WESTWOOD ONE INC /DE/
Form S-1/A
August 24, 2009
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As filed with the Securities and Exchange Commission on August 24, 2009

Registration No. 333-160152

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO.1

TO

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

WESTWOOD ONE, INC.

(Exact name of registrant as specified in its charter)

Delaware	7900	95-3980449
(State or Other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

40 West 57th Street, 5th Floor

New York, New York 10019

(212) 641-2000

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

David Hillman, Esq.

Chief Administrative Officer; EVP, Business Affairs;

General Counsel and Secretary

Westwood One, Inc.

40 West 57th Street, 5th Floor

New York, New York 10019

(212) 641-2000

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

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ¨

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

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

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

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

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Proposed Maximum Aggregate Offering Price (1)(2)**	**Amount of Registration Fee**
Common Stock, par value $0.01 per share	$50,000,000	$2,790(3)

(1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act.
(2) Includes offering price for the shares that the underwriters have the option to purchase to cover over-allotments, if any.
(3) Previously paid.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission acting pursuant to said section 8(a), may determine.

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

SUBJECT TO COMPLETION, DATED AUGUST 24, 2009

PRELIMINARY PROSPECTUS

Shares

Common Stock

$ per share

Westwood One, Inc. is selling shares of our common stock and the selling stockholders named in this prospectus are selling shares of our common stock. We and the selling stockholders named in this prospectus have granted the underwriters a 30-day option to purchase up to an additional shares of our common stock to cover over-allotments, if any. We will not receive any of the proceeds from the sale of shares by the selling stockholders.

Our common stock is currently traded on the OTC Bulletin Board under the symbol WWOZ.OB. The last reported sale price on , 2009 was $ per share. We intend to apply to list our common stock on the NASDAQ Global Market under the symbol WWON.

INVESTING IN OUR COMMON STOCK INVOLVES RISKS. SEE RISK FACTORS BEGINNING ON PAGE 14.

	Per Share	Total
Public offering price	$	$
Underwriting discounts	$	$
Proceeds, before expenses, to us	$	$
Proceeds, before expenses, to selling stockholders	$	$

Delivery of the shares of common stock will be made on or about , 2009.

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

Thomas Weisel Partners LLC

The date of this prospectus is , 2009.

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This prospectus is part of a registration statement on Form S-1 that we filed with the Securities and Exchange Commission (SEC). You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized anyone to provide you with information different from that contained in this prospectus. We are offering to sell shares of common stock and seeking offers to buy shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the common stock.

Unless otherwise stated in this prospectus, references to the Company, we, our, ours, registrant and us refer to Westwood One, Inc. and it consolidated subsidiaries, except where it is clear that such terms mean only Westwood One, Inc.

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GLOSSARY OF INDUSTRY TERMS

For ease of reference in reviewing this prospectus, we have included the following glossary listing common radio and/or television industry terms used herein with their definitions.

Affiliates refer to the stations (radio or television) that broadcast our programming.

Affiliation agreements (also referred to as **station agreements**) mean the agreements between us, as the provider of programming, and affiliates, the broadcasters of our content.

Barter refers to the payment of goods or services, instead of cash, as consideration for the goods or services provided. We refer to our system as a barter model because we primarily provide our programming for commercial inventory, not cash.

Commercial advertising inventory refers to the advertisements (or commercials) that we receive from our affiliates in exchange for the programming we provide to affiliates. We sell that advertising (also referred to as inventory) to advertisers for cash.

Commercial clearance, usually referred to as a percentage (100% meaning perfect compliance), means the number of commercials actually broadcast by an affiliate as a percentage of the number of commercials contractually required to be broadcast by an affiliate. By way of example only, if an affiliate broadcasts 50 of 100 commercials provided, the affiliate has cleared 50% of the commercials.

Copy splitting refers to technology that allows us to simultaneously transmit different commercials in the same program, thereby allowing commercials to be customized and targeted for different local markets and regions.

CPM, or cost per thousand, is a commonly used rate for advertising in the radio industry and refers to how much a unit of advertising (commercial) that delivers 1,000 listeners (also referred to as gross impressions in the radio industry) costs.

DMA, or dominant market area, is a term used by Arbitron to delineate exclusive geographic markets that are grouped together for purposes of providing audience ratings to the radio industry. Each county in the United States is assigned to only one DMA.

Pre-recorded advertisements refers to commercials that are recorded in advance of their distribution for broadcast.

RADAR, or Radio s All Dimension Audience Research, is the standard accepted and used by the radio industry to measure listeners (audience) of national networks. RADAR publishes its ratings on a quarterly basis, which ratings are presented to advertisers in connection with the sale of commercial advertising inventory. The networks measured by RADAR are referred to as RADAR Networks .

Sponsorship, which relates to our Metro business only, is a commercial, generally 10-15 seconds, and the billboard that is broadcast adjacent to the commercial. The billboard is customarily 2-3 seconds in duration and typically identifies the advertiser who paid for (sponsored) the commercial.

Station compensation is the cash compensation we pay to our affiliates, in certain circumstances, in exchange for their agreement to broadcast the commercials we provide to them.

Syndicate or **syndication** refers to our right to sell for broadcast and distribute programming to radio and television stations.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and does not contain all of the information you should consider before buying shares of our common stock. Before deciding to invest in shares of our common stock, you should read the entire prospectus carefully, including our consolidated financial statements and the related notes and the information set forth under the headings Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations, in each case included elsewhere in this prospectus.

Our Company

We produce and provide traffic, news, weather, sports, talk, music, special events and other programming. Our content is distributed to radio and television stations and digital platforms and reaches over 190 million people. We are one of the largest domestic outsourced providers of traffic reporting services and one of the nation s largest radio networks, delivering content to over 5,000 radio and 170 television stations in the U.S. We exchange our content with radio and television stations for commercial airtime, which we then sell to local, regional and national advertisers. By aggregating and packaging commercial airtime across radio and television stations nationwide, we are able to offer our advertising customers a cost-effective way to reach a broad audience and target their audience on a demographic and geographic basis as demonstrated by the chart comparing CPMs among different media types that appears in the section entitled Business Industry Overview.

We are organized into two business segments: Metro and Network.

Our Metro business produces and distributes traffic and other local information reports (such as news, sports and weather) to approximately 2,300 radio and television stations, which include stations in over 80 of the top 100 Metro Service Area (MSA) markets in the U.S. Our Metro business generates revenue from the sale of commercial advertising inventory to advertisers (typically 10 and 15 second spots in radio and 30 second spots in television embedded within our information reports). We provide broadcasters a cost-effective alternative to gathering and delivering their own traffic and local information reports and offer advertisers a more efficient, broad reaching alternative to purchasing advertising directly from individual radio and television stations.

Our Network business syndicates proprietary and licensed content to radio stations, enabling them to meet their programming needs on a cost-effective basis. The programming includes national news and sports content, such as CBS Radio News, CNN Radio News and NBC Radio News and major sporting events, including the National Football League (including the Super Bowl), NCAA football and basketball games (including the Men s Basketball Tournament, *i.e.*, March Madness) and The Masters golf tournament. Our Network business features popular shows that we produce with personalities including Dennis Miller, Charles Osgood, Fred Thompson and Billy Bush. We also feature special events such as live concert broadcasts, countdown shows (including MTV and Country Music Television branded programs), music and interview programs. Our Network business generates revenue from the sale of 30 and 60 second commercial airtime, often embedded in our programming, that we bundle and sell to national advertisers who want to reach a large audience across numerous radio stations.

We believe that our market position in both the Metro and Network businesses and our recent turnaround strategies and revenue enhancement initiatives afford us with a number of revenue growth opportunities. We are developing additional potential revenue streams by leveraging our existing resources and accessing new distribution channels for our extensive content. In addition, we believe there is an opportunity to pursue acquisitions, partnerships and joint ventures to consolidate our existing business with competitors and expand into new markets. We routinely evaluate and analyze such opportunities, but we have no current binding plans or arrangements with respect to any such opportunities. We have an option,

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exercisable through December 1, 2009, to acquire TrafficLand, a provider of traffic video collected from local and state Departments of Transportation. Entering into any transactions with respect to such opportunities would be subject to completion of due diligence, finalization of key business and financial terms (including price) and negotiation of final definitive documentation as well as a number of other factors and conditions including, without limitation, the approval of our board of directors and any required third party consents. We cannot predict how quickly the terms of any such transaction could be finalized, if at all. Accordingly, there can be no assurance that definitive documentation for any such transaction would be executed or even if executed, that any such transaction will be consummated. In connection with evaluating potential strategic acquisition and investment transactions, we have, and may in the future, incur significant expenses for the evaluation and due diligence investigation of these potential transactions.

Our Strengths

We believe our strengths include:

Large Independent Provider of Content. We are one of the largest domestic outsourced providers of traffic reporting services and one of the nation s largest radio networks, producing and distributing traffic, news, weather, sports, talk, music, special events and other programming. As an independent provider of content, without any stations under our ownership, we are able to transact with all station groups. We deliver content to over 5,000 radio and 170 television stations in the U.S.

