September 30, 2002

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554  

Re: Docket No. MB 02-235  
Ex Parte Presentations, DA 02-2082  

Dear Ms. Dortch:

On behalf of Spanish Broadcasting System, Inc. (“SBS”) there is transmitted herewith two copies of a bound document associated with an oral ex parte presentation made to the Commission and its staff during the week of September 16, 2002. On September 20, 2002, SBS stated that it intended to request confidentiality with regard to this document. However, upon further consideration, the entire document is herewith provided pursuant to Section 1.1206(b)(1) of the Commission’s rules.

Should any questions arise with regard to this matter, kindly communicate directly with this office.

Very truly yours,

KAYE SCHOLER, LLP

By: [Signature]

Enclosure

cc: Qualex International/Rm CY-B402
An Illegal and Fraudulent Transaction
fact... UNIVISION + HBC is in DIRECT CONFLICT with the public interest

fact... CLEARCHANNEL HBC
- Have intentionally lied to the Commission and conspired to control U.S. Hispanic Radio
- Have flagrantly violated Commission ownership limits

fact... UNIVISION ENTRAVISION
- Have misrepresented Univision’s de facto control of Entravision to the Commission and conspired to control U.S. Hispanic TV

fact... CLEARCHANNEL UNIVISION
- Have intentionally lied to the Commission and conspired to control U.S. Hispanic Media
- Represents a flagrant attempt to violate Commission ownership limits
## Total Hispanic Broadcast Revenues

(amount in Millions)

**TOP 10 MARKETS – STARTING POINT**

<table>
<thead>
<tr>
<th>Market</th>
<th>Total TV/Radio</th>
<th>Univision + HBC</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>$303</td>
<td>$219</td>
<td>72%</td>
</tr>
<tr>
<td>Miami</td>
<td>171</td>
<td>95</td>
<td>56%</td>
</tr>
<tr>
<td>New York</td>
<td>122</td>
<td>59</td>
<td>48%</td>
</tr>
<tr>
<td>Houston</td>
<td>84</td>
<td>68</td>
<td>81%</td>
</tr>
<tr>
<td>Chicago</td>
<td>73</td>
<td>50</td>
<td>68%</td>
</tr>
<tr>
<td>San Francisco</td>
<td>64</td>
<td>52</td>
<td>82%</td>
</tr>
<tr>
<td>Dallas</td>
<td>62</td>
<td>45</td>
<td>71%</td>
</tr>
<tr>
<td>San Antonio</td>
<td>42</td>
<td>34</td>
<td>81%</td>
</tr>
<tr>
<td>San Diego</td>
<td>26</td>
<td>23</td>
<td>86%</td>
</tr>
<tr>
<td>El Paso</td>
<td>23</td>
<td>22</td>
<td>96%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$970</strong></td>
<td><strong>$666</strong></td>
<td><strong>69%</strong></td>
</tr>
</tbody>
</table>

* Excludes Telefutura and Cross Platform selling efforts

Source: 2002 BIA Financial Network
Parallel Illegal Paths to Control U.S. Hispanic Media
Emilio Azcárraga, Mexico's media mogul, creates Spanish International Network (SIN) - the first Spanish-language television network in the US to expand distribution of Televisa's programming.

The FCC concludes that Televisa's control of SIN (predecessor to Univision) violates foreign ownership restrictions. US government mandates forced divestiture of SIN to Hallmark Cards.

Jerry Perenchio buys Univision from Hallmark Cards. Spanish-language TV media giants - Televisa (Mexico) and Venevision (Venezuela) each receive 25% equity stake and provide exclusive programming.
June 2
CC announces purchase of Heftel (HBC)

July 9
CC announces merger of HBC & Tichenor

Lowry Mays said, "We went forward with 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."

August 16
Before merger is even consummated, CC loans Tichenor $40MM to purchase two San Francisco FM stations

August 22
Barely 6 weeks after HBC/Tichenor merger is announced Lowry Mays and Mac Tichenor make first offer to SBS; SBS rejects offer

"It's much more rewarding to be in a position to buy the competition than to spend time changing your game plan to match theirs."

