borrower were a reference to such Pledgor and each reference therein to the Administrative Agent were a reference to the Collateral Agent.

(b) Without limiting the application of Section 11(a) hereof, each Pledgor agrees, jointly and severally, to pay or reimburse the Collateral Agent for any and all reasonable out-of-pocket fees, costs and expenses of whatever kind or nature incurred in connection with the creation, preservation or protection of the Collateral Agent's Liens on, and security interest in, the Collateral, including all reasonable out-of-pocket fees and taxes in connection with the recording or filing of instruments and documents in public offices, payment or discharge of any taxes or Liens upon or in respect of the Collateral, premiums for insurance with respect to the Collateral and all other reasonable out-of-pocket fees, costs and expenses in connection with protecting, maintaining or preserving the Collateral and the Collateral Agent's interest therein, whether through judicial proceedings or otherwise, or in defending or prosecuting any actions, suits or proceedings arising out of or relating to the Collateral (limited, in the case of costs and expenses of the Collateral Agent arising in connection with legal representation, to the documented reasonable fees and out-of-pocket expenses of one primary counsel for the Collateral Agent and one local counsel in each relevant jurisdiction).

(c) Without limiting the application of Section 11(a) or (b) hereof, each Pledgor agrees, jointly and severally, to pay, indemnify and hold each Indemnified Person harmless from and against any loss, costs, damages and expenses which such Indemnified Person may suffer, expend or incur in consequence of or growing out of any material misrepresentation by any Pledgor in this Agreement, any other Secured Debt Agreement or in any writing contemplated by or made or delivered pursuant to or in connection with this Agreement or any other Secured Debt Agreement.

12. PLEDGEE NOT A PARTNER OR LIMITED LIABILITY COMPANY MEMBER. (a) Nothing herein shall be construed to make the Pledgee or any other Secured Creditor liable as a member of any limited liability company or as a partner of any partnership unless and until such person is admitted as a member or Partner, as applicable. Neither the Pledgee nor any other Secured Creditor by virtue of this Agreement or otherwise (except as referred to in the following sentence) shall have any of the duties, obligations or liabilities of a member of any limited liability company or as a partner in any partnership unless, and to the extent, expressly assumed by the Pledgee or other Secured Creditor. The parties hereto expressly agree that, unless the Pledgee shall become the absolute owner of Collateral consisting of a Limited Liability Company Interest or a Partnership Interest pursuant hereto, this Agreement shall not be construed as creating a partnership or joint venture among the Pledgee, any other Secured Creditor, any Pledgor and/or any other Person.

(b) Except as provided in the last sentence of paragraph (a) of this Section 12, the Pledgee, by accepting this Agreement, did not intend to become a member of any limited liability company or a partner of any partnership or otherwise be deemed to be a co-venturer with respect to any Pledgor, any limited liability company, partnership and/or any other Person either before or after an Event of Default shall have occurred. The Pledgee shall have only those powers set forth herein and the Secured Creditors shall assume none of the duties, obligations or liabilities of a member of any limited liability company or as a partner of any partnership or any Pledgor except as provided in the last sentence of paragraph (a) of this Section 12.

(c) The Pledgee and the other Secured Creditors shall not be obligated to perform or discharge any obligation of any Pledgor as a result of the pledge hereby effected.

(d) The acceptance by the Pledgee of this Agreement, with all the rights, powers, privileges and authority so created, shall not at any time or in any event obligate the Pledgee or any other Secured Creditor to appear in or defend any action or proceeding relating to the Collateral to which it is not a party, or to take any action hereunder or thereunder, or to expend any money or incur any expenses or perform or discharge any obligation, duty or liability under the Collateral.

13. FURTHER ASSURANCES; POWER-OF-ATTORNEY. (a) Each Pledgor agrees that the Pledgee may file and refile under the UCC or other applicable state law such financing statements, continuation statements and other documents, in form reasonably acceptable to the Pledgee, in such offices as the Pledgee (acting on its own or on the instructions of the Required Lenders) may reasonably deem necessary or appropriate and wherever required or permitted by law in order to perfect and preserve the Pledgee's security interest in the Collateral hereunder and hereby authorizes the Pledgee to file financing statements and amendments thereto relative to all or any part of the Collateral (including, without limitation, (x) financing statements which only describe the Collateral specifically or as "all assets" or "all personal property" or with words of similar import of such Pledgor and (y) "in lieu of" financing statements) without the signature of such Pledgor where permitted by law, and agrees to do such further acts and to execute and deliver to the Pledgee such additional conveyances, collateral assignments, agreements and instruments with respect to the Collateral or the Pledgee's rights therein or hereunder as the Pledgee may deem necessary, or advisable as may be reasonably requested by the Pledgee, to carry into effect the purposes of this Agreement or to further assure and confirm unto the Pledgee its rights, powers and remedies hereunder or thereunder.

(b) Each Pledgor hereby constitutes and appoints the Pledgee its true and lawful attorney-in-fact, irrevocably, with full authority in the place and stead of such Pledgor and in the name of such Pledgor or otherwise, from time to time after the occurrence and during the continuance of an Event of Default and the giving of the required notice to the extent specified herein, in the Pledgee's discretion, to the extent not prohibited by the Communications Act, to act, require, demand, receive and give acquittance for any and all monies and claims for monies due or to become due to such Pledgor under or arising out of the Collateral, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings and to execute any instrument which the Pledgee may deem reasonably necessary or advisable to accomplish the purposes of this Agreement, which appointment as attorney is coupled with an interest and shall automatically terminate on the Termination Date or, with respect to any Pledgor, at the time such Pledgor is released herefrom in accordance with Section 31.