Developer of Original Content. We create and develop content for radio and television stations. The programming includes several nationally known personalities including Dennis Miller, Charles Osgood, Fred Thompson and Billy Bush. We also provide stations with targeted programming, including national news, major sporting events and local news and traffic programming that they can generally not afford to develop on their own.

Multichannel Distributor of Content. As a producer of original content, we have the ability to utilize multiple media channels by leveraging our existing production capabilities and vast library of content to generate additional revenue without incurring significant costs. For example, much of the same content we distribute to our radio station customers is available to consumers online via podcasting or live streaming, which enables us to generate additional revenue from the sale of advertising embedded in such streams or podcasts.

Significant Operating Leverage. Our business model has a relatively fixed cost base leading to significant operating leverage. We have made progress and are working to further reduce our fixed costs which we believe will enhance our profitability if revenue increases in the future due to an economic recovery or organic growth factors.

Experienced Management Team. We have brought together a new, experienced management team with extensive strategic, operating and financial expertise. Our management team has an average of 16 years of industry experience. Our relationship with The Gores Group provides us with additional operational, financial and strategic support. We believe this management team has the ability to respond to economic and industry trends and cycles while maximizing revenue growth from the sale of commercial airtime.

Our Strategy

Our goal is to grow the revenue and profitability of our business. Key elements of our strategy to achieve this goal include:

Complete operational turnaround. We have recently begun and will continue to increase our operational efficiency with the assistance of The Gores Group. We announced on March 16, 2009, certain re-engineering and cost-cutting initiatives, as described below in Turnaround Strategies and Revenue Enhancement Initiatives , that are collectively anticipated to result in total annual savings of

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approximately $55 to $63 million. In the third quarter of 2008, we announced a plan to restructure the traffic operations of the Metro Traffic business (commonly referred to by us as the Metro re-engineering) and to implement other cost reductions. The reengineering entailed reducing the number of our Metro Traffic operational hubs from 60 to 13 regional centers and produced meaningful reductions in labor expense, aviation expense, station compensation, program commissions and rent. We have also implemented additional cost reduction initiatives in the first half of 2009, to help improve our operating and financial performance and help establish a foundation for potential long-term growth. We have recognized $25.0 million of savings from both the Metro re-engineering and additional cost reduction initiatives undertaken by us through the end of the second fiscal quarter of 2009. We anticipate that the total annual savings in 2009 (from the start of the Metro re-engineering and other cost reductions in the third quarter of 2008) will be in the $53.0 million to $61.0 million range and additional savings in 2010 will be approximately $2.0 million, as additional phases of the Metro re-engineering and cost-reduction programs are implemented. These anticipated savings are comprised of labor savings, lower programming costs and reductions in aviation expense, station compensation and savings from consolidation of office leases. Many of the initiatives were instituted as of June 30, 2009.

These savings will be offset to a limited degree by investments in our sales force, technology and digital capabilities and certain strategic partnerships such as TrafficLand, a provider of traffic video collected from local and state Departments of Transportation.

Expand our Sales Force. We have recently begun and plan to continue to build-out and leverage our extensive local and national sales force to generate increased revenue from the sale of commercial airtime. In our Network business, we are adding category management specialists in high-potential segments of the advertising market. In our Metro business, we have added new sales people at various locations across the country to deepen our local market coverage. We are also adding select sales people in our Metro business to expand the distribution of our local content. Additionally, in our Network business we recently began to offer copy-splitting advertising services which enable our advertising clients to reach more than one desired geographic area at the same time.

Pursue strategic opportunities. We evaluate acquisitions, partnerships and joint ventures on an ongoing basis and intend to pursue acquisitions of and partnerships or joint ventures with businesses in our industry and related industries that can assist us in achieving our growth strategy. We focus on opportunities with content and services businesses serving the radio, television and digital markets. We approach strategic opportunities in a disciplined manner and, with the assistance of The Gores Group, intend to focus on opportunities that strengthen our competitive position.

Produce cost-effective, original programming. We will continue to leverage our national scale to provide radio and television stations with programming and services that they may not be able to cost-effectively produce on their own, most notably on the Network side, where rights fees for sporting events and fees for prominent talent personalities are significant and have generally continued to increase over time (except in certain cases in 2009 where we have been able to negotiate lower fees, in part because of a weaker economy). As a syndicator of programming to over 5,000 radio stations and 170 television stations nationwide, we are able to pay such programming costs for a broad array of content, while one station, in most cases, could not. We distribute our programming on a barter basis in exchange for commercial airtime in lieu of cash, which allows stations to preserve capital.

Expand our distribution channels. We plan to continue expanding our product offerings across radio, television, online and other platforms through initiatives such as on-camera graphics and mobile video. Our Metro business is also expanding into the digital and wireless categories as a provider of traffic information on mobile and personal navigation devices. As part of this strategy, our Metro business recently entered into a License and Services Agreement with TrafficLand. The agreement provides our Metro business with the exclusive right to enter into affiliation agreements with third party broadcasters wanting access to TrafficLand s live video traffic feeds, which (i) provides us with simultaneous access

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to 4,700 traffic cameras and (ii) enables us to enhance our product offerings to stations that carry our programming and data feeds. We have an option, exercisable through December 1, 2009, to acquire TrafficLand. We have also partnered with AirSage, a provider of digital traffic data, to enhance our real-time road condition and data reports and with TrafficCast, a traffic science company, to collaborate on licensing of integrated data for others. We believe these initiatives will allow us to significantly expand our digital content offerings.

Our Industry

Radio Broadcasting and Advertising

According to the Federal Communications Commission (FCC), there were 11,213 commercial radio stations serving listeners in the United States as of December 31, 2008. The Radio Advertising Bureau (RAB) reported on its website, based on information provided by Miller, Kaplan, Arase & Co., that the market for U.S. radio advertising in 2008 was $19.5 billion. We compete in the local ($13.6 billion), national ($2.9 billion) and network ($1.2 billion) radio advertising segments which comprise the majority of the total industry.

AM/FM radio is one of the most popular forms of media in terms of audience consumption. According to Arbitron s Spring 2007 study, the average time spent listening to the radio by persons 12 years and older (12+) in the U.S. is 19 hours per week. Similarly, network radio listenership remains strong among key demographics. According to Arbitron s 2008 Network Radio Today report, network radio reaches nearly 75% of the 12+ U.S. population each week and performs well within the key 18-24, 18-49 and 25-54 year old demographics, reaching 73%, 74% and 74%, respectively. Furthermore, the report also shows that more than 60% of adult consumers over the age of 18 listen to network radio out of the home, or approximately 143 million adults each week.

Radio offers a cost efficient way of reaching diverse audience groups in large numbers. Radio advertising can be purchased by advertisers on a local, regional or national basis. Local and regional purchases allow an advertiser to choose a geographic market for the broadcast of commercial messages. Advertising purchased from a national radio network allows an advertiser to target its commercial messages to a specific demographic within a large national audience. Radio advertising has historically been cyclical as spending on advertising can grow or decline depending on the state of the economy.

Television Broadcasting and Advertising

According to the Television Bureau of Advertising s April 2009 report, total broadcast television advertising revenue in 2008 was $46.4 billion. Network television is the largest segment within broadcast television representing revenue of $25.4 billion in 2008. We compete in the local ($16.5 billion) and syndication ($4.4 billion) television advertising segments.

During the 2008-09 broadcast season, television was viewed in 114.5 million, or 98.9%, of all U.S. households according to The Nielsen Company s August 2008 report. Television remains the most popular form of media in terms of audience consumption with the average household (i.e., all persons living in the house collectively) watching 8 hours and 18 minutes of television each day during the 2007-08 television season according to The Nielsen Company s November 2008 report.

Television s broad reach and visual impact makes it a powerful and attractive medium for advertisers. Television spots are generally 30 to 60 seconds in length and are purchased by advertisers on a local, regional or national basis. Similar to the radio broadcasting industry, local and regional purchases allow an advertiser to choose a geographic market for the broadcast of commercial messages. Advertising purchased from a national television network allows an advertiser to target its commercial messages to a specific demographic within a large national audience.

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Turnaround Strategies and Revenue Enhancement Initiatives

Since September 2008, we have implemented a significant number of key turnaround strategies and revenue enhancement initiatives, including:

- Re-Engineering of Traffic Operations
  - Regionalize 60 operating centers to 13 hubs
  - Reduce reliance on aircraft and implement new video and speed and flow technology
- Cost Reduction Programs
  - Reduce salary/headcount
  - Reduce programming costs and eliminate unprofitable programming
  - Negotiate reductions in compensation paid to radio stations that provide us with commercial airtime to more effectively match compensation to revenue and profitability
- Revenue Initiatives
  - Increase our sales force to expand our market presence across regions and products
  - Grow revenue and profitability from advertising through optimization of sales mix, inventory utilization and pricing
  - Deliver expanded product offerings such as copy-splitting, 15 second spots and pre-recorded advertisements
- Management Reorganization
  - Engage new, experienced management team to provide greater leadership
  - Reorganize corporate structure to increase accountability

Restructuring

At December 31, 2008, our principal sources of liquidity were our cash and cash equivalents of $6.4 million and borrowings under our Credit Agreement dated as of March 3, 2004 (the Old Credit Agreement). As previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2008 (the 2008 10-K) and as discussed elsewhere in this prospectus, on February 27, 2009, our outstanding indebtedness under our Old Credit Agreement, which totaled approximately $41.0 million, matured and became due and payable in its entirety. Additionally, we had not made our most recent interest payment due to holders of our then outstanding senior notes (the Old Notes) on November 30, 2008. The non-payment of such amounts constituted an event of default under the Old Credit Agreement and the Old Notes, respectively. Based upon facts and circumstances that existed as of December 31, 2008, we previously disclosed in our 2008 10-K that there was a substantial doubt about our ability to continue as a going concern. We previously disclosed that, as of March 30, 2009, we were unable to meet our outstanding debt obligations, which raised substantial doubt about our ability to continue as a going concern and our sources of liquidity were anticipated to be inadequate to fund immediate and ongoing operating requirements.