— Randall Mays
1996

September

CC interferes with SBS acquisition of WYSY FM (Chicago)

October

Randall Mays tells Shrinsky that if SBS did not accept CC's offer, CC "will ultimately buy SBS on the bankruptcy court steps."

December 23

CC misappropriates KSBC FM (Los Angeles) from SBS and assigns $10MM option to HBC

"CC swooped in to buy a local FM station, KSBC, and subsequently transferred it to brand-new Hispanic Broadcasting"
—Wall Street Journal September 6, 2002

December

Univision invests $10MM, receives option for 27.9% interest in Entravision
Enters into 25 year exclusive network affiliation with Entravision

"Univision has significant influence over our business."

CC induces Katz to breach representation agreement with SBS
Stu Olds: "CC has never sold a station."
1997

February 14
CC completes merger of HBC & Tichenor
Although CC claims "passive" and "non-voting" interest, certain CC Directors remain on HBC Board

March
Lowry Mays interferes with SBS acquisition of WXDJ/WRMA FM (Miami)

August 1997
CC's control of HBC is common knowledge on Wall Street
"...management and Clear Channel control both the stock and the board..."
- CS First Boston

Early 1998
Univision opposes Liberty Media-Sony purchase of Telemundo
"It is the anticompetitive impact of Liberty Media in the role of both broadcast competitor and gatekeeper to cable television households that particularly concerns Univision."
- Jerry Perenchio

August 18
Liberty Media and Sony close on Telemundo acquisition
"It's been a pleasure... growing the company from that kind of base that Clear Channel was able to put together."

In his own words, HBC Chairman (and supposed controlling shareholder) Mac Tichenor refers to CC's consolidation of Hispanic radio at Phoenix conference:
1999

April 28

In his own words, HBC Chairman (and supposed controlling shareholder) Mac Tichenor refers to CC's consolidation of Hispanic radio at Phoenix conference:

SBS engages Lehman Bros. to explore IPO option

May

Randall Mays of Clear Channel attempts to derail SBS's upcoming IPO by calling Lehman Bros.: "Alarcón is a drug trafficker". After first saying this is "false" CC attorney Steve Susman then admits Mays "probably called" Lehman Bros.

June

July

SBS selects IPO syndicate: Lehman Bros., Merrill Lynch, CIBC, BT Alex Brown
August 13

Alarcón complains to CC/HBC: "Clear Channel's active involvement in HBC efforts to derail our initial public offering - apart from violating FCC passive investment regulations - constitutes a conspiracy to restrain trade in violation of federal and state antitrust law."
- Raúl Alarcón
Letter to CC & HBC

Mega Communications attempts to purchase TV stations from Latin Communications Group. Unvision EVP Andrew Hobson informs Mega not to bother "programming affiliation will be canceled."

December 23

SBS submits arguments to DOJ against CC's continued ownership of HBC in light of CC/AMFM merger

In a direct edict from Jerry Perenchio, Univision begins policy of refusing to accept advertising from Internet portals until it develops and launches its own web subsidiary. The decision sparks charges of monopoly and private censorship.
- Carl Kravetz
Cruz/Kravetz Ideas leading US Hispanic ad agency
**UNIVISION + HBC Timeline**

**Jan 10, 2000**
- NHPI (National Hispanic Policy Institute) files FCC Petition to Deny CC/AMFM merger due to CC's illegal control of HBC
- DOJ blocks CC's attempt to divest stations to HBC

**March, 2000**
- Univision invests additional $110MM in Entravision to partially fund Latin Communications Group acquisition, increases option to 40% ownership

**June 19, 2000**

**June, 2000**
- Lehman hires broadcast analyst Bill Meyers; HBC threatens to withhold access to Meyers due to Lehman's relationship with SBS

**July 11, 2000**
- A group of House members urge DOJ review of CC/HBC relationship
  "Clearly, a thorough review of Clear Channel's holdings and influence over Hispanic Broadcasting should be pursued..."
2000

August 30

CC completes acquisition of AMFM including Katz Media
Stu Olds promoted to "CC's Circle of Power"

- On average, CC has purchased 4 radio stations and 2,000 billboards a week—continuously—for more than 8 years

