

WESTWOOD ONE INC /DE/

Form PREM14C

September 06, 2011

Table of Contents

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
SCHEDULE 14C
(Rule 14c-101)
INFORMATION STATEMENT PURSUANT TO SECTION 14(C) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Check the appropriate box:

- ☒ Preliminary information statement
- ☐ Confidential, for use of the Commission only (as permitted by Rule 14c-5(d)(2))
- ☐ Definitive information statement

WESTWOOD ONE, INC.

(Name of Registrant as Specified in Its Charter)

Payment of Filing Fee (Check the appropriate box):

- ☐ No fee required.
- ☒ Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11.

(1) Title of each class of securities to which transaction applies:

Class B Common Stock, par value \$0.01 per share, and Series A Preferred Stock, par value \$0.01 per share

(2) Aggregate number of securities to which transaction applies:

34,466,442 shares of Class B Common Stock and 15,060 shares of Series A Preferred Stock

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

Since no public market exists for the securities to be issued in this transaction, the per unit price of the securities has been estimated as follows: (i) for the Class B Common Stock, the per unit price is estimated to be \$.435, which represents the book value per share of Registrant's common stock as of June 30, 2011; and (ii) for the Series A Preferred Stock, the per unit price is estimated to be \$1,000, which represents the liquidation preference per share of Series A Preferred Stock. The calculation of the proposed maximum aggregate value of the transaction using these values yields approximately \$30,052,903.

(4) Proposed maximum aggregate value of transaction:

\$30,052,903

(5) Total fee paid:

\$3,489.15

- ☐ Fee paid previously with preliminary materials.

- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:
-

Table of Contents

WESTWOOD ONE, INC.
1166 Avenue of the Americas, 10th Floor
New York, NY 10036
NOTICE OF ACTION BY WRITTEN CONSENT
[], 2011

To the Stockholders of Westwood One, Inc.:

You are receiving this notice because stockholders of Westwood One, Inc., a Delaware corporation, which we refer to as the *Company*, representing the requisite voting power thereof, have approved and adopted by written consent the following matters that are explained below and in the Information Statement:

The merger of Verge Media Companies, Inc., a Delaware corporation, which we refer to as *Verge*, with and into Radio Network Holdings, LLC, a Delaware limited liability company and direct, wholly-owned subsidiary of the Company, which we refer to as *Merger Sub*, pursuant to the Merger Agreement, dated as of July 30, 2011, a copy of which is attached hereto as Annex A and which we refer to as the *Merger Agreement*;

An Amended and Restated Certificate of Incorporation of the Company, a copy of which is attached hereto as Annex B-1 and two Certificates of Designation, Powers, Preferences and Rights, attached hereto as Annex B-2 and Annex B-3, respectively, which we collectively refer to as the *Restated Charter*, and which, among other things, reclassify the Company's common stock into Class A Common Stock, par value \$0.01 per share, authorize a new class of common stock to be designated as Class B Common Stock, par value \$0.01 per share, and designate two new series of preferred stock, Series A Preferred Stock and Series B Preferred Stock; and

The issuance of shares of Class B Common Stock and, if any, Series A Preferred Stock of the Company to Verge's stockholders pursuant to the Merger Agreement.

Under the rules of the Securities and Exchange Commission, the corporate actions that are described above may be effected no earlier than twenty (20) business days after we have provided this notice and mailed our Information Statement relating to the matters described above to our stockholders.

Table of Contents

Overview of the Merger

On July 30, 2011, the Company, Merger Sub and Verge entered into the Merger Agreement pursuant to which Verge will merge with and into Merger Sub, which we refer to as the *Merger*, with Merger Sub surviving as a direct, wholly-owned subsidiary of the Company. In the Merger, Verge's stockholders will be entitled to receive 6.884183 common shares of the Company for each common share of Verge held by them. This exchange ratio was adjusted from the 6.90453 number included in the Merger Agreement following the execution of the Merger Agreement due to the expiration of certain stock options of the Company related to the sale of Metro Networks, Inc. and its subsidiaries, SmartRoute Systems, Inc. and TLAC, Inc. and the issuance of certain restricted stock units to our directors as is customary, and is subject to further adjustment as provided in the Merger Agreement. In addition, pursuant to the Merger Agreement, upon consummation of the Merger the Company will issue to stockholders of Verge a new series of preferred stock having an aggregate liquidation preference of \$8,000,000, subject to adjustment upon the closing of the Merger based on the respective net debt amounts of the Company and Verge on the business day prior to the closing. Assuming the Merger had been consummated on June 30, 2011, on a pro forma basis giving effect to the respective net debt amounts of the Company and Verge as of such date, the Company would have issued to stockholders of Verge 15,060 shares of the new series of preferred stock having an aggregate liquidation preference of \$15,060,000.

Following the closing of the Merger, based on the Company's and Verge's respective capitalizations as of July 30, 2011, and the exchange ratio of 6.884183, we estimate that current Company stockholders together with holders of outstanding options exercisable for Company common stock and restricted stock units will own approximately 41%, and current Verge stockholders will own approximately 59%, of the issued and outstanding shares of common stock of the combined company on a fully diluted basis.

Overview of the Recapitalization

Immediately prior to the Merger, the Company will file the Restated Charter which, among other things, (i) reclassifies the Company's existing common stock on a share-for-share basis into a new class of common stock to be designated as Class A Common Stock, par value \$.01 per share, which we refer to as the *Reclassification*, (ii) authorizes a new class of common stock to be designated as Class B Common Stock, par value \$.01 per share, which is to be issued to Verge's stockholders in the Merger, and (iii) designates two new series of preferred stock of the Company, Series A Preferred Stock and Series B Preferred Stock, which are senior to the common stock and may be issued in connection with the Merger under certain circumstances described herein. The Class A Common Stock and the Class B Common Stock will be identical except for certain class voting and approval rights (including with respect to election of directors) and, under certain circumstances, Class B Common Stock automatically converts into Class A Common Stock, as described in this Information Statement. We refer to the Reclassification, the other amendments to the Company's certificate of incorporation pursuant to the Restated Charter and certain amendments to the Company's Amended and Restated By-Laws as described in the Information Statement, as the *Recapitalization*.

Table of Contents

The Company's common shares are currently listed on the NASDAQ Global Market under the symbol WWON. Upon the closing of the Recapitalization and the Merger, the Company intends to continue to list its shares of Class A Common Stock on the NASDAQ Global Market and to change its stock symbol to DIAL. The shares of Class B Common Stock and Series A Preferred Stock will not be publicly listed or traded.

The Merger Agreement and the consummation of the transactions contemplated thereby, including the Merger and the Recapitalization, have been approved, as applicable, by the board of directors and the requisite stockholders of each of the Company and Verge, as well as by the Company, as sole member of Merger Sub.

Purpose of Information Statement

This Notice and the Information Statement are being furnished to you for your information to comply with the requirements of the Securities Exchange Act of 1934, as amended. Pursuant to Section 228(e) of the Delaware General Corporation Law, the Company previously sent to the Company's stockholders the required notice of corporate action without a meeting by less than unanimous consent of the Company's stockholders, covering the items to which holders of common stock of the Company, having not less than the minimum number of votes that would be necessary to authorize or take such action, consented to on July 30, 2011. You are urged to read the Information Statement carefully in its entirety. However, no action is required on your part in connection with this document and the related actions. No meeting of our stockholders will be held or proxies requested for these matters because they have already been consented to by holders of common stock of the Company, having not less than the minimum number of votes that would be necessary to authorize or take such action, acting by written consent in lieu of a meeting.

Important Notice Regarding the Availability of Information Statement Materials in connection with this Notice of Stockholder Action by Written Consent:

The Information Statement, including our current and periodic reports filed with the U.S. Securities and Exchange Commission and amendments to those reports, may be obtained through our website at www.westwoodone.com.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

Sincerely,

By the Order of the Board of Directors

David Hillman

General Counsel and Secretary

[], 2011

TABLE OF CONTENTS

<u>INTRODUCTION</u>	1
<u>SUMMARY TERM SHEET</u>	4
<u>QUESTIONS AND ANSWERS ABOUT THE MERGER</u>	16
<u>FORWARD-LOOKING STATEMENTS</u>	21
<u>SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF VERGE</u>	22
<u>PRELIMINARY UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION</u>	24
<u>MARKET PRICE AND DIVIDEND INFORMATION</u>	36
<u>BUSINESS OF VERGE</u>	38
<u>VERGE MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	39
<u>THE MERGER</u>	55
<u>THE MERGER AGREEMENT</u>	81
<u>THE RECAPITALIZATION</u>	89
<u>INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON</u>	103
<u>OTHER AGREEMENTS</u>	110
<u>REGULATORY APPROVALS</u>	112
<u>CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS OF THE MERGER AND THE RECLASSIFICATION</u>	113
<u>ACCOUNTING TREATMENT OF THE MERGER</u>	119
<u>BENEFICIAL OWNERSHIP OF SECURITIES</u>	120
<u>OUTSTANDING VOTING SECURITIES; VOTE REQUIRED; GORES WRITTEN CONSENT</u>	123
<u>EFFECTIVE DATE</u>	123
<u>APPRAISAL RIGHTS</u>	123
<u>STOCKHOLDERS SHARING AN ADDRESS</u>	123

<u>INFORMATION INCORPORATED BY REFERENCE</u>	124
<u>WHERE STOCKHOLDERS CAN FIND MORE INFORMATION</u>	124

ANNEXES

Annex A	Agreement and Plan of Merger
Annex B-1	Amended and Restated Certificate of Incorporation
Annex B-2	Certificate of Designation, Powers, Preferences and Rights of Series A Preferred Stock of Westwood One, Inc.
Annex B-3	Certificate of Designation, Powers, Preferences and Rights of Series B Preferred Stock of Westwood One, Inc.
Annex C	First Amendment to Amended and Restated By-Laws
Annex D	Opinion of Financial Advisor to the Company
Annex E	Financial Statements of Verge as of December 31, 2010 and 2009 and for the Years Ended December 31, 2010, 2009 and 2008, and as of June 30, 2011 and for the Six Months Ended June 30, 2011

Table of Contents

**1166 Avenue of the Americas, 10th Floor
New York, NY 10036**

**INFORMATION STATEMENT
PURSUANT TO SECTION 14(C)
OF THE SECURITIES EXCHANGE ACT OF 1934
AND RULE 14C-2 THEREUNDER**

THIS IS NOT A NOTICE OF A SPECIAL MEETING OF STOCKHOLDERS AND NO STOCKHOLDER MEETING WILL BE HELD TO CONSIDER ANY MATTER DESCRIBED IN THIS INFORMATION STATEMENT. THE ACTIONS DESCRIBED IN THIS INFORMATION STATEMENT HAVE BEEN CONSENTED TO BY THE HOLDERS OF A MAJORITY IN VOTING POWER OF THE OUTSTANDING SHARES OF THE COMPANY'S COMMON STOCK.

WE ARE NOT ASKING YOU FOR A PROXY OR CONSENT AND YOU ARE REQUESTED NOT TO SEND US A PROXY OR CONSENT.

THERE ARE NO APPRAISAL RIGHTS AVAILABLE TO HOLDERS OF COMMON STOCK WITH RESPECT TO THE ACTIONS DESCRIBED IN THIS INFORMATION STATEMENT.

Dated [], 2011

INTRODUCTION

On July 30, 2011, Westwood One, Inc., a Delaware corporation, which we refer to as the *Company*, *we*, *us* or *our*, Radio Network Holdings, LLC, a Delaware corporation and a direct, wholly-owned subsidiary of the Company, which we refer to as *Merger Sub*, and Verge Media Companies, Inc., a Delaware corporation, which we refer to as *Verge*, entered into a Merger Agreement, a copy of which is attached hereto as Annex A and which we refer to as the *Merger Agreement*, pursuant to which, among other things, (i) Verge will merge with and into Merger Sub, which we refer to as the *Merger*, with Merger Sub surviving as a direct, wholly-owned subsidiary of the Company and (ii) immediately prior to the Merger, the Company will file the Amended and Restated Certificate of Incorporation of the Company, a copy of which is attached hereto as Annex B-1 and two Certificates of Designation, Powers, Preferences and Rights, attached hereto as Annex B-2 and Annex B-3 respectively, which we collectively refer to as the *Restated Charter*, to effect the Reclassification and the other amendments to the Company's organizational documents described below and more fully in this Information Statement. Following the closing of the Merger, based on the Company's and Verge's respective capitalizations as of July 30, 2011, and the exchange ratio of 6.884183, we estimate that current Company stockholders together with holders of outstanding options exercisable for Company common stock and restricted stock units will own approximately 41%, and current Verge stockholders will own approximately 59%, of the issued and outstanding shares of common stock of the combined company on a fully diluted basis.

Table of Contents

The Merger Agreement and the consummation of the transactions contemplated thereby, including the Merger, the Recapitalization and the Parent Stock Issuance have been approved, as applicable, by the board of directors of each of the Company, which we refer to as the *Board*, and Verge, as well as by the Company, as sole member of Merger Sub, and by Gores Radio Holdings, LLC, which we refer to as *Gores*, as owner of 76.2% of the Company's issued and outstanding voting securities as of July 30, 2011.

The Company is sending this Information Statement to the holders of record at the close of business on August 31, 2011 of the Company's shares of common stock outstanding as of such date. This Information Statement is sent for the purpose of informing you, as one of our stockholders, in the manner required under Regulation 14(c) promulgated under the Securities Exchange Act of 1934, as amended, which we refer to as the *Exchange Act*, that the Board has approved, and Gores, as holder of a majority of the Company's issued and outstanding voting securities, as permitted by our Amended and Restated By-Laws, which we refer to as the *By-Laws*, and Section 228 of the Delaware General Corporation Law, which we refer to as the *DGCL*, has previously executed the Written Consent of Stockholders of Westwood One, Inc., which we refer to as the *Gores Written Consent*, with respect to the following actions:

The adoption of the Merger Agreement and the approval of the Merger;

The adoption and approval of the Restated Charter which, among other things, reclassifies the Company's common stock into Class A Common Stock, par value \$0.01 per share, which we refer to as the *Reclassification*, authorizes a new class of common stock to be designated as Class B Common Stock, par value \$0.01 per share, which, together with Class A Common Stock, we refer to as the *New Common Stock*, and designates two new series of preferred stock, Series A Preferred Stock and Series B Preferred Stock. We refer to the Reclassification, the other amendments to the Company's certificate of incorporation pursuant to the Restated Charter, and certain amendments to the By-Laws as described in this Information Statement, as the *Recapitalization*; and

The approval of the issuance to Verge's stockholders in the Merger of shares of Class B Common Stock representing approximately 59% of the total issued and outstanding shares of common stock of the combined company on a fully diluted basis and shares of Series A Preferred Stock having an aggregate liquidation preference of \$8,000,000, subject to adjustment upon the closing of the Merger based on the respective net debt amounts of the Company and Verge on the business day prior to the closing, which issuances we refer to as the *Parent Stock Issuance*.

Table of Contents

Under Section 228 of the DGCL, unless prohibited in a corporation's certificate of incorporation, any action required or permitted by the DGCL to be taken at an annual or special meeting of stockholders of a Delaware corporation may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Article 11 of the Company's current Amended and Restated Certificate of Incorporation allows for action by stockholders by written consent, without a meeting and without prior notice.

Under rules adopted by the U.S. Securities and Exchange Commission, which we refer to as the *SEC*, we are also providing access to the Information Statement over the Internet. The Information Statement, including our current and periodic reports filed with the SEC and amendments to those reports, may be obtained through our website at www.westwoodone.com. In addition, stockholders may request to receive future information statements or similar mailings in printed form by mail or electronically by email on an ongoing basis.

Under Section 262 of the DGCL, stockholders are not entitled to appraisal rights in connection with the Merger, the Recapitalization, the Parent Stock Issuance and related transactions.

Table of Contents

SUMMARY TERM SHEET

This summary highlights the material information in this Information Statement. To fully understand the proposed actions, and for a more complete description of the legal terms of the actions, you should carefully read this entire Information Statement, including the annexes and documents incorporated by reference herein, and the other documents to which the parties have referred you. For information on how to obtain the documents that are on file with the Securities and Exchange Commission, please see the section of this Information Statement entitled "Where Stockholders Can Find More Information."

Parties to the Merger

The Company

Westwood One, Inc., is a provider of network radio programming, providing more than 5,000 radio stations with over 150 news, sports, music, talk and entertainment programs, features, live events and digital content. For more information about Westwood One, Inc., visit www.westwoodone.com. The Company was incorporated on June 21, 1985, under the laws of the state of Delaware. The Company's shares of common stock are quoted on the NASDAQ Global Market under the ticker symbol WWON. The Company's principal executive offices are located at 1166 Avenue of the Americasth, 10 Floor, New York, NY 10036, and its telephone number is (212) 641-2000.

Merger Sub

Radio Network Holdings, LLC is a direct, wholly-owned subsidiary of the Company and was formed solely for purposes of the Merger.

Merger Sub was formed on July 28, 2011, under the laws of the state of Delaware. Merger Sub's principal executive offices are located at 1166 Avenue of the Americas, 10th Floor, New York, NY 10036, and its telephone number is (212) 641-2000.

Verge

Verge Media Companies, Inc. is the ultimate parent company of all of the entities that will be acquired by the Company in the Merger. One of the entities the Company will acquire in the Merger is Dial Communications Global Media, LLC, which we refer to as *Dial Global*. Dial Global is a provider of national advertising sales representation to over 200 radio programs, services and networks on over 6,000 stations. In addition, Dial Global produces the Dial Global 24/7 Formats, as well as Prep Services, Jingles and Imaging as well as long and short form radio programs which it distributes to over 6,000 radio stations nationwide. For more information about Dial Global, visit www.dial-global.com.

Verge, a privately held company, was incorporated on February 24, 2009, under the laws of the state of Delaware. Verge's principal executive offices are located at 220 West 42nd Street, New York, NY 10036, and its telephone number is (212) 419-2900.

Table of Contents

The Merger

General Description

Pursuant to the Merger Agreement, Verge will merge with and into Merger Sub, a direct, wholly-owned subsidiary of the Company, with Merger Sub surviving as a direct, wholly-owned subsidiary of the Company succeeding to and assuming all of the rights, properties, liabilities and obligations of Verge.

Merger Consideration

Subject to the terms and conditions of the Merger Agreement, upon consummation of the Merger, Verge's stockholders will be entitled to receive 6.884183 shares of new Class B Common Stock of the Company for each common share of Verge held by them. This exchange ratio was adjusted from the 6.90453 number included in the Merger Agreement following the execution of the Merger Agreement due to the expiration of certain stock options of the Company related to the sale of Metro Networks, Inc. and its subsidiaries, SmartRoute Systems, Inc. and TLAC, Inc., which we collectively refer to as the *Metro Traffic Business*, and the issuance of certain restricted stock units to our directors as is customary, and is subject to further adjustment as provided in the Merger Agreement. In addition, pursuant to the Merger Agreement, upon consummation of the Merger the Company will issue to stockholders of Verge shares of Series A Preferred Stock of the Company having an aggregate liquidation preference of \$8,000,000, subject to adjustment upon the closing of the Merger based on the respective net debt amounts of the Company and Verge on the business day prior to the closing. Assuming the Merger had been consummated on June 30, 2011, on a pro forma basis giving effect to the respective net debt amounts of the Company and Verge as of such date, the Company would have issued to stockholders of Verge 15,060 shares of Series A Preferred Stock having an aggregate liquidation preference of \$15,060,000.

Following the closing of the Merger, based on the Company's and Verge's respective capitalizations as of July 30, 2011, and the exchange ratio of 6.884183, we estimate that current Company stockholders together with holders of outstanding options exercisable for Company common stock and restricted stock units will own approximately 41%, and current Verge stockholders will own approximately 59%, of the issued and outstanding shares of common stock of the combined company on a fully diluted basis.

The Recapitalization

General Description

Immediately prior to the Merger, the Company will file the Restated Charter, which, among other things, (i) authorizes two classes of common stock, par value \$0.01 per share, to be designated as Class A Common Stock and Class B Common Stock, and (ii) designates two new series of preferred stock of the Company, Series A Preferred Stock and Series B Preferred Stock. We are also making certain amendments to our By-Laws which are summarized below.

Table of Contents

The Reclassification

Upon the effectiveness of the Restated Charter, each issued and outstanding share of Company common stock shall be reclassified and automatically converted into one share of Class A Common Stock without any further action on the part of the Company's stockholders.

Voting Rights and Directors

Each share of Class A Common Stock and Class B Common Stock will be entitled to one vote for all matters submitted to a vote of the Company's stockholders whether voting separately as a class or together as a single class, and will be identical in all respects except as described below and under

Automatic Conversion.

Until the Board Trigger Date (defined below), the members of the board of directors of the combined company shall be determined as follows:

the holders of Class A Common Stock voting as a separate class will be entitled to elect three members to the board of directors of the combined company, which we refer to as the *Class A Directors*;

the Chief Executive Officer of the Company shall have the right to be nominated to the board of directors of the combined company and shall be elected by the holders of Class A Common Stock and Class B Common Stock voting together as a single class; and

the holders of Class B Common Stock voting as a separate class will be entitled to elect all other members of the board of directors of the combined company, which we refer to as the

Class B Directors.

At least one Class A Director is required to be an Independent Director (as defined by NASDAQ Marketplace Rule 5605(a)(2) or any successor provision), and must be reasonably acceptable to a majority of the Class B Directors. At least two Class B Directors are required to be Independent Directors and must be reasonably acceptable to a majority of the Class A Directors.

Certain actions of the Company may not be taken without approval of a majority of the Class A Directors, the Class B Directors or all of the Independent Directors, as described below under *The Recapitalization Restated Charter.*

After the Board Trigger Date, the holders of the Class A Common Stock and the holders of the Class B Common Stock voting together as a single class will be entitled to elect all members of the board of directors of the combined company.

Table of Contents

The *Board Trigger Date* means the later of (x) the date that is 18 months following the effective date of the Restated Charter and (y) the date on which at least 35% of the outstanding shares of New Common Stock are freely tradable on the NASDAQ Stock Market or other national securities exchange.

Until the third anniversary of the effective date of the Restated Charter, the affirmative vote of the holders of Class A Common Stock shall be required to approve a sale of the Company, unless the price per share of Class A Common Stock in such sale exceeds \$7.78 minus the per share amount of all cash dividends to holders of record after July 30, 2011 and prior to the date of such sale (subject, in each case, to adjustment based upon stock splits, stock dividends and transactions having similar effects).

Automatic Conversion

Class B Common Stock may be held only by Verge stockholders and their affiliates. As a result, each share of Class B Common Stock transferred to any other person will automatically convert to one share of Class A Common Stock.

In addition, each share of Class B Common Stock will automatically convert into one share of Class A Common Stock upon the later of (i) the third anniversary of the effective date of the Restated Charter and (ii) the date upon which both of the following conditions are satisfied: (x) at least 35% of the outstanding shares of New Common Stock are freely tradable on the NASDAQ Stock Market or other national securities exchange and (y) Verge's stockholders and their affiliates cease to own a majority of the outstanding shares of voting securities of the Company.

Series A Preferred Stock

As to dividends and distributions of assets upon liquidation, dissolution or winding up of the Company, the Series A Preferred Stock will rank senior over the New Common Stock and junior to the Series B Preferred Stock.

Each holder of the Series A Preferred Stock shall be entitled to receive dividends when, as and if declared by the board of directors of the combined company or a duly authorized committee thereof out of funds of the Company legally available therefor at an annual rate equal to (i) 9% per annum from and excluding the issue date through and including the second anniversary of the issue date, (ii) 12% per annum from the day immediately following the second anniversary of the issue date through and including the fourth anniversary of the issue date, and (iii) 15% per annum thereafter. Dividends shall be paid in cash and, to the extent not paid on March 15, June 15, September 15 or December 15 of any given year, shall accumulate and remain accumulated dividends until paid to the holders of the Series A Preferred Stock. No cash dividends shall in any instance be paid in the first year after the Series A Preferred Stock is issued, and the Company may further pay cash dividends to the New Common Stock and not on the Series A Preferred Stock during such first year notwithstanding the priority of the Series A Preferred Stock otherwise set forth in the Restated Charter.

Table of Contents

Following the first anniversary of the issue date, the Company may redeem the Series A Preferred Stock for cash at the Company's option. The redemption price as of any given date shall be equal to the liquidation preference of \$1,000 per share, plus all dividends accumulated thereon and all accrued and unpaid dividends to the payment date.

The holders of the shares of the Series A Preferred Stock shall not have any right to convert such shares into or exchange such shares for any other class or series of stock or obligations of the Company.

Upon the liquidation, bankruptcy, dissolution or winding up of the Company, the holders of the shares of the Series A Preferred Stock shall be entitled to an amount of cash equal to the liquidation preference of \$1,000 per share, plus all dividends accumulated thereon and all accrued and unpaid dividends to the payment date. A change of control will be considered a liquidation, dissolution or winding up of the Company.

The Series A Preferred Stock shall not have any voting powers, either general or special, except that the affirmative vote or consent of the holders of a majority of the outstanding shares of the Series A Preferred Stock will be required for any amendment of the Restated Charter if the amendment would specifically alter or change the powers, preferences or rights of the shares of the Series A Preferred Stock so as to affect them adversely.

Series B Preferred Stock

The terms of the Series B Preferred Stock are substantially the same as the terms of the Series A Preferred Stock described above, except:

As to dividends and distributions of assets upon liquidation, dissolution or winding up of the Company, the Series B Preferred Stock will rank senior over the New Common Stock and the Series A Preferred Stock.

Dividends on the Series B Preferred Stock shall accrue at an annual rate equal to (i) 15% per annum from and excluding the issue date through and including the third anniversary of the issue date and (ii) 17% per annum thereafter.

Amendment to the Amended and Restated By-Laws

The amendments to the By-Laws will provide as follows:

Nominations of persons to serve as directors of the board of directors of the combined company, the number of directors on the board of directors of the combined company (including the minimum number of independent directors), the length of service of each director on the board of directors of the combined company, and the filling of vacancies on the board of directors of the combined company must all be in compliance with the Restated Charter.

Table of Contents

Transfers of stock of the Company must also be in compliance with the Restated Charter.

Special meetings of the board of directors of the combined company may be called by any two directors and require 48 hours prior notice to the other directors.

Committees of the board of directors of the combined company must consist of at least one Class A Director and one Class B Director (for so long as there are Class B Directors).

The Company will be the indemnitor of first resort with respect to directors affiliated with Gores or Oaktree.

The board of directors of the combined company must have a minimum of three independent directors or a higher number if required by the SEC or the rules and regulations of the NASDAQ Stock Market or any other securities exchange or quotation system on which the Company's securities are listed or quoted for trading in the future and, in the case of a higher number so being required, the board of directors of the combined company will be expanded to allow for the appointment of any additional independent directors so required, and each such additional seat will be filled with an independent director appointed by a majority of the board of directors of the combined company and elected annually by the holders of New Common Stock, voting as a single class.

Any salaries paid to a director, or any other fees payable to directors for the attendance of meetings, must be approved by the board of directors of the combined company.

Until the Board Trigger Date:

- the By-Laws may not be amended in a manner contrary to the Restated Charter;

- without the consent of a majority of the Class A Directors, the By-Laws may not be amended in a manner that materially adversely affects the holders of Class A Common Stock in a disproportionate manner relative to holders of Class B Common Stock, or adversely affects the approval rights of the Class A Directors and holders of Class A Common Stock to approve a sale of the Company; and

- without the consent of a majority of the Class B Directors, the By-Laws may not be amended in a manner that materially adversely affects the holders of Class B Common Stock in a disproportionate manner relative to holders of Class A Common Stock, or adversely affects the approval rights of the Class B Directors.

Table of Contents

For more information about the Recapitalization, including a summary of the material differences between the rights of holders of our existing common stock and Class A Common Stock after the Recapitalization, see *The Recapitalization Restated Charter*, *Amendment to Amended and Restated Bylaws of the Company* and *Comparison of the Rights of Holders of Existing Common Stock and Class A Common Stock*.

The Merger Agreement

The Company and Verge have made certain customary representations and warranties to each other in the Merger Agreement.

The parties have agreed to use their respective reasonable best efforts to do all things necessary, proper or advisable to consummate the Merger, including obtaining all necessary approvals and consents, subject to certain limitations.

Completion of the Merger is subject to certain conditions, including, among others:

completion of approximately \$265 million of debt financing for the transaction;

the expiration or early termination of the waiting period applicable to the Merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which we refer to as the *HSR Act*, and any required approvals thereunder, which early termination was granted on August 24, 2011;

receipt of certain other required regulatory approvals;

the absence of legal impediments to the Merger;

the absence of certain material adverse changes or events;

the accuracy of the other party's representations and warranties (subject to customary materiality qualifiers and other qualifying disclosures which are not necessarily reflected in the Merger Agreement);

there not being holders of more than 3% of the outstanding shares of Verge common stock that have demanded appraisal rights pursuant to the DGCL;

the effectiveness of the Recapitalization, including the Reclassification;

receipt of tax opinions; and

the execution and delivery by the parties and certain of their affiliates of various ancillary documents and agreements described below and more fully in this Information Statement.

Table of Contents

The Merger Agreement may be terminated by:

mutual consent of the Company and Verge;

the Company or Verge if the Merger has not been completed by October 28, 2011 (so long as the terminating party's failure to perform its obligations under the Merger Agreement is not the primary reason for the closing not having occurred by that date);

the Company or Verge if the Merger has been permanently enjoined or declared illegal;

the Company or Verge upon certain breaches of the Merger Agreement by the other party;

the Company if holders of more than 3% of the outstanding shares of Verge common stock have demanded appraisal rights pursuant to the DGCL;

the Company if it receives an unsolicited Superior Proposal (as defined in the Merger Agreement) on or before August 26, 2011 and, as a result, the Board believes it is required to terminate the Merger Agreement pursuant to its fiduciary duties, and subject to certain additional limitations; and

Verge if the Board takes certain adverse actions, including changing its recommendation regarding approval of the Merger or approving or recommending an alternative transaction.

If the Merger Agreement is terminated pursuant to the circumstances described in the two immediately preceding bullets, which we refer to as the *Fiduciary Termination Provisions*, the Company will be required to pay Verge a termination fee of \$5,625,000.

If the Merger is not consummated, the fees and expenses incurred by each party in connection with the Merger and related transactions shall be the sole responsibility of such incurring party, except that (a) the fees and expenses incurred by the parties in respect of such parties' legal counsel after the date of execution of the Merger Agreement shall be split equally between the Company and Verge, (b) filing fees incurred in respect of filings under the HSR Act shall be split equally between the Company and Verge, and (c) the fees and expenses incurred by the parties in respect of the obtaining of the debt financing at any time (including prior to the date of execution of the Merger Agreement) shall be split equally between the Company and Verge.

Table of Contents

If the Merger is consummated, the combined company shall pay and/or reimburse the Company and Verge for all reasonable documented out-of-pocket fees and expenses incurred by the Company and Verge (including prior to the date of execution of the Merger Agreement), as applicable, in order to consummate the transactions contemplated by the Merger Agreement.

The Company agreed to deliver at the closing a number of shares of Series A Preferred Stock with a liquidation preference equal to \$8,000,000 to the holders of Verge common stock, subject to adjustment upon the closing of the Merger based on the respective net debt amounts of the Company and Verge on the business day prior to the closing. If such adjustment results in a negative value, the Company shall not deliver the shares of Series A Preferred Stock and the exchange ratio shall be adjusted as described under *The Merger Agreement Delivery of Series A Preferred Stock; Net Debt Adjustment*.

On the business day immediately preceding the closing, the Company shall declare a dividend (payable to record holders of Company common stock as of such date) equal to the excess, if any, of (a) \$47,901,155, over (b) the aggregate net indebtedness of the Company and its subsidiaries as of the close of business on the business day immediately prior to the closing, as calculated in accordance with the Merger Agreement.

For more information about the terms of the Merger Agreement, see *The Merger Agreement*.

Determination and Recommendation of the Board of Directors

On July 30, 2011, the Board determined that the Merger, the Recapitalization, the Parent Stock Issuance and related transactions were advisable, fair to and in the best interests of the Company's stockholders (other than The Gores Group LLC, its portfolio companies and all affiliates thereof, which we refer to as the *Excluded Gores Parties*) and recommended that the Company's stockholders vote to approve such transactions. Among the reasons for recommending the Merger was the Board's belief that the combined company will have substantial synergy potential in the near term. To review the Board's reasons for approving such transactions and recommending that our stockholders vote to approve such transactions, see *The Merger Reasons for the Merger*.

Opinion of Financial Advisor to the Company

Berenson & Company, LLC, which we refer to as *Berenson*, served as the financial advisor to the audit committee of the Board, which we refer to as the *Audit Committee*, and the Board in connection with the Merger. On July 30, 2011, Berenson rendered to the Audit Committee and the Board its opinion, which we refer to as the *Berenson Opinion*, to the effect that, as of that date and based upon and subject to the various considerations and assumptions set forth therein, the exchange ratio pursuant to the Merger Agreement (taking into account the potential issuance of Series A Preferred Stock pursuant to the Merger Agreement based on the assumptions referenced in such opinion) was fair from a financial point of view to the holders of the Company's common stock (other than the Excluded Gores Parties).

Table of Contents

The full text of the Berenson Opinion, which sets forth the assumptions made, matters considered, and limitations on the scope of review undertaken by Berenson in rendering its opinion, is attached to this Information Statement as Annex D. Berenson provided its opinion for the information and assistance of the Audit Committee and the Board in connection with their consideration of the Merger. The Berenson Opinion is limited solely to the fairness, from a financial point of view, of the exchange ratio set forth in the Merger Agreement to the holders of the Company's common stock (other than the Excluded Gores Parties) as of the date of the opinion and does not constitute a recommendation to any stockholder of the Company as to how such stockholder should vote with respect to the Merger, the Recapitalization, the Parent Stock Issuance or any other matter. In addition, Berenson was not requested to opine as to, and its opinion does not in any manner address, the Company's underlying business decision to effect the Merger and Recapitalization or the relative merits of the Merger and the Recapitalization as compared to any alternative business strategies or transactions that might be available to the Company. The Company encourages the Company's stockholders to read the Berenson Opinion carefully and in its entirety. The summary of the Berenson Opinion in this Information Statement, which describes the material analyses underlying the Berenson Opinion, but does not purport to be a complete description of the analyses performed by Berenson in connection with its opinion, is qualified in its entirety by reference to the full text of the Berenson Opinion. See *The Merger Opinion of Financial Advisor to the Company* for more information.

Interests of Certain Persons in Matters to be Acted Upon

Certain of the Company's directors and executive officers, as well as certain entities affiliated with the Company, have interests in the Merger that are different from, and/or in addition to, the interests of the Company's stockholders generally. The Board was aware of and considered these differing interests and potential conflicts, among other matters, in approving the Merger, the Recapitalization, the Parent Stock Issuance and related transactions and in recommending such transactions to the Company's stockholders. The following is a description of certain rights directors and executive officers may have in connection with the Merger, as well as a summary of certain agreements with entities affiliated with the Company.

Directors and Executive Officers

The rights of the Company's directors and executive officers with respect to outstanding equity awards, the rights of certain of the Company's executive officers under their respective employment agreements, and the rights of the Company's directors and officers to indemnification and maintenance of directors' and officers' liability insurance are described in the section entitled *Interest of Certain Persons in Matters to be Acted Upon - Interests of Directors and Executive Officers*.