14. THE PLEDGEE AS COLLATERAL AGENT. The Pledgee will hold in accordance with this Agreement all items of the Collateral at any time received under this Agreement. It is expressly understood, acknowledged and agreed by each Secured Creditor that by accepting the benefits of this Agreement each such Secured Creditor acknowledges and agrees that the obligations of the Pledgee as holder of the Collateral and interests therein and with respect to the disposition thereof, and otherwise under this Agreement, are only those expressly set forth in this Agreement and in Section 11 of the Credit Agreement. The Pledgee shall act hereunder on the terms and conditions set forth herein and in Section 11 of the Credit Agreement.

15. TRANSFER BY THE PLEDGORS. Except as permitted pursuant to the Credit Agreement, no Pledgor will sell or otherwise dispose of, grant any option with respect to, or mortgage, pledge or otherwise encumber any of the Collateral or any interest therein.

16. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PLEDGORS. (a) Each Pledgor represents, warrants and covenants that:

(i) it is the legal, beneficial and record owner of, and has good and marketable title to, all of the material Collateral consisting of one or more Securities, Partnership Interests and Limited Liability Company Interests (except as to Securities credited on the books of a Clearing Corporation or a Securities Intermediary) and that it has sufficient interest in all of its material Collateral in which a security interest is purported to be created hereunder for such security interest to attach (subject, in each case, to no Lien, except the Liens created by this Agreement or Permitted Liens);

(ii) it has full organizational power, authority and legal right to pledge all the Collateral pledged by it pursuant to this Agreement;

(iii) this Agreement has been duly authorized, executed and delivered by such Pledgor and constitutes a legal, valid and binding obligation of such Pledgor enforceable against such Pledgor in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforcement is sought in equity or at law);

(iv) except to the extent already obtained or made, no material consent of any other party (including, without limitation, any stockholder, partner, member or creditor of such Pledgor or any of its Subsidiaries) and no material consent, license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any governmental authority is required to be obtained by such Pledgor in connection with (a) the execution, delivery or performance of this Agreement by such Pledgor, (b) the validity or enforceability of this Agreement against such Pledgor (except as set forth in clause (iii) above), (c) other than the filing of UCC-1 financing statements in the applicable jurisdiction and the payment of all applicable filing fees in connection therewith; the perfection or enforceability of the Pledgee's security interest in such Pledgor's Collateral or (d) except for compliance with or as may be required by applicable securities laws, the exercise by the Pledgee of any of its rights or remedies provided herein, except that (x) certain actions which may be taken by the Administrative Agent, the Collateral Agent or the Lenders in the exercise of their rights and remedies under this Agreement or any other Credit Document, may require the prior consent of the FCC, and (y) copies of this Agreement and the other Credit Documents may be required to be filed with the FCC for informational purposes pursuant to Section 73.3613 of the FCC's rules;

(v) neither the execution, delivery or performance by such Pledgor of this Agreement, nor compliance by it with the terms and provisions hereof and thereof: (i) will contravene any provision of any material law, statute, rule or regulation, or any order, writ, injunction or decree of any court or Governmental Authority, (ii) will conflict with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien (except pursuant to the Security Documents) upon any of the property or assets of any Credit Party or any of its Restricted Subsidiaries pursuant to the terms of (x) the Existing Notes Indentures and the Senior Secured Notes Indenture, (y) after the execution and delivery thereof, the Permitted Subordinated Debt Documents, the Permitted Unsecured Debt Documents and any Permitted Refinancing Debt Documents in respect of the Existing Notes, the Permitted Subordinated Debt and the Permitted Unsecured Debt, in any such case to the extent governing Indebtedness in an aggregate outstanding principal amount equal to or greater than \$5,000,000, and (z) any other indenture, mortgage, deed of trust, credit agreement, loan agreement or any other agreement, contract or instrument, in each case to which any Credit Party or any of its Restricted Subsidiaries is a party or by which it or any its property or assets is bound or to which it may be subject, except, in the case of the preceding subclause (z), for any contravention, breach, default and/or conflict, that would not reasonably be expected, either individually or in the aggregate, to result in a Material Adverse Effect, or (iii) will violate any provision of the certificate or articles of incorporation, certificate of formation, limited liability company agreement or by-laws (or equivalent organizational documents), as applicable, of any Credit Party;

(vi) all of such Pledgor's Collateral (consisting of Securities, Limited Liability Company Interests and Partnership Interests issued by any Pledgor or any Subsidiary of any Pledgor) has been duly and validly issued, is fully paid and non-assessable and is subject to no options to purchase or similar rights;

(vii) each of such Pledgor's Pledged Notes issued by any Pledgor or any Subsidiary of any Pledgor constitutes, or when executed by the obligor thereof will constitute, the legal, valid and binding obligation of such obligor, enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforcement is sought in equity or at law); and

(viii) the pledge, collateral assignment and delivery to the Pledgee of such Pledgor's Collateral consisting of Certificated Securities and Pledged Notes pursuant to this Agreement, and the continued possession thereof by the Pledgee or any affiliate thereof, creates a valid and perfected first priority security interest in such Certificated Securities and Pledged Notes, and the proceeds thereof, subject to no prior Lien or encumbrance or to any agreement purporting to grant to any third party a Lien or encumbrance on the property or assets of such Pledgor which would include the Securities (other than Permitted Liens) and the Pledgee is entitled to all the rights, priorities and benefits afforded by the UCC or other relevant law as enacted in any relevant jurisdiction to perfect security interests in respect of such Collateral.

