wfcb.com
Request: wfcb.com

Registrant:
Clear Channel Communications
(DOM-102643)
10835 Gulfdale Street
San Antonio
TX
78216
US

Domain Name: wfcb.com

Registrar Name: Alldomains.com
Registrar Whois: whois.alldomains.com
Registrar Homepage: http://www.alldomains.com

Administrative Contact:
DNS Administrative Role Account
(NIC-445037)
Clear Channel Communications
10835 Gulfdale Street
San Antonio
TX
78216
US
dns@clearchannel.com
+1.2102583700
Fax- +1.2102583701
Technical Contact, Zone Contact:
DNS Administrative Role Account
(NIC-445039)
Clear Channel Communications
10835 Gulfdale Street
San Antonio
TX
78216
US
dns@clearchannel.com
+1.2102583700
Fax- +1.2102583701

Created on..............: 1997-Dec-01.
Expires on..............: 2004-Nov-30.
Record last updated on..: 2002-Jun-19 10:11:55.

Domain servers in listed order:

NS1.CLEARCHANNEL.COM	216.142.92.10
NS2.CLEARCHANNEL.COM	216.142.92.11

Register your domain name at http://www.alldomains.com

EXHIBIT 6

10-K 1 a2067358z10-k.htm FORM 10-K
QuickLinks -- Click here to rapidly navigate through this document

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, 2001

Commission File Number: 001-12223

UNIVISION COMMUNICATIONS INC.

Incorporated in Delaware

I.R.S. Employer Identification Number: 95-4398884

**1999 Avenue of the Stars, Suite 3050
Los Angeles, California 90067
Tel: (310) 556-7676**

Securities registered pursuant to Section 12 (b) of the Act:

Title of Each Class	Name of Each Exchange on which Registered
Class A Common Stock, Par Value $.01	New York Stock Exchange

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

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 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. ☐

There were 141,432,737 shares of Class A Common Stock, $.01 par value, outstanding as of February 14, 2002. The management fee to the Company will be approximately $500,000 per year. In addition, the Company entered into an option agreement that expires on December 31, 2004 to acquire these stations for $190,000,000. The purchase price will be reduced if certain earnings targets are met during the period prior to the expiration of the option agreement.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Stockholders
Entravision Communications Corporation
Santa Monica, California

We have audited the accompanying consolidated balance sheets of Entravision Communications Corporation and subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of operations, equity and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Entravision Communications Corporation and subsidiaries as of December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.

/s/ MCGLADREY & PULLEN, LLP

Pasadena, California
February 8, 2002

ENTRAVISION COMMUNICATIONS CORPORATION

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

	December 31,	
	2001	2000
ASSETS		
Current assets		
Cash and cash equivalents	$ 19,013	$ 69,224
Receivables:		
Trade, net of allowance for doubtful accounts of 2001 $4,851; 2000 $5,966 (including amounts due from Univision of 2001 $599; 2000 $0)	44,143	38,274

Prepaid expenses and other current assets (including amounts from related parties of 2001 $1,189; 2000 $273)		6,308		3,311
Deferred taxes		4,487		11,244
Total current assets		73,951		122,053
Property and equipment, net		181,135		169,289
Intangible assets, net		1,268,351		1,255,386
Other assets, including amounts due from related parties of 2001 $322; 2000 $562 and deposits on acquisitions of 2001 $431; 2000 $2,689		12,080		13,765
	$	1,535,517	$	1,560,493

LIABILITIES, MANDATORILY REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY

Current liabilities				
Current maturities of long-term debt	$	3,341	$	2,452
Advances payable, related parties		118		201
Accounts payable and accrued expenses (including related parties of 2001 $1,699; 2000 $711 which includes amounts due to Univision 2001 $1,145; 2000 $362)		25,210		30,274
Total current liabilities		28,669		32,927
Notes payable, less current maturities		249,428		252,495
Other long-term liabilities		2,313		6,672
Deferred taxes		176,992		132,419
Total liabilities		457,402		424,513
Commitments and Contingencies				
Series A mandatorily redeemable convertible preferred stock, $0.0001 par value, 11,000,000 shares authorized; shares issued and outstanding 2001 and 2000 5,865,102 (liquidation value 2001 $100,970; 2000 $93,060)		90,720		80,603
Stockholders' equity				
Preferred stock, $0.0001 par value, 39,000,000 shares authorized, none issued and outstanding		—		—
Class A common stock, $0.0001 par value, 260,000,000 shares authorized; shares issued and outstanding 2001 66,147,794; 2000 65,626,063		7		7
Class B common stock, $0.0001 par value, 40,000,000 shares authorized; shares issued and outstanding 2001 and 2000 27,678,533		3		3
Class C common stock, $0.0001 par value, 25,000,000 shares authorized; shares issued and outstanding 2001 and 2000 21,983,392		2		2
Additional paid-in capital		1,097,617		1,092,865
Deferred compensation		(3,175)		(5,745)
Accumulated deficit		(107,059)		(31,147)
		987,395		1,055,985
Less stock subscription notes receivable		—		(608)
Treasury stock, Class A common stock, $.0001 par value 2001, 3,684 shares; 2000 none		—		—
Total stockholders' equity		987,395		1,055,377
	$	1,535,517	$	1,560,493

See Notes to Consolidated Financial Statements

ENTRAVISION COMMUNICATIONS CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except share, per share and per L.L.C. membership unit data)

	Years Ended Decemjber 31,		
	2001	2000	1999
Net revenue (including amounts from Univision of $1,519, $4,338 and $2,748)	$ 208,908	$ 154,021	$ 58,999
Expenses:			
Direct operating expenses (including related parties national representation fees of $5,555, $4,145 and $3,149; which includes amounts to Univision of $5,001, $4,145 and $3,149)	100,347	60,987	24,441
Selling, general and administrative expenses (excluding non-cash stock-based compensation of $3,243, $5,822 and $29,143)	42,485	36,600	11,611
Corporate expenses (including related parties of $210, $527 and $522)	15,636	12,741	5,809
Non-cash stock-based compensation	3,243	5,822	29,143
Depreciation and amortization	120,017	69,238	15,982
	281,728	185,388	86,986
Operating loss	(72,820)	(31,367)	(27,987)
Interest expense (including amounts to Univision of $0, $3,645 and $701)	(22,265)	(29,834)	(9,690)
Non-cash interest expense relating to related-party beneficial conversion options	—	(39,677)	(2,500)
Gain on sale of media properties	4,977	—	—
Interest income	1,287	5,918	99
Loss before income taxes	(88,821)	(94,960)	(40,078)
Income tax benefit	22,999	2,934	121
Net loss before equity in earnings of nonconsolidated affiliates	(65,822)	(92,026)	(39,957)
Equity in net income (loss) of nonconsolidated affiliates	27	(214)	—
Net loss	(65,795)	(92,240)	(39,957)
Accretion of preferred stock redemption value	10,117	2,449	
Net loss applicable to common stock	$ (75,912)	$ (94,689)	
Loss per share, basic and diluted	$ (0.66)	$ (0.27)	
Weighted average common shares outstanding, basic and diluted	115,223,005	115,287,988	
Pro forma:			
Provision for income tax benefit		5,904	2,499
Net loss		$ (86,336)	$ (37,579)
Per share data:			
Net loss per share, basic and diluted		$ (1.34)	$ (1.16)
Weighted average common shares outstanding, basic and diluted		66,451,637	32,402,378
Loss per L.L.C. membership unit		$ (31.04)	$ (19.12)

EXHIBIT 7

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

SPANISH BROADCASTING SYSTEM, INC., Plaintiff,	)	
v.	)	Case No.: 02-21755-CIV-SEITZ
CLEAR CHANNEL COMMUNICATIONS, INC., and HISPANIC BROADCASTING CORPORATION, Defendants.	)	**JURY TRIAL DEMANDED**

AMENDED COMPLAINT

COMES NOW Plaintiff Spanish Broadcasting System, Inc., and for its Amended Complaint against Defendants Clear Channel Communications, Inc. and Hispanic Broadcasting Corporation, states:

THE PARTIES

1. Plaintiff Spanish Broadcasting System, Inc. ("SBS") is a corporation existing under the laws of Delaware, with its principal place of business in Coconut Grove, Florida.