Voting Agreement

Pursuant to a Voting Agreement between Gores and Verge, Gores has agreed, among other matters, to vote against any alternative transaction until the earlier to occur of (1) the closing of the transactions contemplated by the Merger Agreement; (2) 18 months from the date of the Merger Agreement; (3) 12 months following any termination of the Merger Agreement pursuant to the Fiduciary Termination Provisions; and (4) termination of the Merger Agreement for any reason other than pursuant to the Fiduciary Termination Provisions. For more information about the Voting Agreement, see *Interest of Certain Persons in Matters to be Acted Upon - Voting Agreement*.

Table of Contents

Registration Rights Agreement

As a closing condition under the Merger Agreement, the Company has agreed to enter into a Registration Rights Agreement with Triton Media Group, LLC, the sole stockholder of Verge, which we refer to as *Triton*, and Gores relating to shares of Class A Common Stock (including Class A Common Stock issued or issuable in respect of Class B Common Stock). Among other matters, the Registration Rights Agreement grants Triton and Gores a specified number of long-form and unlimited short-form demand registrations and unlimited piggyback registration rights, in each case subject to certain limitations. For more information, see *Interest of Certain Persons in Matters to be Acted Upon Registration Rights Agreement*.

Indemnity and Contribution Agreement

Concurrent with the execution and delivery of the Merger Agreement, the Company, Verge, Gores and Triton entered into an Indemnity and Contribution Agreement, dated as of July 30, 2011, which we refer to as the *Indemnity and Contribution Agreement*. Pursuant to the agreement, Triton agreed to indemnify the Company in certain circumstances if the Company suffers losses arising from or directly related to Verge's digital service business that it recently spun off to Triton, and Gores agreed to indemnify Triton in certain circumstances if the Company makes any payments or otherwise suffers any losses arising from or directly related to the Metro Traffic Business that the Company recently sold to a third party, in each case, subject to certain limitations. For more information, see *Interest of Certain Persons in Matters to be Acted Upon Indemnity and Contribution Agreement*.

Letter Agreement

Pursuant to a Letter Agreement, which we refer to as the *Letter Agreement*, dated as of July 30, 2011, by and among the Company, Gores, certain entities affiliated with Oaktree, which we refer to as the *Oaktree Entities*, and certain entities affiliated with Black Canyon Capital LLC, which we refer to as the *Black Canyon Entities*, each of Gores, the Oaktree Entities and the Black Canyon Entities have agreed to exchange certain debt of the Company and Verge, as applicable, held by such party for Senior Subordinated Unsecured PIK Notes of the Company, which we refer to as the *PIK Notes*. For more information, see *Interest of Certain Persons in Matters to be Acted Upon Letter Agreement*.

The PIK Notes are unsecured, accrue interest at the rate of 15% per annum, mature on the 6th anniversary of the issue date and are subordinated in right of payment to the combined company's debt to be issued pursuant to the Debt Commitment Letters. For more information, see *Interest of Certain Persons in Matters to be Acted Upon PIK Notes*.

Digital Reseller Agreement

On July 29, 2011, Triton and Dial Global entered into a Digital Reseller Agreement, pursuant to which, among other things, Dial Global agreed to provide, at its sole expense and on an exclusive basis (subject to certain exceptions), services to Triton customarily rendered by terrestrial network radio sales representatives in the United States in exchange for a commission. For more information, see *Other Agreements Digital Reseller Agreement*.

Table of Contents

Debt Commitment Letters

Concurrent with the execution and delivery of the Merger Agreement, Verge obtained (a) a first lien secured debt commitment letter from certain first lien lenders, pursuant to which such first lien lenders agree to provide, upon the terms and subject to the conditions set forth in the first lien secured debt commitment letter, in the aggregate up to \$200 million in debt financing, consisting of a term loan facility in the aggregate principal amount of \$175 million and a revolving credit facility with a maximum aggregate availability of \$25 million, and (b) a second lien secured debt commitment letter from certain second lien lenders, pursuant to which such second lien lenders agree to provide, upon the terms and subject to the conditions set forth in the second lien secured debt commitment letter, up to \$65 million in debt financing pursuant to a second lien term loan credit facility. For more information, see *Other Agreements Debt Commitment Letters*.

Anticipated Accounting Treatment

The transactions contemplated by the Merger Agreement will be accounted for as a reverse acquisition of the Company by Verge under the acquisition method of accounting. The combined company will account for the transaction by using Verge historical information and accounting policies and applying fair value estimates to the Company. For more information, see *Accounting Treatment of the Merger*.

Outstanding Voting Securities; Vote Required; Gores Written Consent

As of July 30, 2011, the Company had 22,594,472 shares of common stock issued and outstanding, which is the only capital stock of the Company entitled to vote. The Merger, the Recapitalization, the Parent Stock Issuance and related transactions require approval of the holders of a majority of the Company's issued and outstanding voting securities. On July 30, 2011, Gores, which owned 17,212,977 shares of the Company's common stock, representing 76.2% of the Company's issued and outstanding voting securities as of such date, delivered to the Company a written consent approving the Merger, the Recapitalization, the Parent Stock Issuance and related transactions. No further approval by the Company's stockholders is required by law, applicable stock exchange rules or our organizational documents. For more information, see *Outstanding Voting Securities; Vote Required; Gores Written Consent*.

Recent Developments

On August 24, 2011, early termination of the waiting period applicable to the Merger under the HSR Act was granted.

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE MERGER

The following questions and answers are intended to briefly address some commonly asked questions regarding the Merger, the Recapitalization, the Parent Stock Issuance and related transactions. These questions and answers may not address all questions that may be important to you as a stockholder of the Company. Please refer to the *Introduction* and *Summary Term Sheet* and the more detailed information contained elsewhere in this Information Statement, the annexes to this Information Statement and the documents referred to or incorporated by reference in this Information Statement, each of which you should read carefully. You may obtain information incorporated by reference in this Information Statement without charge by following the instructions under *Where Stockholders Can Find More Information*.

Q: What is the proposed transaction?

A: The proposed transaction is the merger of Verge with and into Merger Sub, a direct, wholly owned subsidiary of the Company, with Merger Sub being the surviving corporation and remaining a direct, wholly-owned subsidiary of the Company.

Q: What will Verge stockholders receive in the Merger?

A: Under the terms of the Merger Agreement, upon consummation of the Merger, Verge's stockholders will be entitled to receive 6.884183 shares of new Class B Common Stock of the Company for each common share of Verge held by them. This exchange ratio was adjusted from the 6.90453 number included in the Merger Agreement following the execution of the Merger Agreement due to the expiration of certain stock options of the Company related to the sale of the Metro Traffic Business and the issuance of certain restricted stock units to our directors as is customary, and is subject to further adjustment as provided in the Merger Agreement. In addition, pursuant to the Merger Agreement, upon consummation of the Merger the Company will issue to stockholders of Verge shares of Series A Preferred Stock of the Company having an aggregate liquidation preference of \$8,000,000, subject to adjustment upon the closing of the Merger based on the respective net debt amounts of the Company and Verge on the business day prior to the closing. Assuming the Merger had been consummated on June 30, 2011, on a pro forma basis giving effect to the respective net debt amounts of the Company and Verge as of such date, the Company would have issued to stockholders of Verge 15,060 shares of Series A Preferred Stock having an aggregate liquidation preference of \$15,060,000.

Q: What percentage of our common stock will the Company's current stockholders and Verge's current stockholders own, in the aggregate, after the Merger?

A: Following the Merger, based on the Company's and Verge's respective capitalizations as of July 30, 2011, and the exchange ratio of 6.884183, we estimate that current Company stockholders together with holders of outstanding options exercisable for Company common stock and restricted stock units will own approximately 41%, and current Verge stockholders will own approximately 59%, of the issued and outstanding shares of common stock of the combined company on a fully diluted basis.

Table of Contents

Q: What is the Recapitalization?

A: Immediately prior to the Merger, the Company will file the Restated Charter which, among other things, reclassifies the Company's existing common stock on a share-for-share basis into a new class of common stock to be designated as Class A Common Stock, authorizes a new class of common stock to be designated as Class B Common Stock, which is to be issued to Verge's stockholders in the Merger, and designates two new series of preferred stock of the Company, Series A Preferred Stock and Series B Preferred Stock, which are senior to the common stock and may be issued in connection with the Merger under certain circumstances.

The Company will also make certain amendments to its By-Laws in connection with the Recapitalization.

Q: What will happen to my shares of common stock in the Recapitalization?

A: Upon the effectiveness of the Restated Charter, each share of the Company's existing common stock will automatically be converted into one share of Class A Common Stock. **Stockholders do not need to surrender their share certificates or take any other actions in connection with the Recapitalization.**

Q: What are the material differences between the rights of holders of the Company's existing common stock and Class A Common Stock?

A: The differences between the rights of holders of the Company's existing common stock and Class A Common Stock include, among other differences, that holders of Class A Common Stock will initially have the right to elect three of nine directors rather than the entire Board and, under certain circumstances, will have a class vote to approve a sale of the Company for the first three years following the Merger. For more information about these and other differences in the rights of the holders of the Company's existing common stock and Class A Common Stock, see *The Recapitalization Comparison of the Rights of Holders of Existing Common Stock and Class A Common Stock*.

Q: What are the differences between the Class A Common Stock and the Class B Common Stock?

A: The Class A Common Stock and the Class B Common Stock will be identical in all respects except with respect to certain class voting and approval rights (including with respect to the election of directors) and, under certain circumstances, the Class B Common Stock automatically converts into Class A Common Stock. Upon the closing of the Recapitalization and Merger, the Company intends to continue to list its shares of Class A Common Stock on the NASDAQ and to change its stock symbol to DIAL. The shares of Class B Common Stock will not be publicly listed or traded.

Table of Contents

Q: What will be the composition of the board of directors of the combined company following the Merger?

A: Upon to the closing of the Merger, the board of directors of the combined company will consist of three directors identified in writing by the Company, one of whom must be independent under applicable stock exchange rules, five directors identified in writing by Verge, two of whom must be independent under applicable stock exchange rules, and the current Chief Executive Officer of Verge or his replacement, to serve as Chairman.

At the next annual meeting of stockholders, the holders of Class A Common Stock voting as a separate class will be entitled to elect three directors to the board of directors of the combined company, one of whom must be independent, and the holders of Class B Common Stock voting as a separate class will be entitled to elect five directors to the board of directors of the combined company, two of whom must be independent, and the holders of Class A Common Stock and Class B Common Stock will vote together as a single class to elect the Chief Executive Officer of the combined company as the final director.

Q: When do you expect the Merger to be completed?

A: We are working to complete the Merger as quickly as possible. We currently expect to complete the Merger promptly after all of the conditions to the Merger set forth in the Merger Agreement have been satisfied or waived. Completion of the Merger is expected to occur in the fourth quarter of 2011.

Q: What are the material conditions to the completion of the Merger?

A: Completion of the Merger is subject to several conditions, including, among others, completion of approximately \$265 million in financing, the effectiveness of the Recapitalization, and the expiration or early termination of the waiting period applicable to the Merger under the HSR Act, and any required approvals thereunder. Early termination of the waiting period applicable to the Merger under the HSR Act was granted on August 24, 2011.

Q: What happens if the Merger is not consummated?

A: If the Merger is not completed for any reason, we will not effect the Recapitalization and, thus, your existing common stock will not be converted into Class A Common Stock. In addition, under specified circumstances in connection with the termination of the Merger Agreement, the Company may be required to pay Verge a termination fee of \$5,625,000.

Q: Why am I not being asked to vote on the Merger?

A: On July 30, 2011, Gores, in its capacity as the holder of a majority of the Company's issued and outstanding voting securities, approved the Merger, the Recapitalization, the Parent Stock Issuance and related transactions by delivering to the Company a written consent. There is no other vote required by law, applicable stock exchange rules or our organizational documents. Therefore, your vote is not required and is not being sought. We are not asking you for a proxy and you are requested not to send us a proxy.

Table of Contents

Q: Why did I receive this information statement?

A: Applicable laws and regulations require us to provide you with notice of the written consent delivered by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action, as well as other information regarding the Merger, the Recapitalization, the Parent Stock Issuance and related transactions, even though your vote or consent is neither required nor requested in connection with such transactions.

Q: Am I entitled to appraisal rights?

A: No. You are not entitled to appraisal rights under the DGCL in connection with the Merger, the Recapitalization, the Parent Stock Issuance or related transactions under the requirements of Section 262 of the DGCL.

Q: Did the Board approve and recommend the Merger?

A: Yes. On July 30, 2011, the Board determined that the Merger, the Recapitalization, the Parent Stock Issuance and related transactions were advisable, fair to and in the best interests of the Company's stockholders (other than the Excluded Gores Parties) and recommended that the Company's stockholders vote to approve such transactions. Among the reasons for recommending the Merger was the Board's belief that the combined company will have substantial synergy potential in the near term. To review the Board's reasons for approving such transactions and recommending such transactions to our stockholders, see *The Merger Reasons for the Merger*.

Q: What are certain U.S. federal income tax consequences of the Merger and the Reclassification?

A: The Merger is intended to qualify as a reorganization under Section 368(a) of the U.S. Internal Revenue Code of 1986, as amended, which we refer to as the *Code*. For U.S. federal income tax purposes, you are not receiving any consideration or exchanging any outstanding stock in the Merger. Accordingly, you are not expected to recognize gain or loss for U.S. federal income tax purposes as a result of the Merger.

The Reclassification is intended to qualify as a recapitalization within the meaning of Section 368(a)(1)(E) of the Code. Subject to the discussion below under the heading *Certain United States Federal Income Tax Considerations of the Merger and the Reclassification Cash Distribution*, a stockholder will generally not recognize any gain or loss upon the receipt of new Class A Common Stock in exchange for Company common stock pursuant to the Reclassification. If the Company makes a Cash Distribution to you, as described below under the heading *The Merger Covenants Distributions to Stockholders of the Company*, generally, any such Cash Distribution will be subject to U.S. federal tax as described below under the heading *Certain United States Federal Income Tax Considerations of the Merger and the Reclassification Cash Distribution*.

Please refer to *Certain United States Federal Income Tax Considerations of the Merger and the Reclassification*, for a description of certain U.S. federal income tax consequences of the Merger, the Reclassification and any Cash Distribution to you. Determining the actual tax consequences of the Merger, the Reclassification and any Cash Distribution to you may be complex and will depend on your specific situation. **You are urged to consult your tax adviser for a full understanding of the tax consequences of the Merger, the Reclassification and any Cash Distribution to you.**

Table of Contents

Q: What happens if I sell my shares before completion of the Merger?

A: If you transfer your shares of common stock before completion of the Merger, you will have transferred the right to receive the Class A Common Stock to be received by our stockholders in the Recapitalization and to participate as a stockholder in ownership of the combined company upon consummation of the Merger. In order to receive the Class A Common Stock, you must hold your shares through completion of the Merger.

Q: Should I send in my stock certificates now?

A: No. Your stock certificates shall represent Class A Common Stock following the Merger without any further action on your part.

Q: Where can I find more information about the Company?

A: Our current and periodic reports filed with the SEC including amendments to those reports, may be obtained through our internet website at www.westwoodone.com; directly from us in print upon request to Westwood One, Inc., 1166 Avenue of the Americas, 10th Floor, New York NY, 10036, Attn: Secretary; or from the SEC's website at www.sec.gov free of charge as soon as reasonably practicable after we file these reports with the SEC. Additionally, any reports or information that we file with the SEC may be read and copied at the SEC's Public Reference Room at 100 F Street, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. You may also obtain copies of this information by mail from the Public Reference Section of the SEC, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates.

Q: Who can help answer my other questions?

A: If you have more questions about the Merger, the Recapitalization, the Parent Stock Issuance or related transactions or need additional copies of this Information Statement, please contact David Hillman, General Counsel and Corporate Secretary, or Melissa Garza, Senior Vice President of Business & Legal Affairs, at (212) 641-2000.

Table of Contents

FORWARD-LOOKING STATEMENTS

This Information Statement contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements we make or others make on our behalf. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These statements are not based on historical fact but rather are based on management's views and assumptions concerning future events and results at the time the statements are made. No assurances can be given that management's expectations will come to pass. There may be additional risks, uncertainties and factors that we do not currently view as material or that are not necessarily known. Any forward-looking statements included in this document are only made as of the date of this document and we do not have any obligation to publicly update any forward-looking statement to reflect subsequent events or circumstances.

Table of Contents

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF VERGE

The following table sets forth Verge's selected historical consolidated financial data as of and for the periods indicated, as provided to us by Verge. Verge derived its selected historical consolidated financial data for the years ended December 31, 2006 and 2007 from its unaudited consolidated financial statements, which are not included in this Information Statement. Verge derived its selected historical consolidated financial data for the year ended December 31, 2008 from its unaudited consolidated financial statement and for the years ended December 31, 2009 and 2010 from its audited consolidated financial statements, which are included elsewhere in this Information Statement.

Verge derived its selected historical consolidated financial data for the six months ended June 30, 2010 and 2011 from its unaudited condensed consolidated financial statements for such periods, which contain all adjustments, consisting of normal recurring adjustments, that the management of Verge considers necessary for a fair presentation of its financial position and results of operations for the periods presented and are included elsewhere in this Information Statement. Operating results for the six-month periods are not necessarily indicative of results for a full year, or any other periods.

On November 1, 2007, Excelsior Radio Networks, LLC, which we refer to as the *Predecessor Company*, was purchased by an affiliate of Verge, whereby the affiliate acquired 100% of the outstanding common stock of the Predecessor Company. Verge currently owns 100% of the Predecessor Company. Following this acquisition, Verge Media Companies, Inc. is referred to as the *Successor Company*.

Table of Contents

(in thousands)	Successor Company					Predecessor Company		
	Six Months Ended		Year Ended			November 1 to December 31, 2007	January 1 to October 31, 2007	Year Ended December 31, 2006
	June 30, 2011	June 30, 2010	December 31, 2010	December 31, 2009	December 31, 2008	(unaudited)	(unaudited)	(unaudited)
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Statement of income (loss) data:								
Net revenues	\$ 57,957	\$ 56,099	\$ 122,746	\$ 95,143	\$ 83,132	\$ 6,891	\$ 33,860	\$ 29,948
Cost of revenues	23,544	21,307	48,114	40,838	36,255	3,078	14,707	12,231
Operating expenses	24,402	23,454	49,202	50,175	36,089	3,540	13,729	10,598
Depreciation and amortization	9,925	8,665	18,639	15,622	9,080	824	2,942	2,722
Income (loss) from continuing operations	86	2,673	6,791	(11,492)	1,708	(551)	2,482	4,397
Interest expense, net	(10,771)	(8,202)	(19,533)	(16,376)	(14,173)	(1,185)	(4,460)	(5,159)
Gain from remeasurement of investment		5,573	5,573	1,675				
Loss on equity investment		(778)	(778)	(1,148)	(3,837)			
Other expenses			(1,257)	(464)				
Loss from continuing operations before income tax (benefit)	(10,685)	(734)	(9,204)	(27,805)	(16,302)	(1,736)	(1,978)	(762)
Income tax (benefit) from continuing operations	1,076	1,042	2,156	(10,389)	(5,889)	0	7	208
Loss from continuing operations	(11,761)	(1,776)	(11,360)	(17,416)	(10,413)	(1,736)	(1,985)	(554)
Loss from discontinued operations, net of income tax benefit			(27)	(565)				
Net loss	\$ (11,761)	\$ (1,776)	\$ (11,387)	\$ (17,981)	\$ (10,413)	\$ (1,736)	\$ (1,985)	\$ (554)

Table of Contents

PRELIMINARY UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The preliminary unaudited pro forma condensed consolidated balance sheet at June 30, 2011, presents the consolidated balance sheets of the Company and Verge, giving effect to the Merger, the Recapitalization, the Parent Stock Issuance and related transactions, which we refer to in this section, collectively, as the *Transactions*, as if they had been consummated on June 30, 2011. The preliminary unaudited pro forma condensed consolidated income statement for the six months ended June 30, 2011 and the year ended December 31, 2010, presents the consolidated statements of income of the Company and Verge giving effect to the Transactions as if they had occurred on January 1, 2010. We have adjusted the historical consolidated financial information to give effect to pro forma events that are (1) attributable directly to the Transactions, (2) factually supportable, and (3) with respect to the statement of operations, expected to have a continuing impact on the consolidated results.

We have adjusted the historical consolidated financial statements to give effect to the following events in connection with the Transactions:

The spin-off of Verge's digital business on July 29, 2011.

The reclassification of the Company's existing common stock into Class A Common Stock.

The issuance of 34.4 million shares of Class B Common Stock and 15,060 shares of Series A Preferred Stock to Verge's stockholders.

The payment of a special cash dividend of \$2,422 to the Company's existing stockholders.

The refinancing of outstanding debt of the Company and Verge.

The elimination of historical transactions between the Company and Verge.

The re-measurement of the assets and liabilities of the Company (the accounting acquiree in the Merger) to fair value as a result of Verge obtaining a controlling interest in the Company.

Other adjustments necessary to reflect the effects of the Merger.

The transactions contemplated by the Merger Agreement will be accounted for under the acquisition method of accounting in accordance with the authoritative guidance of the Financial Accounting Standards Board for generally accepted accounting principles in the United States with Verge treated as the accounting acquirer. Accordingly, Verge's cost to acquire the Company has been allocated to the acquired assets, liabilities and commitments based upon their estimated fair values at July 30, 2011. The allocation of the purchase price is preliminary and is dependent upon certain valuations that have not progressed to a stage where there is sufficient information to make a final allocation and the final purchase price of Verge's acquisition of the Company will not be known until the date of closing of the merger and could vary materially from the price as of June 30, 2011. Accordingly, the final acquisition accounting adjustments may be materially different from the preliminary unaudited pro forma adjustments presented herein.

Table of Contents

You should read this information in conjunction with:

the accompanying notes to the preliminary unaudited pro forma condensed consolidated financial information;
the Company's separate historical audited financial statements as of and for the year ended December 31, 2010, included in the Company's current report on Form 8-K filed on September 6, 2011), and its unaudited financial statements as of and for the six months ended June 30, 2011, included in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011; and Verge's separate historical audited financial statements as of and for the year ended December 31, 2010 and its unaudited financial statements as of and for the six months ended June 30, 2011, included in Annex E hereto.

The preliminary unaudited pro forma condensed consolidated financial information has been prepared for informational purposes only. The preliminary unaudited pro forma adjustments represent management's estimates based on information available at this time. The preliminary unaudited pro forma condensed consolidated financial information is not necessarily indicative of what the financial position or results of operations actually would have been had the Transactions been completed at the dates indicated. In addition, the preliminary unaudited pro forma condensed consolidated financial information does not purport to project the future financial position or operating results of the combined company. The preliminary unaudited pro forma condensed consolidated financial information does not give consideration to the impact of possible revenue enhancements, expense efficiencies, synergies or asset dispositions that may result from the Merger.

Table of Contents

WESTWOOD ONE, INC
PRO FORMA CONDENSED COMBINED BALANCE SHEET
As of June 30, 2011
(In thousands)
(unaudited)

	Historical		Pro Forma Adjustments		
			Purchase		Pro Forma
			Accounting		as
	Westwood	Verge As Adjusted (1)	Refinancing	and Other	Adjusted
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 13,289	\$ 3,051	\$ 28,435	\$ 660 3a	\$ 45,435
Accounts receivable	37,457	45,407			82,864
Prepaid and other assets	14,085	3,213		(660) 3a	16,638
Current assets discontinued operations	590				590
Total current assets	65,421	51,671	28,435		145,527
Property and equipment, net	23,711	6,076			29,787
Intangible assets, net	24,600	82,623		39,934 3b	147,157
Goodwill	25,796	59,252		113,815 3c	198,863
Other assets	6,216	4,342	3,768	3d	14,326
TOTAL ASSETS	\$ 145,744	\$ 203,964	\$ 32,203	\$ 153,749	\$ 535,660
LIABILITIES AND STOCKHOLDERS EQUITY					
Current liabilities:					
Accounts payable	\$ 24,794	\$ 27,420	\$	\$	\$ 52,214
Amounts payable to related parties	1,331				1,331
Current portion of long term debt		13,923	(13,923)	3e	
Accrued expenses and other liabilities	17,339	3,986	5,825	12,821 3d, 3f, 3m	39,971
Current liabilities discontinued operations	11,754				11,754
Total current liabilities	55,218	45,329	(8,098)	12,821	105,270
Long-term debt	35,000	178,238	52,837	3e	266,075
Deferred tax liability	14,375	7,288		16,784 3g	38,447
Due to Gores	10,479		(10,479)	3e	

Other liabilities	14,635	1,120		6,209 3h	21,964
Non-current liabilities discontinued operations	6,209			(6,209) 3h	
TOTAL LIABILITIES	135,916	231,975	34,260	29,605	431,756
Commitments and contingencies					
Preferred Stock Series A				15,060 3i	15,060
STOCKHOLDERS EQUITY					
Common stock	226	5		(231) 3j	
Common stock Class A				226 3j	226
Common stock Class B				344 3j	344
Additional paid-in capital	100,242			18,105 3k, 3m	118,347
Accumulated deficit	(90,640)	(28,016)	(2,057)	90,640 3d, 3l	(30,073)
TOTAL STOCKHOLDERS EQUITY	9,828	(28,011)	(2,057)	109,084	88,844
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$ 145,744	\$ 203,964	\$ 32,203	\$ 153,749	\$ 535,660

(1) See Note 2 of the accompanying notes to the preliminary unaudited pro forma condensed consolidated financial information for an explanation of adjustments to Verge historical financial information.

Table of Contents

**PRO FORMA STATEMENT OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2011**

(In thousands, except per share amounts)

(unaudited)

	Historical		Pro Forma Adjustments		
	Westwood	Verge As Adjusted (1)	Refinancing	Purchase Accounting and Other	Pro Forma as Adjusted
Revenue	\$ 92,494	\$ 39,196	\$	\$ (1,320) 4a	\$ 130,370
Operating costs	94,744	31,250		(1,745) 4a, 4b	124,249
Depreciation and amortization	3,393	6,712		2,864 4c	12,969
Corporate general and administrative expenses	4,673				4,673
Restructuring charges	1,774				1,774
Special charges	1,924				1,924
Total Expenses	106,508	37,962		1,119	145,589
Operating (loss)	(14,014)	1,234		(2,439)	(15,219)
Interest expense	2,589	10,770	(364)	4d	12,995
Other (income) expense	(1,096)				(1,096)
Loss from continuing operations before income tax	(15,507)	(9,536)	364	(2,439)	(27,118)
Income tax (benefit) expense from continuing operations	(6,968)	722	142	(4,472) 4e	(10,576)
Net Loss from continuing operations	(8,539)	(10,258)	222	2,033	(16,542)
Preferred stock dividends and accretion				(910) 4f	(910)
Net loss attributable to common stockholders from continuing operation	\$ (8,539)	\$ (10,258)	\$ 222	\$ 1,123	\$ (17,452)

(Loss) Per Share of Common
Stock

Basic	\$	(0.39)	\$	(0.31)
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Diluted	\$	(0.39)	\$	(0.31)
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Weighted Average Shares
Outstanding:

Common Stock

Basic	22,173	56,640
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Diluted	22,173	56,640
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- (1) See Note 2 of the accompanying notes to the preliminary unaudited pro forma condensed consolidated financial information for an explanation of adjustments to Verge historical financial information.

Table of Contents

**UNAUDITED PRO FORMA STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010**

(In thousands, except per share amounts)

	Historical	Verge As Adjusted (1)	Pro Forma Adjustments Refinancing	Purchase Accounting and Other	Pro Forma as Adjusted
	Westwood				
Revenue	\$ 196,986	\$ 89,951	\$	\$ (2,530) 4a	\$ 284,407
Operating costs	187,053	64,704		(3,380) 4a, 4b	248,377
Depreciation and amortization	5,943	13,080		6,785 4c	25,808
Corporate general and administrative expenses	11,076				11,076
Restructuring charges	269				269
Special charges	5,448				5,448
	209,789	77,784		3,405	290,978
Operating (loss)	(12,803)	12,167		(5,935)	(6,571)
Interest expense	7,624	19,543	(991)	4d	26,176
Other (income) expense	1,688	561			2,249
Loss from continuing operations before income before income tax	(22,115)	(7,937)	991	(5,935)	(34,996)
Income tax (benefit) expense	(7,922)	1,446	387	(7,559) 4e	(13,648)
Net loss from continuing operations	(14,193)	(9,383)	604	1,624	(21,348)
Preferred stock dividends and accretion				(1,869) 4f	(1,869)
Net loss attributable to common stockholders from continuing operation	\$ (14,193)	\$ (9,383)	\$ 604	\$ (245)	\$ (23,217)

(Loss) Per Share of Common
Stock

Basic	\$	(0.64)	\$	(0.38)
Diluted	\$	(0.64)	\$	(0.38)

Weighted Average Shares
Outstanding:

Common Stock

Basic	22,173	56,640
Diluted	22,173	56,640

- (1) See Note 2 of the accompanying notes to the preliminary unaudited pro forma condensed consolidated financial information for an explanation of adjustments to Verge historical financial information.

Table of Contents

Note 1 Basis of Presentation

On July 30, 2011, the Company and Verge entered into the Merger Agreement. Following the closing of the Merger, based on the Company's and Verge's respective capitalizations as of July 30, 2011, and the exchange ratio of 6.884183, we estimate that current Company stockholders together with holders of outstanding options exercisable for Company common stock and restricted stock units will own approximately 41%, and current Verge stockholders will own approximately 59%, of the issued and outstanding shares of common stock of the combined company on a fully diluted basis.

The significant events related to the Transactions include the following:

Verge spun-off of its digital business on July 29, 2011.

We will reclassify the Company's existing common stock on a share-for-share basis into a new class of common stock to be designated as Class A Common Stock, par value \$0.01 per share.

We will authorize a new class of common stock to be designated as Class B Common Stock, par value \$0.01 per share, of which 34.4 million shares are expected to be issued to Verge's stockholders upon the closing of the Merger.

We will designate two new series of preferred stock of the Company, Series A Preferred Stock and Series B Preferred Stock, which are senior to the common stock. Upon the closing of the Merger, based on the respective net debt amounts of Verge and the Company as of June 30, 2011, we expect to issue shares of Series A Preferred Stock to stockholders of Verge having an aggregate liquidation preference of \$15,060, and to declare and pay a special cash dividend of \$2,422 to the Company's existing stockholders.

We anticipate refinancing all of the outstanding debt of Verge and the Company with first and second lien term loans described under *Other Agreements Debt Commitment Letters* and by issuing new PIK Notes and/or Series B Preferred Stock in exchange for senior debt of the Company held by Gores and debt of a subsidiary of Verge held by Oaktree and Black Canyon, as described under *Interest of Certain Persons in Matters to be Acted Upon Letter Agreement* and *PIK Notes*.

Because stockholders of Verge will obtain a controlling interest in the Company as a result of the Merger, we have applied acquisition accounting to the assets and liabilities of the Company, which requires an allocation of the purchase price to the net assets acquired, based on estimated fair values as of the date of the acquisition. As the accounting acquirer, the Verge business continues at its historical or carryover basis. The table below summarizes the preliminary allocation of the purchase price to the assets and liabilities of the Company, as the accounting acquiree, as if the Merger closed on June 30, 2011.

Table of Contents**Consideration Transferred**

Westwood One, Inc. closing price per share on July 29, 2011	\$ 5.68
Fair Value of 22,594 shares of Westwood One	\$ 128,334
Fair Value of Series A Preferred Stock Issued (See Note 3(i) below)	15,060
	\$ 143,394

Preliminary Purchase Price Allocation

Current Assets	\$ 65,421
Intangible Assets	64,534
Property, Plant and Equipment, Net	23,711
Other Assets	6,216
Current Liabilities	(58,617)
Long-Term Debt	(45,479)
Deferred Income Taxes	(31,159)
Other Liabilities	(20,844)
Fair Value of Net Assets Acquired	3,783
Goodwill	139,611
Total Estimated Purchase Price	\$ 143,394

The acquisition method of accounting is based on authoritative guidance for business combinations and uses the fair value concepts defined in authoritative guidance. We prepared the unaudited pro forma condensed combined financial information using the acquisition method of accounting, under these existing U.S. GAAP standards, which are subject to change and interpretation.

The authoritative guidance for business combinations requires, among other things, that most assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date. In addition, the guidance establishes that the consideration transferred be measured at the closing date of the acquisition at the then-current market price. As part of the purchase price includes shares to be issued for consideration in the mergers, this particular requirement will likely result in a per share equity component that is different from the amount assumed in these unaudited pro forma condensed combined financial information.

The authoritative guidance for fair value defines the term fair value, sets forth the valuation requirements for any asset or liability measured at fair value, expands related disclosure requirements and specifies a hierarchy of valuation techniques based on the nature of inputs used to develop the fair value measures. Fair value is defined in the guidance as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This is an exit price concept for the valuation of the asset or liability. In addition, market participants are assumed to be buyers and sellers in the principal (or the most advantageous) market for the asset or liability. Fair value measurements for an asset assume the highest and best use by these market participants. As a result of these standards, we may be required to record assets which we do not intend to use or sell (defensive assets) and/or to value assets at fair value measurements that do not reflect Verge's intended use of those assets. Many of these fair value measurements can be highly subjective and it is also possible that other professionals, applying reasonable judgment to the same facts and circumstances, could develop and support a range of alternative estimated amounts.

Table of Contents

The assumptions and related pro forma adjustments described below have been developed based on assumptions and adjustments, including assumptions relating to the consideration paid and the allocation thereof to the assets acquired and liabilities assumed from the Company based on preliminary estimates of fair value. The final purchase price and the allocation thereof will differ from that reflected in the pro forma financial statements after final valuation procedures are performed and amounts are finalized following the completion of the acquisition.

The unaudited pro forma condensed combined financial statements are provided for illustrative purposes only and do not purport to represent what the actual consolidated results of operations or the consolidated financial position of the Company would have been had the mergers occurred on the dates assumed, nor are they necessarily indicative of future consolidated results of operations or financial position.

Note 2 Verge As Adjusted

On July 29, 2011, Verge spun off its digital business to its stockholders. The Verge historical financial statements as of and for the six months ended June 30, 2011, and for the year ended December 31, 2010, have been adjusted to reflect the spin-off of Verge's digital business and to condense certain captions to conform to the presentation used in the pro forma financial information. For more information, see *Verge Management's Discussion and Analysis of Financial Condition and Results of Operations Digital Spin-Off*.

Note 3 Unaudited Pro Forma Adjustments Balance Sheet

The following is a description of the adjustments to the Pro Forma Condensed Combined Balance Sheet as of June 30, 2011:

- a) Represents an increase in cash and cash equivalents (i) of \$28,435 to reflect net cash from the refinancing which the Company intends to use to pay transaction costs related to the Merger and for general corporate purposes and (ii) due to reclassification of an advance to the Company of \$660 related to Verge's purchase of our 24/7 formats in July 2011.
- b) Represents a net increase in intangible assets, net of \$39,934 based upon the estimated fair value of the Company's net assets at July 30, 2011.
- c) Represents a net increase in goodwill of \$113,815 based upon the estimated fair value of the Company's net assets at July 30, 2011.
- d) Represents a net increase in other assets of \$3,768 consisting of \$5,825 of capitalized commitment fees on the first and second lien term loans to be incurred upon closing of the Merger and the undrawn revolver, net of the reversal of \$2,057 of capitalized financing costs in respect of Verge's outstanding debt that is being refinanced with the proceeds of the first and second lien term loans.