In order to address these concerns, on April 23, 2009, we completed a refinancing of substantially all of our outstanding long-term indebtedness (approximately $241 million in principal amount) and a recapitalization of our equity (the Restructuring). As part of the Restructuring, our then existing debtholders released all of their existing obligations in exchange for (1) $117.5 million of 15% Senior Notes maturing July 15, 2012 (the Senior Notes), (2) 34,962 shares of Series B Preferred Stock (as defined below), and (3) a one-time cash payment of $25.0 million. We also entered into a new senior credit facility (the Senior Credit Facility) pursuant to which we have a $15.0 million revolving line of credit and a $20.0

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million unsecured non-amortizing term loan. As of the date of this prospectus, we have borrowed the entire amount under the term loan and we have not made any borrowings under the revolving line of credit. The Senior Notes bear interest at 15.0% per annum, payable 10% in cash and 5% pay-in-kind (PIK interest). The PIK interest will be added to principal quarterly, but will not be payable until the Senior Notes become due. As a result of the Restructuring, the annual interest payments on our debt increased from approximately \$12 million to \$19 million (which amount includes the \$20 million term loan entered into on April 23, 2009), \$6 million of which will be PIK interest and not payable in cash until the Senior Notes become due. To date, we have also made one deferral of \$4.0 million in payments due to CBS Radio under the CBS Master Agreement (see Business CBS).

In addition, Gores Radio Holdings, LLC (1) agreed to purchase, at a discount, approximately \$22.6 million principal amount of our then existing debt held by debt holders who did not wish to participate in the Senior Notes, (2) agreed to guarantee the Senior Credit Facility and a \$10.0 million contractual commitment by one of our wholly owned subsidiaries and (3) invested \$25.0 million in the Company for 25,000 shares of 8.0% Series B Convertible Preferred Stock (the Series B Preferred Stock). In connection with Gores providing the guarantees and purchasing the debt from non-participating holders, the 75,000 shares of 7.50% Series A Convertible Preferred Stock (the Series A Preferred Stock and collectively with the Series B Preferred Stock, the Preferred Stock) held by Gores immediately prior to the Restructuring, which then had a liquidation preference of approximately \$79.0 million, were exchanged for 75,000 shares of 7.50% Series A-1 Convertible Preferred Stock (the Series A-1 Preferred Stock) with a per share conversion price which provided Gores with an approximately 54.6% interest in the Company after the Restructuring.

Taking into account Gores Series B Preferred Stock, Series A-1 Preferred Stock and common stock, upon the consummation of the Restructuring, Gores ownership in the Company increased from approximately 36% to 75.1%. Accordingly, the Restructuring, when considering the ownership held by Gores as well as the ownership held by our then existing debt holders, constituted a change of control transaction that requires the Company to follow the purchase method of accounting, as described by Statement of Financial Accounting Standards (SFAS) 141R, Business Combinations (SFAS 141R). We have considered the ownership held by Gores and our then existing debt holders as a collaborative group in accordance with Emerging Issues Task Force D-97, Push Down Accounting . As a result, we will follow the acquisition method of accounting, as described by Statement of Financial Accounting Standards (SFAS) 141R, Business Combinations and will apply the SEC rules and guidance regarding push down accounting treatment effective April 23, 2009.

Recent Events

On June 4, 2009, we filed a definitive proxy statement for a special meeting of our stockholders. On June 26, 2009, we adjourned the special meeting without taking action on any of the proposals. We did so to provide our stockholders with additional explanatory information regarding certain of the proposals and, if necessary, to file an amended proxy statement. On July 20, 2009, we filed a definitive proxy statement in connection with the reconvened meeting to be held on August 3, 2009. The purpose of the meeting was to consider and vote upon, among other proposals, amending our Restated Certificate of Incorporation to increase the number of authorized shares of our common stock from 300 million to 5 billion and to amend the Certificate of Incorporation to effect a 200 for 1 reverse stock split of our outstanding common stock (the Charter Amendments). On August 3, 2009, the stockholders approved the Charter Amendments, which resulted in the automatic conversion of all shares of preferred stock into common stock and the cancellation of warrants to purchase 10 million shares of common stock issued to Gores as part of their investment in our Series A Preferred Stock. There are no longer any issued and outstanding warrants to purchase our common stock or any shares of our capital stock that have any preference over the common stock with respect to voting, liquidation, dividends or otherwise. Under the Charter Amendments, each of the newly authorized shares of common stock has the same rights and privileges as previously authorized common stock. Adoption of the Charter Amendments did not affect the rights of the holders of our currently outstanding common stock nor did it change the par value of the common stock.

On July 9, 2009, Gores converted 3,500 shares of Series A-1 Convertible Preferred Stock into 103,512,913 shares of common stock (without taking into account the reverse stock split). Pursuant to the terms of our Certificate of Incorporation, the 291,722 outstanding shares of our Class B common stock were automatically converted into 291,722 shares of common stock (without taking into account the reverse stock split) because as a result of such conversion by Gores the voting power of the Class B common stock, as a group, fell below ten percent (10%) of the aggregate voting power of issued and outstanding shares of common stock and Class B common stock.

In connection with the Restructuring and the issuance of the Preferred Stock, we have determined that the Preferred Stock contained a beneficial conversion feature (BCF) that is partially contingent. The BCF is measured as the spread between the effective conversion price and the market price of common stock on the commitment date and then multiplying this spread by the number of conversion shares, as adjusted for the contingent shares. A portion of the BCF was recognized at issuance (issuance BCF) while the majority of the BCF is contingent (contingent BCF) upon the authorization of additional common shares which, in our case, did not occur until August 3, 2009.

The Gores Group

The Gores Group owns approximately 75.1% of our common stock. Founded in 1987, Gores is a private equity firm focused on investing in businesses which can benefit from the firm s operating and turnaround expertise. The firm s current private equity fund has committed equity capital of $1.3 billion.

Risks Associated with Our Business

Our business is subject to numerous risks and uncertainties, as more fully described under Risk Factors beginning on page 14, which you should carefully consider before deciding whether to invest in our common stock.

Corporate Information

We are a Delaware corporation. Our principal executive office is located at 40 West 57th Street, 5th Floor, New York, NY 10019. Our telephone number is (212) 641-2000 and our website address is www.westwoodone.com. The information contained on, or that can be accessed through, our website is not a part of this prospectus.

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THE OFFERING

Common stock offered by Westwood One	shares
Common stock offered by the selling stockholders	shares
Common stock to be outstanding after this offering	shares, or shares if the underwriters exercise their over-allotment option in full
Over-allotment option	shares
Use of proceeds	Our net proceeds from this offering, after deducting underwriting discounts and estimated offering expenses will be approximately $, assuming a public offering price of $ per share, which was the last reported sale price of our common stock on , 2009. We anticipate that we will use the net proceeds of this offering for general corporate purposes and working capital, which may include: pursuit of possible acquisitions of complementary businesses or other assets such as TrafficLand (if we choose to exercise our purchase option, as described elsewhere in this prospectus), funding our growth initiatives and repayment of our outstanding indebtedness. We will not receive any proceeds from the sale of shares by the selling stockholders. See Use of Proceeds.
Anticipated NASDAQ Global Market Symbol	WWON

The number of shares of our common stock to be outstanding upon completion of this offering is based on 20,312,229 shares of our common stock outstanding as of June 30, 2009, and excludes:

- 31,705 shares of common stock issuable upon exercise of options outstanding as of June 30, 2009 at a weighted average exercise price of $7.16 per share,;
- 27,709 shares of common stock reserved as of June 30, 2009 for future issuance under our 1999 Stock Incentive Plan, and an additional 12,291 shares of common stock reserved for issuance after June 30, 2009; and
- 3,996 shares of common stock reserved as of June 30, 2009 for future issuance under our 2005 Equity Compensation Plan, and an additional 42,004 shares of common stock reserved for issuance after June 30, 2009.