(b) Each Pledgor covenants and agrees that it will use commercially reasonable efforts to defend the Pledgee's right, title and security interest in and to such Pledgor's Collateral and the proceeds thereof against the claims and demands of all persons whomsoever; and each Pledgor covenants and agrees that it will have like title to and right to pledge any other property at any time hereafter pledged to the Pledgee by such Pledgor as Collateral hereunder and will likewise use commercially reasonable efforts to defend the right thereto and security interest therein of the Pledgee and the other Secured Creditors.

17. PLEDGORS' OBLIGATIONS ABSOLUTE, ETC. The obligations of each Pledgor under this Agreement shall be absolute and unconditional and shall remain in full force and effect without regard to, and shall not be released, suspended, discharged, terminated or otherwise affected by, any circumstance or occurrence whatsoever (other than termination of this Agreement pursuant to Section 19 hereof), including, without limitation:

- (i) any renewal, extension, amendment or modification of, or addition or supplement to or deletion from any Secured Debt Agreement (other than this Agreement in accordance with its terms), or any other instrument or agreement referred to therein, or any assignment or transfer of any thereof;
- (ii) any waiver, consent, extension, indulgence or other action or inaction under or in respect of any such agreement or instrument including, without limitation, this Agreement (other than a waiver, consent or extension with respect to this Agreement in accordance with its terms);
- (iii) any furnishing of any additional security to the Pledgee or its assignee or any acceptance thereof or any release of any security by the Pledgee or its assignee;
- (iv) any limitation on any party's liability or obligations under any such instrument or agreement or any invalidity or unenforceability, in whole or in part, of any such instrument or agreement or any term thereof; or
- (v) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to any Pledgor or any Subsidiary of any Pledgor, or any action taken with respect to this Agreement by any trustee or receiver, or by any court, in any such proceeding, whether or not such Pledgor shall have notice or knowledge of any of the foregoing.

18. SALE OF COLLATERAL WITHOUT REGISTRATION. If at any time after the occurrence and continuance of an Event of Default, when the Pledgee shall determine to exercise its right to sell all or any part of the Collateral consisting of Securities, Limited Liability Company Interests or Partnership Interests pursuant to Section 7 hereof, and such Collateral or the part thereof to be sold shall not, for any reason whatsoever, be effectively registered under the Securities Act, as then in effect, the Pledgee may, in its sole and absolute discretion, upon prior written notice to the Borrower or applicable Pledgor sell such Collateral or part thereof by private sale in such manner and under such circumstances as the Pledgee may deem necessary or advisable in order that such sale may legally be effected without such registration. Without limiting the generality of the foregoing, in any such event the Pledgee, in its sole and absolute discretion (i) may proceed to make such private sale notwithstanding that a registration statement for the purpose of registering such Collateral or part thereof shall have been filed under such Securities Act, (ii) may approach and negotiate with a single possible purchaser to effect such sale, and (iii) may restrict such sale to a purchaser who will represent and agree that such purchaser is purchasing for its own account, for investment, and not with a view to the distribution or sale of such Collateral or part thereof. In the event of any such sale, the Pledgee shall incur no responsibility or liability for selling all or any part of the Collateral at a price which the Pledgee, in its sole and absolute discretion, may in good faith deem reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might be realized if the sale were deferred until the registration as aforesaid.

19. TERMINATION; RELEASE. (a) On the Termination Date (i), this Agreement shall automatically and unconditionally terminate (provided that all indemnities set forth herein including in Section 11 hereof, shall survive such termination) and the Pledgee, at the request and expense of the respective Pledgor, will promptly execute and deliver to such Pledgor a proper instrument or instruments (including UCC termination statements on form UCC-3, releases to be filed and instruments of satisfaction, discharge and/or reconveyance) acknowledging the satisfaction and termination of this Agreement, (ii) the security interest created hereby will automatically and unconditionally be released, and the Pledgee will duly assign, transfer and deliver to such Pledgor (without recourse and without any representation or warranty) such of the Collateral as may be in the possession of the Pledgee or any of its agents hereunder and as has not theretofore been sold in accordance with this Agreement, the other Credit Documents or applicable law, or otherwise applied or released pursuant to this Agreement, the other Credit Documents or applicable law; without limiting the foregoing, together with any moneys at the time held by the Pledgee or any of its agents hereunder and (iii) Pledgee shall, upon such Pledgor's reasonable request, provide evidence (in form and substance reasonably satisfactory to Pledgor and Pledgee) of such release, assignment, transfer or delivery and, with respect to any Collateral consisting of an Uncertificated Security, a Partnership Interest or a Limited Liability Company Interest (other than an Uncertificated Security, a Partnership Interest or a Limited Liability Company Interest credited on the books of a Clearing Corporation or Securities Intermediary), a termination of the agreement relating thereto executed and delivered by the issuer of such Uncertificated Security pursuant to Section 3.2(a)(ii) or by the respective partnership or limited liability company pursuant to Section 3.2(a)(iv)(2) on the Termination Date. As used in this Agreement, "Termination Date" shall have the meaning set forth in the Security Agreement.