2. Defendant Clear Channel Communications, Inc. ("CC") is a corporation existing under the laws of Delaware, with its principal place of business in San Antonio, Texas.

3. Defendant Hispanic Broadcasting Corporation ("HBC") is a corporation existing under the laws of Delaware, with its principal place of business in Dallas, Texas. On information and belief, since its formation on February 14, 1997, at least 26% of the capital stock of HBC (including 100% of the Class B shares) has been owned by CC.

JURISDICTION AND VENUE

4. This Court has jurisdiction over the action pursuant to 28 U.S.C. § 1331 and § 1337, because it is an action brought, *inter alia*, under the antitrust laws of the United States.

5. This Court has supplemental jurisdiction pursuant to 28 U.S.C. § 1367 over other claims that are so related to claims in the action within the original jurisdiction of the Court that they form part of the same case or controversy.

6. Venue is proper in this District pursuant to 28 U.S.C. § 1391 because a substantial part of the events or omissions giving rise to the claims occurred in this District.

DEFENDANTS' PREDATORY CONDUCT

7. Defendant CC, by far the largest radio company in the United States with over 1,200 stations in over 300 markets, understands its dominance of the radio industry. CC's web site, without any undue modesty, describes CC's role in the industry as follows: "Clear Channel *is* radio." (Emphasis in original.)

8. Defendant HBC is the largest Spanish-language radio owner/operator in the Continental United States with 55 stations serving 14 markets. Defendant CC owns 26% of the Class A shares (including 100% of the Class B shares) of Defendant HBC.

9. Plaintiff SBS is the country's largest independent Hispanic-owned radio operator, with 14 stations in 7 markets in the Continental United States.

10. The top 10 markets in the Continental United States with the largest Hispanic population are Los Angeles, New York, Miami, Chicago, Houston, San Francisco, Dallas, San Antonio, Phoenix, and Brownsville. SBS currently operates radio stations in all of those markets except for Houston, Phoenix and Brownsville. HBC currently operates radio stations in all of those markets.

11. SBS and HBC are the leading companies in the operation of Spanish-language radio stations in those markets.

12. SBS was founded in 1983. HBC resulted from the 1997 merger of two predecessor Spanish-language radio companies (Heftel Broadcasting Corporation – owned by CC – and Tichenor Media System, Inc.). SBS and HBC have expanded rapidly in the past few years. That growth has paralleled the recent rapid growth of the Hispanic population in the United States.

13. In order to grow at that pace, SBS has been required to raise capital through public debt and equity offerings. Because radio stations may operate in the United States only if they hold licenses from the Federal Communications Commission ("FCC"), and because most of the limited number of licenses for FM stations in the top 10 Spanish-language radio markets were long ago licensed to English-language stations, which only infrequently are offered for sale, the growth of SBS has been limited by its ability to raise enough capital to acquire stations if and when they become available for sale.

14. In contrast to SBS, HBC has benefited from the financial resources and market supremacy of its parent CC. Throughout the past six years, the broadcasting investment industry has referred in glowing terms to the many "benefits" available to HBC as a result of its relationship with its corporate parent CC as HBC's "halo" (or the "CC halo effect"). For example, even before HBC was created in early 1997, CC assigned to Heftel the $10 million option to acquire KSCA-FM in Los Angeles that it misappropriated from SBS (*see* Para. 23.a., *infra*), and CC loaned $40 million to Tichenor Media to enable it to purchase two FM radio stations in northern California.

15. HBC has also leveraged its relationship with CC (and the possibility that CC would shift to HBC's outside auditors) to get reduced audit fees from its outside auditors. More recently, HBC benefited from a favorable valuation for its stations by using the same valuation consultant as CC, thereby enabling HBC to avoid the writedowns required by SFAS 142 that most similarly situated radio broadcasting companies recently took.