September

Univision.com launched and immediately becomes #1 Hispanic website

Sept. 19

Televisa announces merger of its Mexican radio group, Radiopolis, with Grupo Acir, a Clear Channel subsidiary

Dec. 4

Mexico's Federal Competition Commission denies proposed radio merger, (Televisa/CC) contending that it would squeeze smaller competitors out of the advertising market and give Televisa unacceptable dominance in the Mexican radio market

Univision acquires USA TV Network from Barry Diller for $1.1 Billion as a blocking move to prevent TV Azteca-Pappas from launching Hispanic TV competitor in US
April 4
HBC makes second offer to SBS; SBS declines

May
In retaliation for SBS' refusal of HBC's offer, HBC induces investors to dump SBS shares
SBS share price plummets
HBC share price increases 58%

July
HBC COO attempts to hire SBS VP of Programming and GM of Los Angeles

September
Univision forces Entravision radio stations in Denver to drop Telemundo advertising
**January**  
- HBC CFO Jeff Hinson tortiously interferes with SBS's KFSG FM acquisition

**January 25**  
- CC directs its Hispanic entertainment subsidiary to work with HBC
  - [Exhibit 32]

**February 8**  
- Congressman Berman writes to DOJ and FCC regarding CC's anticompetitive practices and FCC ownership violations
  - [Exhibit 33]

**March 25**  
- Once again, Alarcón contacts Mays and Tichenor re: antitrust claims dating back to 1996
  - [Exhibit 34]

**April 17**  
- Alarcón contacts Lowry Mays re: offer to HBC
  - "This transaction, in my opinion, is the clearly desirable alternative to the resolution of our differences and fully addresses the best interests of the shareholders of CC, HBC, & SBS"
  - Raúl Alarcón

**April 18**

- Mays replies to Alarcón
  - "I have great confidence that HBC will consider any offer that it feels will enhance shareholder value for the equity holders... As you know, Clear Channel is a passive investor and can have no voice in this decision until and unless it is brought to us for a vote."
  - Lowry Mays

- [Exhibit 35]

- [Exhibit 36]

- [Exhibit 37]
2002

May 11

SBS terminates network affiliation with CC and launches "Party 92.7" in San Francisco, an indirect competitor to CC's KYLD FM

May 15

In retaliation CC personnel deface SBS Oakland office and studios

May 22

SBS increases credit facility to $1.2 Billion and makes second settlement offer to HBC

May 24

Univision and HBC sign confidentiality agreement
Tichenor assures Alarcón "My plan is to get back to you shortly thereafter (June 4th board meeting) with a clear sense of what we will be willing to do, and a proposed timeline that would include, with your concurrence, a presentation by you to my board."

No further word is ever heard from HBC or CC.

Alarcón unsuccessfully attempts to contact Jerry Perenchio.

Drew Marcus tells Alarcón at Deutsche Bank Media Conference that initiating SBS research coverage "has been political."

Alarcón contacts Univision Vice Chairman Bob Cahill who denies Univision/HBC transaction.

Lowry Mays, Mac Tichenor, Jerry Perenchio sign voting agreement Mays' controlling veto irrevocably supports Univision bid.

Univision informs N.Y. events promoter that TV promotional contract cannot include SBS due to Univision acquisition of HBC.

"We look to strengthen and consolidate our market leadership to create a media group with an unequalled position in the US Hispanic community" - Jerry Perenchio

Univision informs SBS L.A. personnel that only HBC personnel allowed on Univision.

Lowry Mays (Clear Channel) sells HBC to Jerry Perenchio (Univision)
Bel Air, California

8:30 am
Univision announces acquisition of HBC

10:25 am
SBS announces antitrust complaint against CC/HBC
"With regard to the Feingold legislation, that's basically legislation that isn't going anywhere... I think if you're talking to anyone in the Washington circles, they don't give it a prayer of getting on the docket."