Table of Contents

- e) Represents a net increase in long-term debt of \$52,837, a reduction in the current portion of long-term debt of \$13,923, and a reduction of debt due to Gores of \$10,479, in each case related to the refinancing of the outstanding debt of Verge and the Company with the proceeds of first and second lien term loans that are subject to commitment letters described under *Other Agreements Debt Commitments Letters* and through the exchange of existing debt of Verge and the Company held by certain of their affiliates for subordinated PIK Notes and/or Series B Preferred Stock of the Company, as described under *Interests of Certain Persons in matters to be Acted Upon Letter Agreement*. Upon the closing of the Merger, the outstanding debt of the combined company (net of original issue discount) will be approximately \$266,075 consisting of a \$175,000 first lien term loan, a \$65,000 second lien term loan and \$30,000 of PIK Notes.
- f) Represents a net increase in accrued expenses and other liabilities of \$18,646 consisting of (i) an increase of \$13,500 for an accrual for costs related to the Merger, (ii) an increase of \$5,825 of capitalized commitment fees as described in Note 3(d) above, (iii) an increase of \$2,422 for an accrual of the special cash dividend to the Company's existing stockholders and (iv) a decrease of \$3,101 to deferred revenue. The decrease in deferred revenue primarily relates to a fair value adjustment due to our anticipation of settling contractual commitments for less than historical book value.
- g) Represents an increase in deferred tax liabilities of \$16,784 related to the net step-up in fair value of the Company's intangible assets and deferred revenue based on the estimated fair values of the Company's net assets at July 30, 2011, and applying an assumed tax rate of 39%.
- h) Represents an increase in other liabilities due to a reclassification of liabilities related to the disposition of our Metro Traffic Business. This reclassification is necessary because Verge, as the accounting acquirer, would not reflect these liabilities as discontinued operations in its historical financial statements.
- i) Represents the Company's estimate of the fair value of the 15,060 shares of Series A Preferred Stock that would have been issued to Verge's stockholders had the Merger been consummated on June 30, 2011, based on a liquidation preference of \$1,000 per share. The Company estimated the fair value of the preferred stock to be equal to liquidation value of \$15,100 as such consideration was negotiated between the Company and Verge in compensation of net operating losses of Verge that will not expire upon the Merger in the amount of 8,000 shares of Series A preferred stock and an adjustment of 7,100 shares of Series A preferred stock estimated as of June 30, 2011. The adjustment for the 7,100 shares reflects an adjustment to the 8,000 shares of Series A Preferred Stock provided in the Merger Agreement based upon the respective amounts of net indebtedness of the Company and Verge as of June 30, 2011 as compared to target net indebtedness amounts in the Merger Agreement of \$47,901 and \$199,933 for the Company and Verge, respectively. Such number of shares is subject to further adjustment at the closing of the Merger based upon the respective amounts of net indebtedness of the Company and Verge on the business day immediately prior to closing as compared to such targets. If such adjustment results in a negative value, the Company shall not deliver the shares of Series A Preferred Stock and the exchange ratio shall be adjusted such that Verge stockholders shall receive a reduced number of shares of Class B Common Stock in the Merger based upon the amount of such additional net indebtedness, divided by the greater of (i) the average trading price of the Company's common stock for the 60 consecutive trading days immediately preceding the closing of the Merger, and (ii) \$5.50.

Table of Contents

- j) Represents the reclassification of the Company's existing common stock on a share-for-share basis into Class A Common Stock, par value of \$0.01 per share, the issuance of 34.4 million shares of Class B Common Stock, par value of \$0.01 per share, to Verge's stockholders, and the cancellation of Verge's outstanding common stock upon closing of the Merger.
- k) Represents a net increase in additional paid-in capital of \$18,105 consisting of (i) an elimination of our historical additional paid in capital of \$100,242 consistent with the acquisition method of accounting to reflect Verge as the accounting acquirer, (ii) an increase of \$127,764 to reflect the issuance of the Class B Common Stock to Verge's stockholders upon closing of the Merger, which is calculated by multiplying the number of shares of Class B Common Stock to be issued to Verge's stockholders (i.e., 34.4 million) by \$5.68, the closing price of the Company's common stock on July 29, 2011, the last trading day before announcement of the Merger, and subtracting therefrom the par value of Class A Common Stock and Class B Common Stock of \$570, (iii) a decrease of \$2,422 related to the payment of a special cash dividend to the Company's existing stockholders as described in Note 3(m) below, and (iv) a decrease of \$6,995 related to the portion of the \$13,500 accrual for deal costs related to Verge.
- l) Represents the elimination of the Company's historical accumulated deficit consistent with the acquisition method of accounting to reflect Verge as the accounting acquirer.
- m) Represents the special cash dividend to the Company's existing stockholders required to be declared per the Merger Agreement equal to the excess, if any, of (a) \$47,901, over (b) the aggregate net indebtedness of the Company on the business day preceding the close of the Merger. As of June 30, 2011, the Company's net indebtedness totaled \$45,479; accordingly, a dividend of \$2,422 would be declared payable. Such dividend has not been included in the pro forma statement of operations as it is non-recurring and attributable to the transaction.

Table of Contents**Note 4 Unaudited Pro Forma Adjustments Income Statement**

The following is a description of the adjustments to the Pro Forma Statements of Operations for the six months ended June 30, 2011 and for the year ended December 31, 2010:

- a) Historically, our transactions with Verge have consisted primarily of royalties paid to us by Verge for the use of our 24/7 formats. We have recorded an adjustment in the pro forma statement of operations to reflect the elimination of the following items as intercompany transactions:

	Six Months Ended June 30, 2011
Revenue	\$ 1,320
Operating costs	\$ 1,320

	Year Ended December 31, 2010
Revenue	\$ 2,530
Operating costs	\$ 2,530

- b) Represents the elimination of management fees that Excelsior paid to Triton Media of \$425 and \$850 for the six months ended June 30, 2011 and the year ended December 31, 2010, respectively, which were recorded in the historical financial statements of Verge and per the Merger Agreement will no longer be payable to Triton Media upon closing of the Merger.
- c) Represents an increase in depreciation and amortization of \$2,864 and \$6,785 for the six months ended June 30, 2011 and the year ended December 31, 2010, respectively, related to an increase in intangible assets based upon the estimated fair values of the Company's net assets at July 30, 2011.
- d) Represents a net decrease in interest expense of \$364 and \$991 for the six months ended June 30, 2011 and the year ended December 31, 2010, respectively, giving effect to the elimination of historical interest on outstanding debt of Verge and the Company and the increase in interest expense as a result of incurrence of the first and second lien term loans upon the closing of the Merger. Pursuant to the commitment letters described under *Other Agreements Debt Commitments Letters* and the anticipated interest rates therein, the interest rates used were 6.75% and 10.50% for the first and second lien term loans, respectively.
- e) Represents a net increase in income tax expense from continuing operations of \$4,330 and \$7,172 for the six months ended June 30, 2011 and the year ended December 31, 2010, respectively, consisting of (i) the income tax effect on the pro forma adjustments and (ii) an increase in income tax benefits as a result of additional loss from continuing operations attributable to Verge using an assumed tax rate of 39%, which is subject to change. Valuation allowances were not considered.
- f) Represents dividends on Series A Preferred Stock of \$910 and \$1,869 for the six months ended June 30, 2011 and the year ended December 31, 2010, respectively, assuming we issue 15,060 shares of Series A Preferred Stock in the Merger having an aggregate liquidation preference of \$15,060 and no shares of Series B Preferred Stock.

Table of Contents

Note 5 Items Not Adjusted in the Unaudited Pro Forma Financial Information

- a) We have not reflected any additional interest expense for potential borrowings of up to \$25,000 available under the revolving credit facility as it is anticipated that it will be undrawn at the closing of the Merger. For each \$1,000 increase in borrowings, we would incur an additional \$68 of interest expense assuming an interest rate of 6.75%.
- b) We have not reflected any additional purchase consideration for outstanding options of the Company in the pro forma information as Verge is not obligated to issue replacement awards to the Company's option holders, Verge does not anticipate issuing replacement options and the Company's options are not expected to otherwise expire. For presentation in this pro forma information, the Company has not included any additional purchase consideration; however, the Company continues to evaluate alternative accounting options pursuant to GAAP for the determination of the final purchase price upon the close of the Merger. Any additional purchase price would likely result in additional goodwill which would not impact the pro forma statement of operations.
- c) We have not reflected any adjustment to the pro forma balance sheet as of June 30, 2011 for any additional compensation that may result from existing agreements with executive officers, including termination payments, of the Company or Verge as the conditions for such additional compensation have not been met.
- d) We continue to evaluate the impact, if any, that the Digital Reseller Agreement will have on the purchase accounting for the Merger and have not made any adjustment for the Digital Reseller Agreement. In such agreement, among other things, Dial Global agreed to provide, at its sole expense and on an exclusive basis (subject to certain exceptions), services to Triton customarily rendered by terrestrial network radio sales representatives in the United States in exchange for a commission.
- e) We continue to evaluate the impact, if any, that the Indemnity and Contribution Agreement will have on the purchase accounting for the Merger and have not made any adjustment for the Indemnity and Contribution Agreement as no indemnity payments thereunder are probable based on current circumstances. In such agreement, Triton agreed, among other things, to indemnify the Company under certain circumstances in the event that the Company suffers any losses to the extent arising from or directly related to the Triton Digital Business. In addition, Gores agreed, among other things, to indemnify Triton under certain circumstances in the event that the Company makes any payment pursuant to the Metro Agreement or otherwise suffers any losses to the extent arising from or directly related to the Metro Traffic Business.
- f) We continue to evaluate the impact, if any, that Verge's purchase from the Company of the 24/7 music formats that Verge had licensed from the Company since 2006 will have on the purchase accounting for the Merger and have not made any adjustment for this transaction.

Table of Contents**MARKET PRICE AND DIVIDEND INFORMATION****The Company**

The Company's common stock is listed on the NASDAQ Global Market under the symbol *WWON*. The following table shows the high and low closing prices for the Company's common stock as reported by NASDAQ for the calendar quarters indicated.

	High	Low
2011		
First Quarter	\$ 9.85	\$ 6.25
Second Quarter	6.99	4.59
2010		
First Quarter	\$ 14.82	\$ 3.63
Second Quarter	17.99	7.06
Third Quarter	9.92	5.81
Fourth Quarter	11.60	7.90
2009⁽¹⁾		
First Quarter	\$ 0.12	\$ 0.02
Second Quarter	0.12	0.05
Third Quarter (through August 4, 2009)	0.06	0.04
Third Quarter (from August 5, 2009 through September 30, 2009) ⁽²⁾	11.00	3.25
Fourth Quarter	6.50	3.21

(1) Through March 16, 2009, our common stock traded on the New York Stock Exchange under the symbol *WWON*. On November 20, 2009, we listed our common stock on the NASDAQ Global Market under the symbol *WWON*. In the intervening period, our common stock was traded on the Over the Counter Bulletin Board under the ticker *WWOZ*.

(2) Reflects the 200 for 1 reverse stock split that occurred on August 3, 2009 and was reflected in stock prices on August 5, 2009.

Table of Contents

On July 29, 2011, the business day before the public announcement of the Merger, and [], 2011, the last practicable trading day for which information was available before first mailing this Information Statement, the closing price of the Company's common stock, as reported by NASDAQ, was \$5.68 and \$[], respectively. No assurance can be given concerning the market price for the Company's common stock before or after the date on which the Merger will close. The market price for the Company's common stock will fluctuate between the date of this Information Statement and the date on which the Merger closes and thereafter.

As of August 31, 2011, there were approximately 191 holders of record of our common stock, several of which represent street accounts of securities brokers. We estimate that the total number of beneficial holders of our common stock exceeds 4,200.

Verge

There is no established public trading market for Verge common shares. Verge has not paid any dividends. As of July 30, 2011, Triton Media Group, LLC is the only holder of record of Verge's shares. For more information, see *Beneficial Ownership of Securities*.

Table of Contents

BUSINESS OF VERGE

Verge creates, develops, produces, and syndicates programming and content and provides these programs and content to more than 6,000 radio stations nationwide. The programming and content includes 24/7 formats, prep services, imaging and jingles, as well as long-form and short-form programming. Verge also provides services to more than 10,000 radio stations nationwide including measurement, advertising management and monetization, audience engagement solutions including database, music discovery, web management systems and other services. In exchange for these programs and services, Verge primarily receives air time from the radio stations' clients and aggregates this air time to sell to national advertisers or receives cash. Verge has a number of independent producer clients that also provide programming and services to radio stations in exchange for air time which Verge then sells on behalf of such clients. By aggregating and packaging commercial airtime across radio stations nationwide, Verge offers its advertising customers a cost effective way to reach a broad audience, as well as to target their audience on a demographic and geographic basis.

Verge owns and operates Dial Global, which provides sales representation services to national radio production companies producing more than 100 different programs and services, in addition to providing syndicated programming and services to radio stations. Prior to the spin-off of its digital service business, Verge was also a leading provider of digital services to traditional and online radio providing streaming, measurement, advertising management and monetization and audience engagement solutions to thousands of radio stations worldwide. In the year ended December 31, 2010, Verge had net revenues of \$122.7 million and a net loss of \$11.4 million. Verge's principal executive offices are located at 220 West 42nd Street, New York, NY 10036, and its telephone number is (212) 419-2900.

Verge is a privately held company with 414 employees, the majority of which are full time.

Table of Contents

VERGE MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations was provided to us by Verge and should be read in conjunction with Selected Historical Consolidated Financial Data of Verge, Unaudited Pro Forma Condensed Combined Financial Information and Verge's historical audited financial statements as of and for the years ended December 31, 2010 and December 31, 2009 and its unaudited financial statements as of and for the year ended December 31, 2008, and its unaudited financial statements as of and for the six months ended June 30, 2011 and June 30, 2010, included in Annex E hereto. This discussion and analysis contains forward-looking statements that are based on the beliefs of Verge's management, as well as assumptions made by, and information currently available to, its management. Actual results could differ materially from those discussed in or implied by forward-looking statements for various reasons.

Overview

Verge derives substantially all of its revenue from the sale of 30 second and 60 second commercial airtime to advertisers. Verge's advertisers that target national audiences generally find that a cost effective way to reach their target consumers is to purchase 30 or 60 second advertisements, which are principally broadcast in its news, talk, sports, music and entertainment related programming and content.

Verge's revenues are influenced by a variety of factors, including but not limited to: (1) economic conditions and the relative strength or weakness in the United States economy; (2) advertiser spending patterns, the timing of the broadcasting of its programming, principally the seasonal nature of sports programming and the perceived quality and cost-effectiveness of its programming by advertisers and affiliates; (3) advertiser demand on a local/regional or national basis for radio related advertising products; (4) increases or decreases in its portfolio of program offerings and the audiences of its programs, including changes in the demographic composition of its audience base; and (5) competitive and alternative programs and advertising mediums.

Commercial airtime is sold and managed on an order-by-order basis. Verge takes the following factors, among others, into account when pricing commercial airtime: (1) the dollar value, length and breadth of the order; (2) the desired reach and audience demographic; (3) the quantity of commercial airtime available for the desired demographic requested by the advertiser for sale at the time their order is negotiated; and (4) the proximity of the date of the order placement to the desired broadcast date of the commercial airtime.

Verge's net revenues consist of gross billings, net of the fees that advertising agencies receive from the advertisements broadcast on our airtime, and fees to the producers of and stations that own the programming during which the advertisements are broadcast, as well as certain other fees. Net revenues from radio advertising are recognized when the advertising has aired. Revenue generated from charging fees to radio stations and networks for music libraries, audio production elements, and jingle production services are recognized upon delivery, or on a straight-line basis over the term of the contract, depending on the terms of the respective contracts.

Table of Contents

Verge's cost of revenues primarily consist of (1) employee compensation; and (2) the costs of distributing programming and services.

Verge's significant operating expenses are: (1) compensation expenses associated with its offices and facilities and personnel, including its corporate headquarters; (2) rental of premises for office facilities and studios; and (3) and research. Depreciation and amortization is not included within operating expenses and is shown as a separate line item in Verge's financial statements.

In those instances where Verge functions as the principal in the transaction, the revenue and associated operating expenses are presented on a gross basis. In those instances where it functions as an agent or sales representative, Verge's effective commission is included in revenue. Although no individual relationship is significant, the relative mix of such arrangements is significant when evaluating operating margin and/or increases and decreases in operating expenses.

On July 29, 2011, Verge bought from the Company all of the 24/7 music formats that Verge had licensed from the Company since 2006. Following this purchase, Verge continues to recognize all revenue and incur all expenses associated with these formats. However, Verge will no longer pay a licensing fee to the Company associated with these formats, which in the past has been approximately \$2.5 million per year.

During the periods described below, Verge has engaged in significant acquisitions and investments, including the acquisitions of Mass2One Media, LLC, Spacial Audio Solutions, LLC, Enticent, Inc., StreamTheWorld, Inc., which we refer to as *STW*, and Jones Media Network, Inc., which we refer to as *JMN*. Also during these periods, Verge acquired the Radio Voodoo assets of Voodoovox, Inc. As a result, the comparability of results during the periods discussed below will be less useful than if no such investments or acquisitions were made.

Digital Spin-off

On July 29, 2011, Verge spun-off its digital service business to its stockholders. Giving effect to the reclassification of certain items to be consistent with the Company's historical financial statement presentation, the digital service business accounted for approximately 32.4%, 26.7% and 13.4% of Verge's net revenue for the six months ended June 30, 2011, the year ended December 31, 2010 and the year ended December 31, 2009, respectively. In addition: for the six months ended June 30, 2011, the digital service business accounted for approximately 34.8% of operating expenses, 32.4% of depreciation and amortization expense, 0.0% of interest expense, 32.9% of the income tax benefit and 12.8% of the net loss in Verge;

Table of Contents

for the year ended December 31, 2010, the digital service business accounted for approximately 33.5% of operating expenses, 29.8% of depreciation and amortization expense, 0.0% of interest expense, 32.9% of the income tax expense and 17.4% of the net loss in Verge;
for the year ended December 31, 2009, it accounted for approximately 30.7% of operating expenses, 22.5% of depreciation and amortization expense, 0.2% of interest expense, 31.4% of the income tax expense and 86.2% of the net loss in Verge;

in each case giving effect to the reclassification of certain items to be consistent with the Company's historical financial statements.

As of June 30, 2011, total assets of the digital service business were approximately \$141 million, or 40.9% of Verge's total consolidated assets, of which approximately 85% consisted of intangible assets and goodwill.

The table below presents the Verge historical financial statements as of and for the six months ended June 30, 2011 and for the years ended December 31, 2010 and December 31, 2009, as adjusted to reflect the spin-off of Verge's digital business and to reclassify certain items to be consistent with the Company's historical financial statement presentation.

Table of Contents

Balance Sheet (Adjusted for Digital Spin-off)
As of June 30, 2011
(in thousands)

	Verge	Digital Spin-off	Reclassifications	Verge as Adjusted
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 8,766	\$ (5,715)	\$	\$ 3,051
Accounts receivable	53,548	(8,141)		45,407
Prepaid and other assets	4,764	(1,551)		3,213
Total current assets	67,078	(15,407)		51,671
Property and equipment, net	8,171	(2,095)		6,076
Investment	561	0	(561)	
Intangible assets, net	111,293	(28,670)		82,623
Goodwill	150,990	(91,738)		59,252
Restricted investment	538		(538)	
Other assets	4,317	(3,131)	3,156	4,342
Deferred financing costs	2,057		(2,057)	
TOTAL ASSETS	\$ 345,005	\$ (141,041)	\$	\$ 203,964
LIABILITIES AND STOCKHOLDERS EQUITY				
Current liabilities:				
Accounts payable	\$ 7,463	\$ (998)	\$ 20,955	\$ 27,420
Producer payable	18,525	2,430	(20,955)	
Accrued expenses and other liabilities	7,360	(3,713)	339	3,986
Long-term debt, current portion	13,961	(38)		13,923
Capital lease obligations, current	400	(383)	(17)	
Deferred revenue	531	(209)	(322)	
Total current liabilities	48,240	(2,911)		45,329
Long-term debt	178,240	(2)		178,238
Capital lease obligations, long-term	26	(26)		
Deferred tax liabilities	11,429	(4,141)		7,288
Other liabilities	1,127	(7)		1,120
TOTAL LIABILITIES	239,062	(7,087)		231,975
STOCKHOLDERS EQUITY				
Common stock	5			5
Additional paid-in capital	163,285	(163,285)		
Accumulated deficit	(57,347)	29,331		(28,016)

TOTAL STOCKHOLDERS EQUITY	105,943	(133,954)	(28,011)
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$ 345,005	\$ (141,041)	\$ 203,964

Table of Contents

Statement of Operations (Adjusted for Digital Spin-off)
Six Months Ended June 30, 2011
(in thousands)

	Verge	Digital Spin-off	Reclassifications	Verge as Adjusted
Revenue	\$ 57,957	\$ (18,761)	\$	\$ 39,196
Cost of revenues	23,544	(6,822)	(16,722)	
Operating expenses	24,402	(9,874)	16,722	31,250
Depreciation and amortization	9,925	(3,213)		6,712
Income from continuing operations	86	1,148		1,234
Interest expense	10,771	(1)		10,770
Gain from remeasurement of investment				
Loss on equity investment				
Other expense				
Loss from continuing operations before income tax	(10,685)	1,149		(9,536)
Income tax (benefit) expense	1,076	(354)		722
Loss from continuing operations	\$ (11,761)	\$ 1,503	\$	\$ (10,258)

Statement of Operations (Adjusted for Digital Spin-off)
Year Ended December 31, 2010
(in thousands)

	Verge	Digital Spin-off	Reclassifications	Verge as Adjusted
Revenue	\$ 122,746	\$ (32,795)	\$	\$ 89,951
Cost of revenues	48,114	(12,396)	(35,718)	
Operating expenses	49,202	(20,216)	35,718	64,704
Depreciation and amortization	18,639	(5,559)		13,080
Income (loss) from continuing operations	6,791	5,376		12,167
Interest expense	19,533	10		19,543
Gain from remeasurement of investment	5,573	(5,573)		
Loss on equity investment	(778)	778		
Other (income) expense	(1,257)	696		(561)
Loss from continuing operations before income tax	(9,204)	1,267		(7,937)
Income tax (benefit) expense	2,156	(710)		1,446
Loss from continuing operations	\$ (11,360)	\$ 1,977	\$	\$ (9,383)

Table of Contents

Statement of Operations (Adjusted for Digital Spin-off)
Year Ended December 31, 2009
(in thousands)

	Verge	Digital Spinoff	Reclassifications	Verge as Adjusted
Revenue	\$ 95,142	\$ (12,709)	\$	\$ 82,433
Cost of revenues	40,838	(8,856)	(31,982)	
Operating expenses	50,175	(19,099)	31,982	63,058
Depreciation and amortization	15,621	(3,516)		12,105
Income (loss) from continuing operations	(11,492)	18,762		7,270
Interest expense	16,376	(33)		16,343
Gain from remeasurement of investment	1,675	(1,675)		
Loss on equity investment	1,148	(1,148)		
Other (income) expense	464			464
Loss from continuing operations before income tax	(27,805)	18,268		(9,537)
Income tax (benefit) expense	10,389	(3,262)		7,127
Loss from continuing operations	\$ (17,416)	\$ 15,006	\$	\$ (2,410)

Table of Contents

Results of Operations

Six Months Ended June 30, 2011 Compared with Six Months Ended June 30, 2010

Net Revenues. For the six months ended June 30, 2011, net revenues increased \$1.9 million, or 3.3%, to \$58.0 million compared with the results for the six months ended June 30, 2010. The increase in net revenues was primarily due to the acquisition of STW in May 2010, partially offset by a decrease in advertising revenues due to a weaker advertising market during the first half of 2011.

Cost of Revenues. For the six months ended June 30, 2011, cost of revenues increased \$2.2 million, or 10.5%, to \$23.5 million compared with the results for the six months ended June 30, 2010. The increase in such costs was primarily due to employee compensation and distribution costs of STW, which Verge acquired in May 2010 and the costs of which were therefore not fully reflected during the six months ended June 30, 2010.

Operating Expenses. For the six months ended June 30, 2011, operating expenses increased \$0.9 million, or 3.8%, to \$24.4 million compared with the results for the six months ended June 30, 2010. The increase in operating expenses was primarily due to the acquisition of STW.

Depreciation and Amortization. For the six months ended June 30, 2011, depreciation and amortization increased \$1.3 million, or 14.8%, to \$9.9 million compared with the results for the six months ended June 30, 2010. The increase in depreciation and amortization is primarily due to the acquisition of STW.

Interest Expense. For the six months ended June 30, 2011, interest expense increased \$2.6 million, or 31.3%, to \$10.8 million compared with the results for the six months ended June 30, 2010. The increase in interest expense is primarily due to additional debt incurred to fund the acquisition of STW.

Provision for Income Taxes. Income taxes for the six months ended June 30, 2011 and the six months ended June 30, 2010 were \$1.1 million and \$1.0 million, respectively. Verge did not provide a tax benefit against the pre-tax loss due to it not being more likely than not that it will benefit from such losses. The deferred expense reflects Verge's annual goodwill amortization.

Net Loss. Net loss for the six months ended June 30, 2011 and the six months ended June 30, 2010 were \$11.8 million and \$1.8 million, respectively.

Twelve Months Ended December 31, 2010 Compared with Twelve Months Ended December 31, 2009

Net Revenues. For the twelve months ended December 31, 2010, net revenues increased \$27.6 million, or 29.0%, to \$122.7 million compared with the results for the twelve months ended December 31, 2009. The increase in net revenues was primarily due to a rebound in the radio advertising market and the acquisition of STW.

Table of Contents

Cost of Revenues. For the twelve months ended December 31, 2010, cost of revenues increased \$7.3 million, or 17.8%, to \$48.1 million compared with the results for the twelve months ended December 31, 2009. The increase in such costs was primarily due to the employee compensation and distribution costs of STW, which Verge acquired in May 2010.

Operating Expenses. For the twelve months ended December 31, 2010, operating expenses decreased \$1.0 million, or 1.9%, to \$49.2 million compared with the results for the twelve months ended December 31, 2009. The decrease of operating expenses was primarily due to the realization of increased synergies from the acquisition of JMN.

Depreciation and Amortization. For the twelve months ended December 31, 2010, depreciation and amortization increased \$3.0 million, or 19.3%, to \$18.6 million compared with the results for the twelve months ended December 31, 2009. The increase in depreciation and amortization is primarily attributable to the acquisition of STW.

Interest Expense. For the twelve months ended December 31, 2010, interest expense increased \$3.2 million, or 19.3%, to \$19.5 million compared with the results for the twelve months ended December 31, 2009. The increase in interest expense is primarily due to additional debt incurred to fund the acquisition of STW.

Gain from Remeasurement of Investment. Gains from remeasurement of investments were \$5.6 million for the twelve months ended December 31, 2010. This gain was attributable to the acquisition in 2010 of the 74% of STW that Verge did not previously own, which pre-existing non-controlling equity interest was remeasured at fair value.

Loss on Equity Investment. For the twelve months ended December 31, 2010, losses on equity investments decreased \$0.3 million, or 32.2%, to \$0.8 million compared with the results for the twelve months ended December 31, 2009. The decrease is primarily due to lower pass-through losses from equity investments.

Other Expenses. Other expenses for the twelve months ended December 31, 2010 were \$1.3 million, which primarily represent an impairment charge relating to equity investments.

Provision for Income Taxes. Income taxes for the twelve months ended December 31, 2010 were \$2.2 million compared to an income tax benefit of \$10.4 million for the twelve months ended December 31, 2009. The increase in income taxes is primarily due to Verge increasing its valuation allowance for certain deferred tax assets.

Loss from Discontinued Operations. Loss from discontinued operations for the twelve months ended December 31, 2010 was \$27,000 related to the closing in 2009 of Fusion Innovative Marketing Company, a wholly-owned subsidiary of Verge which we refer to as *Fusion*. There were no additional discontinued operations in 2010.

Net Loss. Net loss for the twelve months ended December 31, 2010 was \$11.4 million compared to a net loss of \$18.0 million for the twelve months ended December 31, 2009.

Table of Contents

Twelve Months Ended December 31, 2009 Compared with Twelve Months Ended December 31, 2008

Net Revenues. For the twelve months ended December 31, 2009, net revenues increased \$12.0 million, or 14.4%, to \$95.1 million compared with the results for the twelve months ended December 31, 2008. The increase in net revenues was primarily due to the acquisition of JMN in June 2008.

Cost of Revenues. For the twelve months ended December 31, 2009, cost of revenues increased \$4.6 million, or 12.6%, to \$40.8 million compared with the results for the twelve months ended December 31, 2008. The increase in such costs was primarily due to the acquisition of JMN.

Operating Expenses. For the twelve months ended December 31, 2009, operating expenses increased \$14.0 million, or 39.0%, to \$50.2 million compared with the results for the twelve months ended December 31, 2008. The increase in operating expenses was primarily due to the acquisition of JMN.

Depreciation and Amortization. For the twelve months ended December 31, 2009, depreciation and amortization increased \$6.5 million, or 71.4%, to \$15.6 million compared with the results for the twelve months ended December 31, 2008. The increase is primarily due to the acquisition of JMN.

Interest Expense. For the twelve months ended December 31, 2009, interest expense increased \$2.2 million, or 15.5%, to \$16.4 million compared with the results for the twelve months ended December 31, 2008. The increase in depreciation and amortization is primarily due to additional debt incurred to fund the acquisition of JMN.

Gain from Remeasurement of Investment. Gains from remeasurement of investments were \$1.7 million in the twelve months ended December 31, 2009. This gain was attributable to the acquisition in 2009 of the 53% of Mass2One Media, LLC that Verge did not previously own, which pre-existing non-controlling equity interest was remeasured at fair value.

Loss on Equity Investment. For the twelve months ended December 31, 2009, losses on equity investments decreased \$2.7 million, or 70.2%, to \$1.1 million compared with the results for the twelve months ended December 31, 2008. The decrease is primarily attributable to lower pass-through losses from equity investments.

Other Expenses. Other expenses for the twelve months ended December 31, 2009 were \$0.5 million, which primarily represent the write-off of a tax receivable determined to be uncollectable.

Provision for Income Taxes. Benefits from income taxes for the twelve months ended December 31, 2009 and the twelve months ended December 31, 2008 were \$10.4 million and \$5.9 million, respectively. The increase in income tax benefit was primarily increased losses due to the acquisition of JMN.

Table of Contents

Loss from Discontinued Operations. Loss from discontinued operations for the twelve months ended December 31, 2009 was \$0.6 million due to the closing of Fusion. There were no losses from discontinued operations for the twelve months ended December 31, 2008.

Net Loss. Net loss for the twelve months ended December 31, 2009 and the twelve months ended December 31, 2008 were \$18.0 million and \$10.4 million, respectively.

Liquidity, Cash Flow and Debt

Cash flows for the six months ended June 30, 2011 and June 30, 2010 and the twelve months ended December 31, 2010 and December 31, 2009:

	Cash Flow			
	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010	Twelve Months Ended December 31, 2010	Twelve Months Ended December 31, 2009
	(dollars in thousands)			
Net cash provided by (used in) operating activities	\$ 4,376	\$ 4,659	\$ 18,160	\$ (5,810)
Net cash used in investing activities	3,815	33,289	36,070	22,988
Net cash provided by (used in) financing activities	(5,743)	35,454	27,949	24,847
Net increase (decrease) in cash and cash equivalents	(5,182)	6,824	10,039	(3,951)
Cash and cash equivalents, beginning of period	13,948	3,909	3,909	7,860
Cash and cash equivalents, end of period	\$ 8,766	\$ 10,733	\$ 13,948	\$ 3,909

Net cash provided by operating activities was \$4.4 million for the six months ended June 30, 2011, compared to \$4.7 million net cash provided by operating activities for the six months ended June 30, 2010. The changes were principally attributable to an increase in net loss of \$10.0 million partially offset by the non-cash gain on remeasurement of investments of \$5.6 million, an increase in non-cash interest of \$2.0 million, an increase in depreciation and amortization of \$1.5 million and a decrease in producer payables of \$1.5 million.

Net cash used in investing activities was \$3.8 million for the six months ended June 30, 2011, compared to \$33.4 million net cash used in investing activities for the six months ended June 30, 2010. The changes were principally attributable to the acquisition of STW in May 2010.

Net cash used in financing activities was \$5.7 million for the six months ended June 30, 2011, compared to \$35.4 million provided by financing activities during the six months ended June 30, 2010. The changes were principally attributable to additional debt incurred to fund the acquisition of STW.

Table of Contents

Net cash provided by operating activities was \$18.2 million for the twelve months ended December 31, 2010, compared to \$5.8 million net cash used in operating activities for the twelve months ended December 31, 2009. The changes were principally attributable to an increase of deferred taxes of \$12.9 million, a decrease in net loss of \$6.6 million, an increase of depreciation and amortization of \$3.4 million and an increase of non-cash interest of \$2.5 million. These items were partially offset by an increased gain on remeasurement of investments of \$3.9 million. Net cash used in investing activities for the twelve months ended December 31, 2010 was \$36.1 million, compared to \$23.0 million net cash used in investing activities for the twelve months ended December 31, 2009, primarily as a result of the acquisition of STW.

Net cash used in financing activities was \$27.9 million for the twelve months ended December 31, 2010, compared to \$24.8 million net cash used in financing activities. for the twelve months ended December 31, 2009.

Liquidity and Capital Resources

Verge continually projects anticipated cash requirements, which may include requirements for potential acquisition opportunities, capital expenditures, principal and interest payments on its outstanding indebtedness, dividends and working capital requirements. To date, funding requirements have been financed through cash flows from operations, the issuance of equity to Oaktree and the issuance of long-term debt.

At June 30, 2011, Verge's principal sources of liquidity were its cash and cash equivalents of \$8.8 million and borrowing availability of \$14.2 million in lines of credit of its wholly-owned subsidiaries, which equaled \$23.0 million in total liquidity. Cash flow from operations is also a principal source of funds. Verge estimates that cash flows from operations and availability on its line of credit will be sufficient to fund its cash requirements, including scheduled interest and required principal payments on its outstanding indebtedness and projected working capital needs for at least the next 12 months.

Excelsior Radio Networks, LLC, one of Verge's wholly-owned subsidiaries which we refer to as *Excelsior*, has a \$15 million line of credit with a financial institution, with an interest rate at the lower of 4.75% above LIBOR, or 3.75% above the prime rate at June 30, 2011 and December 31, 2010. During the six months ended June 30, 2011, the interest rate varied from 4.25% to 4.75% above LIBOR, or 3.50% to 3.75% above the prime rate, depending on Excelsior's leverage ratio at the time the loan is drawn; and, during the year ended December 31, 2010, the interest rate varied from 4.50% to 4.75% above the LIBOR, or 3.50% to 3.75% above the prime rate, depending on Excelsior's leverage ratio at the time the loan is drawn. The line is collateralized by all the assets of Excelsior, which also secures the Excelsior term loan described below. A portion of the credit line, \$763,000 at June 30, 2011 and December 31, 2010, has been set aside as a letter of credit to collateralize Excelsior's lease for its New York office space. As of June 30, 2011 and December 31, 2010, approximately \$14.2 million was available to Verge. The line and letter of credit expire on June 20, 2013. The line of credit is subject to certain financial covenants and certain fees on the unused balance.