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Unless otherwise indicated, this prospectus (except in the historical consolidated financial statements included elsewhere in this prospectus):

- reflects and assumes the conversion of all shares of our Series A-1 Preferred Stock (3,500 shares of which were converted on July 9, 2009 and the remainder of which automatically converted on August 3, 2009) and Series B Preferred Stock (which automatically converted on August 3, 2009) into an aggregate of 19,798,483 shares of common stock;

- reflects and assumes the automatic conversion of all outstanding shares of Class B stock into an aggregate of 1,459 shares of common stock that occurred on July 9, 2009;

- reflects a 200 for 1 reverse stock split of our common stock that occurred on August 3, 2009; and

- assumes no exercise by the underwriters of their option to purchase up to an additional shares from us and the selling stockholders to cover over-allotments.

If the underwriters exercise their over-allotment option in full, shares of our common stock will be outstanding after this offering.

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SUMMARY CONSOLIDATED AND OTHER FINANCIAL DATA

The following tables summarize our consolidated financial and other data. The consolidated statements of operations data for the fiscal years ended December 31, 2006, 2007 and 2008 and the consolidated balance sheet data as of December 31, 2007 and 2008 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The consolidated statement of operations data for the fiscal years ended December 31, 2004 and 2005 and the consolidated balance sheet data as of December 31, 2004, 2005 and 2006 have been derived from our audited financial statements not included in this prospectus. The consolidated statement of operations data for the periods comprising the six months ended June 30, 2008 and 2009, and the consolidated balance sheet data as of June 30, 2009, have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. The unaudited consolidated financial statements have been prepared on a basis consistent with our audited financial statements and include, in the opinion of management, all adjustments that management considers necessary for the fair statement of the financial information set forth in those financial statements. The following financial data should be read in conjunction with, and is qualified by reference to, our consolidated financial statements and related notes and schedule included elsewhere in this prospectus and the information under Management s Discussion and Analysis of Financial Condition and Results of Operations. Our historical results are not necessarily indicative of the results to be expected in any future period.

	Predecessor Company							Successor Company
	Year Ended December 31,					For the Six Months Ended June 30,	For the Period January 1, 2009 to April 23,	For the Period April 24, 2009 to June 30,
	2004(1)	2005(1)	2006	2007	2008	2008	2009	2009(4)
	(in thousands, except per share data)							
Consolidated Statements of Operations Data:								
Revenue	$ 562,246	$ 557,830	$ 512,085	$ 451,384	$ 404,416	$ 206,998	$ 111,474	$ 58,044
Operating Costs	379,097	378,998	395,196	350,440	360,492	179,640	111,580	52,116
Depreciation and Amortization	18,429	20,826	20,756	19,840	11,052	6,397	2,585	5,845
Corporate General and Administrative Expenses	13,596	14,028	14,618	13,171	13,442	4,665	4,248	2,407
Goodwill Impairment			515,916		430,126	206,053		
Restructuring Charges					14,100		3,976	1,454
Special Charges			1,579	4,626	13,245	8,853	12,819	368
Operating (Loss) Income	151,124	143,978	(435,980)	63,307	(438,041)	(198,610)	(23,734)	(4,146)
Net (Loss) Income	86,955	77,886	(469,453)	24,368	(427,563)	$ (205,082)	$ (18,961)	$ (6,184)
NET (LOSS) INCOME attributable to Common Stockholders	86,955	77,816	(469,528)	24,363	(430,644)	$ (205,270)	$ (22,037)	$ (9,595)
(Loss) Income Per Basic Share(2)								
Common stock	$ 179.80	$ 171.56	$ (1,091.76)	$ 56.59	$ (878.73)	$ (431.24)	$ (43.64)	$ (18.85)
Class B stock	$	$ 48.00	$ 51.20	$ 3.20	$	$	$	$
(Loss) Income Per Diluted Share(2)								
Common stock	$ 175.65	$ 170.05	$ (1,091.76)	$ 56.38	$ (878.73)	$ (431.24)	$ (43.64)	$ (18.85)
Class B stock	$	$ 48.00	$ 51.20	$ 3.42	$	$	$	$
Dividends Declared(2)								
Common stock	$	$ 59.44	$ 64.10	$ 3.85	$	$	$	$
Class B stock	$	$ 48.00	$ 51.20	$ 3.20	$	$	$	$

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	2004(1)	2005(1)	As of December 31, 2006 (in thousands)	2007	2008	As of June 30, 2008	2009(4)
Consolidated Balance Sheet Data:							
Current Assets	$ 174,346	$ 172,245	$ 149,222	$ 138,154	$ 119,468	$ 109,180	$ 107,454
Working Capital / (Deficit)(3)	93,005	72,094	29,313	47,294	(208,034)	(15,181)	47,409
Total Assets	1,262,495	1,239,646	696,701	669,757	205,088	431,134	347,056
Long-Term Debt(3)	359,439	427,514	366,860	345,244		199,495	128,078
Total Shareholders Equity (Deficit)(4)	800,709	704,029	202,931	227,631	(203,145)	101,597	4,290

	Year Ended December 31, 2004(1)	2005(1)	2006	2007 (in thousands)	2008	Predecessor Company Six Months Ended June 30, 2008	For the Period January 1, 2009 to April 23, 2009	Successor Company For the Period April 24, 2009 to June 30, 2009
Other Financial Data:								
Adjusted EBITDA(5)	$ 184,397	$ 176,490	$ 114,540	$ 97,378	$ 39,198	$ 25,149	$ (2,243)	$ 4,374

1. Effective January 1, 2006, we adopted Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards No. 123 (Revised 2004), Share Based Payment (SFAS 123R) utilizing the modified retrospective transition alternative. Accordingly, results for years prior to 2006 have been restated to reflect stock based compensation expense in accordance with SFAS 123R.

2. No cash dividend was paid on our common stock or Class B stock in 2004 or 2008. The payment of dividends is restricted by the terms of our outstanding indebtedness and we do not plan on paying dividends for the foreseeable future. On August 3, 2009, a 200:1 reverse stock split was declared and effective. All per share amounts have been adjusted for this split (see Note 1 to the Annual Consolidated Financial Statements).

3. On November 30, 2008, we failed to make the interest payment on our previously outstanding senior notes which constituted an event of default under the then existing senior notes. Accordingly, $249,053 of debt previously considered long-term was re-classified as short-term debt, which resulted in a working capital deficit of $208,034 on December 31, 2008.

4. As a result of the Restructuring, we have followed the acquisition method of accounting, as described by SFAS 141R. Accordingly, we have revalued our assets and liabilities using our best estimate of current fair value. Our consolidated financial statements prior to the closing of the Restructuring reflect the historical accounting basis in our assets and liabilities and are labeled predecessor company, while the periods subsequent to the Restructuring are labeled successor company and reflect the push down basis of accounting for the fair values which were allocated to our segments based on the business Enterprise Value of each. Deferred tax liabilities have been recorded as a part of acquisition accounting to reflect the future taxable income to be recognized relating to the cancellation of indebtedness income as well as the deferred tax liability related to the acquisition accounting.

   In connection with the Restructuring and the issuance of the Preferred Stock, we have determined that the Preferred Stock contained a beneficial conversion feature (BCF) that is partially contingent. The BCF is measured as the spread between the effective conversion price and the market price of common stock on the commitment date and then multiplying this spread by the number of conversion shares, as adjusted for the contingent shares. A portion of the BCF was recognized at issuance

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(issuance BCF) while the majority of the BCF is contingent (contingent BCF) upon the authorization of additional common shares which, in our cases, did not occur until August 3, 2009.

5. We define Adjusted EBITDA as net income (loss) from our Statement of Operations adjusted to exclude the following items: interest expense, income tax, depreciation and amortization (EBITDA), as adjusted for goodwill impairment, restructuring and special charges and non-cash stock-based compensation. Adjusted EBITDA is a non-GAAP financial measure (i.e., it is not a measure of financial performance under generally accepted accounting principles) and should not be considered in isolation or as a substitute for consolidated statements of operations and cash flow data prepared in accordance with GAAP.

We use Adjusted EBITDA to, among other things, evaluate our operating performance, forecast and plan for future periods, value prospective acquisitions, and as one of several components of incentive compensation targets for certain management personnel. This measure is an important indicator of our operational strength and performance of our business because it provides a link between profitability and operating cash flow. In addition, all of the adjustments made in our calculation of Adjusted EBITDA are adjustments that have historically been made in accordance with our Old Credit Agreement and Old Notes and will continue to be made in the future when calculating our compliance with our leverage ratio covenants under our Senior Credit Facility and Senior Notes. We believe the presentation of Adjusted EBITDA is relevant and useful for investors because it allows investors to view performance in the same manner as our lenders (who also own approximately 23.0% of our equity as a result of the Restructuring, excluding Gores) and for our management, who use Adjusted EBITDA when evaluating our business performance on a monthly, quarterly and annual basis and helps improve their ability to understand our operating performance.