(b) If any part of the Collateral (i) is sold or otherwise disposed of (to a Person other than a Pledgor) at any time prior to the Termination Date, in connection with a sale or disposition permitted by Section 9.02 of the Credit Agreement, (ii) is owned by any Pledgor (other than in violation of the Credit Agreement) that is designated as an Unrestricted Subsidiary pursuant to 8.14 of the Credit Agreement, (iii) becomes an Excluded Equity Interest or (iv) is otherwise released at the direction of the Required Lenders (or all the Lenders if required by Section 11.10 of the Credit Agreement) (such part of the Collateral, "Released Collateral"), (x) all security interests created under this Agreement in such Released Collateral so sold or disposed of shall automatically and unconditionally terminate, and the Pledgee, at the request and expense of such Pledgor, will duly execute and deliver such documentation, including termination or partial release statements and the like in connection therewith), and assign, transfer and deliver to such Pledgor (without recourse and without any representation or warranty) such of the Released Collateral as is then being (or has been) so sold or otherwise disposed of, or released, and as may be in the possession of the Pledgee (or, in the case of Collateral held by any sub agent designated pursuant to Section 4 hereto, such sub agent) and has not theretofore been released pursuant to this Agreement and Pledgee shall, upon such Pledgor's reasonable request, provide evidence (in form and substance reasonably satisfactory to Pledgor and Pledgee) of such release, assignment, transfer or delivery.

(c) The Pledgee shall have no liability whatsoever to any other Secured Creditor as the result of any release of Collateral by it in accordance with (or which the Collateral Agent in good faith believes to be in accordance with) this Section 19.

20. NOTICES, ETC. Except as otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto shall be sent or delivered by mail, electronic mail, telegraph, telex, telecopy, cable or courier service and all such notices and communications shall, when mailed, telegraphed, telexed, telecopied, or cabled or sent by courier, be effective when deposited in the mails, electrically mailed, delivered to the telegraph company, cable company or overnight courier, as the case may be, or sent by telex or telecopier, except that notices and communications to the Pledgee or any Pledgor shall not be effective until received by the Pledgee or such Pledgor, as the case may be. All notices and other communications shall be in writing and addressed as follows:

(a) if to the Pledgee, the Administrative Agent, any Credit Party or any Lender, as provided in Section 12.03 of the Credit Agreement (with, in the case of the Pledgee, all references in such Section of the Credit Agreement to the Administrative Agent being deemed to be references to the Pledgee for purposes of this Section 20); and

(b) if to any Other Creditor, at such address as such Other Creditor shall have specified in writing to each Pledgor and the Pledgee;

or, in any such case, at such other address or addressed to such other individual as shall have been furnished or identified, as applicable, in writing by the party to whom such notice is required to be given to the party required to give the same.

21. WAIVER; AMENDMENT. Except as provided in Sections 30 and 32 hereof, none of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever except in accordance with the requirements specified in the Security Agreement.

22. PERMITTED SUCCESSORS AND ASSIGNS. This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect, subject to release and/or termination as set forth in Section 19 or 31, (ii) be binding upon each Pledgor, its permitted successors and assigns; provided, however, that no Pledgor shall assign any of its rights or obligations hereunder without the prior written consent of the Pledgee (with the prior written consent of the Required Lenders), and (iii) inure, together with the rights and remedies of the Pledgee hereunder, to the benefit of the Pledgee, the other Secured Creditors and their respective permitted successors, transferees and assigns in accordance with the Credit Agreement. All agreements, statements, representations and warranties made by each Pledgor herein or in any certificate or other instrument delivered by such Pledgor or on its behalf under this Agreement shall be considered to have been relied upon by the Secured Creditors and shall survive the execution and delivery of this Agreement and the other Secured Debt Agreements regardless of any investigation made by the Secured Creditors or on their behalf.

23. HEADINGS DESCRIPTIVE. The headings of the several Sections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

24. GOVERNING LAW; SUBMISSION TO JURISDICTION; VENUE; WAIVER OF JURY TRIAL. (a) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT SHALL BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, IN EACH CASE WHICH ARE LOCATED IN THE COUNTY OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PARTY HERETO HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH PLEDGOR HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH COURTS LACK PERSONAL JURISDICTION OVER SUCH PARTY HERETO, AND AGREES NOT TO PLEAD OR CLAIM IN ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN ANY OF THE AFORESAID COURTS THAT ANY SUCH COURT LACKS PERSONAL JURISDICTION OVER SUCH PARTY HERETO. EACH PARTY HERETO FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO ANY SUCH PLEDGOR AT ITS ADDRESS FOR NOTICES AS PROVIDED IN SECTION 20 ABOVE, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES TO THE EXTENT PERMITTED BY APPLICABLE LAW ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES TO THE EXTENT PERMITTED BY APPLICABLE LAW AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER OR UNDER ANY OTHER CREDIT DOCUMENT THAT SUCH SERVICE OF PROCESS WAS IN ANY WAY INVALID OR INEFFECTIVE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF (i) EACH PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR (ii) THE PLEDGEE UNDER THIS AGREEMENT, OR ANY SECURED CREDITOR, TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY PLEDGOR IN ANY OTHER JURISDICTION.