Excelsior also has a \$115 million term loan, which we refer to as the *Excelsior term loan*, with a balance outstanding of \$89.2 million and \$94.7 million as of June 30, 2011 and December 31, 2010, respectively. The Excelsior term loan is subject to quarterly principal payments with a balloon payment at maturity in June 2013. The term loan carries interest at a rate that is reset quarterly. As of June 30, 2011 and December 31, 2010, the per annum interest rate on the Excelsior term loan was 5.75%.

Table of Contents

On October 25, 2010, STW renewed its line of credit with Royal Bank of Canada, which we refer to as *RBC*, amounting to a \$352,000 credit agreement, consisting of a \$251,000 revolving demand facility, which we refer to as the *revolver*, and a \$101,000 non-revolving term loan facility, which we refer to as the *RBC term loan*. Borrowing limits are based on eligible receivables. The revolver carries interest at RBC's prime plus 2.5%, and is payable on demand with borrowings under letters of credit and guarantee not to exceed \$101,000 at any time. The revolver is unused at June 30, 2011 and December 31, 2010, and there are no future minimum required payments. The RBC term loan carries interest at RBC's prime plus 4.25%, with monthly repayment of principal of approximately \$8,000 plus interest. The RBC term loan matures on September 30, 2011. The loan is secured by a first priority security interest on STW's present and future movable property and insured receivables.

A subsidiary of Verge issued senior notes, which we refer to as *PIK notes*, to its equity investors, including management, at interest rates of 14.5% and 15.5% due November 1, 2013 and October 31, 2013, respectively, with interest compounded quarterly and payable in kind until the principal and accrued interest become due at maturity. Total amounts due, including principal and interest payable, on November 1, 2013 is \$92.4 million, and on October 31, 2013 is \$53.7 million.

If Verge or any of its subsidiaries is unable to meet its debt service and repayment obligations from time to time under these instruments, it would be in default thereon, which if uncured, would allow creditors at that time to declare all outstanding indebtedness to be due and payable and materially impair the financial condition and liquidity of Verge. If financing is limited or unavailable to Verge upon the maturity of its outstanding debt, it may not have the financial means to repay the debt.

In connection with the transactions contemplated by the Merger Agreement, Verge anticipates that it will purchase the PIK notes that are not being exchanged for subordinated debt of the combined company as described under *Interests of Certain Persons in Matters to be Acted Upon Letter Agreement*, repay the amounts due under the revolver, the Excelsior term loan and the RBC term loan and terminate any undrawn commitments.

Table of Contents*Contractual Obligations and Commitments*

The following table summarizes our contractual obligations and commitments as of June 30, 2011.

	Payments Due by Period				Total
	Less Than 1 Year	1-3 Years	3-5 Years (in thousands)	More Than 5 Years	
Long-term debt obligations					
PIK notes	\$	\$ 102,997			\$ 102,997
Excelsior term loan	13,923	75,240			89,163
Total long-term debt obligations	\$ 13,923	178,237			192,160
Capital lease obligations	400	26			426
Other long-term liabilities(1)	1,163	3			1,166
Total	\$ 15,486	\$ 178,266			\$ 193,752

(1) Primarily includes remaining payments on Voodooovox, Inc. acquisition of \$516 and the RBC term loan of \$352.

Critical Accounting Policies and Estimates

Verge's financial statements are prepared in accordance with accounting principles that are generally accepted in the United States. The preparation of these financial statements requires it to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses as well as the disclosure of contingent assets and liabilities. Verge continually evaluate its estimates and judgments including those related to allowances for doubtful accounts, useful lives of property, plant and equipment and intangible assets, impairment of goodwill and indefinite lived intangible assets and other contingencies. Verge bases its estimates and judgments on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. Verge believes that of its significant accounting policies, the following may involve a higher degree of judgment or complexity.

Accounts Receivable and Allowance for Doubtful Accounts

In the normal course of business, Verge provides unsecured credit to customers, performs credit evaluations of these customers, and maintains reserves for potential credit losses. In determining the amount of allowance for doubtful accounts, management considers historical credit losses, the past due status of receivables, payment history, and other customer-specific information. The past due status of a receivable is based on its contractual terms. Expected credit losses are recorded as an allowance for doubtful accounts. Receivables are written off when management believes they are uncollectible.

Capitalized Software Costs

Research and development costs are incurred to establish the technological feasibility of software products to be marketed. Research and development expense consist primarily of salaries and benefits for research and development personnel.

Table of Contents

Verge capitalizes external direct costs of materials and services consumed in developing and obtaining internal use computer software, and the payroll and payroll-related costs for employees who are directly associated with, and who devote time to, developing the internal use computer software. Management's judgment is required in determining the point at which various projects enter the stages at which costs may be capitalized, in assessing the ongoing value of the capitalized costs, and in determining the estimated useful lives over which the costs are amortized. Verge expects to continue to invest in internally developed software.

Verge capitalizes software costs to be marketed associated with the licensing of its digital products and services to its customers. The costs of producing software masters, including costs of programmers and the related overhead, subsequent to establishing technological feasibility, is capitalized. Technological feasibility is established when Verge has completed all planning, designing, coding, and testing activities that are necessary to establish that the software product meets its designed specifications. All costs incurred to establish technological feasibility of this software are charged to expense.

All external and internal use capitalized software costs are included in other assets on the accompanying consolidated balance sheets, and are amortized between two and five years.

Goodwill and Intangible Assets

Goodwill represents the excess of consideration transferred over the fair value of identifiable net assets acquired.

Acquired intangibles are recorded at fair value as of the acquisition date. Goodwill and other intangibles determined to have an indefinite life are not amortized, but tested for annual impairment. Verge measures impairment of its indefinite-lived intangible assets, which consists of trade names based on the relief-from-royalty method. An impairment loss is recognized on indefinite-lived intangibles when the carrying amount exceeds the fair value. For goodwill, the fair value of the reporting unit is compared to its carrying amount on an annual basis to determine if there is a potential impairment. If the fair value of the reporting unit is less than its carrying value, an impairment loss is recorded to the extent that the fair value of the goodwill is less than their carrying value, determined based on discounted cash flows, market multiples, or appraised values, as appropriate.

Intangible assets subject to amortization consist of advertiser and producer relationships, trade names, customer relationships, technology, in-process research and development, which we refer to as *IPR&D*, beneficial lease interest, and non-compete agreements acquired. The intangible asset values assigned were determined based upon the expected discounted aggregate cash flows to be derived over the life of the assets. Verge amortizes the value assigned to intangibles as follows:

Advertiser and producer relationships	15 years
Trade names	3-7 years
Customer relationships	1-9 years
Technology	2-8 years
IPR&D	8-9 years
Beneficial lease interest	7 years
Non-compete agreements	4 years

Table of Contents

Intangible assets that have definite lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If any indications were present, Verge would test for recoverability by comparing the carrying amount of the asset to the net undiscounted cash flows expected to be generated from the asset. If those net undiscounted cash flows do not exceed the carrying amount (i.e., the asset is not recoverable), Verge would perform the next step, which is to determine the fair value of the asset, and record an impairment, if any. Verge re-evaluates the useful life determinations for these intangible assets each year to determine whether events and circumstances warrant a revision in their remaining useful lives.

Income Taxes

Deferred income taxes are recognized for the temporary differences between the financial statement and the tax basis of the assets and liabilities of Verge. Verge calculates the deferred income taxes using the enacted tax rate expected to apply to the taxable income for each year in which the deferred tax liability or asset is expected to be settled or realized.

Verge's accounting for uncertainty of income taxes in its financing statements is based on the guidance that prescribes a recognition threshold and measurement attribute for financial statement recognition, and measurement of a tax position taken, or expected to be taken, in a tax return, and also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. A tax benefit from an uncertain tax position taken, or expected to be taken, may be recognized only if it is more likely than not that the position is sustainable upon tax authority examination, based on its technical merits. The tax benefit of a qualifying position under this guidance would equal the largest amount of tax benefit that is greater than 50% likely of being realized upon settlement, with a taxing authority having full knowledge of all the relevant information. A liability (including interest and penalties, if applicable) is established in the financial statements to the extent a current benefit has been recognized on a tax return for matters that are considered contingent upon the outcome of an uncertain tax position. In the opinion of management, Verge has no uncertain tax positions. The adoption of this standard had no material effect on Verge's consolidated financial statements. The tax years subject to examination by the taxing authorities are the years ended December 31, 2007 and forward.

Quantitative and Qualitative Disclosures about Market Risk

To manage interest rate risk, Verge may be required to enter into interest rate swap contracts to adjust the proportion of total debt that is subject to variable interest rates. Such contracts fix the borrowing rates on floating debt to provide a hedge against the risk of rising rates.

By using derivative financial instruments to hedge exposure to changes in interest rates, Verge exposes itself to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the interest rate swap contract. Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates. The market risk associated with interest rate swap contracts is managed by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

Table of Contents

Verge assesses interest rate cash flow risk by continually identifying and monitoring changes in interest rate exposure that may adversely impact expected future cash flows, and by evaluating hedging opportunities.

Verge uses a variable rate debt to finance certain of its operations. The debt obligations expose Verge to variability in interest payments due to changes in interest rates. Verge is required under the term loan, under certain circumstances, to limit the variability of its interest payments. To meet this objective, Verge has entered into interest rate swap agreements to manage fluctuations in cash flows resulting from interest rate risk, each of which has now expired. In the future, Verge may enter into additional interest rate swap agreements to convert variable-rate cash flow exposure on the debt obligations to fixed cash flows.

Inflation

The impact of inflation on Verge's operations has not been significant to date. There can be no assurance that a high rate of inflation in the future would not have an adverse effect on Verge's operations.

Table of Contents

THE MERGER

Background of the Merger

The Company, which was formed in 1974, owns and operates a radio network business in the United States, and is majority owned by Gores. Prior to April 29, 2011, the Company also owned and operated a traffic reporting business which it sold to a third party.

Verge, which was formed in 2008 by a group of investors led by Oaktree Capital Management, L.P., which we refer to as *Oaktree*, also owns and operates a radio network business in the United States and, through one of its affiliates, provides digital services to radio broadcasters and their content providers.

Following the investment in the Company by Gores in 2008, the Company completed a recapitalization and refinancing of its previously outstanding debt in April 2009, implemented cost reduction initiatives in 2008 and 2009, achieved improved revenue and EBITDA and has had greater access to capital to support expansion of its radio networks business. Accordingly, the Company regularly evaluates the benefits and risks of potential acquisitions of companies in its industry and assesses the strategic and financial implications of any such opportunities.

As part of this process, and with the assistance of its financial advisor, Moelis & Co., LLC, the Company identified Verge's radio network business as a logical strategic acquisition in light of industry dynamics and the potential for significant synergies.

Beginning in December 2009, the Company had preliminary discussions with a subsidiary of Verge that previously owned Verge's radio network business, which we refer to as *Triton Media*, relating to a possible transaction and entered into a confidentiality agreement with Triton Media in order for the parties to continue discussions and exchange information. However, such discussions did not result in any agreement regarding a transaction between the Company and Triton Media.

From time to time the Company has also evaluated a variety of other strategic alternatives, including potential business combination transactions involving companies in its industry. Among other parties, the Company has had periodic discussions with two parties, which we refer to as *Party A* and *Party B*, regarding a possible business combination. Both of these parties are in the broadcasting and radio station operator sector and have substantially greater financial resources than the Company. Additionally, from time to time, the Company received unsolicited and preliminary inquiries from other companies in its industry regarding possible transactions and strategic combinations. On multiple occasions during September 2010, representatives of the Company held discussions with Verge to determine Verge's interest in resuming discussions regarding a potential transaction in which the Company would acquire Verge's radio network business for cash. After Verge indicated it would be willing to resume such discussions, on September 24, 2010, the Company amended its confidentiality agreement with Triton Media to extend its term to the earlier of June 2012 and the entry into a definitive transaction agreement.

During the last week of September 2010, senior management of the Company and representatives of Moelis held discussions with members of the Board and representatives of Gores regarding a potential acquisition of Verge's radio network business, including the strategic and financial implications of such an acquisition. Also during this period, representatives of the Company and Oaktree discussed matters related to the potential acquisition, including the process of conducting a due diligence review of Verge and the anticipated timing of such review.

On multiple occasions during October 2010 and the first week of November 2010, representatives of the Company, Gores and Moelis discussed the process of obtaining financing for the proposed acquisition and held several due diligence sessions as part of that process. Also during this period, the Company and its legal advisors negotiated non-disclosure agreements with potential financing sources for the proposed acquisition and, with the assistance of Moelis, Company management prepared a presentation to such potential financing sources.

Table of Contents

On November 10, 2010, lender presentations were given by the Company and Moelis to several potential financing sources for the proposed acquisition, and on November 11, 2010, the Company engaged FTI Consulting, Inc., which we refer to as *FTI*, to assist the Company evaluate potential synergies related to the proposed acquisition. Between mid-November 2010 and mid-December 2010, the parties and their respective legal counsels negotiated the terms of a draft acquisition agreement, and the potential financing sources were given access to information so that they could conduct a due diligence review of the Company and Verge. Also during this period, multiple due diligence conference calls were conducted among various potential financing sources, on the one hand, and representatives of the Company, Moelis and Verge, on the other hand. Also during this period, representatives of the Company, on the one hand, and representatives of Verge and/or Oaktree, on the other hand, further discussed business and financial issues related to the potential acquisition, including potential synergies that could be achieved by the combined Company.

In mid-December 2010, the Company and Verge terminated discussions due to lack of availability of acquisition financing on favorable terms.

During the first quarter of 2011, representatives of the Company contacted representatives of Party A to discuss partnering with Party A to acquire a competing radio network business. While Party A expressed interest in continuing discussions about such a partnership, the discussions did not progress past a preliminary stage.

On February 14, 2011, representatives of the Company and Moelis met with representatives of Verge to resume discussions regarding a potential transaction. At the meeting, the parties agreed that combining their respective radio network businesses in a merger of equals, rather than an acquisition by the Company of Verge's radio network business for cash, would be more desirable to the parties, among other reasons, because stockholders of both companies would benefit from the estimated synergies of the combined company and due to the reduced financing required for a merger of equals transaction. To accomplish this, the parties further discussed their mutual desire for the Company to sell or spin-off its traffic reporting business, including Metro Networks, Inc. and its subsidiaries, SmartRoute Systems, Inc. and TLAC, Inc., which we collectively refer to as the *Metro Traffic Business*, and for Verge to sell or spin-off its digital service provider business, which we refer to as the *Triton Digital Business*, in each case prior to consummation of a merger.

Table of Contents

On February 24, 2011, representatives of the Company and Verge further discussed business and financial issues related to the potential merger.

On multiple occasions between February 25, 2011 and March 9, 2011, representatives of the Company, Moelis and Gores discussed various issues related to the possible merger, including the potential financial terms and strategic implications of such a transaction. Also during this period, the Company and Verge exchanged certain financial information, including financial forecasts for their respective businesses.

On March 10, 2011, representatives of the Company, Gores and Moelis met with representatives of Verge and Oaktree to discuss the percentage ownership of the combined company that each of the Company's and Verge's stockholders would hold after the proposed merger. After lengthy negotiations, the parties tentatively agreed that the stockholders of Verge would receive shares of the Company in the merger representing 59% of the capital stock of the combined company on a fully diluted basis with the Company's stockholders retaining the remainder of the capital stock of the combined company. These economic splits were premised upon the Company having no more than approximately \$55 million of debt and Verge having no more than approximately \$200 million of debt, in each case immediately prior to the closing of the potential merger.

Also at the meeting, it was tentatively agreed that stockholders of Verge would have the right to appoint a majority of the combined company's board of directors and that the Company's existing stockholders would be granted certain minority rights, including the right to approve a sale of the Company under certain circumstances and for a specified period post-closing. The parties agreed to instruct their respective legal counsels to prepare a term sheet that addressed these and related governance issues with respect to the combined company.

Additionally, the Company discussed the status of its sale of the Metro Traffic Business and Verge discussed its intention to spin-off its Triton Digital Business to its stockholders prior to signing of a definitive merger agreement. A key consideration was finding a means to isolate any potential residual liabilities of the Metro Traffic Business and the Triton Digital Business.

Between mid-March 2011 and mid-April 2011, the parties and their respective advisors agreed upon a process for coordinating due diligence including a framework for information sharing, re-commenced due diligence efforts, and discussed and negotiated a definitive merger agreement and governance term sheet.

On April 1, 2011, Party A's financial advisor contacted representatives of the Company to express Party A's interest in acquiring the Company and to request a meeting with the Company to further discuss a possible transaction.

Table of Contents

On April 12, 2011, at a meeting of the Board, representatives of the Company and its outside advisors described the status of discussions with Verge, outlined the proposed economic splits and corresponding debt levels of each party in the potential merger, and reviewed some of the benefits and risks of such a transaction.

On April 14, 2011, representatives of the Company met with representatives of Party A and its financial advisor to further discuss a potential transaction. At the meeting, the Company expressed its views regarding the synergies it believed could be achieved in a transaction between the Company and Party A, and invited Party A to make an offer for the Company based on publicly available information and certain financial forecasts that had been previously provided to Party A. At the conclusion of the meeting, Party A continued to express an interest in acquiring the Company and requested that the Company circulate a summary of its synergy analysis to Party A, which was delivered on May 15, 2011.

On April 15, 2011, representatives of Moelis met with representatives of Verge to discuss certain financial metrics of the Company and Verge and the parties' relative financial performance during the first quarter of 2011 and latest twelve month period. Following such discussion, the parties were unable to re-confirm the allocation of equity in the combined company that had been tentatively agreed upon at the March 2011 meeting. As a result, the parties determined to halt discussions regarding a potential merger.

On April 29, 2011, the Company completed the sale of its Metro Traffic Business to Clear Channel Acquisition LLC, which we refer to as *Clear Channel*.

Between May 3, 2011 and May 18, 2011, following confirmation by Verge of the economic splits tentatively agreed to in March 2011, representatives of the Company and Verge and their respective advisors resumed merger negotiations and discussed, among other things, a potential timeline for the transaction, the status of the due diligence process, the likely structure of the financing for the proposed merger and the status of discussions with potential financing sources.

Between May 24, 2011 and June 9, 2011, representatives of the Company and Verge and their respective financial advisors conducted due diligence on the financial model with respect to the proposed merger, as well as on the Company's and Verge's latest financial results and outlook for 2011. Also during this period, the parties continued to discuss business and financial issues related to the potential merger, including an anticipated timeline to complete a transaction.

On June 2, 2011, the Company received a written indication of interest from Party A to acquire the Company for \$44 million in cash, which was to be used to repay the Company's outstanding debt, and shares of stock of Party A that the Company valued at approximately \$43 million using Party A's closing stock price on the day the offer was received. After reviewing the indication of interest with Moelis, the Company instructed Moelis to inform Party A that the proposed price was too low and did not sufficiently account for the synergies that could be achieved if Party A were to acquire the Company.

On June 6, 2011, members of the Audit Committee (which consists solely of independent directors) held a telephonic meeting to discuss the potential transaction with Verge, including a review of the economic terms of the proposed merger from the standpoint of the Company's stockholders other than Gores, and to assess what approvals might be required for such transaction under the Company's organizational documents. The Audit Committee determined to continue to monitor any proposed merger or similar transaction that might be presented to the Board. The Audit Committee convened from time to time during the months of June and July 2011 to discuss the status of the proposed transaction with Verge and related matters with senior management and the Company's outside advisors.

Table of Contents

Between June 11, 2011 and June 29, 2011, representatives of the Company and Verge and their respective financial advisors further discussed financing options for the proposed merger, continued to review and refine the previously estimated synergies of the combined company, prepared a new financial model of the proposed merger, and circulated such model to potential financing sources. Also during this period, the Company and Verge continued their due diligence review of each other.

On June 27, 2011, representatives of the Company and Verge and their respective legal counsels held a teleconference to discuss the status of the definitive documents and the principal outstanding issues. Among other matters, the parties discussed the necessity of a fiduciary out which would allow the Company to terminate the merger agreement if it were to receive an unsolicited proposal from a third party between signing and closing that was superior to the transaction with Verge. Verge asserted that such a termination right was unnecessary and created unacceptable execution risk, while the Company asserted that having a fiduciary out provision was an important factor for the Board. The parties also discussed matters relating to potential indemnification obligations that may arise in the future as a result of the Company's sale of its Metro Traffic Business and the anticipated spin-off by Verge of its Triton Digital Business, and how to appropriately allocate the risk of such potential obligations among the Company's and Verge's respective stockholders.

Also during the call, the parties discussed the allocation of board seats of the combined company and certain minority protections for the Company's existing stockholders that had been previously agreed to, including in connection with a sale of the combined company during the first three years following consummation of the merger. It was decided that the best way to implement these arrangements was to amend and restate the Company's organization documents to provide for two classes of stock, one of which would be held by existing stockholders of the Company and the other of which would be issued to Verge's stockholders. The two classes of stock would be identical except for certain class voting and approval rights including in connection with the election of directors and in certain circumstances the class of stock to be held by Verge's stockholders would automatically convert into the class of stock to be held by the Company's existing stockholders.

Finally, the parties discussed a mechanism for determining and allocating value to Verge's stockholders for certain assets and liabilities of the parties that were not taken into account in determining the allocation of equity in the merger during the March 2011 meeting. The parties also discussed a mechanism to adjust such value at the closing of the proposed merger based upon changes in the amount of certain of the parties' respective liabilities between signing and closing.

Table of Contents

In June 2011, representatives of the Company contacted representatives of Party B to ascertain Party B's interest in a potential business combination transaction involving the Company. Party B informed the Company that it was not interested in pursuing a transaction with the Company at that time.

On July 1, 2011, the Board met to receive an update on the current status of discussions with Verge, with input from the Company's outside advisors. At this meeting, the Board, among other matters, reviewed the current status of the merger discussions, the principal outstanding issues, and other pertinent information. After extensive discussions, the Board authorized management to continue negotiation of definitive documents, subject to satisfactory resolution of the principal outstanding issues.

On July 5, 2011, representatives of the Company and Verge and their respective advisors held a due diligence call during which the parties discussed the information they had received to date and further information that each party still required. Following this call and up until the signing of the merger agreement, the Company and its legal counsel continued to request and review due diligence materials from Verge.

On July 7, 2011, representatives of Gores and Oaktree discussed certain issues related to senior debt of the Company held by Gores and debt of one of Verge's subsidiaries held by Oaktree and Black Canyon. Specifically, the parties discussed the benefits of exchanging a portion of such debt for subordinated debt of the combined company in order to facilitate the financing required for the proposed merger. On July 8, 2011, representative of Gores, Oaktree and Black Canyon tentatively agreed to exchange up to an aggregate of \$25 million of such debt for subordinated debt of the combined company on terms to be mutually agreed with the Company.

On July 12, 2011, representatives of the Company and Verge and their respective legal counsels held a teleconference to further discuss the status of the definitive documents and principal outstanding issues, including the need for a fiduciary out. During the call, the Company's legal counsel informed Verge that Gores had indicated a willingness to deliver a written consent to approve the transactions at the time of signing the merger agreement. Nevertheless, the Company's legal counsel expressed the importance to the Company and the Board to maintain a fiduciary out for a reasonable period of time after signing the merger agreement.

On July 13, 2011, representatives of the Company met with representatives of Party A to further discuss a potential transaction. At the conclusion of the meeting, the Company invited Party A to make a revised proposal to acquire the Company.

On July 14, 2011, the Company and Verge received an initial draft of a debt commitment letter and related agreements from General Electric Capital Corporation and General Electric Capital Markets, Inc. in respect of certain first lien debt commitments. Later on July 14, 2011, the parties received an initial draft of a debt commitment letter and related agreements from Macquarie Capital (USA) Inc. in respect of certain second lien debt commitments. Also on July 14, 2011, Verge's legal counsel circulated a revised draft of the merger agreement to the Company and its legal counsel. From July 14, 2011 through the signing of the merger agreement on July 30, 2011, the parties and their respective legal counsels continuously negotiated the merger agreement and the related ancillary documents.

Table of Contents

In mid-July 2011, representatives of the Company received an inquiry from a media advertising sales company, which we refer to as *Party C*, indicating its interest in a possible business combination with the Company. The following day, *Party C*'s financial advisor contacted representatives of the Company and reiterated *Party C*'s interest in a possible business combination with the Company. Representatives of the Company were receptive to exploring a transaction with *Party C* and invited *Party C* to make an offer, but *Party C* failed to pursue discussions past a preliminary stage. On July 16, 2011, representatives of the Company and Verge discussed a mechanism to allocate risk related to potential post-closing indemnification obligations in connection with the sale by the Company of its Metro Traffic Business and the anticipated spin-off by Verge of its Triton Digital Business. Specifically, the parties discussed an arrangement pursuant to which Gores would agree to make certain payments to Verge's stockholders in the event the Company had to make an indemnification payment under its agreement with Clear Channel and that Oaktree would agree to make certain payments to the Company in the event the Company suffered any losses defending against post-closing claims related to the Triton Digital Business.

Also on this call, the parties further discussed a mechanism for determining and allocating value to Verge's stockholders for certain assets and liabilities of the parties that were not taken into account in determining the allocation of equity in the merger during the March 2011 meeting, as well as a mechanism to adjust such value at the closing of the proposed merger based upon changes in certain of the parties' respective liabilities between signing and closing. During the call, the parties tentatively agreed that such value, if any, should be provided to Verge's stockholders in the form of a promissory note from the combined company, and that the initial amount of the promissory note would be subject to adjustment based upon the parties' respective net debt immediately prior to the closing of the proposed merger.

Between July 16, 2011 and July 23, 2011, representatives of the Company and Verge continuously discussed these matters. At the conclusion of these discussions, it was tentatively agreed that Verge's stockholders would receive shares of Series A Preferred Stock rather than a promissory note; that the initial liquidation preference of the Series A Preferred Stock would be \$8 million in the aggregate, subject to adjustment based upon the parties' respective net debt immediately prior to the closing as compared to target net debt of \$47.9 million and \$199.9 million for the Company and Verge, respectively; and that the Series A Preferred Stock would accrue dividends at a rate equal to 9% per annum for the first two years after the issue date with such rate increasing thereafter.

On July 18, 2011, representatives of the Company and Verge and their respective legal counsels held a teleconference to further discuss the status of the definitive documents and principal outstanding issues, including the need for a fiduciary out. During the call, Verge indicated that it might be willing to agree to a limited fiduciary out in the merger agreement if, in addition to delivering its written consent at signing, Gores was willing to enter into a voting agreement, pursuant to which, among other things, Gores would agree not to support an alternative transaction for 12 months following any exercise by the Company of its fiduciary out, and if the Company were willing to pay a termination fee to Verge if the fiduciary out was exercised. Also on the call, the parties further discussed the potential indemnification obligations of Gores with respect to the sale of the Metro Traffic Business and of Oaktree with respect to the spin-off of the Triton Digital Business.

Table of Contents

Also on July 18, 2010, members of the Audit Committee held a telephonic meeting to further discuss the potential transaction with Verge from the perspective of the Company's stockholders other than Gores, with input from the Company's legal advisors. After determining that a fairness opinion from an independent financial advisor would assist the Audit Committee and the Board to evaluate the potential transaction, the Audit Committee invited Berenson to join the call to discuss the proposed merger as well as the terms under which Berenson would be willing to be engaged to render such an opinion.

On July 20, 2011, after negotiation of the financial terms of such engagement, the Audit Committee of the Board engaged Berenson to render a fairness opinion to the Audit Committee and the Board in connection with the proposed merger. Among the reasons for selecting Berenson were Berenson's familiarity with the Company and its industry, its experience in rendering fairness opinions in similar transactions, the fact that Berenson was not presently engaged by or otherwise performing services on behalf of either party or its affiliates in connection with the proposed merger, and that Berenson's proposed fee was within the range of fees typically charged by financial advisory firms for this type of engagement.

Also on July 20, 2011, Moelis received a revised indication of interest from Party A to acquire the Company for \$125 million in cash, of which approximately \$45 million would be used to repay the Company's outstanding debt, and a \$25 million unsecured note with a two year maturity and an interest rate of 7% per annum. After reviewing the indication of interest with Moelis, the Company determined that the indication of interest from Party A was inferior to the transaction with Verge and, as a result, instructed Moelis to inform Party A that its proposed price would need to be further increased.

On July 21, 2011, the Company's legal counsel circulated a draft of the Indemnity and Contribution Agreement to address the post-merger indemnification obligations of Gores and Oaktree with respect to any liability arising from the sale of the Metro Traffic Business and the anticipated spin-off of the Triton Digital Business, respectively.

Representatives of the Company, Gores and Oaktree continued to negotiate this agreement, including the limits on liability, the duration of the obligations and related issues through the signing of the merger agreement.

On July 22, 2011, members of the Audit Committee held a telephonic meeting to further discuss the potential transaction with Verge from the perspective of the Company's stockholders other than Gores, with input from the Company's legal advisors.

Table of Contents

Between July 22, 2011 and July 24, 2011, representatives of the Company and Verge and their respective advisors continued to discuss the principal outstanding issues as well as the procedures for the exchange of competitively sensitive information. The parties agreed that exchange of such information was necessary to allow the parties to complete their respective due diligence review and allow their respective legal counsels to deliver reports to the potential financing sources to complete their diligence process. After the parties concluded there was sufficient agreement to justify entering into the next stage of due diligence, the Company and Verge exchanged previously withheld competitively sensitive documents and their legal and financial advisors began their due diligence review of such documents. Also during this period, Gores, Oaktree and Black Canyon reached agreement with the Company and Verge on the terms of the subordinated debt of the combined company to be received by such parties in exchange for, as applicable, Company debt and debt of Verge's subsidiary held by such parties, and further agreed to potentially increase the aggregate amount of such debt to be exchanged from \$25 million to \$30 million.

On July 24, 2011, the parties received revised drafts of the first lien debt commitments showing that ING Capital LLC would provide 50% of the first lien debt commitments (which commitments ING Capital LLC ultimately provided). The terms and conditions of the first lien debt commitments and second lien debt commitments were continuously negotiated from July 14, 2011 until immediately prior to the signing of the merger agreement on July 30, 2011, at which point the first lien debt commitments and second lien debt commitments were executed.

Also on July 24, 2011, members of the Audit Committee held a teleconference with the Company's legal counsel to discuss, among other matters, the current formulation of the fiduciary out provisions in the merger agreement.

Between July 24, 2011 and July 28, 2011, the Audit Committee met several times via teleconference with Berenson to receive an update regarding the status of their financial analysis and to discuss the current status of the transaction.

Between July 25, 2011 and July 30, 2011, representatives of the Company and Verge and their respective legal counsels were in constant contact working to negotiate the final terms of the merger agreement and ancillary documents.

On July 26, 2011, Moelis received a further revised indication of interest from Party A to acquire the Company for \$125 million in cash, of which approximately \$45 million would be used to repay the Company's outstanding debt, and shares of stock of Party A that the Company valued at approximately \$20 million using Party A's closing stock price on the day the indication of interest was received. After reviewing the indication of interest with Moelis, the Company determined that the indication of interest remained inferior to the proposed transaction with Verge and, as a result, instructed Moelis to inform Party A that its proposed price would need to be increased. Party A subsequently informed Moelis that Party A was not able to increase its proposed price, at which time discussions between the parties terminated.

Table of Contents

On the morning of July 29, 2011, members of the Audit Committee held a telephonic meeting to discuss Berenson's financial analysis of the proposed merger, including the fairness to the Company's stockholders (other than Gores) of the exchange ratio in the merger. Following the Audit Committee meeting, the Board held a telephonic meeting to discuss the terms of the merger, the merger agreement and the ancillary documents. In advance of the meeting, the Board had received materials relating to the potential merger, including a presentation from Berenson outlining its financial analyses of the proposed transaction, the latest draft of the merger agreement and an executive summary of the material provisions of the merger agreement and ancillary documents. Also at the board meeting, Moelis discussed its financial analysis with the Board. At the same meeting, the Company's legal counsel discussed the terms of the draft merger agreement and engaged in a general discussion with the Board concerning the Company's sale process, the current terms of the merger, the merger agreement and ancillary documents. In addition, the Company's legal counsel reviewed with the members of the Board an explanation of their duties as a member of a board of directors under Delaware law and responded to additional questions and requests for clarification from the Board.

Also on July 29, 2011, Verge completed the spin-off to its stockholders of the Triton Digital Business and consummated certain other restructuring transactions. Pursuant to such transactions, Triton became the sole stockholder of Verge and an indemnitor under the Indemnity and Contribution Agreement.

On July 30, 2011, members of the Audit Committee reconvened via teleconference to receive the Berenson fairness opinion. Following the Audit Committee meeting, the full Board reconvened via teleconference to consider the final terms of the merger agreement and the ancillary documents following a review by the Company's legal counsel of the final changes made to such documents during the time since the Board last met the prior day. Berenson then reviewed with the full Board its financial analysis of the proposed transaction and orally delivered its fairness opinion to the Audit Committee and the Board, which was confirmed by delivery of a written opinion dated July 30, 2011, to the effect that, as of that date and based on and subject to the matters described in the opinion, the Exchange Ratio was fair, from a financial point of view, to the Company and its stockholders (other than The Gores Group LLC, its portfolio companies and all affiliates thereof). After considering, among other things, the factors discussed below under *The Merger Reasons for the Merger*, the financial analyses and opinion of Berenson, the potential for substantial synergies in the near term, and the terms of the merger agreement and ancillary documents, the members of the Board determined that the Merger, the Recapitalization, the Parent Stock Issuance and related transactions were advisable, fair to and in the best interests of the Company's stockholders (other than The Gores Group LLC, its portfolio companies and all affiliates thereof) and approved resolutions approving the such transactions and recommending that the Company's stockholders vote to approve such transactions.

Later on July 30, 2011, the Company, Merger Sub and Verge executed the merger agreement. Concurrent with the execution of the merger agreement, Gores executed and delivered its written consent approving the transactions and its voting agreement.

On the morning of August 1, 2011, prior to commencement of trading on the NASDAQ Global Marketplace, the Company and Verge issued a joint press release announcing the transaction and their execution of a definitive merger agreement.

Table of Contents

Reasons for the Merger

In evaluating the Merger, the Recapitalization, the Parent Stock Issuance and related transactions, the Board consulted with the Company's senior management, Moelis, its financial advisor, Skadden, Arps, Slate, Meagher & Flom, LLP, its outside legal counsel, and Berenson, who rendered a fairness opinion to the Audit Committee and the Board.