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Since Adjusted EBITDA is not a measure of performance calculated in accordance with GAAP, it should not be considered in isolation of, or as a substitute for, net income as an indicator of operating performance. Adjusted EBITDA as we calculate it, may not be comparable to similarly titled measures employed by other companies. In addition, this measure does not necessarily represent funds available for discretionary use, and is not necessarily a measure of our ability to fund our cash needs. As Adjusted EBITDA excludes certain financial information compared with net income, the most directly comparable GAAP financial measure, users of this financial information should consider the types of events and transactions which are excluded. A reconciliation of Adjusted EBITDA to net income (loss) is provided below. Consolidated Adjusted EBITDA a non-GAAP measure, for the combined six months ended June 30, 2009 was $2,131 as previously reported in our second quarter earnings press release.

	Year Ended December 31,					Predecessor Company Six Months Ended June 30,	Predecessor Company For the Period January 1, 2009 to April 23, 2009 (4)	Successor Company For the Period April 24, 2009 to June 30, 2009 (4)
	2004	2005	2006	2007	2008	2008		
			(in thousands)					
Net Income (loss)	$ 86,955	$ 77,886	$ (469,453)	$ 24,368	$ (427,563)	$ (205,082)	$ (18,961)	$ (6,184)
Plus: Non-cash items								
Depreciation and amortization	18,429	20,826	20,756	19,840	11,052	6,397	2,585	5,845
Stock-based compensation	14,844	11,686	12,269	9,606	5,443	2,455	2,110	853
Goodwill impairment			515,916		430,126	206,053		
	33,273	32,512	548,941	29,446	446,621	214,905	4,695	6,698
Plus: Cash items								
Interest expense	11,911	18,315	25,590	23,626	16,651	9,751	3,222	4,692
Other income	(948)	(1,440)	(926)	(412)	(12,368)	(84)	(359)	(4)
Income taxes (benefit)	53,206	49,217	8,809	15,724	(14,760)	(3,194)	(7,635)	(2,650)
Restructuring					14,100		3,976	1,454
Special charges			1,579	4,626	16,517(a)	8,853	12,819	368
	64,169	66,092	35,052	43,564	20,140	15,326	12,023	3,860
Adjusted EBITDA	**$ 184,397**	**$ 176,490**	**$ 114,540**	**$ 97,378**	**$ 39,198**	**$ 25,149**	**$ (2,243)**	**$ 4,374**

(a) Includes $3,272 of charges classified as Operating Costs on the Statement of Operations.

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RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the following risk factors, as well as all of the other information contained or incorporated by reference in this prospectus, before deciding to invest in our common stock. The occurrence of any of the following risks could materially and adversely affect our business, financial condition, prospects, results of operations and cash flows. In such case, the trading price of our common stock could decline and you could lose all or part of your investment. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, financial condition, prospects, results of operations and cash flows.

Risks Related to Our Business and Industry

Deterioration in general economic conditions and constrained consumer spending has caused, and could cause, additional decreases or delays in advertising spending, could harm our ability to generate advertising revenue and negatively affect our results of operations.

We derive the majority of our revenue from the sale of local, regional and national advertising. The current global economic slowdown has resulted in a decline in advertising and marketing services among our customers, resulting in a decline in advertising revenue across our businesses. Additionally, advertisers, and the agencies that represent them, have put increased pressure on advertising rates, in some cases, requesting broad percentage discounts on ad buys, demanding increased levels of inventory and re-negotiating booked orders. The current state of the economy could also adversely affect our ability to collect accounts receivable from our advertisers, particularly those entities which have filed for bankruptcy. Reductions in advertising expenditures and declines in ad rates have adversely affected our revenue and the continuation of the global economic slowdown would likely continue to adversely impact our revenue, profit margins, cash flow and liquidity in future periods. In addition, in the event that the current economic situation improves, we cannot predict whether or not advertisers demands and budgets for advertising will return to previous levels.

Our operating income has declined since 2002 and may continue to decline. We may not be able to reverse this trend or reduce costs sufficiently to offset declines in revenue if such trends continue.

Since 2002, our annual operating income has declined from operating income of approximately $180 million to an operating loss of $438 million, which included goodwill impairment charges of approximately $430 million, for the year ended 2008, with the most significant decline occurring between 2005 and 2008. Between 2002 and 2008, our operating income declined as a result of increased competition in our local and regional markets and an increase in the amount of 10 second inventory being sold by radio stations. The decline (between 2005 and 2008) also was due to reductions in national audience levels (which dropped significantly between 2005 and 2006), lower commercial clearance and audience levels of our affiliated stations and reductions in our local and regional sales force, which began in mid-2006. Recently, our operating income has also been affected by the weakness in the United States economy and advertising market. Given the current economic climate, it is possible our operating income will continue to decline.

CBS Radio provides us with a significant portion of our commercial inventory and audience that we sell to advertisers. A material reduction in the audience delivered by CBS Radio stations or a material loss of commercial inventory from CBS Radio would have an adverse effect on our advertising sales and financial results.

While we provide programming to all major radio station groups, we have affiliation agreements with most of CBS Radio s owned and operated radio stations which, in the aggregate, provide us with a significant portion of the audience and commercial inventory that we sell to advertisers, much of which is

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in the more desirable top 10 radio markets. Although the compensation we pay to CBS Radio under our new 2008 arrangement is adjustable for audience levels and commercial clearance (i.e., the percentage of commercial inventory broadcast by CBS Radio stations), any significant loss of audience or inventory delivered by CBS Radio stations, including, by way of example only, as a result of a decline in station audience, commercial clearance levels or station sales that resulted in lower audience levels, would have a material adverse impact on our advertising sales and revenue. Since implementing the new arrangement in early 2008 and continuing through the end of 2008, CBS Radio has delivered improved audience levels and broadcast more advertising inventory than it had under our previous arrangement. However, there can be no assurance that CBS Radio will be able to maintain these higher levels in particular, with the introduction of The Portable People Meter, or PPM, which to date has reported substantially lower audience ratings for certain of our radio station affiliates, including our CBS Radio station affiliates, in those markets in which PPM has been implemented as described below. Additionally, while our arrangement with CBS Radio is scheduled to terminate in 2017, there can be no assurance that such arrangement will not be breached by either party. If our agreement with CBS Radio were terminated as a result of such breach, our results of operations could be materially impacted.

We may not realize expected benefits from our cost cutting initiatives.

In order to improve the efficiency of our operations, we have implemented and continue to implement certain cost cutting initiatives, including headcount and salary reductions. We cannot assure you that we will realize the full level of expected cost savings or improve our operating performance as a result of our past, current and future cost cutting activities. We also cannot assure you that our cost cutting activities will not adversely affect our ability to retain key employees, the significant loss of whom could adversely affect our operating results. Further, as a result of our cost cutting activities, we may not have the appropriate level of resources and personnel to appropriately react to significant changes or fluctuations in the market and in the level of demand for our programming and services.

Our ability to increase our revenue is significantly dependent on advertising rates, which rates could be negatively impacted by the introduction of The Portable People Meter.

Arbitron Inc., the supplier of ratings data for United States radio markets, has developed new electronic audience measurement technology to collect data for its ratings service known as The Portable People Meter™, or PPM™. The PPM™ measures the audience of radio stations remotely without requiring listeners to keep a manual diary of the stations they listen to. To date, the PPM™ has been implemented in seventeen markets (including nine of the top 10 markets) and, in ratings books released to date, has reported substantially lower audience ratings for certain of our key radio affiliates than the traditional diary methodology previously used by the radio industry. As the PPM™ is instituted in more markets, it is unclear whether the audience ratings posted by it will continue to be significantly lower and if so, what effect this may have on advertising rates as our advertisers become more knowledgeable about the advantages of the PPM™. While we have to date experienced a decline in our local ad revenue, we are unable to determine at this time how much of such decline is a result of the general economic environment versus a decline in audience. If the PPM™ continues to report lower audience ratings than the traditional diary methodology and the rates we charge our advertisers are materially impacted by such results, our revenue would be materially and adversely affected.

Our ability to grow our Metro business revenue may be adversely affected by the increased proliferation of free of charge traffic content to consumers.

Our Metro business produces and distributes traffic and other local information reports to approximately 2,300 radio and television affiliates and we derive the substantial majority of the revenue attributed to this business from the sale of commercial advertising inventory embedded within these reports. Recently, the U.S. Department of Transportation and other regional and local departments of transportation have significantly increased their direct provision of real-time traffic and traveler information to the public free of charge. The ability to obtain this information free of charge may result in our radio and television affiliates

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electing not to utilize the traffic and local information reports produced by our Metro business, which in turn could adversely affect our revenue from the sale of advertising inventory embedded in such reports.

We may require additional financing to fund our working capital, debt service, capital expenditures or other capital requirements and the ongoing global credit market disruptions have reduced access to credit and created higher costs of obtaining financing.