(b) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES TO THE EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN THE COURTS REFERRED TO IN CLAUSE (a) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES TO THE EXTENT PERMITTED BY APPLICABLE LAW AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER CREDIT DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

25. PLEDGOR'S DUTIES. It is expressly agreed, anything herein contained to the contrary notwithstanding, that each Pledgor shall remain liable to perform all of the obligations, if any, assumed by it with respect to the Collateral and the Pledgee shall not have any obligations or liabilities with respect to any Collateral by reason of or arising out of this Agreement, except for the safekeeping of Collateral actually in Pledgee's possession, nor shall the Pledgee be required or obligated in any manner to perform or fulfill any of the obligations of any Pledgor under or with respect to any Collateral.

26. COUNTERPARTS. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. A set of counterparts executed by all the parties hereto shall be lodged with each Pledgor and the Pledgee. Delivery of an executed counterpart of this Agreement by facsimile or electronic mail shall be effective as delivery of an original executed counterpart.

27. SEVERABILITY. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

28. RECOURSE. This Agreement is made with full recourse to each Pledgor and pursuant to and upon all the representations, warranties, covenants and agreements on the part of such Pledgor contained herein and in the other Credit Documents and otherwise in writing in connection herewith or therewith.

29. ADDITIONAL PLEDGORS. It is understood and agreed that any Subsidiary of the Borrower that is required to become a party to this Agreement after the date hereof pursuant to the requirements of the Credit Agreement or any other Credit Document, shall become a Pledgor hereunder by (x) executing a counterpart hereof and delivering same to the Pledgee or executing a joinder agreement and delivering same to the Administrative Agent, in each case as may be required by (and in form and substance reasonably satisfactory to) the Administrative Agent, (y) delivering supplements to Annexes A through G, hereto as are necessary to cause such annexes to be complete and accurate in all material respects with respect to such additional Pledgor on such date and (z) taking all actions as specified in this Agreement as would have been taken by such Pledgor had it been an original party to this Agreement, in each case with all documents required above to be delivered to the Pledgee and with all documents and actions required or requested above to be taken to the reasonable satisfaction of the Pledgee.

30. LIMITED OBLIGATIONS. It is the desire and intent of each Pledgor and the Secured Creditors that this Agreement shall be enforced against each Pledgor to the fullest extent permissible under the laws applied in each jurisdiction in which enforcement is sought. Notwithstanding anything to the contrary contained herein, in furtherance of the foregoing, it is noted that the obligations of each Pledgor constituting a Subsidiary Guarantor have been limited as provided in the Subsidiaries Guaranty.

31. RELEASE OF PLEDGORS. Upon the release of any Guarantor from the Subsidiaries Guaranty in accordance with the provisions thereof, such Restricted Subsidiary shall automatically be released as a Pledgor, and all security interests then existing in any Collateral granted by it pursuant hereto shall be automatically released, from and under this Agreement and the Pledgee is authorized and directed to execute and deliver such instruments or evidence of release reasonably requested by the Borrower or any Restricted Subsidiary. At any time that the Borrower desires that the Administrative Agent deliver any such instrument or evidence of release with respect to a Restricted Subsidiary of the Borrower which has been released from this Agreement as provided in this Section 31, the Borrower shall deliver to the Pledgee a certificate signed by an Authorized Officer of the Borrower stating that the release of such Pledgor (and its Collateral) is permitted pursuant to this Section 31. The Pledgee shall have no liability whatsoever to any other Secured Creditor as a result of the release of any Pledgor by it in accordance with, or which it believes in good faith to be in accordance with, this Section 31.

32. INTERCREDITOR AGREEMENTS. Notwithstanding anything herein to the contrary, the lien and security interest granted to the Collateral Agent (including perfection and priority) pursuant to this Agreement and the exercise of certain rights and remedies by the Collateral Agent are subject to the provisions of the Senior Notes Intercreditor Agreement. In the event of any conflict between the terms of the Senior Notes Intercreditor Agreement and this Agreement, the terms of the Senior Notes Intercreditor Agreement shall govern and control. Notwithstanding anything herein to the contrary, the lien and security interest granted to the Collateral Agent (including perfection and priority) pursuant to this Agreement and the exercise of certain rights and remedies by the Collateral Agent are subject to the provisions of the Revolver Intercreditor Agreement. In the event of any conflict between the terms of the Revolver Intercreditor Agreement and this Agreement, the terms of the Revolver Intercreditor Agreement shall govern and control.

* * * *

IN WITNESS WHEREOF, each Pledgor and the Pledgee have caused this Agreement to be executed by their duly elected officers duly authorized as of the date first above written.