In declaring the Merger, the Recapitalization, the Parent Stock Issuance and related transactions advisable, fair to and in the best interests of the Company and its stockholders (other than the Excluded Gores Parties) and in recommending such transactions to the Company's stockholders, the Board considered a number of positive factors each of which the Board believes supported its decision, including the following:

Potential Benefits of the Combined Company

The Board's belief, based on its analysis and understanding of the Company's (on a stand-alone basis) and the combined company's potential future business, operations, financial performance, financial condition, earnings and future prospects, that the combined company will have:

- improved financial strength and flexibility, with pro forma stockholders' equity of approximately \$88.8 million and a pro forma ratio of long-term debt to total capitalization of approximately 0.5, each as of June 30, 2011;
- a broader product/service offering, including a more diverse sports lineup and news offerings, and additional 24/7 formats, long- and short-form music programs, syndicated talk programs, prep services, imaging, music libraries, interactive tools and content;
- greater affiliate coverage, more contractual relationships, additional production capability, and a larger distribution infrastructure;
- improved position in RADAR rankings;
- increased focus, economies of scale and a premier programming line-up which are expected to improve cost structure and enhance product capabilities;
- substantial synergy potential achievable in the near term in RADAR, IT broadcast operations, distribution, programming and station compensation through elimination of redundant coverage (in markets and programs) and by taking advantage of shared infrastructure and eliminating duplicative costs;
- a strong and seasoned management team that will be able to help the combined company realize potential synergies;

Table of Contents

The Merger Consideration

the fact that the fixed exchange ratio of 6.884183 Company common shares for each Verge common share and the issuance of Series A Preferred Stock having an aggregate liquidation preference of \$8,000,000 to Verge stockholders, subject to adjustment upon the closing of the Merger based on the respective net debt amounts of the Company and Verge on the business day prior to the closing, and the other terms and conditions of the Merger Agreement, including the termination provisions, resulted from extensive arm's-length negotiations between the Company and its advisors, on the one hand, and Verge and its advisors, on the other hand;

the fact that the Audit Committee and the Board received an opinion from Berenson to the effect that, as of the date of its opinion and subject to the various limitations, qualifications and assumptions set forth therein, the exchange ratio is fair, from a financial point of view, to the Company's stockholders (other than the Excluded Gores Entities), as further described under *The Merger Opinion of Financial Advisor to the Company*;

the fact that because the Company's stockholders will own common shares of the combined company, they will have a meaningful opportunity to participate in any appreciation in the combined company's stock price;

Likelihood of Consummating the Merger

the fact that Verge has received executed debt financing commitment letters from major financial institutions with significant experience in similar lending transactions and a strong reputation for honoring the terms of their commitment letters, which, in the reasonable judgment of the Board, increases the likelihood of such financing being completed; and that the limited number and nature of conditions to funding set forth in such debt commitment letters further mitigates the risk that the financing condition will not be satisfied;

the Board's belief that the other conditions to closing as described in *The Merger Agreement Conditions to the Merger* are capable of being satisfied;

the fact that Gores, the Company's majority stockholder, has delivered its written consent approving the Merger, the Recapitalization, the Parent Stock Issuance and related transactions and that no further vote of our stockholders is required;

the fact that, to facilitate the transactions, Gores, Oaktree and Black Canyon, who currently hold senior debt of the Company and Verge, have agreed to exchange \$30 million in aggregate of such debt for an equivalent principal amount of subordinated PIK Notes of the combined company, as further described under *Interest Of Certain Persons In Matters To Be Acted Upon Letter Agreement*;

Table of Contents

Additional Considerations

the fact that the Merger Agreement may be terminated by the Company if the total number of dissenting Verge common shares for which appraisal rights have been properly exercised in accordance with Delaware law exceeds 3% of the issued and outstanding Verge common shares;

the fact that the Merger Agreement provides for a special cash dividend to the Company's pre-Merger stockholders in an amount equal to the excess of the Company's target amount of net debt specified in the Merger Agreement over the Company's actual amount of net debt on the business day preceding the closing of the Merger;

the fact that there will be ongoing representation on the combined company's board of directors by individuals to be elected to the board by the Company's existing stockholders;

the fact that, for the first three years following the closing, the Company's existing stockholders, as holders of Class A Common Stock, will have a class vote to approve a sale of the company unless the price per share in the transaction exceeds \$7.78 less any cash dividends received by holders of Class A Common Stock during such three year period; and

the fact that the Company is being indemnified by Triton under certain circumstances for losses it might incur defending against potential third party claims related to the Triton Digital Business that Verge recently spun-off to Triton.

Risk Considerations

The Board also considered a number of uncertainties, risks and potentially negative factors in its deliberations concerning the Merger, the Recapitalization, the Parent Stock Issuance and related transactions, including the following:

the current and historical financial condition, results of operations, competitive position, business, prospects, liquidity, and strategic objectives of the Company, including potential risks involved in achieving such prospects and objectives, and the current and expected conditions in the general economy and the Company's industry;

the fact that, in the future, opportunities for a business combination could become available that might permit the Company to increase its competitive positioning and enhance stockholder value on more favorable terms than at present;

the costs involved in connection with entering into and completing the Merger, the Recapitalization and related transactions and the time and effort of management required to complete such transactions and related disruptions to the operation of the Company's business;

Table of Contents

the risk that the proposed transactions might not be completed and the risks and costs to the Company if the Merger is not completed, including the potential effect of the resulting public announcement of the termination of the Merger Agreement on, among other things, the market price for the Company's common shares, its operating results, its ability to attract and retain key personnel, its relationships with its affiliates, customers, partners and others that do business with the Company and its ability to complete an alternative transaction. The Merger might not be completed or unduly delayed due to, among other factors:

difficulties in obtaining the requisite financing, which is a condition to the consummation of the Merger, including as a result of failure to satisfy the conditions in the debt commitment letters;

difficulties in obtaining requisite regulatory approvals, including with respect to required antitrust approvals, or regulatory authorities withholding consent or seeking to enjoin the Merger;

the occurrence of a material adverse effect on either company's business;

the fact that the non-solicitation provisions in the Merger Agreement restrict the Company from soliciting third party acquisition proposals and, subject to certain exceptions, responding to unsolicited third party acquisition proposals;

the fact that the Company may not terminate the Merger Agreement and enter into a Superior Proposal if a Superior Proposal is presented to the Company after August 26, 2011;

the fact that the Company may be required to pay Verge a termination fee of \$5.625 million if the Board modifies or withdraws its recommendation or, in certain instances, the Company enters into or consummates a transaction with a third party, as described in *The Merger Agreement Termination of the Merger Agreement* adversely affecting the Company's ability to complete an alternative transaction; the possibility that the Company's minority stockholders or Verge's stockholders may not react favorably to the Merger, and the execution risk and costs that would be required to complete the Merger as a result of any legal actions brought by the Company's minority stockholders or appraisal actions brought by Verge's stockholders;

the fact that certain directors and officers of, and entities affiliated with, the Company have interests in the Merger that are different from, or in addition to, those of the Company's stockholders generally, as described in *Interest of Certain Persons in Matters to be Acted Upon*;

the possibility that the benefits of the transaction to the Company may be significantly less than anticipated given the challenges of combining the businesses, including the risk of diverting management resources for an extended period of time to accomplish this combination, and that the value the Company has ascribed to Verge's business, which is tied to the continued effectiveness of a number of Verge's contractual arrangements, will be decreased if the benefits from these arrangements are less than expected; and

Table of Contents

the fact that operational restrictions imposed on the Company under the Merger Agreement between signing and closing, requiring the Company to conduct its business in the ordinary course, subject to additional specific limitations, which may delay or prevent the Company from undertaking business opportunities that may arise pending completion of the Merger.

The foregoing discussion of information and factors considered by the Board is not intended to be exhaustive, but is believed to include the material factors considered by the Board. In light of the variety of factors considered in connection with their evaluation of the Merger and related transactions, the Board did not find it practicable to, and did not, quantify or otherwise assign relative weights to the specific factors considered in reaching their determinations and recommendations. Moreover, each member of the Board applied their own personal business judgment to the process and may have given different weight to different factors. Overall, the Board believed that the positive factors discussed above outweighed the negative factors discussed above, especially after giving weight to the likelihood of occurrence.

Projected Financial Information of the Company and Verge

In connection with the proposed Merger, certain financial projections were prepared by the Company's management and Verge's management. Those financial projections, which we refer to as the *Financial Projections*, were prepared on a stand-alone basis and did not give effect to the transactions contemplated by the Merger Agreement, including any potential synergies that might be achieved by the combined company. The Financial Projections were given to Berenson for use in connection with the preparation of its opinion to the Audit Committee and the Board and are being provided herein solely because this information was provided to Berenson in connection with the Merger. The Financial Projections reflect numerous judgments, estimates and assumptions with respect to industry performance, general business, economic, regulatory, market and financial conditions and other future events, as well as matters specific to the Company's and Verge's businesses, all of which are difficult to predict and many of which are beyond the control of the Company or Verge. The Financial Projections are subjective in many respects and are susceptible to multiple interpretations and periodic revisions based on actual experience and business developments. As such, the Financial Projections constitute forward looking information and are subject to risks and uncertainties that could cause actual results to differ materially from the results forecasted in such projections, including the various risks set forth in the Company's periodic reports. See *Forward-Looking Statements*. There can be no assurance that the projected results will be realized or that actual results will not be significantly higher or lower than projected. The projections cannot be considered a reliable predictor of future results and should not be relied upon as such. The Financial Projections cover multiple years and such information by its nature becomes less reliable with each successive year.

Table of Contents

The Financial Projections do not take into account any circumstances or events occurring after the date they were prepared, including the announcement of the proposed Merger. The Financial Projections do not take into account the effect of any failure to occur of the proposed Merger and should not be viewed as accurate or continuing in that context.

The Financial Projections were prepared solely for use in connection with evaluating the potential Merger and not with a view toward compliance with the published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. The prospective financial information included in this Information Statement has been prepared by, and is the responsibility of, the Company's management and Verge's management. Neither the Company's nor Verge's independent registered public accounting firm, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the Financial Projections, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and they assume no responsibility for, and disclaim any association with, the Financial Projections. The PricewaterhouseCoopers LLP and the Ernst & Young LLP reports included in this Information Statement refer exclusively to the Company's and Verge's historical financial information. The PricewaterhouseCoopers LLP and the Ernst & Young LLP reports do not cover any other information in this Statement and should not be read to do so.

The inclusion of the Financial Projections herein is not deemed an admission or representation by the Company or Verge that they are viewed by the Company or Verge as material information of the Company or Verge or the combined company. Neither the Company nor Verge intends to update or otherwise revise these projections to reflect circumstances existing since their preparation, to reflect the occurrence of unanticipated events even in the event that any or all of the underlying assumptions are shown to be in error, or to reflect changes in general economic or industry conditions.

Certain Projected Financial Information of the Company. A summary of the Financial Projections provided to Berenson by the Company's management is set forth below. These projections were prepared on a stand-alone basis, do not give effect to the transactions contemplated by the Merger Agreement, including the synergies that might be achieved by the combined company, and should not be considered an indication of what the Company may do in the future. Estimated Adjusted EBITDA for 2011 and 2012 excludes one-time income of \$2.2 million and \$0.8 million, respectively, from projected favorability related to certain broadcast rights expense.

	Fiscal Year Ending December 31,					
	2011E	2012E	2013E	2014E	2015E	2016E
Revenue	\$ 197.3	\$ 207.2	\$ 213.9	\$ 220.8	\$ 228.0	\$ 235.4
Adjusted EBITDA (1)	8.7	8.2	8.5	9.2	10.1	11.6
Unlevered Free cash flow (2)		5.4	3.0	3.7	4.9	1.7

- (1) Adjusted EBITDA is a non-GAAP financial measure. For purposes of the 2011 budget forecasts, the Company defined this measure to mean net loss before depreciation and amortization, interest expense, provision for income taxes, stock-based compensation, acquisition, integration and separation costs and discontinued operations. In addition, the Company excluded certain corporate costs that would be eliminated as part of the disposition of its Metro Traffic Business, non-cash broadcasting rights and timing differences between barter revenue and barter expenses, certain station compensation and revenue sharing arrangements related to contracts that were terminated and royalty payments received from Verge related to the Company's 24/7 formats and a reduction of station compensation expenses due to current rating changes from Adjusted EBITDA as presented above.
- (2) Unlevered free cash flow is a non-GAAP financial measure. For purposes of the 2011 budget forecasts, the Company defined this measure to mean Adjusted EBITDA minus capital expenditures, payments on leases, non-recurring expenditures, payments to related parties and changes in working capital.

Table of Contents

The Company's management also provided Berenson with Revenue and EBITDA for the twelve months ended March 31, 2011, which we refer to as *LTM*, and estimated free cash flow for the fourth quarter of 2011, in each case for use in connection with the preparation of its opinion. The Company's LTM Revenue and LTM EBITDA was \$193.1 million and \$7.8 million, respectively, and estimated free cash flow for the fourth quarter of 2011 was \$7.6 million.

Certain Projected Financial Information of Verge. A summary of the Financial Projections provided to Berenson by Verge's management is set forth below. These projections were prepared on a stand-alone basis, do not give effect to the transactions contemplated by the Merger Agreement, including the synergies that might be achieved by the combined company, and should not be considered an indication of what Verge may do in the future. Free cash flow for Verge excludes the impact of Verge's net operating loss for tax purposes.

	Fiscal Year Ending December 31,					
	2011E	2012E	2013E	2014E	2015E	2016E
Revenue	\$ 92.9	\$ 98.7	\$ 101.7	\$ 104.7	\$ 107.9	\$ 111.1
EBITDA	29.2	32.3	33.0	33.6	34.3	34.9
Free cash flow		29.0	27.0	22.3	22.8	23.3

Verge's management also provided Berenson with LTM Revenue, LTM EBITDA and estimated free cash flow for the fourth quarter of 2011 for use in connection with the preparation of its opinion. Verge's LTM Revenue and LTM EBITDA was \$89.6 million and \$28.2 million, respectively, and estimated free cash flow for the fourth quarter of 2011 was \$5.1 million. EBITDA is a non-GAAP financial measure. Verge is defining this as net loss before depreciation, amortization, interest expense, provision for income taxes and discontinued operations. Free cash flow is also a non-GAAP financial measure. Verge is defining this as EBITDA minus capital expenditures, payments on leases and changes in working capital.

Opinion of Financial Advisor to the Company

The Audit Committee retained Berenson to serve as the financial advisor to the Audit Committee and the Board in connection with the Merger and to render an opinion to the Audit Committee and the Board as to the fairness from a financial point of view of the exchange ratio pursuant to the Merger Agreement (taking into account the potential issuance of Series A Preferred Stock pursuant to Section 2.10 of the Merger Agreement based on the assumptions referenced in the Berenson Opinion) to the holders of the Company's common stock (other than the Excluded Gores Parties). On July 30, 2011, Berenson rendered to the Audit Committee and the Board its opinion to the effect that, as of that date and based upon and subject to the various considerations and assumptions set forth therein, the exchange ratio pursuant to the Merger Agreement (taking into account the potential issuance of Series A Preferred Stock pursuant to Section 2.10 of the Merger Agreement based on the assumptions referenced in the Berenson Opinion) was fair from a financial point of view to the holders of the Company's common stock (other than the Excluded Gores Parties).

Table of Contents

The full text of the Berenson Opinion, which sets forth the assumptions made, matters considered and limitations on the scope of review undertaken by Berenson in rendering its opinion, is attached to this Information Statement as Annex D. The Company encourages the Company's stockholders to read the Berenson Opinion carefully and in its entirety. The summary of the Berenson Opinion in this Information Statement, which describes the material analyses underlying the Berenson Opinion, but does not purport to be a complete description of the analyses performed by Berenson in connection with its opinion, is qualified in its entirety by reference to the full text of the Berenson Opinion.

The Berenson Opinion was provided to the Audit Committee and the Board in connection with their consideration of the Merger and addresses only the fairness, from a financial point of view, as of the date of the Berenson Opinion, of the exchange ratio pursuant to the Merger Agreement (taking into account the potential issuance of Series A Preferred Stock pursuant to Section 2.10 of the Merger Agreement based on the assumptions referenced in the Berenson Opinion), and does not address any other term or aspect of the Merger Agreement or the Merger. Berenson was not asked to perform nor should the Berenson Opinion or analysis be construed to represent a valuation of either the Company or Verge on a stand-alone basis. Berenson provided its opinion for the information and assistance of the Audit Committee and the Board in connection with their consideration of the Merger, and does not constitute a recommendation to any holder of Company common stock as to how such stockholder should vote with respect to the Merger, the Recapitalization, the Parent Stock Issuance or any other matter. In addition, Berenson was not requested to opine as to, and its opinion does not in any manner address, the Company's underlying business decision to effect the Merger, the Recapitalization and related transactions or the relative merits of the Merger, the Recapitalization and related transactions as compared to any alternative business strategies or transactions that might be available to the Company. Berenson's Opinion was approved by the Berenson fairness opinion committee.

In connection with its opinion, Berenson, among other things:

- reviewed certain publicly available business and financial information relating to the Company and Verge that Berenson deemed relevant;
- reviewed certain internal information relating to the business, including financial forecasts, earnings, cash flow, assets, liabilities and prospects, of the Company, furnished to Berenson by the Company;
- reviewed certain internal information relating to the business, including financial forecasts, earnings, cash flow, assets, liabilities and prospects, of Verge, furnished to Berenson by Verge;
- conducted discussions with members of senior management, representatives and advisors of the Company and Verge concerning the matters described above;

Table of Contents

compared the proposed financial terms of the Merger with publicly available financial and stock market data, including valuation multiples and cost of capital, of certain other companies in lines of business that Berenson deemed relevant;
 compared the proposed financial terms of the Merger with the financial terms of certain other transactions that Berenson deemed relevant;
 reviewed a draft of the Merger Agreement, dated July 30, 2011;
 participated in certain discussions among representatives of the Company and Verge and their respective financial and legal advisors; and
 conducted such other financial studies and analyses and took into account such other information as Berenson deemed appropriate.

Berenson assumed, with the Company's consent, that (i) shares of Class A Common Stock are economically equivalent to shares of Class B Common Stock, except that shares of Class B Common Stock are convertible into shares of Class A Common Stock and will not be listed for trading on the NASDAQ Global Market, (ii) no adjustment will be made to the exchange ratio pursuant to the Merger Agreement and that the Net Debt Adjustment Amount (as defined in the Merger Agreement) will be \$8 million, thereby resulting in the issuance of 8,000 shares of Series A Preferred Stock pursuant to Section 2.10 of the Merger Agreement based on the assumptions referenced in the Berenson Opinion, (iii) the economic value of such 8,000 shares of Series A Preferred Stock will be equal to \$8 million (representing the aggregate liquidation preference of such shares) and (iv) the material terms of each of (a) the Digital Reseller Agreement and (b) the Letter Agreement, each as described in the section entitled *Interests of Certain Persons to be Acted Upon* *Interests of Affiliated Entities*, are no less favorable, in the aggregate, to Dial Global and the Company, as the case may be, than would be obtained in an arm's-length transaction with a third party. With the Company's consent, Berenson evaluated the fairness to the holders of the Company's common stock (other than the Excluded Gores Parties) of the exchange ratio provided for in the Merger Agreement (taking into account the potential issuance of Series A Preferred Stock pursuant to Section 2.10 of the Merger Agreement based on the assumptions in the Berenson Opinion) on the basis that, as a result of the Merger and the Recapitalization, the holders of Company common stock, together with the holders of any outstanding options or similar instruments exercisable or convertible into, or exchangeable for, Company common stock, will own, in the aggregate, approximately 41% of the outstanding shares of Company common stock (calculated on a fully-diluted basis). Berenson also assumed, with the Company's consent, that the Merger will qualify as a tax-free reorganization for U.S. federal income tax purposes and that the Class A Common Stock to be issued in the Recapitalization to holders of Company common stock will be listed on the NASDAQ Global Market. Berenson's analysis does not give effect to the transactions contemplated by the Merger Agreement, including the synergies that might be achieved by the combined company, nor does it take into account the value of any tax attributes of the Company or Verge.

Table of Contents

In its review and analysis and in rendering its opinion, Berenson assumed and relied upon the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided or otherwise made available to Berenson by the Company, Verge and their respective advisors, discussed with or reviewed by or for Berenson, or publicly available, and Berenson did not assume any responsibility for independent verification of such information or for any independent valuation or appraisal of any assets or liabilities (including any contingent, derivative or off-balance-sheet assets and liabilities) of the Company or Verge, nor was Berenson furnished with any such valuations or appraisals, nor did Berenson evaluate the solvency or fair value of the Company, Verge or the pro forma combined entity under any laws relating to bankruptcy, insolvency or similar matters. Berenson did not assume any obligation to, and accordingly did not, conduct any physical inspection of the properties or facilities of the Company or Verge.

With respect to the financial forecast information furnished to or discussed with Berenson by the Company and/or Verge, Berenson assumed, and relied upon the fact, that they were reasonably prepared and reflected the best then-currently available estimates and good faith judgments of the senior management of the Company or Verge, as applicable, as to the expected future financial performance of the Company or Verge, as applicable, and that such future financial results will be achieved at the times and in the amounts projected by such managements and their advisors. Further, Berenson was informed by the Company and Verge that such financial forecast information was prepared on a stand-alone basis and does not give effect to the transactions contemplated by the Merger Agreement, including the synergies that might be achieved by the combined company. Berenson expressed no opinion as to any financial forecasts or the assumptions on which they were made.

Berenson also assumed that the representations and warranties of all parties to the Merger Agreement were true and correct, that each party to the Merger Agreement will perform in accordance with the Merger Agreement all of the covenants and agreements required to be performed by such party, that all conditions to the consummation of the Merger will be satisfied without waiver thereof and without the imposition of any limitation, restriction, divestiture or condition that would adversely affect the Company, Verge or the pro forma combined entity in any material respect and that the Merger, the Recapitalization and related transactions will be consummated in a timely manner in accordance with the terms described in the Merger Agreement, without any modifications or amendments thereto. In rendering its opinion, Berenson also assumed, with the Company's consent, that the final executed form of the Merger Agreement would not differ in any material respect from the draft that Berenson examined.

The Berenson Opinion was based on economic, monetary, market and other conditions, and on information made available to Berenson, as of the date of its opinion. Berenson expressly disclaimed any responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after the date of the opinion. Berenson made no independent investigation of any legal, tax, accounting or regulatory matters affecting the Company, Verge or the pro forma combined entity, and Berenson relied on the assessments of other advisors to the Company, the Audit Committee and the Board with respect to such issues.

Table of Contents

The Berenson Opinion was provided at the request and solely for the use and benefit of the Audit Committee and the Board in their consideration of the Merger, and does not address the merits of the underlying decision by the Company to engage in the Merger or the Recapitalization or the relative merits of the Merger or the Recapitalization as compared to any strategic alternatives that may have been available to the Company. The Berenson Opinion does not constitute a recommendation to any stockholder of the Company as to how such stockholder should vote on the Merger, the Recapitalization, the Parent Stock Issuance or any other matter. Berenson did not express any view on, and the Berenson Opinion does not address, any term or aspect of the Merger Agreement, the Merger or the Recapitalization other than as expressly described in the Berenson Opinion. In addition, the Berenson Opinion does not address the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of the Company, other than the holders of the shares of the Company's common stock (other than the Excluded Gores Parties). Berenson was not authorized to solicit and did not solicit indications of interest in a possible transaction with the Company from any party. Berenson did not express any opinion as to what the value of the Class A Common Stock or Class B Common Stock actually will be when reclassified or issued, as applicable, pursuant to the Merger Agreement or the price or range of prices at which Company common stock, Class A Common Stock or Class B Common Stock may be purchased or sold at any time. Berenson's opinion was approved by the fairness committee of Berenson.

In preparing its opinion, Berenson performed a variety of financial and comparative analyses. The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant quantitative and qualitative methods of financial analysis and the applications of those methods to the particular circumstances and, therefore, is not necessarily susceptible to partial analysis or summary description. Berenson believes that its analyses must be considered as a whole. No company or transaction used in the analyses described below for purposes of comparison is directly comparable to the Company, Verge or the Merger, as applicable. Considering any portion of Berenson's analyses or the factors considered by Berenson, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying the conclusion expressed in the Berenson Opinion. In addition, Berenson may have given various analyses more or less weight than other analyses, and may have deemed various assumptions more or less probable than other assumptions, so that the range of valuations resulting from any particular analysis described below should not be taken to be Berenson's view of the Company's actual value. Accordingly, the conclusions reached by Berenson are based on all analyses and factors taken as a whole and also on the application of Berenson's own experience and judgment.

In performing its analyses, Berenson made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond Berenson's, the Company's or Verge's control. The analyses performed by Berenson are not necessarily indicative of actual values or actual future results of the Company, Verge or the pro forma combined entity, which may be significantly more or less favorable than those suggested by those analyses. In addition, analyses relating to the value of businesses or assets do not purport to be appraisals or to necessarily reflect the prices at which businesses or assets may actually be sold and are inherently subject to uncertainty. The analyses performed were prepared solely as part of Berenson's analysis of the fairness from a financial point of view of the exchange ratio (taking into account the potential issuance of Series A Preferred Stock pursuant to Section 2.10 of the Merger Agreement based upon the assumptions referenced in the Berenson Opinion) and were provided to the Audit Committee and the Board in connection with the delivery of Berenson's opinion. Berenson was not asked to perform nor should the Berenson Opinion or analysis be construed to represent a valuation of either the Company or Verge on a stand-alone basis.

Table of Contents

The following is a summary of the material financial and comparative analyses performed by Berenson that were presented to the Board on July 30, 2011 in connection with the delivery of its opinion. The financial analyses summarized below include information presented in tabular format. In order to fully understand Berenson's financial analyses, any table must be read together with the text of the summary. Any table alone does not constitute a complete description of the financial analysis. Considering the data described below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Berenson's financial analyses.

Comparable Companies Analysis

Berenson compared certain financial information of the Company and Verge with financial metrics derived from corresponding financial information of certain selected publicly traded companies. No publicly traded companies are directly comparable to the Company and Verge, so Berenson selected comparable companies that shared similar industry drivers, industry risks and business segments to those of the Company and Verge, and for which relevant financial information was publicly available. The list of comparable companies is set forth below:

- Beasley Broadcast Group Inc.;
- CBS Corp.;
- Entercom Communications Corp.;
- Global Traffic Network Inc.;
- Radio One, Inc.;
- Saga Communications, Inc.;
- Salem Communications Corp.; and
- SIRIUS XM Radio Inc.

Table of Contents

As part of its comparable companies analysis, Berenson calculated and analyzed for each company referred to above the company's ratio of its total enterprise value, which we refer to as *TEV* (calculated as the sum of equity value, net debt, preferred equity and minority interest as of July 28, 2011), to EBITDA for the most recent reported latest twelve months ended March 31, 2011 (the most recent quarterly financial information then available) for each such company, which we refer to as *LTM*, and estimated calendar year 2011 for each such company, which we refer to as *2011E*. LTM EBITDA data was based on public filings and 2011E EBITDA estimates were based on independent research analyst reports. The following summarizes the results of these calculations for the comparable companies listed above:

	Total Enterprise Value / EBITDA	
	LTM	2011E
MEAN	10.1x	9.1x
MEDIAN	9.0x	8.2x
HIGH	17.3x	15.4x
LOW	6.1x	6.6x

Berenson then applied a range of selected multiples of 8.5x to 11.5x, which were selected based on Berenson's professional judgment and experience, to the LTM EBITDA of the Company and Verge provided by Company management and Verge management, respectively, to derive an implied equity value (calculated as implied enterprise value less net debt (which, for purposes of deriving implied equity value, Berenson assumed, with the Company's consent, to be equivalent to the target net debt amounts in the Merger Agreement of \$47.9 million and \$199.9 million for the Company and Verge, respectively) and, in the case of Verge, taking into account \$8 million of Series A Preferred Stock to be issued by the Company to Verge stockholders in the Merger, which we refer to herein as the *implied equity value*) of \$18 million to \$42 million for the Company and \$32 million to \$116 million for Verge. This analysis indicated an implied range of ownership of common stock of the combined entity by Company stockholders, which we refer to as *pro forma ownership*, of 13.6% to 56.7% compared to the 41.0% contemplated by the Merger. Berenson further applied a range of selected multiples of 8.0x to 11.0x, which were selected based on Berenson's professional judgment and experience, to the 2011E EBITDA of the Company and Verge provided by Company management and Verge management, respectively, to derive an implied equity value of \$22 million to \$48 million for the Company and \$26 million to \$113 million for Verge. This analysis indicated an implied range of pro forma ownership of Company stockholders of 16.1% to 65.0% compared to the 41.0% contemplated by the Merger.

Selected Transactions Analysis

Berenson compared certain financial information of the Company and Verge with financial metrics derived from selected transactions in the broadcasting and radio station operator sector since 2007. None of the transactions are directly comparable to the Merger, so Berenson selected transactions of varying size and structure that, in Berenson's professional judgment and experience, provided relevant valuation metrics in the context of its analysis, and for which relevant financial information was publicly available. The list of selected transactions is set forth below:

Cumulus Media Inc.'s acquisition of Citadel Broadcasting Corporation, which was originally announced on December 17, 2010, with a revised offer announced on February 17, 2011;

Table of Contents

Cumulus Media Inc.'s acquisition of the remaining 75.0% stake in Cumulus Media Partners, which was announced on January 31, 2011;

The acquisition by an investor group led by ZelnickMedia LLC of Alloy Inc., which was announced on June 23, 2010;

Cox Media Group, Inc.'s acquisition of the remaining 21.6% stake in Cox Radio, Inc., which was announced on April 29, 2009; and

Astral Media Inc.'s acquisition of Standard Broadcasting Corporation, which was announced on February 24, 2007.

For each such transaction, Berenson calculated valuation multiples based on information that was publicly available, focusing on TEV/LTM EBITDA multiples (with TEV for each target company calculated as of the date of announcement of the applicable transaction and so as to derive the implied equity value of such company as if 100% of such company was acquired), to evaluate such transactions. The following table presents the results of such calculations:

	TEV / LTM EBITDA
MEAN	10.6x
MEDIAN	10.8x
HIGH	14.6x
LOW	6.7x

Berenson then applied a range of selected multiples of 9.0x to 12.0x, which were selected based on Berenson's professional judgment and experience, to the LTM EBITDA of the Company and Verge provided by Company management and Verge management, respectively, to derive an implied equity value of \$22 million to \$46 million for the Company and \$46 million to \$131 million for Verge. This analysis indicated an implied range of pro forma ownership of Company stockholders of 14.5% to 49.8% compared to the 41.0% contemplated by the Merger.

Discounted Cash Flow Analysis

Berenson performed a discounted cash flow analysis to calculate the estimated present value of the after-tax free cash flows, on an unlevered basis, of the Company and Verge for the period October 1, 2011 through December 31, 2016 using Company management and Verge management financial forecasts, as applicable. Berenson also calculated the terminal value of each of the Company and Verge at December 31, 2016 by applying a range of selected TEV/EBITDA multiples of 8.5x to 11.5x, which were selected based on Berenson's professional judgment and experience, to the Company's 2016 estimated EBITDA as per Company management and Verge's 2016 estimated EBITDA as per Verge management. The present value of the cash flows and terminal value was calculated using discount rates ranging from 10.0% to 13.0%, which were selected by Berenson based on its professional judgment and experience, and using a weighted average cost of capital of 11.42%, which was chosen by Berenson based on an analysis of the cost of equity and cost of debt for the Company and Verge. Berenson derived an implied equity value of \$24 million to \$55 million for the Company and \$44 million to \$138 million for Verge. This analysis indicated an implied range of pro forma ownership of Company stockholders of 15.1% to 55.1% compared to the 41.0% contemplated by the Merger.

Table of Contents*Contribution Analysis*

Berenson calculated the hypothetical relative contributions of the Company and Verge to the combined company in terms of the following financial metrics for each of the Company and Verge, which were selected based on Berenson's professional judgment and experience:

LTM gross revenue and gross revenue for projected fiscal years 2011 through 2014 as provided by Company management and Verge management, respectively, for the applicable company on a stand-alone basis; and

LTM EBITDA and EBITDA for projected fiscal years 2011 through 2014 as provided by Company management and Verge management, respectively, for the applicable company on a stand-alone basis.

The results of Berenson's calculations are as follows:

Metric	Contribution (%)	
	The Company	Verge
Gross Revenue		
LTM	47.9%	52.1%
2011E Revenue	48.2%	51.8%
2012E Revenue	48.1%	51.9%
2013E Revenue	48.1%	51.9%
2014E Revenue	48.1%	51.9%
EBITDA		
LTM	21.6%	78.4%
2011E EBITDA	22.9%	77.1%
2012E EBITDA	20.2%	79.8%
2013E EBITDA	20.5%	79.5%
2014E EBITDA	21.5%	78.5%

Table of Contents

The exchange ratio was determined through arm's-length negotiations between the Company and Verge and was approved by the Board. The decision by the Board to approve, adopt and authorize the Merger, the Recapitalization and related transactions was solely that of the Board. The Berenson Opinion was one of many factors taken into consideration by the Board in making its determination to approve the Merger, the Recapitalization, the Parent Stock Issuance and related transactions and should not be considered determinative of the views of the Board or the Company's management with respect to the Merger or the exchange ratio.

Berenson is a nationally recognized investment banking and advisory firm. Berenson, as part of its investment banking services, is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, financial restructurings and other financial services. In the past, Berenson has provided investment banking and other financial services to the Company and received compensation for the rendering of such services, including having acted as a financial advisor to the Company in 2010 in connection with its exploration of acquisition opportunities as well as its restructuring of certain debt obligations and having acted as financial advisor to The Gores Group, LLC in 2011 in connection with a private transaction unrelated to the Company. Berenson may in the future provide investment banking and other financial services to the Company and Verge and their respective affiliates for which Berenson would expect to receive compensation.

Pursuant to an engagement letter between Berenson and the Audit Committee, dated July 20, 2011, the Company agreed to pay Berenson a fee of \$300,000 for its services in connection with the Merger, the Recapitalization and related transactions which became due upon Berenson informing the Company that Berenson was prepared to render its opinion. No portion of the fee was contingent upon the conclusion expressed in such opinion or the consummation of the Merger, the Recapitalization or related transactions. Berenson will also be reimbursed for reasonable expenses incurred, including the fees and disbursements of its outside counsel. The Company has also agreed to indemnify Berenson against liabilities arising out of or in connection with the services rendered or to be rendered by it under its engagement.

Table of Contents

THE MERGER AGREEMENT

The following summarizes material provisions of the Merger Agreement, a copy of which is attached to this Information Statement as Annex A. This summary does not purport to be complete, and the rights and obligations of the parties are governed by the express terms of the Merger Agreement and not by this summary or any other information contained in this Information Statement. The discussion of the Merger Agreement is qualified in its entirety by reference to the document. All stockholders of the Company are urged to read the Merger Agreement carefully and in its entirety.

The Merger Agreement contains representations and warranties made by and to the parties as of specific dates. The statements embodied in those representations and warranties were made for purposes of that contract between the parties and are subject to qualifications and limitations agreed by the parties in connection with negotiating the terms of that contract. In addition, certain representations and warranties were made as of a specified date, may be subject to contractual standards of materiality different from those generally applicable to stockholders, or may have been used for the purpose of allocating risk between the parties rather than establishing matters as facts.

Terms of the Merger

Under the terms of the Merger Agreement, Verge will merge with and into Merger Sub, a direct, wholly-owned subsidiary of the Company, with Merger Sub surviving as a direct, wholly-owned subsidiary of the Company succeeding to and assuming all of the rights, properties, liabilities and obligations of Verge. Each outstanding share of common stock of Verge will be automatically converted into and exchangeable for the right to receive 6.884183 shares of Class B Common Stock (or 59% of the total outstanding common stock of the Company on a fully diluted basis pro forma for the Merger), subject to adjustment in accordance with the Merger Agreement. This exchange ratio was adjusted from the 6.90453 number included in the Merger Agreement following the execution of the Merger Agreement due to the expiration of certain stock options of the Company related to the sale of the Metro Traffic Business and the issuance of certain restricted stock units to our directors as is customary, and is subject to further adjustment as provided in the Merger Agreement.