Our primary source of liquidity is cash flow from operations, which has been adversely impacted by the decline in our advertising revenue. Based on our current and anticipated levels of operations, we believe that cash flow from operations as well as cash on hand (including amounts drawn or available under our Senior Credit Facility) will enable us to meet our working capital, capital expenditure, debt service and other capital requirements for at least the next 12 months. However, our ability to fund our working capital needs, debt service and other obligations, and to comply with the financial covenants under our financing agreements depends on our future operating performance and cash flow, which are subject to prevailing economic conditions and other factors, many of which are beyond our control. If our future operating performance does not meet our expectations or our plans materially change in an adverse manner or prove to be materially inaccurate, we may need additional financing. There can be no assurance that such financing, if permitted under the terms of our financing agreements, will be available on terms acceptable to us or at all. Additionally, disruptions in the credit markets make it harder and more expensive to obtain financing. If available financing is limited or we are forced to fund our operations at a higher cost, these conditions may require us to curtail our business activities and increase our cost of financing, both of which could reduce our profitability or increase our losses. The inability to obtain additional financing in such circumstances could have a material adverse effect on our financial condition and on our ability to meet our obligations.

We have a significant amount of indebtedness, which could adversely affect our liquidity and future business operations if our operating income declines more than we currently anticipate.

As of June 30, 2009, we had approximately $119.0 million in aggregate principal amount of Senior Notes outstanding (of which $1.5 million is PIK interest), which bear interest at a rate of 15.0%, and a Senior Credit Facility consisting of: (x) a $20 million term loan and (y) a $15 million revolving line of credit which we intend to borrow against in the future. Loans under our Senior Credit Facility bear interest at LIBOR plus 4.5% (with a LIBOR floor of 2.5%) or a base rate plus 4.5% (with a base rate floor equal to the greater of 3.75% or the one-month LIBOR rate). Our ability to service our debt will depend on competitive pressures and our financial performance in an uncertain and unpredictable economic environment. Further, our Senior Notes and Senior Credit Facility restrict our ability to incur additional indebtedness. If our operating income declines more than we currently anticipate, resulting in an inability to incur additional indebtedness under the terms of our outstanding indebtedness, and we are unable to obtain a waiver to increase our indebtedness or successfully raise funds through an issuance of equity, we could have insufficient liquidity which would have a material adverse effect on our business, financial condition and results of operations. If we are unable to meet our debt service and repayment obligations under the Senior Notes or the Senior Credit Facility, we would be in default under the terms of the agreements governing our debt, which if uncured, would allow our creditors at that time to declare all outstanding indebtedness to be due and payable and materially impair our financial condition and liquidity.

Our failure to obtain or retain the rights in popular programming could adversely affect our revenue.

Our revenue from our radio programming and television business is dependent on our continued ability to anticipate and adapt to changes in consumer tastes and behavior on a timely basis. We obtain a significant portion of our popular programming from third parties. For example, some of our most widely heard broadcasts, including certain NFL games, are made available based upon programming rights of varying duration that we have negotiated with third parties. Competition for popular programming that is licensed from third parties is intense, and due to increased costs of such programming or potential capital constraints, we may be outbid by our competitors for the rights to new, popular programming or in connection with the renewal of popular programming currently licensed by us. Our failure to obtain or retain rights to popular content could adversely affect our revenue.

Our business is subject to increased competition resulting from new entrants into our business, consolidated companies and new technology/platforms, each of which has the potential to adversely affect our business.

Our business segments operate in a highly competitive environment. Our radio and television programming competes for audiences and advertising revenue directly with radio and television stations and other syndicated programming, as well as with other media such as satellite radio, newspapers, magazines, cable television, outdoor advertising, direct mail and, more increasingly, digital media. We may experience increased audience fragmentation caused by the proliferation of new media platforms, including 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. New or existing competitors may have resources significantly greater than our own and, in particular, the consolidation of the radio industry has created opportunities for large radio groups, such as Clear Channel Communications, CBS Radio and Citadel Broadcasting Corporation to gather information and produce radio and television programming on their own. Increased competition, in part, has resulted in reduced market share, and could result in lower audience levels, advertising revenue and cash flow. There can be no assurance that we will be able to compete effectively, be successful in our efforts to regain market share and increase or maintain our current audience ratings and advertising revenue. To the extent we experience a further decline in audience for our programs or the cost of programming continues to increase, we may be unable to retain the rights to popular programs and advertisers willingness to purchase our advertising could be further reduced. Additionally, audience ratings and performance-based revenue arrangements are subject to change based on the competitive environment and any adverse change in a particular geographic area could have a material and adverse effect on our ability to attract not only advertisers in that region, but national advertisers as well.

In recent years, digital media platforms and the offerings thereon have increased significantly and consumers are playing an increasingly large role in dictating the content received through such mediums. We face increasing pressure to adapt our existing programming as well as to expand the programming and services we offer to address these new and evolving digital distribution channels. Advertising buyers have the option to filter their messages through various digital platforms and as a result, many are adjusting their advertising budgets downward with respect to traditional advertising mediums such as radio and television or utilizing providers who offer one-stop shopping access to both traditional and alternative distribution channels. If we are unable to offer our broadcasters and advertisers an attractive full suite of traditional and new media platforms and address the industry shift to new digital mediums, our operating results may be negatively impacted.

Our Senior Credit Facility and Senior Notes contain various covenants which, if not complied with, could accelerate repayment under such indebtedness, thereby materially and adversely affecting our financial condition and results of operations.

Our Senior Credit Facility and Senior Notes require us to comply with certain financial and operational covenants. These covenants include, without limitation:

- restrictions on our ability to incur debt, incur liens, make investments, make capital expenditures, consummate acquisitions, pay dividends, sell assets and enter into mergers and similar transactions; and

- a maximum senior leverage ratio (expressed as the principal amount of Senior Notes over our consolidated EBITDA (as defined in our Senior Credit Facility) measured on a trailing, four-quarter basis) which is 6.25 to 1.0 on December 31, 2009 but begins to decline on a quarterly basis thereafter, including to a 4.5 to 1.0 ratio on December 31, 2010 and a 3.5 to 1.0 ratio on December 31, 2011.

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We can not make any assurances that we will remain in compliance with these agreements, particularly if the advertising environment remains weak or our operating income continues to decline. Failure to comply with these covenants would result in a default under our Senior Credit Facility and Senior Notes that, if we were unable to obtain a waiver from the lenders or holders thereof, could accelerate repayment under the Senior Credit Facility and Senior Notes and thereby have a material adverse impact on our business.

The cost of our indebtedness has increased substantially, which, when combined with our recent declining revenue, further affects our liquidity and could limit our ability to implement our business plan and respond competitively.

As a result of our recently completed recapitalization transactions, the annual interest payments on our debt increased from approximately $12 million to $19 million, $6 million of which will be paid in kind. If the economy continues in recession and advertisers continue to maintain reduced budgets which do not recover in 2009, we may be required to delay the implementation or reduce the scope of our business plan and our ability to develop or enhance our services or programs could be curtailed. Without additional revenue and capital, we may be unable to take advantage of business opportunities, such as acquisition opportunities or securing rights to name-brand or popular programming, or respond to competitive pressures. If any of the foregoing should occur, this could have a material and adverse effect on our business.

If we are not able to integrate future acquisitions successfully, our operating results could be harmed.

We evaluate acquisitions on an ongoing basis and intend to pursue acquisitions of businesses in our industry and related industries that can assist us in achieving our growth strategy. The success of our future acquisition strategy will depend on our ability to identify, negotiate, complete and integrate acquisitions and, if necessary, to obtain satisfactory debt or equity financing to fund those acquisitions. Mergers and acquisitions are inherently risky, and any mergers and acquisitions we do complete may not be successful. Any mergers and acquisitions we do may involve certain risks, including, but not limited to, the following:

- difficulties in integrating and managing the operations, technologies and products of the companies we acquire;
- diversion of our management s attention from normal daily operations of our business;
- our inability to maintain the key business relationships and reputations of the businesses we acquire;
- uncertainty of entry into markets in which we have limited or no prior experience or in which competitors have stronger market positions;
- our dependence on unfamiliar affiliates and partners of the companies we acquire;
- insufficient revenue to offset our increased expenses associated with the acquisitions;
- our responsibility for the liabilities of the businesses we acquire; and
- potential loss of key employees of the companies we acquire.

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

Revenue derived from the production and distribution of radio programs depend primarily upon their acceptance by the public, which is difficult to predict. The commercial success of a radio 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 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 we receive. Poor ratings can lead to a reduction in pricing and advertising revenue. Consequently, low public acceptance of our content, particularly our radio programs, could have an adverse effect on our results of operations.

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Continued consolidation in the radio broadcast industry could adversely affect our operating results.

The radio broadcasting industry has continued to experience significant change, including a significant amount of consolidation in recent years and increased business transactions by key players in the radio industry (*e.g.,* Clear Channel, Citadel and CBS Radio). Certain major station groups have: (1) modified overall amounts of commercial inventory broadcast on their radio stations; (2) experienced significant declines in audience; and (3) increased their supply of shorter duration advertisements, in particular the amount of 10 second inventory, which is directly competitive to us. To the extent similar initiatives are adopted by other major station groups, this could adversely impact the amount of commercial inventory made available to us or increase the cost of such commercial inventory at the time of renewal of existing affiliate agreements. Additionally, if the size and financial resources of certain station groups continue to increase, the station groups may be able to develop their own programming as a substitute to that offered by us or, alternatively, they could seek to obtain programming from our competitors. Any such occurrences, or merely the threat of such occurrences, could adversely affect our ability to negotiate favorable terms with our station affiliates, attract audiences and attract advertisers. If we do not succeed in these efforts, our operating results could be adversely affected.