RADIO ONE, INC., as a Pledgor

By: _____
Name: Peter D. Thompson
Title: Executive Vice President and Chief Financial Officer

[_____],
each as a Pledgor

By: _____
Name: Peter D. Thompson
Title: Vice President and Chief Financial Officer

Accepted and Agreed to:

JEFFERIES FINANCE LLC,
as Collateral Agent

By: _____
Name:
Title:

ANNEX A
to
PLEDGE AGREEMENT

SCHEDULE OF LEGAL NAMES, TYPE OF ORGANIZATION
(AND WHETHER A REGISTERED ORGANIZATION AND/OR
A TRANSMITTING UTILITY), JURISDICTION OF ORGANIZATION,
LOCATION, ORGANIZATIONAL IDENTIFICATION NUMBERS,
AND FEDERAL EMPLOYER IDENTIFICATION NUMBERS

Exact Legal Name of Each Pledgor	Type of Organization (or, if the Pledgor is an Individual, so indicate)	Registered Organization? (Yes/No)	Jurisdiction of Organization	Pledgor's Location (for purposes of NY UCC § 9-307)	Pledgor's Organization Identification Number (or, if it has none, so indicate)	Pledgor's Federal Employer Identification Number (or, if it has none, so indicate)	Transmitting Utility? (Yes/No)
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SCHEDULE OF SUBSIDIARIES

Entity	Ownership	Jurisdiction of Organization
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SCHEDULE OF STOCK

1. [PLEDGOR]

<u>Name of Issuing Corporation</u>	<u>Type of Shares</u>	<u>Number of Shares</u>	<u>Certificate No.¹</u>	<u>Percentage Owned²</u>	<u>Sub-clause of Section 3.2(a) of Pledge Agreement</u>
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2. [ADDITIONAL PLEDGOR(S)]

<u>Name of Issuing Corporation</u>	<u>Type of Shares</u>	<u>Number of Shares</u>	<u>Certificate No.¹⁶</u>	<u>Percentage Owned¹⁷</u>	<u>Sub-clause of Section 3.2(a) of Pledge Agreement</u>
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1 Specify if uncertificated.

2 Specify for each Foreign Subsidiary the percentage owned of (x) Voting Equity Interests and (y) Non-Voting Equity Interests.

SCHEDULE OF NOTES

1. [PLEDGOR]

<u>Amount</u>	<u>Maturity Date</u>	<u>Obligor</u>	<u>Sub-clause of Section 3.2(a) of Pledge Agreement</u>
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2. [ADDITIONAL PLEDGOR(S)]

<u>Amount</u>	<u>Maturity Date</u>	<u>Obligor</u>	<u>Sub-clause of Section 3.2(a) of Pledge Agreement</u>
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SCHEDULE OF LIMITED LIABILITY COMPANY INTERESTS

1. [PLEDGOR]

<u>Name of Issuing Limited Liability Company</u>	<u>Type of Interest</u>	<u>Percentage Owned</u>	<u>Sub-clause of Section 3.2(a) of Pledge Agreement</u>
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2. [ADDITIONAL PLEDGOR(S)]

<u>Name of Issuing Limited Liability Company</u>	<u>Type of Interest</u>	<u>Percentage Owned</u>	<u>Sub-clause of Section 3.2(a) of Pledge Agreement</u>
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SCHEDULE OF PARTNERSHIP INTERESTS

1. [PLEDGOR]

<u>Name of Issuing Partnership</u>	<u>Type of Interest</u>	<u>Percentage Owned</u>	<u>Sub-clause of Section 3.2(a) of Pledge Agreement</u>
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2. [ADDITIONAL PLEDGOR(S)]

<u>Name of Issuing Partnership</u>	<u>Type of Interest</u>	<u>Percentage Owned</u>	<u>Sub-clause of Section 3.2(a) of Pledge Agreement</u>
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SCHEDULE OF CHIEF EXECUTIVE OFFICES

<u>Name of Pledgor</u>	<u>Address(es) of Chief Executive Office¹</u>
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¹ For each Pledgor, list the address of its chief executive office on the date of the Security Agreement and each other location (if any) of its chief executive office in the four calendar months preceding said date.

Form of Agreement Regarding Uncertificated Securities, Limited Liability
Company Interests and Partnership Interests

AGREEMENT (as amended, modified, restated, amended and restated, and/or supplemented from time to time, this "Agreement"), dated as of [____], among the undersigned pledgor (the "Pledgor"), Jefferies Finance LLC, not in its individual capacity but solely as Collateral Agent (the "Pledgee"), and [____], as the issuer of the Uncertificated Securities, Limited Liability Company Interests and/or Partnership Interests (each as defined below) (the "Issuer").

WITNESSETH:

WHEREAS, the Pledgor, certain of its affiliates and the Pledgee have entered into a Pledge Agreement, dated as of April 17, 2015 (as amended, modified, restated, amended and restated, and/or supplemented from time to time, the "Pledge Agreement"), under which, among other things, in order to secure the payment of the Obligations (as defined in the Pledge Agreement), the Pledgor has or will pledge to the Pledgee for the benefit of the Secured Creditors (as defined in the Pledge Agreement), and grant a security interest in favor of the Pledgee for the benefit of the Secured Creditors in, all of the right, title and interest of the Pledgor in and to any and all ["uncertificated securities" (as defined in Section 8-102(a)(18) of the Uniform Commercial Code, as adopted in the State of New York) ("Uncertificated Securities")] [Partnership Interests (as defined in the Pledge Agreement)] [Limited Liability Company Interests (as defined in the Pledge Agreement)], from time to time issued by the Issuer, whether now existing or hereafter from time to time acquired by the Pledgor (with all of such [Uncertificated Securities] [Partnership Interests] [Limited Liability Company Interests] being herein collectively called the "Issuer Pledged Interests"); and

WHEREAS, the Pledgor desires the Issuer to enter into this Agreement in order to perfect the security interest of the Pledgee under the Pledge Agreement in the Issuer Pledged Interests, to vest in the Pledgee control of the Issuer Pledged Interests and to provide for the rights of the parties under this Agreement;

NOW THEREFORE, in consideration of the premises and the mutual promises and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. The Pledgor hereby irrevocably authorizes and directs the Issuer, and the Issuer hereby agrees, to comply with any and all instructions and orders originated by the Pledgee (and its permitted successors and assigns) regarding any and all of the Issuer Pledged Interests without the further consent by the registered owner (including the Pledgor), and, following its receipt of a notice from the Pledgee stating that the Pledgee is exercising exclusive control of the Issuer Pledged Interests, not to comply with any instructions or orders regarding any or all of the Issuer Pledged Interests originated by any person or entity other than the Pledgee (and its permitted successors and assigns) or a court of competent jurisdiction.