Representations and Warranties

The Company, Merger Sub and Verge made various representations and warranties in the Merger Agreement with customary knowledge, materiality and material adverse effect qualifiers, including representations and warranties related to the following:

- organization and qualification;
- capitalization;
- authorization; binding agreement;
- no conflict;

Table of Contents

information statement;
absence of undisclosed liabilities;
the required consents and approvals of governmental entities and under material contracts in connection with the transactions contemplated by the merger;
the sufficiency of the delivery of a written consent as stockholder approval of the adoption of the Merger Agreement;
the Company's filings with the SEC since January 1, 2009;
the Company and Verge's subsidiaries' consolidated financial statements and internal accounting controls;
litigation matters;
compliance with laws;
environmental matters;
intellectual property matters;
real property matters;
employee benefits matters;
tax matters;
labor relations matters;
transactions with affiliates;
letters of credit, surety bonds and guaranties;
absence of certain changes or events;
material contracts;
advertisers, broadcast affiliates, programming partners and format customers;
insurance matters;
sufficiency of assets;
excluded assets;
bank accounts;

Table of Contents

opinions of financial advisors;
books and records; and
liabilities relating to pre-closing restructuring transactions.

The representations and warranties of the Company, Verge and Merger Sub do not survive the closing or the termination of the Merger Agreement.

Covenants

Regulatory and Other Authorizations; Notices and Consents

Each party agrees to make any required filing pursuant to the HSR Act and the Communications Act of 1934 with respect to transactions contemplated by the Merger Agreement as promptly as practicable and to use reasonable best efforts to take all other actions consistent with the Merger Agreement necessary and reasonably agreed upon by the parties to cause the expiration or termination of the applicable waiting periods under the HSR Act. Early termination of the waiting period applicable to the Merger under the HSR Act was granted on August 24, 2011.

Neither the Company, Verge, nor any of their respective affiliates or principal stockholders or any portfolio company of any principal stockholder, will be required (i) to divest or hold separate any assets or agree to limit its future activities, method or place of doing business, (ii) to commence any litigation against any person in order to facilitate the consummation of the transactions contemplated by the Merger Agreement, or (iii) to defend against any litigation brought by any governmental entity seeking to prevent the consummation of, or impose limitations on, any of the transactions contemplated by the Merger Agreement.

Employee Benefits

Each of the Company and Verge's benefit plans (with the exception of the Company's 401(k) plan) will continue their separate existence after the Merger and the parties will decide at year-end upon the appropriate surviving benefit plans.

As of the closing of the Merger, the Company or one of its subsidiaries agrees to continue to employ (including through a professional employer organization) each person employed by the Company and Verge or any of their respective subsidiaries as of the closing.

Table of Contents

Directors and Officers Indemnification and Insurance

From and after the effective time of the Merger, the Company shall, to the fullest extent permitted by applicable law (and, in the case of former directors and officers, to the extent permitted by the Company's or Verge's organizational documents, as applicable, in effect as of immediately prior to the closing), indemnify, defend and hold harmless, and provide advancement of expenses to, each past, present or future director or officer of the Company, Verge, or their respective subsidiaries, which we refer to as the *Indemnified Parties*, against all losses, claims, damages, costs, expenses, liabilities, penalties or judgments or amounts that are paid in settlement of or in connection with any claim, action, suit, proceeding or investigation based in whole or in part on or arising in whole or in part out of the fact that such person is or was a director or officer of the Company, Verge or any of their respective subsidiaries, and pertaining to any matter existing or occurring, or any acts or omissions occurring, at or prior to the effective time of the Merger, whether asserted or claimed prior to, at or following, the effective time of the Merger, including matters, acts or omissions occurring in connection with the approval of the Merger Agreement and the consummation of the Merger, the Recapitalization, the Parent Stock Issuance and related transactions.

From and after the closing, the Company shall not amend, repeal or otherwise modify the indemnification provisions of the certificate of incorporation or formation, by-laws, operating agreements or other similar governing documents of Verge, as in effect at the closing, in any manner that would adversely affect the rights thereunder of individuals who at the closing or as of immediately prior to the closing were directors, officers, managers, employees or holders of equity interests of such person.

The Company shall (i) maintain in effect, for six years after the closing, directors' and officers' liability insurance and fiduciary liability insurance having terms and conditions at least as favorable to the Indemnified Parties as the Company's or Verge's current directors' and officers' liability insurance and fiduciary liability insurance, as applicable, or (ii) purchase a six year extended reporting period endorsement with respect to the Company's or Verge's current directors' and officers' liability insurance and fiduciary liability insurance, as applicable. The Company shall not be required to expend for any such policies an annual premium amount in excess of 300% of the annual premiums currently paid by the Company or Verge, as applicable, for such insurance; provided that if the annual premiums of such insurance coverage exceed such amount, the Company shall obtain a policy with the greatest coverage available for a cost not exceeding such amount.

Distributions to Stockholders of the Company

On the business day immediately preceding the closing of the Merger, the Company shall declare a dividend (payable to record holders of Company's outstanding common stock as of such date) equal to the excess, if any, of (a) \$47,901,155, over (b) the aggregate net indebtedness of the Company and its subsidiaries as of the close of business on the business day immediately prior to the closing, as calculated in accordance with the Merger Agreement, which we refer to as the *Cash Distribution*. If the Company does not have sufficient cash or cash equivalents in excess of \$3,000,000 legally available to pay such dividend, the Company may incur an amount of indebtedness under its existing revolving credit facility equal to any shortfall and distribute those borrowings in full or partial payment of such dividend.

Table of Contents

Financing

The Company and Verge shall use reasonable best efforts to cause its respective officers, directors, employees, accountants, consultants, legal counsel, agents and other representatives to cooperate in connection with the arrangement of the financing for the Merger, as may be reasonably requested by the parties to the Merger Agreement.

Conduct of Business Pending the Merger

Under the Merger Agreement, the Company and Verge have agreed that, subject to certain exceptions specified in the Merger Agreement or in the disclosure letters thereto, the Company and Verge will and will cause each of its subsidiaries to, during the period of time from the date of the Merger Agreement to earlier of the closing of the Merger or the termination of the Merger Agreement, subject to certain exceptions, conduct their respective businesses only in the ordinary course of business consistent with past practice, and use commercially reasonable efforts to preserve intact their respective business organizations and maintain existing business relationships. The Merger Agreement also contains customary prohibitions on certain actions by the Company or Verge prior to closing.

Conditions to Closing

The respective obligations of the parties to consummate the Merger are subject to the satisfaction or waiver of a number of conditions, including the following:

There shall be no order, statute, rule, regulation, executive order, stay, decree, judgment or injunction that shall have been enacted, entered, promulgated or enforced by any court or governmental authority which restrains, prohibits or prevents the consummation of the transactions contemplated by the Merger Agreement;

Any waiting period applicable to the Merger under the HSR Act shall have expired or early termination thereof shall have been granted (which early termination was granted on August 24, 2011);

The Company shall have sent or given this Information Statement to the holders of Company Stock at least 20 business days before the closing of the Merger in accordance with Rule 14c-2 under the Exchange Act;

The Company shall have obtained the requisite financing necessary for the contemplated transactions;

The Recapitalization, including the Reclassification, shall have become effective upon the effectiveness of the Restated Charter;

Table of Contents

The Company, Merger Sub and Verge shall have performed in all material respects its obligations under the Merger Agreement required to be performed on or prior to the closing;

Verge shall have received or made, as applicable, and provided the Company evidence of, certain consents and the filings with respect to Verge, and the Company and Merger Sub shall have received or made, as applicable, and provided Verge evidence of, certain consents and the filings with respect to the Company and Merger Sub, and in each case such consents and filings shall not have expired or been withdrawn as of the closing;

Subject to certain exceptions, the representations and warranties of each of the Company and Verge shall be true and correct (disregarding all materiality qualifications or limitations) at and as of the closing as if made at the closing, except where the failure of any such representation or warranty to be true has not had and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect;

There shall not have occurred, since the execution of the Merger Agreement, a material adverse effect with respect to the Company or Verge;

Each of the Company and Verge shall have received the written opinion of its respective counsel to the effect that, on the basis of facts, representations and assumptions set forth in such opinion, the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code;

Holders of Verge stock holding no more than 3% of the outstanding shares of Verge Stock shall have demanded appraisal for their shares pursuant to applicable law; and

The execution and delivery by the parties and certain of their affiliates of various ancillary documents and agreements described below under *Interest of Certain Persons in Matters to be Acted Upon*.

Restrictions on Solicitation of Takeover Proposals

Following execution of the Merger Agreement, the Company, Verge and each of their respective subsidiaries shall immediately cease and terminate any discussions or negotiations with any parties (other than the parties to the Merger Agreement) that would be or would be reasonably expected by the parties to lead to a Takeover Proposal (as defined in the Merger Agreement).

Following execution of the Merger Agreement, the Company, Verge and each of their respective subsidiaries shall not directly or indirectly:

Take any action to enter into any agreement with respect to a Takeover Proposal; or

Table of Contents

Solicit, negotiate, furnish information to, accept, encourage, consider, participate in negotiations or discussions relating to, or otherwise pursue, any Takeover Proposal.

Superior Proposal

The Board will agree not to: (i) approve or recommend, or publicly propose to approve or recommend, a Takeover Proposal, or (ii) withdraw (or modify in a manner adverse to Verge) its recommendation, or propose publicly to do any of the foregoing, or otherwise make any statement or proposal inconsistent with the Board's recommendation. Notwithstanding the foregoing, at any time prior to August 26, 2011, if the Board receives a Takeover Proposal that the Board concludes in good faith, after consultation with outside counsel and its financial advisors, constitutes a Superior Proposal, subject to complying with the other requirements set forth in the Merger Agreement, the Board may:

Approve or allow the Company or a subsidiary to enter into a Takeover Proposal; and
Allow the Company to negotiate with Verge in good faith to make such adjustments to the terms and conditions of the Merger Agreement to be able to proceed with its recommendation.

The Company may terminate the Merger Agreement in connection with a Superior Proposal only if it also pays a termination fee of \$5,625,000, which we refer to as the *Termination Fee*, to Verge.

Termination

Either party may terminate the Merger Agreement:

upon the mutual consent of the Company and Verge to so terminate;
if the Merger has been permanently enjoined or declared illegal;
upon the occurrence of a material breach of any representation, warranty, covenant, or agreement, subject to notice and opportunity to cure, if which uncured would cause any closing conditions not be satisfied; or
if the closing has not occurred by or on October 28, 2011 (so long as the terminating party's failure to perform its obligations under the Merger Agreement is not the primary reason for the closing not having occurred by that date).

In addition to the foregoing, Verge may terminate the Merger Agreement if:

the Board or any committee thereof shall withdraw (or modify in a manner adverse to Verge), or publicly propose to withdraw (or modify in a manner adverse to Verge), the Board's recommendation that the holders of Company's outstanding common stock adopt the Merger Agreement and approve the Merger, the Recapitalization, the Parent Stock Issuance and related transactions;

Table of Contents

the Board or any committee there shall recommend, adopt or approve, or allow any of certain restricted parties to execute or enter into, any letter of intent, memorandum of understanding, agreement in principle, merger agreement, acquisition agreement, option agreement, joint venture agreement, partnership agreement or other agreement constituting or related to, or that is intended to or would be reasonably expected to lead to, any Takeover Proposal;

a tender or exchange offer relating to any Company stock shall have been commenced and the Company shall not have sent to its security holders, within 10 business days after the commencement of such tender or exchange offer, a statement disclosing that the Company recommends rejection of such tender or exchange offer; or

the Board or any committee thereof approves or recommends a Takeover Proposal to the holders of Company stock or approves or recommends that the holders of Company stock tender their Company stock in any tender offer or exchange offer.

The Company may also terminate the Merger Agreement in connection with a Superior Proposal if it pays the Termination Fee to Verge and otherwise complies with the applicable provisions of the Merger Agreement.

Fees and Expenses

Except as otherwise expressly provided in the Merger Agreement, if the Merger is not consummated, the fees and expenses incurred by each party in connection with the negotiation, preparation, execution and delivery of the Merger Agreement and related documents and in connection with the transactions contemplated thereby, including all fees and disbursements of accountants, appraisers and other advisors retained by any party shall be the sole responsibility of such incurring and retaining party. Notwithstanding the foregoing, the parties have agreed to share equally (a) the fees and expenses incurred by the parties in respect of such parties' legal counsel after the date of execution of the Merger Agreement, (b) filing fees incurred in respect of filings under the HSR Act and (c) the fees and expenses incurred by the parties in respect of the obtaining of the debt financing at any time (including prior to the date of execution of the Merger Agreement). If the Merger is consummated, the combined company shall pay and/or reimburse the Company and Verge for all reasonable documented out-of-pocket fees and expenses incurred by the Company and Verge (including prior to the date of execution of the Merger Agreement), as applicable, in order to consummate the Merger and related transactions.

Delivery of Series A Preferred Stock; Net Debt Adjustment

The Company agreed to deliver at the closing of the Merger a number of shares of Series A Preferred Stock with a liquidation preference equal to \$8,000,000 to the holders of Verge stock, which amount is subject to adjustment if the amount of net indebtedness each party has outstanding on the business day prior to closing is greater or less than an agreed upon target, which target is \$47,901,155 for the Company and \$199,933,333 for Verge. If such adjustment results in a negative value, the Company shall not deliver the shares of Series A Preferred Stock and the exchange ratio shall be adjusted such that the holders of Verge stock shall receive a reduced number of shares of Class B Common Stock based upon the amount of such additional net indebtedness, divided by the greater of (i) the average trading price of the Company's common stock for the 60 consecutive trading days immediately preceding closing, and (ii) \$5.50.

Table of Contents

THE RECAPITALIZATION

Immediately prior to the Merger, the Company will file the Restated Charter, which shall provide, among other things, for two authorized classes of common stock, (i) the Class A Common Stock and (ii) the Class B Common Stock.

Upon the effectiveness of the Restated Charter, each issued and outstanding share of the Company's existing common stock shall be reclassified and automatically converted into one share of Class A Common Stock without any further action on the part of the holders of the Company's existing common stock. The Restated Charter will also designate two new classes of preferred stock. In addition, we will amend the Company's By-Laws to give effect to the new class rights in the Restated Charter.

The Company is effecting the Recapitalization solely for the purposes of facilitating the Merger. For a statement of reasons for the Merger, see *The Merger Reasons for the Merger*.

For a description of material differences between the rights of holders of the Company's existing common stock and the Class A Common Stock, see *The Recapitalization Comparison of the Rights of Holders of Existing Common Stock and Class A Common Stock*.

The Company's common stock is currently listed on the NASDAQ Global Market under the symbol WWON. Upon the closing of the Recapitalization and Merger, the Company intends to continue to list its shares of Class A Common Stock on the NASDAQ and to change its stock symbol to DIAL. The shares of Class B Common Stock and Series A Preferred Stock will not be publicly listed or traded.

The Restated Charter

The following summarizes material provisions of the Restated Charter, a copy of which is attached to this Information Statement as Annex B-1, Annex B-2 and Annex B-3, as applicable.

Authorized Capital Stock

The total number of shares of stock that the Company shall have authority to issue is 5,035,200,000 shares consisting of: (i) 5,000,000,000 shares of Class A Common Stock, (ii) 35,000,000 shares of Class B Common Stock and (iii) 200,000 shares of Preferred Stock of the Company, par value of \$0.01 per share, which we refer to as *Preferred Stock*. The classes of New Common Stock shall be identical in all respects and shall have equal rights and privileges, except as provided below.

The Company shall at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock the number of shares of Class A Common Stock issuable upon the conversion of Class B Common Stock, as described below.

Table of Contents

Common Stock Voting Rights and Directors

Each share of New Common Stock shall be entitled to one vote for all matters submitted to a vote of the Company's stockholders whether voting separately as a class or together as a single class, and will be identical in all respects except as described below and under *Authorized Class B Holders; Conversion of Class B Common Stock*. Except as required by applicable law or in connection with a sale of the Company, no vote of any holder of New Common Stock shall be required in connection with any matters to be undertaken by the Company or its subsidiaries.

Until the third anniversary of the effective date of the Restated Charter, in addition to the affirmative vote of a majority of all shares of New Common Stock voting as a single class, the affirmative vote of not less than two-thirds of the Class A Common Stock (voting as a separate class) shall be required to approve a Sale of the Company unless the price per share of the Class A Common Stock in such transaction exceeds \$7.78 minus the per share amount of all cash dividends to holders of record after July 30, 2011 and prior to the date of such Sale of the Company (subject, in each case, to adjustment based upon stock splits, stock dividends and transactions having similar effects). *Sale of the Company* means a sale of all or substantially all of the assets of the Company, or a merger, sale of stock or other transaction in which the holders of New Common Stock of the Company immediately prior to such transaction (excluding any stockholders who are directly or indirectly part of the buying group in such transaction), collectively do not own a majority of the voting securities and a majority of the economic interests of all capital stock of the Company immediately following such transaction.

The number of directors which shall constitute the whole board of directors of the combined company shall initially be nine directors. Until the Board Trigger Date, three directors will be elected by holders of Class A Common Stock voting as a separate class, which we refer to as *Class A Directors*, one of whom must be independent (under applicable NASDAQ rules). In addition, the Chief Executive Officer of the Company shall have the right to be nominated to the board of directors of the combined company and shall be elected by the holders of Class A Common Stock and Class B Common Stock voting together as a single class. The remaining directors will be elected by the holders of Class B Common Stock voting as a separate class, which we refer to as *Class B Directors*, two of whom must be independent (under applicable NASDAQ rules). After the Board Trigger Date, the holders of Class A Common Stock and Class B Common Stock voting together as a single class will be entitled to elect all members of the board of directors of the combined company.

Until the later of (x) date on which at least 35% of the outstanding shares of New Common Stock are freely tradable on the NASDAQ Stock Market or other national securities exchange, and (y) the date on which certain authorized holders of Class B Common Stock shall cease to own a majority of the outstanding shares of voting securities of the Company, which we refer to as the *Special Right Trigger Date*, the following actions may not be taken (or agreed to be taken) by the Company without the consent of (x) all of the independent directors or (y) a majority of the Class A Directors and a majority of the Class B Directors:

entering into any acquisition or disposition that would require the approval of the stockholders of the Company under applicable law or stock exchange rules (other than a Sale of the Company over which the holders of the Class A Common Stock do not have a separate class vote); or
taking any action to liquidate, dissolve or wind up the Company.

Table of Contents

Until the Special Right Trigger Date, the following actions may not be taken (or agreed to be taken) by the Company without the consent of a majority of the Class A Directors and a majority of the Class B Directors:

materially changing the scope of the Company's business operations in the media industry;
filing for bankruptcy, insolvency, receivership or similar proceedings by or against the Company;
or
amending the By-Laws of the Company or the organization documents of any of its material subsidiaries in a manner that (x) is contrary to the terms of the Restated Charter, or (y) that materially adversely affects the rights of holders of Class A Common Stock or Class B Common Stock in a disproportionate manner relative to each other or to other stockholders.

Until the Special Right Trigger Date and subject to certain exceptions set forth in the Restated Charter, the Company may not elect to pay (or agree to elect to pay) any amounts as and when owing by the Company under that certain Stock Purchase Agreement, dated as of April 29, 2011, between the Company and Clear Channel Acquisition LLC, which we refer to as the *Metro Agreement*, without the consent of a majority of the Class A Directors.

Until the Special Right Trigger Date, the Company may not enter (or agree to enter) into any transaction with affiliates, other than certain exempt transactions, without the consent of a majority of the Class B Directors.:

Any director elected by the vote of the holders of a class of New Common Stock may be removed from office at any time, without cause, solely by the affirmative vote of a majority of the voting power of the outstanding shares of such class of New Common Stock, voting separately as a class.

Any vacancy created by such removal or by death or resignation of a director shall be filled by majority vote of the class that was entitled to elect such director.

Except as otherwise provided in the Restated Charter or required by applicable law, the holders of shares of New Common Stock shall vote together as one class on all matters submitted to a vote of stockholders of the Company (or if any holders of shares of any series of Preferred Stock are entitled to vote together with the holders of New Common Stock, as one class with such holders of such series of Preferred Stock).

Authorized Class B Holders; Conversion of Class B Common Stock

Shares of Class B Common Stock may be held only by Verge stockholders and their affiliates. As a result, each share of Class B Common Stock transferred to one or more persons or entities other than such authorized holder of Class B Common Stock shall automatically convert into one fully paid and non-assessable share of Class A Common Stock.

Table of Contents

In addition, each share of Class B Common Stock will automatically convert into one share of Class A Common Stock upon the later of (i) the third anniversary of the effective date of the Restated Charter and (ii) the date upon which both of the following conditions are satisfied: (x) at least 35% of the outstanding shares of New Common Stock are freely tradable on the NASDAQ Stock Market or other national securities exchange; and (y) Verge's stockholders and their affiliates cease to own a majority of the outstanding shares of voting securities of the Company.

Dividends and Distributions

The Company may pay dividends or make distributions to the holders of New Common Stock out of the assets or funds legally available; provided that the Company make the same dividend or distribution with respect to each outstanding share of New Common Stock regardless of class. In the case of any such dividend or distribution payable in shares of Class A Common Stock or Class B Common Stock, each class shall receive a dividend or distribution in shares of its class and the number of shares of each class shall be equal in number.

No Preemptive Rights

The holders of shares of New Common Stock are not entitled to any preemptive rights to subscribe for, purchase or receive any part of any new or additional issue of stock of any class, or of bonds, debentures or other securities convertible into or exchangeable for stock.

Preferred Stock

The board of directors of the combined company may issue all or any of the Preferred Stock in one or more classes or series. The board of directors of the combined company may establish voting powers and other special rights and restrictions for each class or series in the resolution or resolutions adopted by the board of directors of the combined company providing for the issuance of such class or series. Furthermore, the board of directors of the combined company has the authority to provide that any such class or series may be subject to redemption, entitled to receive dividends, entitled to such rights upon the dissolution or any distribution of assets, convertible into, or exchangeable for shares of any other class of stock or of any other series of the same or any other class of stock.

Under the Merger Agreement and the Letter Agreement, the Company has agreed to designate Series A Preferred Stock and Series B Preferred Stock of the Company, the terms of which are described below.

Series A Preferred Stock

Ranking. As to dividends and distributions of assets upon liquidation, dissolution or winding up of the Company, the Series A Preferred Stock will rank:

Senior over the New Common Stock, and any other series or class of the Company's capital stock issued after the Series A Preferred Stock that by its terms ranks junior to the Series A Preferred Stock;

Table of Contents

Junior to any other series or class of the Company's capital stock issued after the Series A Preferred Stock, including the Series B Preferred Stock, that by its terms ranks senior to the Series A Preferred; and

Pari passu with any other series or class of the Company's capital stock issued after the Series A Preferred Stock that by its terms ranks pari passu with the Series A Preferred Stock.

Dividends. Each holder of the Series A Preferred Stock shall be entitled to receive dividends when, as and if declared by the board of directors of the combined company or a duly authorized committee thereof out of funds of the Company legally available therefor, at an annual rate equal to the Applicable Dividend Rate (as defined below) on the Liquidation Preference (\$1,000 per share) of the Series A Preferred Stock, and any dividends previously accumulated thereon. Dividends shall be paid in cash and, to the extent not paid on March 15, June 15, September 15 or December 15 of any given year, shall accumulate and remain accumulated dividends until paid to the holders of the Series A Preferred Stock. No cash dividends shall in any instance be paid in the first year after the Series A Preferred Stock is issued, and the Company may further pay cash dividends to the New Common Stock and not on the Series A Preferred Stock during such first year notwithstanding the priority of the Series A Preferred Stock otherwise set forth in the Restated Charter.

The Applicable Dividend Rate of the Series A Preferred Stock shall be (i) 9% per annum from and excluding the issue date through and including the second anniversary of the issue date, (ii) 12% per annum from the day immediately following the second anniversary of the issue date through and including the fourth anniversary of the issue date, and (iii) 15% per annum thereafter.

Redemption. Following the first anniversary of the issue date, the Company may redeem the Series A Preferred Stock at the Company's option. The redemption price as of any given date shall be equal to the liquidation preference of \$1,000 per share, plus all dividends accumulated thereon and all accrued and unpaid dividends to the payment date.

No Conversion or Exchange Rights. The holders of the shares of the Series A Preferred Stock shall not have any right to convert such shares into or exchange such shares for any other class or series of stock or obligations of the Company.

Liquidation Rights. Upon the liquidation, bankruptcy, dissolution or winding up of the Company, the holders of the shares of the Series A Preferred Stock shall be entitled to an amount of cash equal to the Liquidation Preference, plus all dividends accumulated thereon and all accrued and unpaid dividends to the payment date, before any payment or distribution is made to the holders of New Common Stock or stock that is junior to the Series A Preferred Stock, but holders of the shares of Series A Preferred Stock shall not receive any payment or distribution prior to the holders of stock that is senior (including the Series B Preferred Stock) to the Series A Preferred Stock. A change of control will be considered a liquidation, dissolution or winding up of the Company.

Table of Contents

Voting Rights. The Series A Preferred Stock shall not have any voting powers, either general or special, except that the affirmative vote or consent of the holders of a majority of the outstanding shares of the Series A Preferred Stock will be required for any amendment of the Restated Charter if the amendment would specifically alter or change the powers, preferences or rights of the shares of the Series A Preferred Stock so as to affect them adversely.

Series B Preferred Stock

The terms of the Series B Preferred Stock are substantially the same as the terms of the Series A Preferred Stock, except to the extent described below.

Ranking. As to dividends and distributions of assets upon liquidation, dissolution or winding up of the Company, the Series B Preferred Stock will rank:

Senior over the New Common Stock, the Series A Preferred Stock, and any other series or class of the Company's capital stock issued after the Series B Preferred Stock that by its terms ranks junior to the Series B Preferred Stock;

Junior to any other series or class of the Company's capital stock issued after the Series B Preferred Stock that by its terms ranks senior to the Series B Preferred Stock; and

Pari passu with any other series or class of the Company's capital stock issued after the Series B Preferred Stock that by its terms ranks pari passu with the Series B Preferred Stock.

Dividends. The Applicable Dividend Rate of the Series B Preferred Stock shall be (i) 15% per annum from and excluding the issue date through and including the third anniversary of the issue date and (ii) 17% per annum thereafter.

Amendment to Amended Restated By-Laws of the Company

Upon the closing of the Merger, the Company's By-Laws, will be amended in accordance with the First Amendment to the Amended and Restated By-Laws attached as Annex C. The amendments to the By-Laws will provide as follows:

Nominations of persons to serve as directors of the board of directors of the combined company must comply with the terms of the Restated Charter and may only be made by a stockholder who has the right to vote for the election of the seat being nominated under the terms of the class of stock held of record by such stockholder.

Any transfer of stock of the Company must be in compliance with the Restated Charter.

Table of Contents

Special meetings of the board of directors of the combined company may be called by any two directors and require 48 hours prior notice to the other directors.

Committees of the board of directors of the combined company must consist of at least one Class A Director and one Class B Director (for so long as there are Class B Directors).

The Company will be the indemnitor of first resort with respect to directors affiliated with Gores or Oaktree (i.e., the Company's obligations to the Gores and Oaktree directors are primary and any obligation of Gores or Oaktree to advance expenses or provide indemnification for the same expenses or liability incurred by such directors are secondary).

The board of directors of the combined company will initially consist of nine directors, who will be elected in accordance with the Restated Charter.

The board of directors of the combined company must have a minimum of three independent directors or a higher number if required by the SEC or the rules and regulations of the NASDAQ Stock Market or any other securities exchange or quotation system on which the Company's securities are listed or quoted for trading in the future and, in the case of a higher number so being required, the board of directors of the combined company will be expanded to allow for the appointment of any additional independent directors so required, and each such additional seat will be filled with an independent director appointed by a majority of the board of directors of the combined company and elected annually by the holders of New Common Stock, voting as a single class.

Any salaries paid to a director, or any other fees payable to directors for the attendance of meetings, must be approved by the board of directors of the combined company.

Until the Board Trigger Date:

- the By-Laws may not be amended in a manner contrary to the Restated Charter;
- without the consent of a majority of the Class A Directors, the By-Laws may not be amended in a manner that materially adversely affects the holders of a Class A Common Stock in a disproportionate manner relative to holders of Class B Common Stock, or adversely affects the approval rights of the Class A Directors and holders of Class A Common Stock to approve a Sale of the Company; and
- without the consent of a majority of the Class B Directors, the By-Laws may not be amended in a manner that materially adversely affects the holders of a Class B Common Stock in a disproportionate manner relative to holders of Class A Common Stock, or adversely affects the approval rights of the Class B Directors.

Table of Contents

Vacancies on the board of directors of the combined company will be filed in accordance with the Restated Charter.

Directors will hold office until their successors are duly appointed in accordance with the Restated Charter, or until their earlier death, resignation or removal.

Comparison of the Rights of Holders of Existing Common Stock and Class A Common Stock

The Company is incorporated under the laws of the State of Delaware. The following is a comparison of the material rights of the holders of Company common stock under the Company's existing certificate of incorporation and the By-Laws and the rights of holders of Class A Common Stock after the Recapitalization, under the Restated Charter and the amendments to the By-Laws.

Upon completion of the Recapitalization, the holders of Company common stock will become holders of Class A Common Stock. The current By-Laws of the Company will be amended immediately prior to the consummation of the Merger by the form of First Amendment to Amended and Restated By-Laws of the Company attached as Annex C to this Information Statement. Following the effectiveness of the Restated Charter and the amendment to the By-Laws, the rights of holders of Company common stock will therefore be governed by the DGCL, the Restated Charter, and the amended By-Laws.

The following description summarizes the material differences that may affect the rights of the holders of Company common stock, but is neither a complete statement of all those differences nor a complete description of the specific provisions referred to in this summary. Stockholders should read carefully the relevant provisions of the DGCL, the Restated Charter and the Company's By-Laws. For more information on how to obtain the documents that are not attached to this Information Statement, see *Where Stockholders Can Find More Information*.

Provision	Current Certificate of Incorporation and By-Laws	Restated Charter and Amended By-Laws
Authorized Capital Stock	<p>The authorized capital stock of the Company consists of 5,000,000,000 shares of common stock, \$.01 par value per share, 3,000,000 shares of Class B stock, \$.01 par value per share, and 10,000,000 shares of preferred stock, \$.01 par value per share.</p> <p>As of July 30, 2011, no shares of Class B stock or preferred stock were outstanding.</p>	<p>The authorized capital stock of the Company will consist of 5,000,000,000 shares of Class A Common Stock, \$.01 par value per share, 35,000,000 shares of Class B Common Stock, \$.01 par value per share, and 200,000 shares of preferred stock, \$.01 par value per share.</p> <p>The Company shall reserve a sufficient number of shares of Class A Common Stock for the purposes of issuance upon the conversion of all outstanding shares of Class B Common Stock.</p>

Table of Contents

Provision	Current Certificate of Incorporation and By-Laws	Restated Charter and Amended By-Laws
Special Meetings of Stockholders	Under the DGCL, a special meeting of stockholders may be called by the board of directors or by any other person authorized to do so in the certificate of incorporation or bylaws.	
	A special meeting of stockholders may be called by a majority of the Board, the Chairman of the Board or the president.	A special meeting of stockholders may be called by the Chairman of the Board, a majority of the board of directors of the combined company, the president, any vice president, if there be one, the secretary or any assistant secretary, if there be one.
Stockholder Proposals	Stockholders may propose business to be brought before an annual meeting. Such proposals may only be brought by a stockholder who has given timely notice in proper written form to the Company's secretary prior to the meeting.	No change.
	In connection with an annual meeting, to be timely, notice of such proposal must be received by the Company's corporate secretary not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding year's annual meeting of stockholders; provided, however, that if the date of the annual meeting is not within 30 days before or after the anniversary of the preceding year's annual meeting, notice by the stockholder must be received not later than the close of business on the 10th day following the day on which notice of such meeting was mailed or public disclosure of the date of the annual meeting was made by the Company, whichever first occurs.	
Nominations of Candidates for Election to the Board of Directors	Stockholders may nominate candidates for election to the Board at an annual meeting. Such nominations may only be brought by a stockholder who has given timely notice in proper written form to the Company's secretary prior to the meeting.	In addition to the previously existing requirements, nominations of candidates for election to the board of directors of the combined company are subject to the provisions of the Restated Charter and may be made only by a stockholder who has the right to vote for the election of the seat being nominated under the terms of the class of stock held of record by such stockholder.
	In connection with an annual meeting, to be timely, notice of such nomination must be received by the Company's corporate	

secretary not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding year's annual meeting of stockholders; provided, however, that if the date of the annual meeting is not within 30 days before or after the anniversary of the preceding year's annual meeting, notice by the stockholder must be received not later than the close of business on the 10th day following the day on which notice of such meeting was mailed or public disclosure of the date of the annual meeting was made by the Company, whichever first occurs.

Table of Contents

Provision Stockholder Action by Written Consent	Current Certificate of Incorporation and By-Laws	Restated Charter and Amended By- Laws
	<p>The DGCL allows action by written consent to be made by the holders of the minimum number of votes that would be needed to approve such a matter at an annual or special meeting of stockholders, unless this right to act by written consent is denied in the certificate of incorporation.</p> <p>Only when an action is approved by a majority of the continuing directors, may stockholders of the Company take such action by written consent of the holders of outstanding shares of voting stock having not less than the minimum voting power that would be necessary to authorize or take such action at a meeting of stockholders at which all shares entitled to vote thereon were present and voted.</p>	<p>Stockholders of the Company may take action by written consent of the holders of outstanding shares of voting stock having not less than the minimum voting power that would be necessary to authorize or take such action at a meeting of stockholders at which all shares entitled to vote thereon were present and voted. There is no longer a requirement that such action also be approved by a majority of the Company's continuing directors.</p>
Voting Rights	<p>With respect to all matters upon which stockholders are entitled to vote, the holders of common stock and class B stock shall vote together without regard to class. Each holder of common stock shall be entitled to cast one vote for each share of common stock held and each holder of class B stock shall be entitled to cast 50 votes for each share of class B stock held.</p> <p>There are no special class voting rights.</p>	<p>Each holder of Class A Common Stock and Class B Common Stock shall be entitled to one vote per share of common stock held, whether voting separately as a class, together as a single class or otherwise.</p> <p>Until the Board Trigger Date, holders of Class A Common Stock and Class B Common Stock vote separately for directors as described under <i>Number and Election of Directors</i>.</p> <p>In addition, until the third anniversary of the effective date of the Restated Charter, an affirmative vote of two-thirds of the outstanding shares of Class A Common Stock shall be required to approve a sale of the Company, unless the price per share of Class A Common Stock in such transaction exceeds \$7.78, minus the per share amount of all cash dividends to holders of record after July 30, 2011 (subject, in each case, to adjustment based on stock splits, stock dividends and transactions having similar effects).</p>

Table of Contents

Provision	Current Certificate of Incorporation and By-Laws	Restated Charter and Amended By-Laws
Cumulative Voting	Except as otherwise required by applicable law, there shall be no cumulative voting on any matter brought to a vote of stockholders of Company.	No change.
Number and Election of Directors	<p>The Board may consist of not less than 3 nor more than 13 directors. There are currently 11 positions authorized and 10 directors serving on the Board.</p> <p>Directors are elected by the holders of a plurality of the votes cast at an annual meeting of stockholders.</p>	<p>The board of directors of the combined company will consist of 9 directors.</p> <p>Prior to the Board Trigger Date: (i) the holders of Class A Common Stock shall be entitled to elect 3 directors, at least one of whom is required to be an independent director; (ii) the Company's Chief Executive Officer shall be nominated for election to the board of directors of the combined company and elected by the holders of Class A Common Stock and Class B Common Stock voting together as a single class; and (iii) the holders of Class B Common Stock shall be entitled to elect the remaining directors, at least 2 of whom are required to be independent directors.</p> <p>After the Board Trigger Date, the holders of the Class A Common Stock and Class B Common Stock voting together as a single class will be entitled to elect all members of the board of directors of the combined company.</p>
Classes of Directors	The directors of the Company are divided into three classes and serve three year terms.	The directors are not divided into classes and serve one year terms.
Removal of Directors	A director may be removed from office only for cause and only with the affirmative vote of the holders of not less than 75% of the voting power of all outstanding shares of stock entitled to vote in connection with the election of such director; provided, however, that where such removal is approved by a majority of the continuing directors, the affirmative vote of a majority of the voting power of all outstanding shares of stock entitled to vote in connection with the election of such	Any director elected either by the holders of Class A Common Stock voting separately as a class or by the holders of Class B Common Stock voting separately as a class, may be removed from office at any time, with or without cause, solely by the affirmative vote of a majority of the voting power of the outstanding class of common stock that elected such director.

director is required for such removal.