We may be required to recognize further impairment charges.

On an annual basis and upon the occurrence of certain events, we are required to perform impairment tests on our identified intangible assets with indefinite lives, including goodwill, which testing could impact the value of our business. At December 31, 2008, we determined that our goodwill was impaired and recorded an impairment charge of approximately $224.1 million, which is in addition to the impairment charge of approximately $206.1 million taken on June 30, 2008. In connection with our Restructuring and our requisite adoption of the acquisition method of accounting, we recorded new values of certain assets such that as of April 24, 2009 our revalued goodwill was $86.4 million (an increase of $52.4 million) and net intangible assets were $112.0 million (an increase of $109.3 million), all of which will be tested annually for impairment or upon a triggering event in the future. As of June 30, 2009, goodwill was $86.4 million, net intangible assets were $112.0 million and the value of our fixed assets was $36.4 million, all of which will be tested for impairment in the future. Unanticipated differences to our forecasted operational results and cash flows could require a provision for further impairment that could significantly affect our reported earnings in a period of such change.

Risks Relating to this Offering and Ownership of Our Common Stock

The market price of our common stock may fluctuate significantly.

The price of the common stock that will prevail in the market after this offering may be higher or lower than the price you pay. The market price and liquidity of the market for shares of our common stock may be significantly affected by numerous factors, including some which are beyond our control and may not be directly related to our operating performance. These factors include those described above under Risks Related to Our Business and Industry and the following:

- termination or expiration of one or more of our key contracts;
- announcements by us or our competitors of significant contracts, productions, projects, acquisitions, strategic investments or capital commitments;
- changes in earnings estimates or recommendations by analysts who cover our common stock;
- variations in our quarterly operating results or the quarterly financial results of companies perceived to be competitors or similar to us;
- changes in our capital structure, such as future issuances of securities, sales of large blocks of common stock by our stockholders or the incurrence of additional debt; and

changes in general economic and market conditions.

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Our common stock may not maintain an active trading market or list on a nationally recognized exchange which could affect the liquidity and market price of your common stock.

As a result of the decline in our stock price, our common stock was delisted from the New York Stock Exchange as of November 24, 2008 and since that date has traded over-the-counter on the OTC Bulletin Board which has, among other things, constrained the liquidity of our common stock. As part of this offering, we intend to apply to list our common stock on the NASDAQ Global Market. However, there can be no assurance that following this offering an active trading market on the NASDAQ Global Market will be maintained, that our common stock price will increase or that our common stock will continue to trade on the exchange for any specific period of time.

Sales of additional shares of common stock by Gores or our other lenders could adversely affect the stock price.

Gores Radio Holdings, LLC (Gores) beneficially owns, in the aggregate, 15,257,509 shares of our common stock (or approximately 75.1% of our outstanding common stock prior to this offering). There can be no assurance that at some future time Gores, or our other lenders, will not, subject to the applicable volume, manner of sale, holding period and limitations of Rule 144 under the Securities Act, sell additional shares of our common stock, which could adversely affect our share price. The perception that these sales might occur could also cause the market price of our common stock to decline. Such sales could also make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem appropriate.

We have broad discretion in the use of the net proceeds from this offering, and we may not use these proceeds effectively.

Our management will have broad discretion in the application of the net proceeds from this offering and could spend the proceeds in ways that do not necessarily improve our results of operations or enhance the value of our common stock. Other than using the proceeds for general corporate purposes and working capital, we cannot specify with certainty the uses to which we will apply these net proceeds. The failure by our management to apply these funds effectively could result in financial losses that could have a material adverse effect on our business or financial condition and could cause the price of our common stock to decline.

Gores will be able to exert significant influence over us and our significant corporate decisions and may act in a manner that advances its best interest and not necessarily those of other stockholders.

As a result of its beneficial ownership of 15,257,509 shares of our common stock, or approximately 75.1% of our voting power, Gores has voting control over our corporate actions. For so long as Gores continues to beneficially own shares of common stock (including preferred stock on an as-converted basis) representing more than 50% of the voting power of our common stock, it will be able to elect all of the members of our board of directors and determine the outcome of all matters submitted to a vote of our stockholders, including matters involving mergers or other business combinations, the acquisition or disposition of assets, the incurrence of indebtedness, the issuance of any additional shares of common stock or other equity securities and the payment of dividends on common stock. Gores may act in a manner that advances its best interests and not necessarily those of other stockholders by, among other things:

- delaying, deferring or preventing a change in control;
- impeding a merger, consolidation, takeover or other business combination;
- discouraging a potential acquirer from making a tender offer or otherwise attempting obtain control; or
- causing us to enter into transactions or agreements that are not in the best interests of all stockholders.

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Provisions in our restated certificate of incorporation and by-laws and Delaware law may discourage, delay or prevent a change of control of our company or changes in our management and, therefore, depress the trading price of our common stock.

Provisions of our restated certificate of incorporation and by-laws and Delaware law may discourage, delay or prevent a merger, acquisition or other change in control that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares of our common stock. These provisions may also prevent or frustrate attempts by our stockholders to replace or remove our management. The existence of the foregoing provisions and anti-takeover measures could limit the price that investors might be willing to pay in the future for shares of our common stock. They could also deter potential acquirers of our company, thereby reducing the likelihood that you could receive a premium for your common stock in an acquisition.

In addition, we are subject to the provisions of Section 203 of the Delaware General Corporation Law, which may prohibit certain business combinations with stockholders owning 15% or more of our outstanding voting stock. This provision of the Delaware General Corporation Law could delay or prevent a change of control of our company, which could adversely affect the price of our common stock.

We do not anticipate paying dividends on our common stock.

We do not anticipate paying any cash dividends on our common stock in the foreseeable future. We currently anticipate that we will retain all of our available cash, if any, for use as working capital and for other general corporate purposes. Any payment of future cash dividends will be at the discretion of our board of directors and will depend upon, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations that our board of directors deems relevant. Investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize a return on their investment. Investors seeking cash dividends should not purchase shares of our common stock. In addition, our Senior Credit Facility and the Senior Notes restrict the payment of dividends.

Any issuance of shares of preferred stock by us could delay or prevent a change of control of our company, dilute the voting power of the common stockholders and adversely affect the value of our common stock.

Our board of directors has the authority to cause us to issue, without any further vote or action by the stockholders, up to 10,000,000 shares of preferred stock, in one or more series, to designate the number of shares constituting any series, and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, voting rights, rights and terms of redemption, redemption price or prices and liquidation preferences of such series. To the extent we choose to issue preferred stock, any such issuance may have the effect of delaying, deferring or preventing a change in control of our company without further action by the stockholders, even where stockholders are offered a premium for their shares.

The issuance of shares of preferred stock with voting rights may adversely affect the voting power of the holders of our other classes of voting stock either by diluting the voting power of our other classes of voting stock if they vote together as a single class, or by giving the holders of any such preferred stock the right to block an action on which they have a separate class vote even if the action were approved by the holders of our other classes of voting stock.

The issuance of shares of preferred stock with dividend or conversion rights, liquidation preferences or other economic terms favorable to the holders of preferred stock could adversely affect the market price for our common stock by making an investment in the common stock less attractive. For example, investors in the common stock may not wish to purchase common stock at a price above the conversion price of a series of convertible preferred stock because the holders of the preferred stock would effectively be entitled to purchase common stock at the lower conversion price causing economic dilution to the holders of common stock.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference contain forward-looking statements that involve risks and uncertainties, which are based on beliefs, expectations, estimates, projections, forecasts, plans, anticipations, targets, outlooks, initiatives, visions, objectives, strategies, opportunities, drivers and intents of our management. Such statements are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements include, without limitation, our expectations and estimates (whether qualitative or quantitative) as to our intention and ability, including as a result of market conditions or restrictions under our credit agreements, other contractual arrangements or applicable law, to issue securities pursuant to this prospectus. In addition to factors that may be described in this prospectus and the documents incorporated by reference, our determination not to, or difficulties, delays or unanticipated costs in or our inability to, including as a result of market conditions or restrictions under our indentures, credit agreements, other contractual arrangement or applicable law, issue securities pursuant to this prospectus, among others factors, could cause our actual results to differ materially from those expressed in any forward-looking statements made by us. While we believe that our estimates and assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, of course, impossible for us to anticipate all factors that could affect our actual results. We discuss certain of these risks in greater detail in the Risk Factors section of this prospectus. Our actual results may differ materially from those discussed in such forward-looking statements.

Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. Forward-looking statements can be identified by, among other things, the use of forward-looking language, such as believes, expects, estimates, projects, forecasts, plans, anticipates, targets, outlooks, initiatives, visions, objectives, strategies, opportunities, drivers, seeks, may, will, or should or the negative of those terms, or other variations of those terms or comparable language, or by discussions of strategy, plans, targets, models or intentions. Forward-looking statements speak only as of the date they are made, and except for our ongoing obligations under the U.S. federal securities laws, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements.