2. The Issuer hereby certifies that (i) no notice of any security interest, lien or other encumbrance or claim affecting the Issuer Pledged Interests (other than Permitted Liens (as defined in the Pledge Agreement)) has been received by it, and (ii) the security interest of the Pledgee in the Issuer Pledged Interests has been registered in the books and records of the Issuer.

3. The Issuer hereby represents and warrants that (i) the pledge by the Pledgor of, and the granting by the Pledgor of a security interest in, the Issuer Pledged Interests to the Pledgee, for the benefit of the Secured Creditors, does not violate the charter, by-laws, partnership agreement, membership agreement or any other agreement governing the Issuer or the Issuer Pledged Interests, and (ii) the Issuer Pledged Interests consisting of capital stock of a corporation are fully paid and nonassessable.

4. All notices, statements of accounts, reports, prospectuses, financial statements and other communications to be sent to the Pledgor by the Issuer in respect of the Issuer will also be sent to the Pledgee at the address set forth in Section 20 of the Pledge Agreement.

5. Following its receipt of a notice from the Pledgee stating that the Pledgee is exercising exclusive control of the Issuer Pledged Interests and until the Pledgee shall have delivered written notice to the Issuer that the Termination Date (as defined in the Pledge Agreement) has occurred, the Issuer will send any and all redemptions, distributions, interest or other payments in respect of the Issuer Pledged Interests from the Issuer for the account of the Pledgee only by wire transfers to such account as the Pledgee shall instruct.

6. All notices, instructions, orders and communications hereunder shall be sent in accordance with Section 20 of the Pledge Agreement. All notices and other communications to the Issuer shall be addressed as follows:

Attention: _____
Telephone No.: _____
Fax No.: _____

7. This Agreement shall be binding upon the successors and assigns of the Pledgor and the Issuer and shall inure to the benefit of and be enforceable by the Pledgee and its permitted successors and assigns. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one instrument. In the event that any provision of this Agreement shall prove to be invalid or unenforceable, such provision shall be deemed to be severable from the other provisions of this Agreement which shall remain binding on all parties hereto. None of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever except in writing signed by the Pledgee, the Issuer and the Pledgor.

8. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to its principles of conflict of laws.

IN WITNESS WHEREOF, the Pledgor, the Pledgee and the Issuer have caused this Agreement to be executed by their duly elected officers duly authorized as of the date first above written.

[_____] ,
as Pledgor

By _____
Name:
Title:

JEFFERIES FINANCE LLC,
not in its individual capacity but solely as Collateral Agent and Pledgee

By _____
Name:
Title:

[_____] ,
as the Issuer

By _____
Name:
Title:

SUBSIDIARIES OF RADIO ONE, INC.
As of December 31, 2015

Radio One Licenses, LLC, a Delaware limited liability company, is a restricted subsidiary of Radio One, Inc. and is the licensee of the following stations:

KBFB-FM	WFXC-FM	WOL-AM	WUMJ-FM
KBXX-FM	WFXK-FM	WOLB-AM	WWIN-AM
KMJQ-FM	WHHL-FM	WPHI-FM	WWIN-FM
KROI-FM	WHTA-FM	WPPZ-FM	WYCB-AM
KSOC-FM	WKJM-FM	WPRS-FM	W275BK
WAMJ-FM	WKJS-FM	WPZZ-FM	W281AW
WCDX-FM	WKYS-FM	WQOK-FM	
WERQ-FM	WMMJ-FM	WRNB-FM	
WFUN-FM	WNNL-FM	WTPS-AM	

Bell Broadcasting Company, LLC (“Bell”), a Michigan limited liability company, is a wholly owned restricted subsidiary of Radio One, Inc. Radio One of Detroit, LLC (“Radio One of Detroit”) is a Delaware limited liability company, the sole member of which is Bell. Radio One of Detroit is the licensee of the following stations:

WCHB-AM	WDMK-FM	WPZR-FM	W260CB
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Radio One of Charlotte, LLC (“Radio One of Charlotte”), a Delaware limited liability company, the sole member of which is Radio One, Inc., is a restricted subsidiary of Radio One, Inc. Charlotte Broadcasting, LLC (“Charlotte Broadcasting”) is a Delaware limited liability company, the sole member of which is Radio One of Charlotte. Radio One of North Carolina, LLC (“Radio One of North Carolina”) is a Delaware limited liability company, the sole member of which is Charlotte Broadcasting. Radio One of North Carolina is the licensee of the following stations:

WPZS-FM
WQNC-FM

Gaffney Broadcasting, LLC (“Gaffney Broadcasting”) is a South Carolina limited liability company, the sole member of which is Charlotte Broadcasting. Gaffney Broadcasting is the licensee of the following station:

WOSF-FM

Radio One of Boston, Inc. (“Radio One of Boston”), a Delaware corporation, is a wholly owned restricted subsidiary of Radio One, Inc. Radio One of Boston Licenses, LLC (“Boston Licenses”) is a Delaware limited liability company, the sole member of which is Radio One of Boston. Boston Licenses is the licensee of the following station:

WILD-AM

Blue Chip Broadcasting, Ltd. (“BCB Ltd.”), an Ohio limited liability company, the sole member of which is Radio One, Inc., and which is a restricted subsidiary of Radio One, Inc. Blue Chip Broadcasting Licenses, Ltd. (BC Licenses”) is an Ohio limited liability company, the sole member of which is BCB Ltd. BC Licenses is the licensee of the following stations:

WIZF-FM	WOSL-FM	WDBZ-AM
WENZ-FM	WCKX-FM	WBMO-FM
WERE-AM	WJMO-AM	WZAK-FM

Radio One of Texas II, LLC, a Delaware limited liability company, the sole member of which is Radio One, Inc., and it is a restricted subsidiary of Radio One, Inc.

Radio One of Indiana, L.P. is a Delaware limited partnership. Radio One, Inc. is the general partner and 99% owner of Radio One of Indiana, L.P. Charlotte Broadcasting, LLC is the limited partner and 1% owner of Radio One of Indiana, L.P. Radio One of Indiana, LLC is a Delaware limited liability company, the sole member of which is Radio One of Indiana, L.P. Radio One of Indiana, LLC is the licensee of the following stations:

WDNI-CD
WTLC-FM

WHHH-FM
WNOW-FM

WTLC-AM

Satellite One, LLC is a Delaware limited liability company, the sole member of which is Radio One, Inc.

New Mableton Broadcasting Corporation, a Delaware corporation, is a wholly owned subsidiary of Radio One, Inc. and is the licensee of the following station:

WPZE-FM

Radio One Cable Holdings, LLC, a Delaware limited liability company, is a wholly owned subsidiary of Radio One, Inc. Radio One Cable Holdings, LLC holds a 99.6% interest in TV One, LLC, a Delaware limited liability company.

Radio One Media Holdings, LLC is a Delaware limited liability company, the sole member of which is Radio One, Inc. Radio One Media Holdings, LLC owns 80.0% of the common stock of Reach Media, Inc., a Texas corporation.

Radio One Distribution Holdings, LLC is a Delaware limited liability company, the sole member of which is Radio One, Inc. Radio One Distribution Holdings, LLC is the sole member of Distribution One, LLC is a Delaware limited liability company.

Interactive One, Inc., a Delaware corporation, is a wholly owned subsidiary of Radio One, Inc. and the sole member of Interactive One, LLC.

Interactive One, LLC, is a Delaware limited liability company, the sole member of which is Interactive One, Inc.

Radio One Urban Network Holdings, LLC, is a Delaware limited liability company, the sole member of which is Radio One, Inc.

Radio One Entertainment Holdings, LLC, is a Delaware limited liability company, the sole member of which is Radio One, Inc.

IO Acquisition Sub, LLC, is a Delaware limited liability company, the sole member of which is Radio One, Inc.

RO One Solution, LLC, is a Delaware limited liability company, the sole member of which is Radio One, Inc.

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-3 No. 333-195224) of Radio One, Inc., and
- (2) Registration Statement (Form S-8 No. 333-164354) pertaining to the Radio One, Inc. 2009 Stock Option and Restricted Stock Plan;

of our reports dated March 14, 2016, with respect to the consolidated financial statements and schedule of Radio One, Inc. and subsidiaries and the effectiveness of internal control over financial reporting of Radio One, Inc. and subsidiaries included in this Annual Report (Form 10-K) of Radio One, Inc. for the year ended December 31, 2015.

/s/ Ernst & Young LLP

McLean, Virginia
March 14, 2016

I, Alfred C. Liggins, III, certify that:

1. I have reviewed this annual report on Form 10-K of Radio One, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of this report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
4. Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of this report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 14, 2016

By: /s/ Alfred C. Liggins, III

Alfred C. Liggins, III

President and Chief Executive Officer

I, Peter D. Thompson, certify that:

1. I have reviewed this annual report on Form 10-K of Radio One, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of this report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
4. Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of this report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 14, 2016

By: /s/ Peter D. Thompson

Peter D. Thompson

Executive Vice President, Chief Financial Officer
and Principal Accounting Officer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Radio One, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

- (i) the accompanying Annual Report on Form 10-K of the Company for the year ended December 31, 2015 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 14, 2016

By: /s/ Alfred C. Liggins, III

Name: Alfred C. Liggins, III

Title: President and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Radio One, Inc. and will be retained by Radio One, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION OF CHIEF FINANCIAL OFFICER

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Radio One, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

- (i) the accompanying Annual Report on Form 10-K of the Company for the year ended December 31, 2015 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 14, 2016

By: /s/ Peter D. Thompson

Name: Peter D. Thompson

Title: Executive Vice President, Chief Financial Officer and Principal Accounting Officer

A signed original of this written statement required by Section 906 has been provided to Radio One, Inc. and will be retained by Radio One, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.