Table of Contents

Provision	Current Certificate of Incorporation and By-Laws	Restated Charter and Amended By-Laws
Director Vacancies	A vacancy on the Board shall be filled solely by the affirmative vote of a majority of the remaining directors then in office, regardless of their class.	Any vacancy on the board of directors of the combined company of a position for a Class A Director or a Class B Director, shall be filled by majority vote of the remaining Class A Directors or Class B Directors, as the case may be.
Limitation on Liability of Directors	No directors will be personally liable to the Company or any of its stockholders for monetary damages for breach of fiduciary duty as a director of the Company; provided, however, that liability will not be eliminated or limited (i) for any breach of the director's duty of loyalty to the Company or its stockholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) under Section 174 of the DGCL; or (iv) for any transaction from which such directors derived an improper personal benefit.	To the fullest extent permitted by the DGCL, as it now exists or may hereafter be amended, no director of the Company will be liable to the Company or its stockholders for monetary damages arising from a breach of fiduciary duty owed to the Company or its stockholders.
Indemnification of Directors and Officers	<p>Under the DGCL, a Delaware corporation must indemnify its present or former directors and officers against expenses (including attorneys' fees) actually and reasonably incurred to the extent that the officer or director has been successful on the merits or otherwise in defense of any action, suit or proceeding brought against him or her by reason of the fact that he or she is or was a director or officer of the corporation.</p> <p>The DGCL generally permits a Delaware corporation to indemnify directors and officers against expenses, judgments, fines and amounts paid in settlement of any action or suit for actions taken in good faith and in a manner they reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal action, which they had no reasonable cause to believe was unlawful.</p> <p>The Company will indemnify its directors and officers to the fullest extent permitted by law; provided, however, that, except for proceedings to enforce rights to indemnification, the Company shall not be obligated to indemnify any director or officer in connection with a proceeding initiated by such person unless such proceeding was authorized or consented to by the Board.</p>	In addition to the previous indemnification provisions, the Company recognizes that certain directors may have rights to indemnification by certain institutional indemnitors. The Company agrees that it will: (i) be the indemnitor of first resort; (ii) be required to advance the full amount of expenses incurred by the indemnitee without regard for the indemnitee's rights against any institutional indemnitor; and (iii) waive any claims against any institutional indemnitor for contribution or

subrogation.

Table of Contents

Provision Corporate Opportunities	Current Certificate of Incorporation and By-Laws	Restated Charter and Amended By- Laws
	<p>Under the DGCL, a corporation may renounce any interest or expectancy of the corporation in, or in being offered an opportunity to participate in, specified business opportunities or specified classes or categories of business opportunities that are presented to the corporation its officers, directors or stockholders.</p>	
	<p>The Company's certificate of incorporation does not renounce any corporate opportunities.</p>	<p>To the fullest extent permitted by law: (i) the Company shall have no interest or expectancy in any corporate opportunity that certain principal investors have acquired knowledge of; (ii) each principal investor shall have the right to engage or invest in businesses competing with the Company or do business with customers of the Company; (iii) no member of a principal investor shall be liable to the Company for breach of any duty by reason of such activities; and (iv) no principal investor shall have a duty to present or offer the Company any potential corporate opportunity and shall not be liable to the Company for failing to do so.</p>
Amendments to Certificate of Incorporation	<p>Under the DGCL, an amendment to the certificate of incorporation requires (i) the approval of the board of directors, (ii) the approval of a majority of the outstanding stock entitled to vote upon the proposed amendment and (iii) the approval of the holders of a majority of the outstanding stock of each class entitled to vote thereon as a class.</p>	
	<p>The Company's certificate of incorporation may be amended in accordance with the DGCL.</p>	<p>An amendment (i) to modify or repeal certain designated provisions (regarding capital stock, removal of directors and amending the Restated Charter) that materially adversely affects the rights of holders of either Class A Common Stock or Class B Common Stock in a disproportionate manner relative to the holders of the other class of common stock; (ii) that, prior to the Board Trigger Date, adversely affects the right of holders of a class of common stock to elect directors allocated to such class of common stock; or (iii) that, prior to the third anniversary of the effective date of the Restated Charter, adversely affects the rights of holders of Class A Common Stock to approve a sale of the Company, requires the affirmative vote of the holders of at least a majority of</p>

the voting power of the adversely affected
class of common stock.

Table of Contents

Provision Amendments to By-Laws	Current Certificate of Incorporation and By-Laws	Restated Charter and Amended By- Laws
	<p>The Board is authorized to adopt, repeal, rescind, alter or amend the Company's By-Laws by affirmative vote of a majority of the total number of directors then in office. Furthermore, the Company's stockholders may adopt, repeal, rescind, alter or amend the By-Laws by an affirmative vote of 75% of voting power of the then outstanding shares of the Company.</p> <p>Where such action is proposed by certain interested stockholders, approval requires the affirmative vote of the holders of a majority of the voting power of the then outstanding shares, other than shares held by such interested stockholder.</p>	<p>The board of directors of the combined company may adopt, make, amend, supplement or repeal the amended By-Laws, except as provided in the Restated Charter and the amended By-Laws. The Restated Charter provides that, until the later of the Board Trigger Date and the Special Right Trigger Date, the board of directors of the combined company may not (i) amend the By-Laws in a manner contrary to the terms of the Restated Charter without the consent of a majority of the Class A Directors and a majority of the Class B Directors or (ii) amend the By-Laws in a manner that (a) materially adversely affects the rights of the holders of a class of common stock in a disproportionate manner relative to the other class of common stock; (b) prior to the Board Trigger Date, adversely affects the rights of a class of common stock to elect directors; or (c) adversely affects the right of holders of Class A Common Stock to approve a sale of the Company, without the consent of a majority of the directors elected by the affected class of common stock.</p>
Certain Business Combinations	<p>Section 203 of the DGCL prohibits a Delaware corporation from engaging in a business combination with a stockholder acquiring more than 15% but less than 85% of the corporation's outstanding voting stock for three years following the time that person becomes an interested stockholder, unless prior to such date the board of directors approves either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder or the business combination is approved by the board of directors and by the affirmative vote of at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder. The restrictions of Section 203 shall not apply if the corporation's certificate of incorporation contains or is amended to contain a provision expressly electing not to be governed by this section.</p> <p>The Company has not affirmatively opted out of Section 203 of the DGCL.</p>	
	No change.	

Table of Contents

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Certain of the Company's directors and executive officers, as well as certain entities affiliated with the Company, have interests in the Merger that are different from, and/or in addition to, the interests of the Company's stockholders generally. The Board was aware of and considered these differing interests and potential conflicts, among other matters, in approving the Merger, the Recapitalization, the Parent Stock Issuance and related transactions and in recommending such transactions to the Company's stockholders. Except as set forth below, none of the persons who have served as our officers or directors since the beginning of our last fiscal year, or any associates of such persons, have any substantial interest, direct or indirect, in the Merger, the Recapitalization, the Parent Stock Issuance and related transactions other than the interests held by such persons through their respective beneficial ownership of the shares of our capital stock (including options to purchase our capital stock) set forth in *Beneficial Ownership of Securities*.

Interests of Directors and Executive Officers

The following is a description of certain interests directors and executive officers may have in connection with the Merger:

Positions with the Combined Company

At least three days prior to the closing of the Merger, pursuant to the Merger Agreement, the Company will identify in writing to Verge three directors to serve on the board of directors of the combined company, one of whom must be independent under applicable stock exchange rules. The Company may identify one or more of the current directors on the Board to serve on the board of directors of the combined company. In addition, at least three days prior to the closing of the Merger, pursuant to the Merger Agreement, Verge will identify in writing to the Company individuals to serve as officers of the combined company, which individuals may include one or more of the executive officers of the Company.

Treatment of Outstanding Equity Awards

The Company's directors and executive officers hold unvested Company stock options and restricted stock units under the Company 1999 Stock Incentive Plan, which we refer to as the *1999 Plan*, the Company 2005 Equity Compensation Plan, which we refer to as the *2005 Plan*, and the Company 2010 Equity Compensation Plan, which we refer to as the *2010 Plan*. We refer to the 1999 Plan, the 2005 Plan and the 2010 Plan collectively as the *Company Plans*. The consummation of the Merger will constitute a change in control under the Company Plans.

Stock Options. The Company's executive officers hold unvested Company stock options under the Company Plans. None of the Company Plans or related award agreements held by executive officers of the Company provide for single trigger equity acceleration upon a change in control of the Company. Accordingly, in accordance with the terms of the Company Plans and the applicable award agreements, the stock options held by executive officers of the Company will remain subject to their current terms and conditions, including all current vesting requirements.

Table of Contents

Some of the Company's equity awards maintain double trigger provisions; namely, eligibility to receive these amounts requires both the occurrence of a change in control and a qualifying termination of employment following the change in control. With respect to all equity compensation awards made under the 2005 Plan (or those issued in March 2008 and thereafter under the 1999 Plan incorporating 2005 Plan terms relating to a change in control), if an executive officer is terminated without cause during the 24-month period following a change in control, all unvested equity awards will immediately vest provided an executive officer is still a participant on that date. This provision also applies to awards granted to certain of the Company's executive officers (Messrs. Sherwood, Hillman, Mammone and Mr. Pattiz) in February 2010 under the 2010 Plan. Mr. Pattiz is our former Chairman of the Board. He currently serves as Chairman Emeritus and provides consulting services to the Company. As of September 6, 2011, the exercise prices of all stock options granted under the 1999 Plan and the 2005 Plan were greater than the per share closing stock price on NASDAQ for the Company's common stock.

Restricted Stock Units. The Company's directors hold unvested Company restricted stock units under the Company Plans. Restricted stock units granted to directors of the Company under the 2010 Plan will vest automatically upon a change in control of the Company. Mr. Sherwood is the Company's only executive officer who holds restricted stock units, and such units will vest if Mr. Sherwood is terminated without cause during the 24-month period following a control of the Company.

Executive Agreement

The Company is party to an employment agreement with Mr. Sherwood that requires it to make payments to Mr. Sherwood if he is terminated without cause in connection with a change in control as described below.

If Mr. Sherwood is terminated upon or within 24 months following a change in control, all of Mr. Sherwood's outstanding equity awards will become fully vested and immediately exercisable and shall remain exercisable in accordance with the applicable equity plan and award agreement. Subject to Mr. Sherwood's timely election and continued payment of premiums, the Company will provide COBRA continuation coverage for Mr. Sherwood until the earliest of: (i) 12 months from the date of termination, (ii) Mr. Sherwood's ceasing to be eligible under COBRA, and (iii) Mr. Sherwood becoming eligible for coverage under the health insurance plan of a subsequent employer.

The consummation of the Merger will constitute a change in control for purposes of Mr. Sherwood's employment agreement.

Table of Contents*Golden Parachutes*

As described above, none of the Company's named executive officers are entitled to single trigger payments solely as a result of the Merger. The following table sets forth the estimated amounts of double trigger compensation that each named executive officer could receive that are based on or otherwise relate to the Merger. These amounts have been calculated assuming the Merger is consummated on October 28, 2011 and assuming each named executive officer experiences a qualifying termination of employment in connection with the change in control as of October 28, 2011. Certain of the amounts payable may vary depending on the actual date of completion of the Merger and any termination. This table does not include the value of benefits in which the named executive officers are vested without regard to the occurrence of a change in control nor does it include the value of base salary or other perquisites that the executives are receiving prior to the change in control that will be continued following the change in control for the benefit of the executives who will remain employed following consummation of the Merger.

Golden Parachute Compensation

Named Executive Officer(1)	Equity (\$)(2)	Perquisites/Benefits (\$)(3)	Total (\$)(4)
Roderick M. Sherwood, III	665,000	16,322	681,322
David Hillman	19,500		19,500
Steve Chessare	0		0

(1) Steven Kalin, who was one of the Company's named executive officers as of December 31, 2010, terminated his employment for good reason on May 27, 2011.

(2) *Equity*.

Represents the aggregate payments to be made in respect of unvested options and restricted stock units upon a termination of employment without cause (or for Mr. Sherwood, with or without cause) upon or within 24 months following a change in control of the Company, as follows:

For Mr. Sherwood, the in-the-money value of 400,000 unvested Company stock options granted February 12, 2010 with an exercise price of \$6.00 (for a total stock option value of \$52,000) and the value of 100,000 unvested shares of Company restricted stock units granted October 2010 (for a total value of restricted stock units equal to \$613,000). For Mr. Hillman, the in-the-money value of 150,000 unvested Company stock options granted February 12, 2010 with an exercise price of \$6.00 (for a total stock option value of \$19,500). Mr. Chessare's in-the-money Company stock options do not vest upon a termination following a change in control. For these purposes, we assumed a transaction date of October 28, 2011 and also assumed a Company share price equal to \$6.13, which is the average closing market price of the Company's common stock for the first five business days following the first public announcement of the Merger.

(3) Represents the cost associated with 12 months of COBRA coverage.

No Golden Parachute Compensation for Verge's Named Executive Officers

Verge has not entered into any agreement or understanding, whether written or unwritten, with any of its named executive officers pursuant to which any named executive officer would be entitled to receive compensation, whether present, deferred or contingent, that is based on or otherwise relates to the merger.

Table of Contents

Indemnification and Insurance

The Company maintains standard directors' and officers' liability insurance policies under which certain officers and directors have rights to indemnification by virtue of their positions as officers and/or directors of the Company.

Pursuant to the Merger Agreement, from and after the effective time of the Merger, the Company shall, to the fullest extent permitted by applicable law (and, in the case of former directors and officers, to the extent permitted by the Company's organizational documents in effect as of immediately prior to the closing), indemnify, defend and hold harmless, and provide advancement of expenses to, each Indemnified Party against all losses, claims, damages, costs, expenses, liabilities, penalties or judgments or amounts that are paid in settlement of or in connection with any claim, action, suit, proceeding or investigation based in whole or in part on or arising in whole or in part out of the fact that such person is or was a director or officer of the Company or any of its respective subsidiaries, and pertaining to any matter existing or occurring, or any acts or omissions occurring, at or prior to the effective time of the Merger, whether asserted or claimed prior to, at or following, the effective time of the Merger, including matters, acts or omissions occurring in connection with the approval of the Merger Agreement and the consummation of the Merger, the Recapitalization, the Parent Stock Issuance and related transactions.

In addition, the Company shall (i) maintain in effect, for six years after the closing, directors' and officers' liability insurance and fiduciary liability insurance having terms and conditions at least as favorable to the Indemnified Parties as the Company's current directors' and officers' liability insurance and fiduciary liability insurance, or (ii) purchase a six year extended reporting period endorsement with respect to the Company's current directors' and officers' liability insurance and fiduciary liability insurance. The Company shall not be required to expend for any such policies an annual premium amount in excess of 300% of the annual premiums currently paid by the Company for such insurance; provided that if the annual premiums of such insurance coverage exceed such amount, the Company shall obtain a policy with the greatest coverage available for a cost not exceeding such amount.

Interests of Affiliated Entities

The following is a description of certain interests that entities affiliated with the Company may have in connection with the Merger:

Voting Agreement

In connection with the Merger Agreement, Gores entered into a voting agreement dated July 30, 2011, with Verge, which we refer to as the *Voting Agreement*, pursuant to which, Gores agreed to deliver to Verge the Gores Written Consent. In addition, pursuant to the Voting Agreement, Gores also agreed:

to vote against any alternative Takeover Proposal until the earlier to occur of (1) the consummation of the transactions contemplated by the Merger Agreement, (2) 18 months from the date of the Merger Agreement, (3) 12 months from any termination of the Merger Agreement pursuant to the Fiduciary Termination Provisions, and (4) termination of the Merger Agreement for any reason other than pursuant to the Fiduciary Termination Provisions;

Table of Contents

not to, directly or indirectly, transfer or enter into any agreement, option or other arrangement (including any profit sharing agreement) with respect to the transfer of, any shares of Company's outstanding common stock to any person, other than (x) in accordance with the Merger Agreement, or (y) following the termination of the Merger Agreement, a transfer of Company's outstanding common stock representing up to 15% of outstanding common stock of the Company in a transfer made as a registered sale through a nationally recognized underwriter or that is executed over the principal stock exchange over which the Company's securities are listed (and so long as such transfer is not made to a single person or group with the intent or purpose of evading the restrictions contained in the Voting Agreement); and

to cause each of its members, officers, stockholders, affiliates, employees, directors, managers, representatives and agents to immediately cease and cause to be terminated any discussions or negotiations with any parties (other than the parties to the Voting Agreement and their affiliates, representatives and advisors) that may be ongoing with respect to, or that would be reasonably expected to lead to, a Takeover Proposal.

Registration Rights Agreement

As a condition to closing under the Merger Agreement, the Company has agreed to enter into a Registration Rights Agreement with Triton and Gores, which we refer to as the *Registration Rights Agreement*, concurrently with the closing.

Pursuant to the Registration Rights Agreement, Triton or Gores, shall have the right, on either a certain number or an unlimited number of occasions, depending on the form of registration to be used and the party requesting the registration, to demand that the Company register shares of Class A Common Stock (including Class A Common Stock received upon the conversion of Class B Common Stock) under the Securities Act of 1933, subject to certain limitations. The Company shall then use its reasonable best efforts to file the applicable registration statement and to cause such registration statement to remain effective, in each case, within the period and for the time periods required by the Registration Rights Agreement.

In addition, Triton and Gores are entitled to unlimited piggyback registration rights with respect to the registration of any equity securities of the Company, subject to certain limitations.

These registration rights are subject to conditions and limitations, among them the right of the underwriters of an offering to limit the number of shares of Class A Common Stock held by such stockholders to be included in such registration. Subject to certain exceptions, the Company is generally required to bear all expenses of such registration (other than underwriting discounts and commissions).

Table of Contents

The foregoing summary of the material terms of the Registration Rights Agreement below is qualified in its entirety by reference to the Form of Registration Rights Agreement, a copy of which is set forth in Exhibit A to the Merger Agreement, which is filed as Annex A to this Information Statement.

Indemnity and Contribution Agreement

Concurrent with the execution and delivery of the Merger Agreement, the Company, Verge, Gores and Triton entered into the Indemnity and Contribution Agreement, dated as of July 30, 2011. Pursuant to the Indemnity and Contribution Agreement, Triton agreed, among other things, to indemnify the Company under certain circumstances in the event that the Company suffers any losses to the extent arising from or directly related to the Triton Digital Business. In addition, Gores agreed, among other things, to indemnify Triton under certain circumstances in the event that the Company makes any payment pursuant to the Metro Agreement or otherwise suffers any losses to the extent arising from or directly related to the Metro Traffic Business.

The indemnification obligations are subject to various limitations described in the Indemnity and Contribution Agreement. In particular, Triton's indemnification obligation to the Company is payable solely from 53.161% of the net cash proceeds received by Triton in respect of the Company's stock to be issued to Triton at the closing of the Merger. The indemnification obligations of Gores and Triton under the Indemnity and Contribution Agreement terminate on the earlier of (a) April 30, 2013 and (b) the date on which pre-Merger stockholders of Verge (with respect to Gores' obligations) or the Company (excluding nominees) (with respect to Triton's obligations) cease to hold at least 30% of the New Common Stock held by such stockholders immediately after the Merger. The effectiveness of the Indemnity and Contribution Agreement is conditioned upon the consummation of the Merger, the Recapitalization, the Parent Stock Issuance and related transactions.

Letter Agreement

Pursuant to a Letter Agreement, dated as of July 30, 2011, by and among the Company, Gores, the Oaktree Entities and the Black Canyon Entities, at the closing of the Merger: (1) Gores has agreed to exchange up to approximately \$10,000,000 of the Senior Secured Notes due 2012 of the Company, which we refer to as the *Gores Debt*, (2) the Oaktree Entities have agreed to exchange up to approximately \$18,000,000 of certain Non-Negotiable Promissory Notes of Verge Media, Inc., which we refer to as the *Oaktree Debt*, and (3) the Black Canyon Entities have agreed to exchange up to approximately \$2,000,000 of certain Senior Notes due 2013 of Verge Media Solutions, LLC, which we refer to as the *Black Canyon Debt*, for an equivalent amount of PIK Notes of the Company.

Table of Contents

In addition, if there is a shortfall in the amount of cash necessary to fund the Merger, the Recapitalization, the Parent Stock Issuance and related transactions (including for the repayment of certain debt of the Company and Verge and the payment of fees and expenses), and the shortfall is \$8,000,000 or less, (1) Gores has agreed to either fund its proportionate share of such shortfall in cash or to exchange a portion of the Gores Debt for Series B Preferred Stock rather than for PIK Notes, and (2) the Oaktree Entities and Black Canyon Entities have committed to exchange up to approximately \$6,000,000 in the aggregate of additional Oaktree Debt and Black Canyon Debt for Series B Preferred Stock. If the shortfall amount exceeds \$8,000,000, the Letter Agreement will automatically terminate unless the parties agree otherwise.

PIK Notes

The PIK Notes to be issued pursuant to the Letter Agreement will have the following principal terms:

Interest. Accrues daily at the rate of 15% per annum and is compounded quarterly for the first 5 years and annually thereafter.

Maturity Date. 6th year anniversary of the issue date.

Mandatory Prepayment. The Company must pay the outstanding principal amount of the PIK Notes, together with all accrued and unpaid interest, upon the first to occur of (a) a Sale of the Company to a person who, alone or together with its affiliates, acquires capital stock possessing the voting power to elect a majority of the board of directors of the combined company or acquires all or substantially all of our assets and (b) a complete liquidation of the Company.

Subordination. The PIK Notes will be subordinated in right of payment to the debt financing for the Merger, the Recapitalization, the Parent Stock Issuance and related transactions.

Security. None.

Table of Contents

OTHER AGREEMENTS

Digital Reseller Agreement

On July 29, 2011, Triton and Dial Global entered into a Digital Reseller Agreement. Pursuant to this agreement, Dial Global has agreed to provide, at its sole expense, services to Triton customarily rendered by terrestrial network radio sales representatives in the United States. Triton will exclusively use Dial Global for the sale of over the air impressions/inventory procured by bartering with U.S. traditional terrestrial radio stations in exchange for Triton services, except that Triton shall be permitted to allow a broadcaster that controls a competing network to sell its inventory (bartered for Triton services and products) via its owned and operated network.

For these services, Triton has agreed to pay Dial Global a commission based on the gross receipts of revenue derived from the inventory, less customary advertising agency commissions actually paid by Dial Global. Prior to Dial Global approving its annual budget, Triton and Dial Global will agree on a target budget for Triton. If Dial Global fails to meet a certain percentage of the target budget for Triton, which percentage will be adjusted based on the percentage by which Dial Global fails to meet its own budget, then Dial Global could have certain financial obligations to Triton. The Digital Reseller Agreement has a term of four years and may be terminated by either party in the event that the other party fails to cure a material breach of the terms of the agreement within sixty days of receiving written notice thereof.

Debt Commitment Letters

Concurrent with the execution and delivery of the Merger Agreement, Verge obtained (a) a first lien secured debt commitment letter dated July 30, 2011, which we refer to as the *First Lien Commitment Letter*, from General Electric Capital Corporation, GE Capital Markets, Inc., and ING Capital LLC, which we collectively refer to as the *First Lien Lenders*, in which the First Lien Lenders agree to provide, severally, but not jointly, upon the terms and subject to the conditions set forth in the First Lien Commitment Letter, in the aggregate up to \$200 million in debt financing, which we refer to as the *First Lien Credit Facility*, consisting of a term loan facility in the aggregate principal amount of \$175 million, which we refer to as the *First Lien Term Loan Facility*, and a revolving credit facility with a maximum aggregate availability of \$25 million, which we refer to as the *First Lien Revolving Loan Facility*, and (b) a second lien secured debt commitment letter dated July 30, 2011, which we refer to as the *Second Lien Commitment Letter* and together with the First Lien Commitment Letter referred to as the *Debt Commitment Letters*, from Macquarie Capital (USA) Inc. and MIHI LLC, which we together refer to as the *Second Lien Lender*, in which the Second Lien Lender agrees to provide, upon the terms and subject to the conditions set forth in the Second Lien Commitment Letter, up to \$65 million in debt financing pursuant to a second lien term loan credit facility, which we refer to as the *Second Lien Credit Facility* and, together with the *First Lien Credit Facility*, referred to as the *Credit Facilities*. The proceeds of the First Lien Credit Facilities and the Second Lien Credit Facility that are drawn at the closing of the Merger will be used to repay, together with the PIK Notes, substantially all of the existing indebtedness of the Company and Dial Global and pay certain fees and expenses associated with the Credit Facilities. A portion of the First Lien Revolving Loan Facility can be drawn at the closing of the Merger.

Table of Contents

The availability of the Credit Facilities is conditioned on the consummation of the Merger as well as other customary conditions, including, but not limited to:

- except with respect to certain items disclosed in the disclosure letter delivered simultaneously with the execution of the Merger Agreement, since December 31, 2010, there having not been a Material Adverse Effect (as defined in the Merger Agreement);
- the preparation, execution and delivery of definitive loan documents (including a customary lien subordination intercreditor agreement) for the Credit Facilities;
- a consolidated total leverage multiple of the Company and its subsidiaries on the date of closing of the Merger after giving effect to the initial funding of the Credit Facilities, the application of the proceeds thereof, any equity contributions made, and other transactions contemplated by the Debt Commitment Papers, shall not exceed 4.45:1.00;
- the investors of the Company providing up to \$30,000,000 in PIK Notes or preferred equity to be issued by the Company on the date of the closing of the Merger;
- the absence of any amendments, modifications or waivers of the Merger Agreement that would be materially adverse to the lenders under the Debt Commitment Letters;
- completion of a marketing period for syndicating the Credit Facilities of the earlier to occur of (y) 30 calendar days from a lender meeting and (z) 65 calendar days from the date of the execution of the Merger Agreement; provided that such period shall not include any day from and including August 19, 2011 through and including September 6, 2011, November 24, 2011, November 25, 2011, or any day from and including December 21, 2011 through and including December 31, 2011;
- the accuracy of specified representations, including with respect to solvency;
- the receipt of certain closing documents, opinions, certificates and other deliverables; and
- the delivery of specified financial statements of the Company and Dial Global, including pro forma financial information.

The documentation governing the Credit Facilities has not been finalized and, accordingly, their actual terms may differ from those described in this information statement.

Although the Credit Facilities are not subject to the lenders' satisfaction with their due diligence or to a market out, such financing may not be considered assured. The failure of Verge to obtain sufficient financing would likely result in the failure of the Merger to be completed.

Table of Contents

REGULATORY APPROVALS

Antitrust Clearance

The Merger is subject to review under the HSR Act by the U.S. Antitrust Division of the Department of Justice, which we refer to as the *Antitrust Division*, and the U.S. Federal Trade Commission, which we refer to as the *FTC*. The HSR Act provides that transactions such as the Merger may not be completed until certain information and documents have been submitted to the Antitrust Division and the FTC and the applicable waiting period has expired or been terminated. A transaction notifiable under the HSR Act may not be completed until the expiration of a 30-calendar-day waiting period following the parties' filing of their respective HSR Act notification forms or the early termination of that waiting period.

On August 9, 2011, the Company and Verge each filed a Pre-merger Notification and Report Form with the Antitrust Division and the FTC in accordance with the HSR Act. On August 24, 2011, the Antitrust Division and the FTC granted early termination of the waiting period applicable to the Merger under the HSR Act.

At anytime before or after the completion of the Merger, notwithstanding the termination of the waiting period under the HSR Act, the Antitrust Division or the FTC could take actions under U.S. antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the Merger, seeking divestiture of substantial assets of the parties or requiring the parties to license, or hold separate, assets or terminate existing relationships and contractual rights. At anytime before or after the completion of the Merger, notwithstanding the termination of the waiting period under the HSR Act, any state could take actions under U.S. antitrust laws as it deems necessary or desirable in the public interest. Such action could include seeking to enjoin completion of the Merger or seeking divestiture of substantial assets of the parties. Private parties may also seek to take legal action under the antitrust laws under certain circumstances.

FCC Approval

The Merger is also subject to the Company's receipt of approval from the U.S. Federal Communications Commission, which we refer to as the *FCC*, pursuant to Section 310(d) of the Communications Act of 1934. On August 3, 2011 the Company filed applications with the FCC requesting approvals for the proposed transfers of control, in accordance with Section 310(d) of the Communications Act of 1934.

Under the Merger Agreement, the Company, Verge and Merger Sub have agreed to use commercially reasonable efforts to obtain all required FCC consents in connection with the execution of the Merger Agreement and completion of the Merger.

Table of Contents

**CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS OF
THE MERGER AND THE RECLASSIFICATION**

The following is a summary of certain U.S. federal income tax considerations of the Merger and the Reclassification applicable to certain holders of the Company's common stock, which we refer to as *Company stock* in this section. This discussion is based upon the Code, Treasury regulations, judicial authorities, published positions of the Internal Revenue Service, which we refer to as the *IRS*, and other applicable authorities, all as in effect on the date of this document and all of which are subject to change or differing interpretations (possibly with retroactive effect). This discussion is limited to holders of Company stock who hold prior to the Reclassification, and will continue to hold after the Merger, their Company stock as capital assets for U.S. federal income tax purposes (generally, assets held for investment). This discussion assumes that the Merger and the Reclassification will be completed in accordance with the Merger Agreement and as further described in this Information Statement. This summary does not discuss all aspects of U.S. federal income taxation that may be important to particular stockholders in light of their individual circumstances, and does not address the tax consequences to stockholders subject to special tax rules (for example, banks, financial institutions, insurance companies, broker-dealers, partnerships and their partners, regulated investment companies, real estate investment trusts, tax-exempt organizations (including private foundations)), individual retirement accounts and other tax-deferred accounts, dealers or traders in commodities, controlled foreign corporations, passive foreign investment companies, U.S. expatriates, stockholders liable for the alternative minimum tax, stockholders who own (directly, indirectly, or constructively) 5% or more of Company voting stock, stockholders of Verge, stockholders that hold Company stock as part of a straddle, hedge, conversion, constructive sale, or other integrated security transaction for U.S. federal income tax purposes, or stockholders that have a functional currency other than the United States dollar, all of whom may be subject to tax rules that differ significantly from those summarized below.

Tax consequences under state, local and foreign laws are not addressed herein. No ruling has been or will be sought from the IRS as to the U.S. federal income tax consequences of the Merger or the Reclassification and the following discussion is not binding on the IRS. **You are urged to consult your tax advisor as to the specific tax consequences to you of the Merger and the Reclassification, including the application of federal, state, local and foreign income and other tax laws based on your particular facts and circumstances.**

For purposes of this discussion, the term *U.S. Holder* means a beneficial owner of Company common stock that is for U.S. federal income tax purposes (i) an individual citizen or resident of the United States, (ii) a corporation, or entity treated as a corporation, organized in or under the laws of the United States or any state thereof or the District of Columbia, (iii) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) such trust has made a valid election to be treated as a U.S. person for U.S. federal income tax purposes or (iv) an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source. The term *Non-U.S. Holder* means a stockholder of Company common stock that is not a U.S. Holder and is not treated as a partnership for U.S. tax purposes. The term *stockholder* means a person that is a U.S. Holder or a Non-U.S. Holder.

Table of Contents

The U.S. federal income tax consequences to a partner in an entity or arrangement that is treated as a partnership for U.S. federal income tax purposes and that holds Company common stock will generally depend on the status of the partner and the activities of the partnership. Partners in a partnership holding Company common stock are urged to consult their tax advisors.

Merger

The Company and Verge intend for the Merger to qualify as a reorganization within the meaning of Section 368(a) of the Code for U.S. federal income tax purposes. It is a condition to the obligation of the Company to complete the Merger that the Company receive a written opinion from Skadden Arps, counsel to the Company, dated as of the closing date, to the effect that the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. It is a condition to the obligation of Verge to effect the Merger that Verge receive a written opinion from Kirkland & Ellis LLP, counsel to Verge, dated as of the closing date, to the effect that the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. The opinions will rely on assumptions, representations and covenants, which may include assumptions regarding the absence of changes in existing facts and law and the completion of the Merger in the manner contemplated by the Merger Agreement and representations contained in representation letters of officers of the Company, Verge and Merger Sub. If any of those representations, covenants or assumptions is inaccurate, counsel may be unable to render the required opinion and the Merger may not be completed or the tax consequences of the Merger could differ from those discussed here. An opinion of counsel represents counsel's best legal judgment and is not binding on the IRS or any court, nor does it preclude the IRS from adopting a contrary position. No ruling has been or will be sought from the IRS on the U.S. federal income tax consequences of the Merger.

Assuming the Merger is treated as a reorganization within the meaning of Section 368(a) of the Code, no gain or loss will be recognized by the Company or Verge or by a stockholder as a result of the Merger.

Reclassification

The Reclassification is intended to qualify as a recapitalization within the meaning of Section 368(a)(1)(E) of the Code. As a result, subject to the discussion below under the heading *Cash Distribution*, a stockholder will generally not recognize any gain or loss upon the receipt of new Class A Common Stock in exchange for Company stock pursuant to the Reclassification. A stockholder's aggregate adjusted tax basis in the new Class A Common Stock received in the Reclassification will be equal to such stockholder's aggregate tax basis in its Company stock surrendered in exchange therefore, decreased by the amount of any cash received and increased by the amount of gain recognized in the Reclassification. A stockholder's holding period for the new Class A Common Stock received in the Reclassification should include the stockholder's holding period for its Company stock surrendered in exchange therefor.

Table of Contents

Cash Distribution

The U.S. federal income tax consequences of a Cash Distribution paid to a U.S. Holder or Non-U.S. Holder will depend on whether the Cash Distribution is treated as made in connection with the Reclassification. Stockholders are urged to consult their tax advisors as to the particular tax consequences to them of the Cash Distribution.

U.S. Holders

Cash Distribution Treated as Part of the Reclassification. If the Cash Distribution is treated as made in connection with the Reclassification, a U.S. Holder would be treated as receiving new Class A Common Stock and cash in exchange for its Company stock. In this event, each U.S. Holder would recognize gain, but not loss, on the exchange in an amount equal to the lesser of: (a) the cash received from the Company or (b) the excess, if any, of (1) the sum of the cash received from the Company and the fair market value of the Class A Common Stock received by the stockholder over (2) the stockholder's tax basis in the Company stock exchanged therefor. For this purpose, gain or loss must be calculated separately for each identifiable block of shares surrendered in the exchange, and a loss realized on one block of shares may not be used to offset a gain realized on another block of shares.