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USE OF PROCEEDS

We estimate that the net proceeds from the sale of shares by us in the offering, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, will be $ million, assuming a public offering price of $ per share, which was the last reported sale price of our common stock on , 2009. We will not receive any proceeds from the sale of common stock by the selling stockholders.

The principal purposes of this offering are to obtain additional capital and to increase the liquidity of our common stock. We anticipate that we will use the net proceeds of this offering for general corporate purposes and working capital, which may include:

- pursuit of possible acquisitions of complementary businesses or other assets such as TrafficLand, a provider of traffic video collected from local and state Departments of Transportation (if we choose to exercise our purchase option, as described elsewhere in this prospectus);
- funding our growth initiatives; and
- repayment of our outstanding indebtedness.

We have no definitive agreements or commitments with respect to any of the above activities. Our management may decide to change the use of the net proceeds from this offering if opportunities or needs arise. Such opportunities and needs could include payment of certain contractual obligations, the need to make increased capital or operating expenditures if we change our business plan, or payment of an unexpected liability. Pending these uses, we intend to invest the net proceeds in high quality, investment grade U.S. government-backed obligations. The actual use of the proceeds may vary significantly and will depend on a number of factors, including our future revenue and cash generated by operations and the other factors described in the section entitled Risk Factors appearing elsewhere in this prospectus. Accordingly, our management will have broad discretion in applying the net proceeds of this offering.

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DIVIDEND POLICY

We last declared a dividend on our common stock on March 6, 2007, when our Board of Directors declared a cash dividend of $3.85 per share for every issued and outstanding share of common stock and $3.20 per share for every issued and outstanding share of Class B stock.

We do not anticipate paying any cash dividends in the foreseeable future. Instead, we anticipate that all of our earnings, if any, in the foreseeable future will be used to repay debt, for working capital, to support our operations and to finance the growth and development of our business. Any future determination relating to dividend policy will be made at the discretion of our board of directors and will depend on a number of factors, including restrictions in our debt instruments, our future earnings, capital requirements, financial condition, future prospects and other factors that the board of directors may deem relevant. The terms of our Senior Credit Facility and Senior Notes also restrict our ability to pay dividends or make distributions.

On August 3, 2009, a 200:1 reverse stock split was declared and effective. All per share amounts have been adjusted for this split (see Note 1 to the Annual Consolidated Financial Statements).

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CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2009:

on an actual basis;

on a pro forma basis giving effect to: (i) the refinancing of our outstanding long term indebtedness; (ii) the conversion of all shares of our Series A-1 Preferred Stock (3,500 shares of which were converted on July 9, 2009 and the remainder of which automatically converted on August 3, 2009) and Series B Preferred Stock (which automatically converted on August 3, 2009) into an aggregate of 19,280,918 shares of common stock; (iii) the automatic conversion of all outstanding shares of Class B stock into an aggregate of 1,459 shares of shares of common stock which occurred on July 9, 2009; and (iv) a 200 for 1 reverse stock split of our common stock which occurred on August 3, 2009; and

on a pro forma as adjusted basis to reflect the sale of the shares of our common stock offered by us and the selling stockholders at an assumed public offering price of $ per share, which was the last reported sale price of our common stock on , 2009.

The table below is depicted on a pro forma basis to reflect a beneficial conversion feature contained in the Preferred Stock and accretion of the Preferred stock to redemption value as described elsewhere in this prospectus in more detail.

You should read this table together with Management s Discussion and Analysis of Financial Condition and Results of Operations, Description of Capital Stock and our consolidated financial statements and the related notes, each included elsewhere in this prospectus.

	As of June 30, 2009		
	Actual	Pro Forma	Pro Forma As Adjusted
	(in thousands, except per share data) (unaudited)		
Cash and cash equivalents	$ 7,980	$ 7,980	$
Long-term debt	128,078	128,078	$
Deferred tax liability	63,845	63,845	
Due to Gores	10,891	10,891	
Other liabilities	10,551	10,551	
TOTAL LIABILITIES	213,365	213,365	
Commitments and Contingencies			
Redeemable Preferred Stock: $.01 par value, authorized: 75 shares; issued and outstanding: 75 shares of 7.5% Series A-1 Preferred Stock; liquidation preference $1,065 per share, plus accumulated dividends	38,880		
Redeemable Preferred Stock: $.01 par value, authorized: 60 shares; issued and outstanding: 60 shares of 8.0% Series B Convertible Preferred Stock; liquidation preference $1,000 per share, plus accumulated dividends	30,476		
Redeemable Preferred Stock: $.01 par value, authorized: 10,000 shares; issued and outstanding: 75 shares of 7.5% Series A Convertible Preferred Stock; liquidation preference $1,000 per share, plus accumulated dividends			
TOTAL REDEEMABLE PREFERRED STOCK	69,356		

SHAREHOLDERS EQUITY

Common stock, $.01 par value: 300,000 shares authorized and 510 outstanding, actual; 5,000,000 shares authorized and 20,312 outstanding, pro forma	5	203	
Class B stock, $.01 par value: 3,000 shares authorized and 292 outstanding, actual; 3000 shares authorized and 0 shares outstanding, pro forma	3		
Additional paid-in capital	10,561	79,722	
Net unrealized gain	(95)	(95)	
Accumulated deficit	(6,184)	(6,184)	
TOTAL SHAREHOLDERS EQUITY	4,290	73,646	
TOTAL LIABILITIES, REDEEMABLE PREFERRED STOCK AND SHAREHOLDERS EQUITY	$ 287,011	$ 287,011	
Total capitalization	$ 287,011	$ 287,011	$

(1) In connection with the Restructuring, we issued $117.5 million of Senior Notes. Additionally, we borrowed the entire amount of the $20.0 million term loan available to us under our Senior Credit

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Facility on April 23, 2009. The term loan was drawn on subsequent to the completion of the refinancing and is not reflected in the pro forma adjustments.

This table assumes no exercise by the underwriters of their option to purchase up to an additional shares from us and the selling stockholders to cover over-allotments.

The information in the table above also excludes:

31,705 shares of common stock issuable upon exercise of options outstanding as of June 30, 2009 at a weighted average exercise price of $7.16 per share;

27,709 shares of common stock reserved as of June 30, 2009 for future issuance under our 1999 Stock Incentive Plan, and an additional 12,291 shares of common stock reserved for issuance after June 30, 2009; and

3,996 shares of common stock reserved as of June 30, 2009 for future issuance under our 2005 Equity Compensation Plan, and an additional 42,004 shares of common stock reserved for issuance after June 30, 2009.

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SELECTED CONSOLIDATED AND OTHER FINANCIAL DATA

The following tables summarize our consolidated financial and other data. The consolidated statements of operations data for the fiscal years ended December 31, 2006, 2007 and 2008 and the consolidated balance sheet data as of December 31, 2007 and 2008 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The consolidated statement of operations data for the fiscal years ended December 31, 2004 and 2005 and the consolidated balance sheet data as of December 31, 2004, 2005 and 2006 have been derived from our audited financial statements not included in this prospectus. The consolidated statement of operations data for the periods comprising the six months ended June 30, 2008 and 2009, and the consolidated balance sheet data as of June 30, 2009, have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. The unaudited consolidated financial statements have been prepared on a basis consistent with our audited financial statements and include, in the opinion of management, all adjustments that management considers necessary for the fair statement of the financial information set forth in those financial statements. The following financial data should be read in conjunction with, and is qualified by reference to, our consolidated financial statements and related notes and schedule included elsewhere in this prospectus and the information under Management s Discussion and Analysis of Financial Condition and Results of Operations. Our historical results are not necessarily indicative of the results to be expected in any future period.

						Predecessor Company		Successor Company
	Year Ended December 31,					For the Six Months Ended June 30,	For the Period January 1, 2009 to April 23,	For the Period April 24, 2009 to June 30,
	2004(1)	2005(1)	2006	2007	2008	2008	2009	2009 (4)
	(in thousands, except per share data)							
Consolidated Statements of Operations Data:								
Revenue	$ 562,246	$ 557,830	$ 512,085	$ 451,384	$ 404,416	$ 206,998	$ 111,474	$ 58,044
Operating Costs	379,097	378,998	395,196	350,440	360,492	179,640	111,580	52,116
Depreciation and Amortization	18,429	20,826	20,756	19,840	11,052	6,397	2,585	5,845
Corporate General and Administrative Expenses	13,596	14,028	14,618	13,171	13,442	4,665	4,248	2,407
Goodwill Impairment			515,916		430,126	206,053		
Restructuring Charges					14,100		3,976	1,454
Special Charges			1,579	4,626	13,245	8,853	12,819	368
Operating (Loss) Income	151,124	143,978	(435,980)	63,307	(438,041)	(198,610)	(23,734)	(4,146)
Net (Loss) Income	86,955	77,886	(469,453)	24,368	(427,563)	$ (205,082)	$ (18,961)	$ (6,184)
NET (LOSS) INCOME attributable to Common Stockholders	86,955	77,816	(469,528)	24,363	(430,644)	$ (205,270)	$ (22,037)	$ (9,595)

(Loss) Income Per Basic Share(2)