- Mark Mays
2002

June 27

In response to multiple industry complaints against CC, Senator Russ Feingold introduces legislation re: radio/concerts antitrust

July 10

FCC commences hearings on various CC radio acquisitions due to competitive concerns

July 10

Univision introduces platform selling #1 TV, #1 Radio, #1 Records, #1 Cable, #1 Online concept to 12 major Hispanic agencies - New York City

July 15

Petition to Deny supplement filed at FCC alleging CC control of various radio "fronts" including Secret Communications, Concord Media Group, Youngstown Radio, Chase Radio and HBC

Petition documents co-mingling of HBC and CC personnel

August 3

Univision and HBC produce first entertainment joint venture at Dodger Stadium, Los Angeles
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aug. 26</td>
<td>FCC announces waiver of ex parte contact in Univision/HBC proceeding</td>
</tr>
<tr>
<td>Sept. 3</td>
<td>NHPI and others file FCC Petitions to Deny Univision transaction</td>
</tr>
<tr>
<td></td>
<td>&quot;The applications for consent to transfer of control are sham applications structured to comply, on paper, with the FCC's multiple ownership rules&quot;</td>
</tr>
<tr>
<td>Sept. 5</td>
<td>FCC commences additional hearings on CC acquisitions due to competitive concerns</td>
</tr>
<tr>
<td>Sept. 6</td>
<td>&quot;If the Univision deal goes through, Spanish Broadcasting's very survival could be at stake&quot; - Wall Street Journal</td>
</tr>
<tr>
<td></td>
<td>CC admits its illegal relationship with HBC: &quot;The rules do not include a general prohibition on the companies helping each other out if each decides that is in its best interests&quot; - Steven Susman CC Counsel</td>
</tr>
<tr>
<td>Sept. 12</td>
<td>DOJ issues &quot;second request&quot; to Univision and HBC</td>
</tr>
<tr>
<td></td>
<td>Legitimate concerns regarding the transaction's negative impact have been raised</td>
</tr>
<tr>
<td></td>
<td>US Congressional Hispanic Caucus to commence review of Univision/HBC transaction</td>
</tr>
</tbody>
</table>
UNIVISION'S
Illegal
Self-Perpetuating
Monopolistic
Model

This Anticompetitive Cycle cannot be broken. There is no weak link.
UNIVISION + HBC: The Money Trail

$20 MM
+$250 MM
+$40 MM
+Wall Street support

$10 MM
+$110 MM
+Stock Repurchases
+Programming

Clear Channel Dollars
Univision Dollars
### FCC Sham Filings vs. Marketplace Realities

<table>
<thead>
<tr>
<th>FCC Sham Filings</th>
<th>Marketplace Realities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clear Channel does not control HBC</td>
<td>Clear Channel created HBC</td>
</tr>
<tr>
<td>Clear Channel funded HBC</td>
<td>Clear Channel assisted/directed HBC</td>
</tr>
<tr>
<td>Clear Channel &quot;dealt&quot; HBC to Univision – Bel Air, CA May 2002</td>
<td>Clear Channel illegally tried to derail HBC competitor SBS</td>
</tr>
<tr>
<td>Clear Channel has &quot;non-voting&quot; stock in HBC</td>
<td>Clear Channel’s 26% &quot;non-voting&quot; HBC stake is actually much more determinative than if 26% were actually voting: HBC cannot make a single major corporate act without Clear Channel approval (negative control)</td>
</tr>
<tr>
<td>Clear Channel has no HBC board representation</td>
<td>To this day, HBC board has directors originally named by Clear Channel prior to adoption of &quot;non-voting&quot; scam</td>
</tr>
<tr>
<td>Clear Channel is a &quot;passive&quot; HBC investor</td>
<td>Clear Channel employees work at HBC stations; Clear Channel has attempted to acquire or eliminate HBC’s competitors.</td>
</tr>
<tr>
<td>FCC SHAM FILINGS</td>
<td>MARKETPLACE REALITIES</td>
</tr>
<tr>
<td>------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Univision does not control Entravision</td>
<td>Univision created Entravision</td>
</tr>
<tr>
<td></td>
<td>Univision funded Entravision</td>
</tr>
<tr>
<td></td>
<td>Univision repurchased Entravision shares in open market</td>
</tr>
<tr>
<td></td>
<td>Univision controls programming = lifeblood of Entravision</td>
</tr>
<tr>
<td>Univision and Entravision are &quot;independent&quot;</td>
<td>Univision blocked Entravision competitor from acquiring TV stations in Tampa, Orlando and Washington, D.C.</td>
</tr>
<tr>
<td>competitive entities</td>
<td></td>
</tr>
<tr>
<td>Univision is not involved in Entravision operations</td>
<td>Univision blocked competitor Telemundo from advertising on Entravision radio stations in Denver</td>
</tr>
<tr>
<td>Univision is not a monopolist</td>
<td>Univision denied access to its TV network to all internet portals in order to provide exclusivity to Univision.com</td>
</tr>
<tr>
<td>Univision has proposed non-voting stock and</td>
<td>Univision retains 31% ownership</td>
</tr>
<tr>
<td>removal of directors from Entravision board</td>
<td>Univision retains programming lifeblood</td>
</tr>
<tr>
<td></td>
<td>Univision non-voting sham = Clear Channel non-voting sham</td>
</tr>
</tbody>
</table>
Public Interest Considerations