16. Since it began in 1996 to work on the formation of HBC, CC has both independently and together with HBC taken anti-competitive actions to adversely affect SBS –

HBC's principal competitor – and prevent SBS from competing on a level playing field with HBC.

17. CC's intentions were clear and unambiguous from the start. As CC's Chairman and Chief Executive Officer L. Lowry Mays stated on July 9, 1996, "We went forward for the tender offer for Heftel based on a strong belief in Spanish-language radio and the fact that we were uniquely positioned to consolidate the business. We view the merger of Heftel and Tichenor Media System as the most essential step in the process of consolidating the Spanish-language radio industry."

18. CC took those anti-competitive steps after it was unsuccessful in making SBS the third leg of CC's merger between Heftel and Tichenor Media. On August 22, 1996 (only six weeks after the Heftel-Tichenor Media merger documents were signed), CC's L. Lowry Mays and HBC's Chairman and Chief Executive Officer McHenry Tichenor, Jr. sought and held a meeting with Raul Alarcon, Jr. (Chairman, President and Chief Executive Officer of SBS) and SBS Attorney Jason Shrinsky as part of an unsuccessful effort by CC and/or HBC to acquire SBS before SBS became a public company.

19. CC and HBC continued their efforts to acquire SBS in late October 1996, when Randall Mays (Executive Vice President and Chief Financial Officer of CC and the son of CC's founder and Chairman and Chief Executive Officer Lowry Mays) scheduled a meeting with Shrinsky of SBS, during a media conference they both attended, to discuss CC's continuing interest in acquiring SBS for HBC. Mays suggested to Shrinsky at that meeting that HBC wanted to buy SBS at a considerably lower price than that previously discussed. After Shrinsky told Mays that such a proposal was not a basis for discussion, Mays told Shrinsky that if SBS did not accept CC's offer, CC "will ultimately buy SBS on the bankruptcy court steps."

20. During December 1996, after CC had acquired Heftel and while the merger of Heftel and Tichenor was pending, CC took the first of many steps in realizing Mays' threat and succeeded in injuring SBS by inducing Katz Hispanic Media to breach its long-term contract as SBS' national sales representative in order to become HBC's national sales representative. (As a

result of CC's August 30, 2000, merger with AMFM Radio, Inc. ("AMFM"), CC acquired ownership of Katz Media Group, the largest media representation firm in the United States and the parent of Katz Hispanic Media. On February 28, 2002, HBC and Katz Hispanic Media announced that they had formed a joint marketing organization - HBC Sales Integration, Inc.)

21. Since being rebuffed in their various efforts through the years to acquire SBS, Defendants CC and HBC have continued to interfere with SBS' attempts to raise capital to finance its acquisition of stations. Among the wrongful acts in which CC and HBC have engaged are the following:

a. On beginning work on its initial public offering ("IPO") in May 1999, SBS selected Lehman Brothers ("Lehman") as sole lead manager and selected Merrill Lynch, BT Alex Brown ("BTAB") and CIBC to be the co-managers of SBS' IPO.

b. In late June or early July of 1999, when the IPO was being readied for the market, Randall Mays called Elizabeth Satin (a Managing Director of Lehman who was working on the SBS IPO). In no uncertain terms, Randall Mays told Satin not to go ahead with the SBS IPO because Alarcon was a drug user and/or drug trafficker. When Satin asked Mays why he was focusing exclusively on SBS and not on other Spanish-language radio competitors (such as Radio Unica, which was also launching an IPO at that same time), Randall Mays dismissed the notion that HBC had other competitors and also told Satin that SBS was "the only real competitor to HBC" in the Spanish-language radio market. Mays' unexpected and disparaging allegations precipitated a concerned call from Satin to Shrinsky inquiring whether Mays' assertions were true. Shrinsky had to travel to New York to meet with Satin and Roman Martinez of Lehman. Shrinsky told them that he had known and worked with the Alarcon family for many years, represented that there was no truth in the allegations, and urged Lehman to investigate the allegations. Lehman did so and found them without merit, and the IPO of SBS proceeded.