fact...
Government Regulators and Oversight Agencies have given Predators every "benefit of the doubt" in approving past transactions

Predators have proven themselves untrustworthy

fact...
Non-voting stock
Stock trusts
Non-attributable equity stakes
Veto rights
Passive minority interests

Have not worked in the marketplace
Public Interest Considerations

fact...

The Public Interest Will Not Be Served By Univision/HBC

| Impermissible, dominant monopolistic market share |
| Elimination of voices |
| Economic concentration |
| Reduction of competitive choices |
| Foreclosure (forever) minority ownership of media |

Univision + HBC ≠ Public Interest

1 + 1 = 1
Public Interest Considerations

Fact...

Lied to the Commission regarding their true influence and control of "non-attributable" related entities

Predators have abused the power derived from public airwaves to commit illegal acts

Are now seeking regulatory approval once again of their conspiratorial control of U.S. Hispanic Media

If allowed to join forces, Predators will unavoidably self-perpetuate by inhibiting free-market competition
Recommendations

The proposed acquisition of HBC by Univision should be DENIED as it will create an irreversible negative impact inconsistent with the public interest.

The Perenchio, Clear Channel, Tichenor voting agreement should be voided as it violates the Communications Act.

Since June 1996 the Clear Channel stake in HBC has been illegal and attributable. The Commission should designate both licensees for hearing.

Since December 1996 Univision has misrepresented its control of Entravision. Univision now proposes to use Clear Channel's sham ownership structure to control U.S. Hispanic media. The Commission should designate both licensees for hearing.
UNIVISION™ +HBC
An Illegal and Fraudulent Transaction

Supporting Documentation • Witnesses • Affidavits

EXHIBIT 1
SBS vs. Clear Channel and HBC
Amended Complaint

EXHIBIT 2
Wall Street Journal - September 6, 2002

EXHIBIT 3
Heffel Broadcasting SEC filing
dated July 11, 1996

EXHIBIT 4
Heffel Broadcasting SEC filing
dated January 14, 1997

EXHIBIT 5
Selected quotes from
"IT'S NOT THE BIG THAT EAT THE SMALL,
IT'S THE FAST THAT EAT THE SLOW"
by Jason Jennings and Laurence Haughton

EXHIBIT 6
Raúl Alarcón affidavit to DOJ
dated November 19, 1996

EXHIBIT 7
Correspondence related to KSCA FM transaction

EXHIBIT 8
Entravision SEC filing dated March 26, 2002

EXHIBIT 9
Correspondence related to Katz termination

EXHIBIT 10
Filings related to Clear Channel
appointees to HBC Board

EXHIBIT 11
CSFB Research Report, circa August 1997

EXHIBIT 12
Audio Recording - McHenry Tichenor, Jr.
comments at Radio Conference
Phoenix, Arizona - April 28, 1999

EXHIBIT 13
SBS engagement letter with Lehman Brothers

EXHIBIT 14
Witness: Juan A. Garcia,
former V.P., Lehman Brothers

EXHIBIT 15
BT Alex Brown presentation

EXHIBIT 16
Witness: Joseph A. Garcia,
CFO, Spanish Broadcasting System

EXHIBIT 17
Letter from Raúl Alarcón to Lowry Mays
and McHenry Tichenor, Jr. dated August 13, 1999
Supporting Documentation • Witnesses • Affidavits

**EXHIBIT 18**  Witness: Alfredo Alonso, President, Mega Communications

**EXHIBIT 19**  SBS "White Paper" submitted to Department of Justice dated December 23, 1999

**EXHIBIT 20**  Excerpt from Hispanic Business article dated May, 2000

**EXHIBIT 21**  National Hispanic Policy Institute FCC Petition to Deny dated January 10, 2000

**EXHIBIT 22**  Hispanic Market Weekly article dated June 19, 2000

**EXHIBIT 23**  Witness: William Meyers, Analyst, Lehman Brothers

**EXHIBIT 24**  Letters from Members of Congress to the DOJ/FCC dated July 11, 2000

**EXHIBIT 25**  Print ad of Clear Channel's "Circle of Power" members including Stu Olds of Katz Media

**EXHIBIT 26**  Univision Press Release

**EXHIBIT 27**  Press coverage of Televisa/Clear Channel transaction

**EXHIBIT 28**  Univision SEC filing dated June 26, 2001

**EXHIBIT 29**  HBC merger offer to SBS dated April 4, 2001

**EXHIBIT 30**  Witness: William Tanner, V.P. of Programming, Spanish Broadcasting System

**EXHIBIT 31**  Witness: Mirta de Armas, Media Manager, Telemundo

**EXHIBIT 32**  E-mail correspondence from Randy George to Raúl Alarcón

**EXHIBIT 33**  Congressman Berman's Press Release and Letter to DOJ/FCC dated January 22, 2002
UNIVISION + HBC: An Illegal and Fraudulent Transaction

Supporting Documentation • Witnesses • Affidavits

**WITNESSES**

Witness: Manuel Machado, President/CEO, BVK Meka

Witness: Felix Cabrera, President, FC Latino Music Corp.

**AFFIDAVITS**

**EXHIBIT 34** Correspondence from Raúl Alarcón to Lowry Mays and McHenry Tichenor, Jr. dated February 8, 2002

**EXHIBIT 35** SBS settlement offer to HBC dated March 25, 2002

**EXHIBIT 36** Correspondence from Raúl Alarcón to Lowry Mays dated April 17, 2002

**EXHIBIT 37** Correspondence from Lowry Mays to Raúl Alarcón dated April 18, 2002

**EXHIBIT 38** Photographs of SBS Oakland facilities after being vandalized by Clear Channel personnel on May 16, 2002

**EXHIBIT 39** Oakland Police Report

**EXHIBIT 40** Correspondence from McHenry Tichenor, Jr. to Raúl Alarcón dated May 31, 2002

**EXHIBIT 41** Voting agreement by and between Perenchio, Clear Channel and Tichenor family

**EXHIBIT 42** Univision press release dated June 12, 2002

**EXHIBIT 43** Witness: Felix Cabrera, President, FC Latino Music Corp.

**EXHIBIT 44** E-mail correspondence of Juan Carlos Hidalgo

**EXHIBIT 45** FCC Designation of Hearing Orders dated July 10, 2002

**EXHIBIT 46** Witness: Manuel Machado, President/CEO, BVK Meka

**EXHIBIT 47** Supplement of Petition to Deny filed by David Ringer dated July 15, 2002

**EXHIBIT 48** FCC press release

**EXHIBIT 49** National Hispanic Policy Institute FCC Petition to Deny dated September 3, 2002

**EXHIBIT 50** Univision press release regarding DOJ "second request" dated September 12, 2002

**EXHIBIT 51** FCC Designation of Hearing Order dated September 5, 2002

**EXHIBIT 52** Correspondence from Congressman Robert Menendez to FCC Chairman Powell dated September 17, 2002

**EXHIBIT 53** FCC report "Whose Spectrum is it Anyway?" dated December, 2000

**EXHIBIT 54** Univision, HBC, Clear Channel and Entravision media holdings in selected markets

**EXHIBIT 55** Hypothetical Cross-Platform Ad Negotiation