c. When BTAB was being considered for the SBS IPO underwriting syndicate, Alarcon had inquired whether BTAB's ongoing work for CC/HBC constituted a conflict and had been assured by Jeff Amling of BTAB (now co-head of the Global Media Investment Banking Group of BTAB's successor Deutsche Bank) that it did not. SBS then selected BTAB instead of alternative co-manager candidates (including Goldman Sachs and Salomon Brothers) and BTAB officially joined the SBS IPO underwriting syndicate.

d. However, a few weeks later (in late July or early August of 1999), Jeff Amling and Drew Marcus of BTAB called Alarcon and Joseph Garcia (the Executive Vice President and Chief Financial Officer of SBS). Amling was emotional and livid in describing to Alarcon and Garcia a telephone call he had received from Randall Mays, who made it clear to Amling that BTAB could not participate in the SBS IPO without endangering its $30 million in annual fees from CC and HBC. Amling stated that as a result of Randall Mays' threats, BTAB was left with no choice but to withdraw from its IPO work for SBS, leaving only Lehman, Merrill and CIBC in the SBS underwriting syndicate. Roman Martinez, who led Lehman Brothers' work on the SBS IPO, told Alarcon that in his 30 years in the investment banking business, he had never seen a firm agree to participate as a lead underwriter, come to due diligence meetings and then back out at the request of a competitor of the offeror. In fact, prior to Randall Mays' call, BTAB had actively sought participation in the SBS IPO, was excited at the prospect of joining the underwriting syndicate, and had acted as an established leader in radio sector public offerings in seeking to be included in the SBS IPO syndicate. One call from Randall Mays, reminding Amling of CC's financial stranglehold on BTAB's media group, was enough to unhook BTAB from its commitment to participate in the IPO of an HBC competitor and to cause BTAB to act against what -- absent Mays' threat -- was in BTAB's own best interests.

e. On August 13, 1999, in an attempt to cause CC and HBC to cease their anti-competitive behavior and allow the SBS IPO to proceed, Alarcon sent Lowry Mays of CC and Tichenor of HBC a letter complaining about the wrongful actions then known to have been taken by Randall Mays and perhaps others on behalf of HBC and CC to prevent SBS from realizing its IPO. Alarcon's letter was dismissed and never answered by either CC or HBC.

Despite Alarcon's written protest, which included specific instances of wrongdoing by CC and HBC that, if left uncorrected, could lead to litigation, CC and HBC continued their actions against SBS.

22. Because CC and HBC were unable to prevent SBS' IPO, Defendants thereafter took steps to depress the price of SBS stock in order to achieve several goals, including making it more difficult for SBS to raise additional financing and compete vigorously with HBC and to lower the price that HBC and CC would have to pay to achieve what had always been their ultimate goal – the acquisition of SBS and its elimination as a competitive threat to HBC's dominance of the top 10 markets for Spanish-language radio. Among the wrongful acts in which CC and HBC have engaged are the following:

a. CC and HBC sought to limit or eliminate coverage of SBS stock by leading securities analysts. For example:

i. Although Drew Marcus of BTAB, a leading radio analyst, had promised Alarcon in the telephone call in which BTAB withdrew from the underwriting syndicate that he would make it up to SBS by covering the SBS stock, the promised coverage has never materialized. On information and belief, that failure of coverage resulted from the continuing concern of BTAB that CC and/or HBC would act on their threat of economic retaliation. Just before Marcus introduced SBS' representatives Alarcon and Joseph Garcia to speak on June 4, 2002 at Deutsche Bank's 10th Annual Media Conference in New York City, he responded to Alarcon's inquiry as to when Marcus would commence coverage of SBS by saying, "Raul, as you know, it's been political."

ii. During the SBS IPO, Lehman's broadcasting analyst (Tim Wallace) attended due diligence meetings in anticipation of and preparation for contemplated coverage of SBS. Lehman had persuaded SBS that Lehman should be the lead manager, among other factors, because of Wallace's importance as a radio analyst. In the Summer of 1999, however, Wallace left Lehman to join Bank of America, which was given a prominent role in a November 1999 $249 million equity offering for HBC. Bank of America had no previous