Section 302 of the Code provides guidance as to whether any such gain is treated for U.S. federal income tax purposes either as ordinary dividend income or as capital gain. Under Section 302 of the Code, the receipt of cash is treated as a deemed redemption, and any gain recognized will be capital gain rather than ordinary dividend income, if the Cash Distribution (i) is substantially disproportionate with respect to the stockholder, (ii) is not essentially equivalent to a dividend with respect to the stockholder, or (iii) results in a complete termination of the stockholder's stock interest in the Company, all within the meaning of Section 302(b) of the Code. These tests are prescribed by Section 302 of the Code and will sometimes be referred to herein as the *Section 302 Tests*.

Capital gain would generally be long-term capital if Company common stock has been held by the stockholder for more than one year. If none of the Section 302 Tests is satisfied in the Reclassification, any such gain will be treated as a dividend to the extent of the Company's available earnings and profits, and thereafter as capital gain. Under current law, long-term capital gain and, provided that certain holding period requirements are met, dividend income, of non-corporate stockholders is subject to tax at a maximum U.S. federal income tax rate of 15%.

Each of the Section 302 Tests requires, in one manner or another, that a stockholder's proportionate interest in the Company (i.e., the percentage of outstanding stock of the Company that the stockholder owns) be reduced by the deemed redemption. Dispositions or acquisitions of Company stock that are contemporaneous with the Reclassification, as well as the issuance of Company Class B Common Stock in the Merger, may be integrated with the Reclassification for purposes of determining whether any of the Section 302 Tests has been satisfied.

In applying the Section 302 Tests, stockholders must take into account not only the Company stock that they actually own but also any Company stock they are treated as owning under the constructive ownership rules described in Section 318 of the Code (as modified by Section 302(c)). Under the constructive ownership rules, a stockholder is treated as constructively owning any Company stock that is owned by certain related individuals or entities and any Company stock that the stockholder has the right to acquire by exercise of an option or by conversion or exchange of a security. In the remainder of this discussion, references to ownership of stock include constructive as well as actual ownership.

Table of Contents

The deemed redemption by the Company of a stockholder's Company's outstanding common stock pursuant to the Reclassification will result in a substantially disproportionate redemption with respect to such stockholder if immediately after the Reclassification the stockholder actually and constructively owns less than 50% of the total voting power of all classes of Company stock entitled to vote and the percentage of the then outstanding shares actually and constructively owned by such stockholder immediately after the Reclassification is less than 80% of both the voting power and the value of the shares actually and constructively owned by such stockholder immediately before the Reclassification.

The deemed redemption by the Company of a stockholder's Company's outstanding common stock pursuant to the Reclassification will be treated as not essentially equivalent to a dividend if the reduction in such stockholder's proportionate interest in the Company as a result of the Reclassification constitutes a meaningful reduction in the stockholder's actual and constructive percentage stock ownership of the Company. Whether the redemption is not essentially equivalent to a dividend with respect to a stockholder will depend upon the stockholder's particular circumstances. In general, that determination requires a comparison of (1) the percentage of the outstanding stock of the Company that the stockholder actually and constructively owns immediately before the deemed redemption and (2) the percentage of the outstanding stock of the Company that the stockholder actually and constructively owns immediately after the deemed redemption.

Under the Merger Agreement, the Reclassification will occur before the Merger. However, it is expected that the substantially disproportionate test and the not essentially equivalent to a dividend test will be applied by comparing a stockholder's proportionate interest in the Company before the Reclassification with the stockholder's proportionate interest in the Company after the Merger. In such case, stockholder U.S. Holder of Company stock should generally satisfy the substantially disproportionate test or the not essentially equivalent to a dividend test.

In addition, a stockholder of Company stock may be able to satisfy the complete termination test if the stockholder sells or otherwise disposes of all of the stockholder's Company stock for cash contemporaneously with the completion of the Reclassification and as part of a plan which includes participation by the stockholder in the Reclassification. Stockholders are urged to consult their tax adviser as to whether the Cash Distribution should be integrated with the Reclassification and whether they satisfy any of the Section 302 Tests in light of their specific circumstances.

Cash Distribution Treated as Separate From the Reclassification. If the Cash Distribution is treated for U.S. federal income tax purposes as a separate transaction from the Reclassification, any Cash Distribution received by a U.S. Holder would be treated first as a dividend to the extent of the Company's current and accumulated earnings and profits, then as a tax-free return of capital to the extent of the U.S. Holder's basis in all of the stockholder's Company stock, and thereafter as capital gain. A non-corporate U.S. Holder will generally be subject to tax on dividend income at a maximum U.S. federal tax rate of 15% rather than the marginal tax rates generally applicable to ordinary income provided that certain holding period requirements are met.

Table of Contents

Non-U.S. Holders

Cash Distribution Treated as Part of the Reclassification. If the Cash Distribution is treated as part of the Reclassification, a Non-U.S. Holder would be treated as receiving new Class A Common Stock and cash in exchange for Company stock. In this event, each Non-U.S. Holder of Company stock would recognize gain in an amount determined as described above under the heading *U.S. Holders Cash Distribution Treated as a Part of the Reclassification*.

As described above under the heading *U.S. Holders Cash Distribution Treated as a Part of the Reclassification*, Section 302 of the Code provides guidance as to whether such gain is treated for U.S. federal income tax purposes either as ordinary dividend income or as capital gain. If a Non-U.S. Holder satisfies one the Section 302 Tests, as described above under the heading *U.S. Holders Cash Distribution Treated as a Part of the Reclassification*, the gain will be capital gain rather than a ordinary dividend income. Such capital gain will not be subject to U.S. federal income or withholding tax, unless (1) such gain is effectively connected with a U.S. trade or business of the Non-U.S. Holder (or if a tax treaty applies, is attributable to a permanent establishment or fixed place of business maintained by the holder in the United States) or (2) such holder is an individual who has been present in the United States for 183 days or more during the taxable year in which the capital gain is recognized and certain other conditions are satisfied. Any such gain that is effectively connected with a U.S. trade or business will be subject to regular U.S. federal income tax in the same manner as if the Non-U.S. Holder were a U.S. Holder. In addition, a Non-U.S. Holder that is a corporation may be subject to an additional branch profits tax at a rate of 30% (or such lower rate as may be specified by an applicable treaty) of its effectively connected earnings and profits, subject to certain adjustments. An individual Non-U.S. Holder who is subject to U.S. federal income tax because the Non-U.S. Holder was present in the United States for 183 days or more during the taxable year in which the capital gain is recognized will be subject to a flat 30% tax on such gain, which may be offset by certain U.S. source capital loss.

If none of the Section 302 Tests is satisfied, the gain will be treated as a dividend subject to withholding of U.S. federal tax at the rate of 30% (or a lower rate prescribed by an applicable tax treaty) unless such gain is effectively connected with a U.S. trade or business of the Non-U.S. Holder (or if a tax treaty applies, is attributable to a permanent establishment or fixed place of business maintained by the holder in the United States), in which case the Non-U.S. Holder will be taxed on the dividend on a net income basis as described above. A Non-U.S. Holder will generally be required to satisfy certain certification requirements in order to claim any treaty benefits.

Cash Distribution Treated as a Separate From the Reclassification. If the Cash Distribution is treated as a separate transaction from the Reclassification, the cash received by a Non-U.S. Holder would be treated as a dividend subject to withholding of U.S. federal tax at the rate of 30% (or a lower rate prescribed by an applicable tax treaty) unless such dividend is effectively connected with a U.S. trade or business of the Non-U.S. Holder (or if a tax treaty applies, is attributable to a permanent establishment or fixed place of business maintained by the holder in the United States), in which case the Non-U.S. Holder will be taxed as described above under the heading *Cash Distribution Treated as Part of the Reclassification*. A Non-U.S. Holder will generally be required to satisfy certain certification requirements in order to claim any treaty benefits.

Table of Contents

Backup Withholding and Information Reporting. In general, backup withholding will not apply to dividends on Company stock paid by us or our paying agents, in their capacities as such, to a Non-U.S. Holder if the stockholder has provided the required certification that such stockholder is a Non-U.S. Holder and neither we nor our paying agents have actual knowledge or reason to know otherwise. In addition, backup withholding will generally not apply to proceeds derived from the sale of common stock paid to a Non-U.S. Holder if the stockholder has provided the required certification that such stockholder is a Non-U.S. Holder and the paying agent does not have actual knowledge or reason to know otherwise.

Any amounts withheld under the backup withholding rules from a payment to a Non-U.S. Holder may be refunded, or credited against the stockholder's U.S. federal income tax liability, provided that certain required information is provided to the Internal Revenue Service.

Generally, we must report to the Internal Revenue Service the amount of dividends paid, the name and the address of the recipient, and the amount, if any, of tax withheld. This information reporting requirement will apply even if no tax was required to be withheld.

Table of Contents

ACCOUNTING TREATMENT OF THE MERGER

The transactions contemplated by the Merger Agreement will be accounted for as a reverse acquisition of the Company by Verge under the acquisition method of accounting in conformity with FASB Accounting Standards Codification (ASC 805) Business Combinations. The combined company will account for the transaction by using Verge historical information and accounting policies and applying fair value estimates to the Company. Under such guidance, the transaction will be recorded as the acquisition by Verge of the Company. Upon consummation of the acquisition, the historical accounting of the Company will be that of Verge and the acquisition purchase price of the Company will be recorded based on the fair value of the Company on the date of acquisition. The purchase price will be allocated to the assets and liabilities of the Company based on the fair value of such assets and liabilities with any residual recorded in goodwill.

Table of Contents

BENEFICIAL OWNERSHIP OF SECURITIES

The following table sets forth information known to us regarding the beneficial ownership of our common stock as of August 31, 2011 (pre-Merger) and, immediately following consummation of the Merger (post-Merger), by:

- each person known by us to be the beneficial owner of more than 5% of the outstanding shares of our common stock either on August 31, 2011 (pre-Merger) or of shares of our common stock outstanding after the consummation of the Merger (post-Merger);
- each of our current executive officers and directors; and
- all current executive officers and directors of the Company as a group.

Unless otherwise indicated in the footnotes to the table or in the cases where community property laws apply, we believe that all persons named in the table below have sole voting and investment power with respect to all shares of common stock beneficially owned by them. The percentage of common stock beneficially owned by a person assumes that the person has exercised all options the person holds that are exercisable within 60 days (through October 31, 2011), and that no other persons exercised any of their options. Except as otherwise indicated, the business address for each of the following persons is 1166 Avenue of the Americas, 10th Floor, New York, New York 10036.

Information in the left columns of the table below (pre-Merger) is based on 22,604,642 shares of our common stock issued and outstanding as of August 31, 2011.

Information in the right columns of the table below (post-Merger) assumes the following:

- the reclassification of all of our existing outstanding common stock on a share-for-share basis into shares of Series A Common Stock pursuant to the Reclassification; and
- 34,466,442 shares of our common stock are issued to Verge stockholders in connection with the Merger and in accordance with the exchange ratio, subject to adjustment pursuant to the Merger Agreement.

Table of Contents

Name of Beneficial Owner	Address	Pre-Merger (1)		Post-Merger (1)	
		Amount and Nature of Beneficial Ownership	Percentage of Outstanding Common Stock	Amount and Nature of Beneficial Ownership	Percentage of Outstanding Common Stock
Triton Media Group, LLC (2)	220 West 42 nd Street, New York, NY 10036			34,466,442	59%
Gores Radio Holdings, LLC (3)	10877 Wilshire Boulevard, 18th Floor, Los Angeles, California 90024	17,212,977	76.1%	17,212,977	29.5%
Named Executive Officers:					
Roderick Sherwood (4)(5)		209,999	*	209,999	*
Steven Kalin (5)(6)		1,250	*	1,250	*
David Hillman (5)		51,634	*	51,634	*
Steve Chessare (5)		13,666	*	13,666	*
Directors and Nominees:					
Gregory Bestick			*		*
Andrew P. Bronstein (4)			*		*
Jonathan I. Gimbel (4)			*		*
Scott Honour (4)			*		*
H. Melvin Ming		3,504	*	3,504	*
Michael F. Nold (4)			*		*
Emanuel Nunez		3,867	*	3,867	*
Joseph P. Page (4)			*		*
Mark Stone (4)			*		*
Ronald W. Wuensch		2,500	*	2,500	*
All Current Directors and Executive Officers as a Group (15 persons)		296,481	1.3%	296,481	*

* Represents less than 1% of our outstanding shares of common stock.

- (1) The person in the table has sole voting and investment power with respects to all shares of stock indicated above, unless otherwise indicated. Tabular information listed above is based on information contained in the most recent Schedule 13D/13G filings and other filings made by such person with the SEC as well as other information made available to the Company. The numbers presented above do not include unvested and/or deferred restricted stock units which have no voting rights until shares are distributed in accordance with their terms. All dividend equivalents on vested restricted stock units and shares of restricted stock (both vested and unvested) are included in the numbers reported above. As described elsewhere in this Information Statement, a holder of restricted stock only (i.e., not restricted stock units) is entitled to vote the restricted shares once it has been awarded such shares. Accordingly, all restricted shares that have been awarded, whether or not vested, are reported in this table of beneficial ownership, even though a holder will not receive such shares until vesting. This is not the case with restricted stock units or stock options that are not deemed beneficially owned until 60 days prior to vesting.

- (2) Triton Media Group, LLC is controlled by OCM Principal Opportunities Fund III, L.P., OCM Principal Opportunities Fund IIIA, L.P., and OCM Principal Opportunities Fund IV, L.P., each of which is a fund ultimately managed by Oaktree Capital Management, L.P.

Table of Contents

- (3) Gores is managed by The Gores Group, LLC. Gores Capital Partners II, L.P. and Gores Co-Invest Partnership II, L.P., which we refer to collectively as the *Gores Funds*, are members of Gores. Each of the members of Gores has the right to receive dividends from, or proceeds from, the sale of investments by Gores, including the shares of common stock, in accordance with their membership interests in Gores. Gores Capital Advisors II, LLC, which we refer to as *Gores Advisors*, is the general partner of the Gores Funds. Alec E. Gores is the manager of The Gores Group, LLC. Each of the members of Gores Advisors (including The Gores Group, LLC and its members) has the right to receive dividends from, or proceeds from, the sale of investments by the Gores entities, including the shares of common stock, in accordance with their membership interests in Gores Advisors. Under applicable law, certain of these individuals and their respective spouses may be deemed to be beneficial owners having indirect ownership of the securities owned of record by Gores by virtue of such status. Each of the foregoing entities and the partners, managers and members thereof disclaim ownership of all shares reported herein in excess of their pecuniary interests, if any.
- (4) Each of Messrs. Bronstein, Gimbel, Honour, Nold, Page, Sherwood and Stone disclaims beneficial ownership of securities of the Company owned by Gores, except to the extent of any pecuniary interest therein.
- (5) In the case of Mr. Sherwood includes 6,250 shares of common stock; 170,416 vested and unexercised options granted under the 1999 Plan and 2010 Plan, which was an amendment and restatement of the 2005 Plan; and 33,333 restricted stock units granted under the 2010 Plan. In the case of Mr. Kalin includes 1,250 shares of common stock. In the case of Mr. Hillman, includes 242 shares of common stock and 51,392 vested and unexercised options granted under the 1999 Plan, 2005 Plan and 2010 Plan. In the case of Mr. Chessare includes 13,666 vested and unexercised options granted under the 1999 Plan and 2010 Plan.
- (6) Mr. Kalin terminated his employment for good reason effective May 27, 2011.

Table of Contents

OUTSTANDING VOTING SECURITIES; VOTE REQUIRED; GORES WRITTEN CONSENT

Under Section 228 of the DGCL and Article 11 of the Company's Restated Certificate of Incorporation, stockholder action may be taken without a meeting and without prior notice by written consent of the holders of outstanding capital stock having not less than the minimum number of votes that would be necessary to authorize the action at a meeting at which all shares entitled to vote thereon are present and voted.

As of July 30, 2011, the Company had 22,594,472 shares of common stock issued and outstanding, which is the only capital stock of the Company entitled to vote. The Merger, the Recapitalization, the Parent Stock Issuance and related transactions require approval of the holders of a majority of the Company's issued and outstanding voting securities. On July 30, 2011, Gores, which owned 17,212,977 shares of the Company's common stock, representing 76.2% of the Company's issued and outstanding voting securities as of such date, delivered to the Company a written consent approving the Merger, the Recapitalization, the Parent Stock Issuance and related transactions. No further approval by the Company's stockholders is required under law, applicable stock exchange rules and the Company's organizational documents.

EFFECTIVE DATE

Under Section 14(c) of the Exchange Act and Rule 14c-2 promulgated thereunder, the Merger, the Recapitalization, the Parent Stock Issuance and related transactions cannot be effected until twenty (20) business days after the date this Information Statement is provided to the Company's stockholders. This Information Statement will be mailed on or about [], 2011 to the stockholders of the Company as of the date on which Gores approved of such transaction.

APPRAISAL RIGHTS

Holders of the Company's common stock are not entitled under the DGCL, the Company's Amended Certificate of Incorporation or By-Laws to appraisal rights in connection with the Merger, the Reclassification or related transactions.

STOCKHOLDERS SHARING AN ADDRESS

Only one Information Statement is being delivered to multiple stockholders sharing an address unless the Company has received contrary instructions from one or more of the stockholders. The Company undertakes to deliver promptly, upon written or oral request, a separate copy of the Information Statement to a stockholder at a shared address to which a single copy of the Information Statement is delivered. A stockholder can notify the Company that the stockholder wishes to receive a separate copy of the Information Statement, or a future information statement, by written request directed to the Company's Secretary at 1166 Avenue of the Americas, 10th Floor, New York, NY 10036 or by telephone at (212) 641-2000. Likewise, stockholders sharing an address who are receiving multiple copies of this Information Statement and wish to receive a single copy of future information statements may notify the Company at the address and telephone number listed above.

Table of Contents

INFORMATION INCORPORATED BY REFERENCE

Pursuant to Item 13(b) to Schedule 14A and Section 14(a) of the Exchange Act, we incorporate by reference Form 10-K for the year ended December 31, 2010 that was filed April 15, 2011, as amended by Form 8-K filed September 6, 2011; Form 10-Q for the quarter ended March 31, 2011 that was filed May 16, 2011; and Form 10-Q for the quarter ended June 30, 2011 that was filed August 15, 2011, each of which are being delivered to our stockholders with this Information Statement as required by Rule 14a-3 of Regulation 14A.

All of these documents are also available, upon written request, from the company without cost and electronically on the SEC's Electronic Data Gathering and Retrieval System, which we refer to as *EDGAR*, at www.sec.gov. In addition, any or all of these documents are available from the company by mail upon written request to us at the above address without any cost to you.

WHERE STOCKHOLDERS CAN FIND MORE INFORMATION

Our current and periodic reports filed with the SEC, including amendments to those reports, may be obtained through our website at www.westwoodone.com; directly from us in print upon request to Westwood One, Inc., 1166 Avenue of the Americas, 10th Floor, New York NY, 10036, Attn: Secretary; or from the SEC's website at www.sec.gov free of charge as soon as reasonably practicable after we file these reports with the SEC. Additionally, any reports or information that we file with the SEC may be read and copied at the SEC's Public Reference Room at 100 F Street, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. You may also obtain copies of this information by mail from the Public Reference Section of the SEC, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates.

WE ARE NOT ASKING YOU FOR A PROXY OR CONSENT AND YOU ARE REQUESTED NOT TO SEND US A PROXY OR CONSENT. THE ATTACHED MATERIAL IS FOR INFORMATIONAL PURPOSES ONLY.

By Order of the Board of Directors,
David Hillman
General Counsel and Secretary
New York, New York
[], 2011

Table of Contents

**Annex A
EXECUTION VERSION**

**AGREEMENT AND PLAN OF MERGER
AMONG
WESTWOOD ONE, INC.,
RADIO NETWORK HOLDINGS, LLC
AND
VERGE MEDIA COMPANIES, INC.
DATED AS OF JULY 30, 2011**

Table of Contents

TABLE OF CONTENTS

	Page
Article I	
DEFINED TERMS	
Section 1.1 Certain Defined Terms	2
Section 1.2 Other Definitions	15
Article II	
Reclassification AND THE MERGER	
Section 2.1 Amendment and Restatement of Parent's Certificate of Incorporation and Adoption of Amended and Restated By-Laws	19
Section 2.2 Reclassification of Shares	19
Section 2.3 The Merger	19
Section 2.4 Closing	20
Section 2.5 Effects of the Merger	20
Section 2.6 Directors of Parent	20
Section 2.7 Alternative Directors	21
Section 2.8 Effect on Capital Stock	21
Section 2.9 Payment of Indebtedness	22
Section 2.10 Delivery of Series A Preferred Stock; Adjustment	22
Section 2.11 Dissenting Shares	22
Section 2.12 Exchange of Shares	23
Section 2.13 Lost, Stolen or Destroyed Certificates	25
Section 2.14 Withholding Rights	25
Section 2.15 Further Assurances	25
Section 2.16 No Fractional Shares	25
Article III	
REPRESENTATIONS AND WARRANTIES	
Section 3.1 Organization and Qualification	26
Section 3.2 Capitalization; Ownership of Common Stock	27
Section 3.3 Authorization; Binding Agreement	29
Section 3.4 No Conflict	30
Section 3.5 Consents and Approvals	30
Section 3.6 Financial Information	31
Section 3.7 Information Statement	34
Section 3.8 Litigation	34

Table of Contents

	Page
Section 3.9 Compliance with Laws	35
Section 3.10 Environmental Matters	35
Section 3.11 Intellectual Property	36
Section 3.12 Real Property	36
Section 3.13 Employee Benefit Matters	37
Section 3.14 Taxes	39
Section 3.15 Labor Matters	40
Section 3.16 Transactions with Affiliates	42
Section 3.17 Letters of Credit, Surety Bonds and Guaranties	42
Section 3.18 Brokers	42
Section 3.19 Absence of Certain Changes or Events	42
Section 3.20 Material Contracts	43
Section 3.21 Advertisers, Broadcast Affiliates, Programming Partners and Format Customers	43
Section 3.22 Insurance	43
Section 3.23 Sufficiency of Assets	44
Section 3.24 Excluded Assets	44
Section 3.25 Bank Accounts	44
Section 3.26 Opinion of Financial Advisor	44
Section 3.27 Books and Records	44
Section 3.28 Liabilities Relating to Restructuring Agreements and Excluded Entities	44

Article IV

COVENANTS RELATING TO CONDUCT OF BUSINESS

Section 4.1 Conduct of Business Prior to the Closing	45
--	----

Article V

ADDITIONAL AGREEMENTS

Section 5.1 Written Consent; Information Statement	48
Section 5.2 Access to Information	49
Section 5.3 Non-Solicitation	49
Section 5.4 Confidentiality; Public Disclosure; Non-Disparagement	51
Section 5.5 Regulatory and Other Authorizations; Notices and Consents	52
Section 5.6 Intellectual Property	54
Section 5.7 Further Action	54
Section 5.8 Employee Benefits	54
Section 5.9 Termination of Affiliate Transactions	55
Section 5.10 Disclosure Letters	56
Section 5.11 Directors and Officers Indemnification and Insurance	56
Section 5.12 Financing	58
Section 5.13 Notice to Stockholders	59
Section 5.14 Representation of the Company and its Retained Subsidiaries	59
Section 5.15 Use of Excluded Marks	60

Table of Contents	147
-------------------	-----

Table of Contents

	Page
Section 5.16 Post-Closing Record Retention and Access	60
Section 5.17 Listing of Shares of Parent Stock	61
Section 5.18 State Takeover Laws	61
Section 5.19 Stockholder Litigation	61
Section 5.20 Tax Treatment	62
Section 5.21 FIRPTA Certificate	62
Section 5.22 Registration Rights Agreement	62
Section 5.23 Distributions to Stockholders of Parent	62
 Article VI	
 CONDITIONS PRECEDENT	
Section 6.1 Condition Precedent to Each Party's Obligations	62
Section 6.2 Conditions Precedent to Parent's and Merger Subsidiaries' Obligations	63
Section 6.3 Conditions Precedent to the Company's Obligations	64
 Article VII	
 TERMINATION	
Section 7.1 Termination	66
Section 7.2 Fees and Expenses	67
Section 7.3 Procedures and Effect of Termination	68
Section 7.4 Termination Fee	68
 Article VIII	
 GENERAL PROVISIONS	
Section 8.1 Non-Survival of Representations and Warranties and Covenants	68
Section 8.2 Amendment and Modification	68
Section 8.3 Waiver of Compliance; Consents	69
Section 8.4 Notices	69
Section 8.5 Assignment; No Third-Party Beneficiaries	70
Section 8.6 Governing Law; Jurisdiction; Waiver of Jury Trial	70
Section 8.7 Claims	71
Section 8.8 Specific Performance	71
Section 8.9 Counterparts; Effectiveness	71
Section 8.10 Severability	72
Section 8.11 Headings; Interpretation	72
Section 8.12 No Strict Construction	72
Section 8.13 Time of Essence	72
Section 8.14 Entire Agreement	73
Section 8.15 Public Announcements	73
Section 8.16 Dispute Costs	73
 Table of Contents	 149

Table of Contents

EXHIBITS

Exhibit A	Form of Registration Rights Agreement
Exhibit B	Form of Certificate of Designation for Series A Preferred Stock
Exhibit C	Voting Agreement
Exhibit D	Form of Restated Certificate of Incorporation
Exhibit E	Form of Restated By-Laws
Exhibit F	Indemnity and Contribution Agreement

Table of Contents

AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER (this Agreement), dated as of July 30, 2011, is by and among (i) WESTWOOD ONE, INC., a Delaware corporation (Parent), (ii) RADIO NETWORK HOLDINGS, LLC, a Delaware limited liability company and wholly owned Subsidiary of Parent (Merger Sub), and (iii) VERGE MEDIA COMPANIES, INC., a Delaware corporation (the Company).

RECITALS

WHEREAS, the parties intend that the Company be merged with and into Merger Sub, with Merger Sub surviving the merger, upon the terms and subject to the conditions set forth in this Agreement (the Merger);

WHEREAS, the Board of Directors of the Company, and Parent, as the sole member of Merger Sub, have approved and declared advisable this Agreement, and the Board of Directors of Parent has approved this Agreement and determined that the Merger and the other transactions contemplated by this Agreement are fair to and in the bests interest of Parent and its stockholders;

WHEREAS, it is intended that, for U.S. federal income tax purposes (and where applicable, state and local income tax purposes), (a) the Merger shall qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code), and the rules and regulations promulgated thereunder, (b) this Agreement constitutes a plan of reorganization for purposes of Sections 354 and 361 of the Code, and (c) Parent and the Company will each be a party to such reorganization within the meaning of Section 368(b) of the Code;

WHEREAS, to facilitate the Merger, the Board of Directors of Parent has decided to effect a recapitalization of Parent as described herein, which includes the reclassification of certain shares of capital stock and the authorization of a new class of capital stock to be issued in the Merger (the Reclassification); and

WHEREAS, Parent, Merger Sub and the Company desire to make certain representations, warranties, covenants and agreements in connection with the Reclassification and the Merger and also to prescribe various conditions to the Reclassification and the Merger.

Table of Contents

NOW, THEREFORE, the parties hereto, in consideration of the premises and of the mutual representations, warranties and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

ARTICLE I
DEFINED TERMS

Section 1.1 Certain Defined Terms. In addition to the terms defined elsewhere herein, for purposes of this Agreement:

Action means any claim, action, suit, charge, complaint, arbitration, mediation, proceeding, investigation or audit.

Affiliate means, with respect to a specified Person, any other Person that, directly or indirectly, controls, is controlled by, or is under common control with, the specified Person, excluding, (i) in the case of Parent, the Parent Principal Stockholders and (ii) in the case of the Company, the Company Principal Stockholders.

Assets means, with respect to any party, the assets and properties (whether tangible or intangible) of such party and its Retained Subsidiaries.

Board of Directors means the board of directors or similar governing body (including the board of managers or the managing member) of any specified Person.

Business Day means any day other than a Saturday, a Sunday or a day on which banking institutions in the City of Wilmington, Delaware are authorized or required by applicable Law or executive order to remain closed.

Bylaws means (i) with respect to Parent, the Parent Bylaws; (ii) with respect to Merger Sub, its operating agreement; and (iii) with respect to the Company, the Company Bylaws.

Cash Equivalents means each of the following:

(i) readily marketable obligations issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof having maturities of not more than 360 days from the date of acquisition thereof; provided that the full faith and credit of the United States of America is pledged in support thereof;

(ii) time deposits with, or insured certificates of deposit or bankers' acceptances of, any commercial bank that (a) is organized under the laws of the United States of America, any state thereof or the District of Columbia or is the principal banking subsidiary of a bank holding company organized under the laws of the United States of America, any state thereof or the District of Columbia, and is a member of the Federal Reserve System, (b) issues (or the parent of which issues) commercial paper rated as described in clause (iii) of this definition and (c) has combined capital and surplus of at least \$500,000,000, in each case with maturities of not more than 90 days from the date of acquisition thereof;

(iii) commercial paper maturing no more than one year from the date of creation thereof and at the time of acquisition, having a rating of at least P-1 from Moody's Investors Service, Inc. or a rating of at least A-1 from Standard & Poor's Ratings Group; and

Table of Contents

(iv) investments, classified in accordance with GAAP as current assets, in money market investment programs registered under the Investment Company Act of 1940, which are administered by financial institutions that have the highest rating obtainable from either Moody's Investors Service, Inc. or Standard & Poor's Ratings Group P at the time such investment is made, and the portfolios of which are limited solely to investments of the character, quality and maturity described in clauses (i), (ii) and (iii) of this definition at the time such investment is made.

Charter means (i) with respect to Parent, the Parent Charter; (ii) with respect to Merger Sub, its certificate of formation; and (iii) with respect to the Company, the Company Charter.

Commitment Letters means (i) the executed commitment letter, dated as of the date hereof among the Company, General Electric Capital Corporation, GE Capital Markets, Inc. and ING Capital LLC, pursuant to which General Electric Capital Corporation, GE Capital Markets, Inc. and ING Capital LLC have agreed, subject to the terms and conditions thereof, to provide or cause to be provided the first lien credit facilities set forth therein, and (ii) the executed commitment letter, dated as of the date hereof among the Company, Macquarie Capital (USA) Inc. and MIHI LLC, pursuant to which Macquarie Capital (USA) Inc. and MIHI LLC have agreed, subject to the terms and conditions thereof, to provide or cause to be provided the second lien credit facility set forth therein.

Company Excluded Entities means Triton Media Group, LLC, Triton Digital, Inc. and the Subsidiaries of Triton Digital, Inc.

Company Licensed Intellectual Property means all of the Intellectual Property licensed from a third party pursuant to a Contract for use by the Company or any of its Retained Subsidiaries other than the Company Owned Intellectual Property.

Company Owned Intellectual Property means all of the Intellectual Property owned by the Company or any of its Retained Subsidiaries.

Company Preliminary Transactions means the transactions contemplated by the Company Restructuring Agreement and the Company Transition Services Agreement.

Company Principal Stockholders means Oaktree Capital Management, L.P., Black Canyon Capital LLC, their portfolio companies and all Affiliates thereof (other than the Company and its Retained Subsidiaries).

Company Restructuring Agreement means the Unit Purchase Agreement, dated as of July 29, 2011, by and between Verge Media, Inc. and Triton Digital, Inc.

Company Target Net Debt Amount means \$199,933,333.

Company Transition Services Agreement means the Transition Services Agreement, dated as of July 29, 2011, by and between Excelsior Radio Networks, LLC and Triton Digital, Inc..

Table of Contents

Contract means any contract, agreement, lease, sublease, license or guaranty, whether written or oral.

Copyrights means all copyrights and related rights, copyright registrations and applications, and copyrightable subject matter.

Delivered means that the applicable document has been, in the case of Parent, posted in the Parent data room on the Intralinks website, delivered to the Company electronically, or filed as an exhibit in the Parent SEC Reports publicly filed with the SEC or, in the case of the Company, posted in the Company's data room on the Merrill Datasite website or delivered to the Parent electronically, in each case on or prior to the date of execution of this Agreement.

Digital Reseller Agreement means that certain Digital Reseller Agreement, dated as of July 29, 2011 between Triton Media Group, LLC (to be renamed Triton Media, LLC), a California limited liability company, and Dial Communication Global Media, LLC, a Delaware limited liability company.

Encumbrance means any lien, encumbrance, security interest, pledge, hypothecation, mortgage, transfer restriction, voting agreement, proxy, conditional sales or other title retention agreement, grant of preemptive rights, easement, covenant, license, option, right of first refusal or purchase or title defect.

Environmental Claim means, with respect to any party, any Action, order, demand or notice by any Governmental Authority, or any other Person, alleging actual or potential liability (including actual or potential liability for investigatory costs, cleanup costs, governmental response costs, natural resources damages, property damages, personal injuries, attorneys' fees or penalties) arising out of, based on, resulting from or relating to (a) the presence, or release into the environment of, or exposure to, any Hazardous Materials at any location, whether or not owned or operated by such party or any of its Retained Subsidiaries, now or in the past, or (b) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law.

Environmental Law means any Law, Governmental Order, consent decree or judgment relating to pollution or protection of the environment (including ambient air, surface water, ground water, land surface or subsurface strata, and natural resources) or protection of worker health and safety from exposure to Hazardous Materials, in effect as of or prior to the date of this Agreement, including any relating to (i) emissions, discharges, releases or threatened releases of, or exposure to, Hazardous Materials, (ii) the manufacture, processing, distribution, use, treatment, generation, storage, containment (whether above ground or underground), disposal, transport or handling of Hazardous Materials, (iii) recordkeeping, notification, disclosure and reporting requirements regarding Hazardous Materials, (iv) endangered or threatened species of fish, wildlife and plant and the management or use of natural resources, or (v) the preservation of the environment or mitigation of adverse effects therefrom.

Environmental Permits means any Permit required under or issued pursuant to any applicable Environmental Law.

Table of Contents

ERISA Affiliate means any corporation or trade or business that is deemed a single employer with another Person under Section 414(b) or (c) of the Code.

Exchange Act means the Securities and Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

Excluded Entities means, in the case of Parent, the Parent Excluded Entities, and, in the case of the Company, the Company Excluded Entities.

Excluded Marks means, collectively, the Metro Marks and the Triton Marks.

Exploit means to release, produce, reproduce, distribute, perform, synchronize, stream, translate, display, exhibit, broadcast or telecast, license, sell, market, create merchandise in respect of or otherwise commercially exploit.

Financial Statements means (i) with respect to Parent, the Parent Financial Statements and (ii) with respect to the Company, the Company Financial Statements.

Financing means the financing contemplated by the Commitment Letters.

Financing Source means the entities that have committed to provide or otherwise entered into agreements in connection with the Financing or in connection with the transactions contemplated hereby, including the lead arranger or arranger or any of the parties to the Commitment Letters and any joinder agreements or credit agreements relating thereto.

GAAP means, with respect to any party, generally accepted accounting principles in the United States of America, as in effect from time to time, and, when used in reference to unaudited financial statements, including the Interim Financial Statements, shall include exceptions for (i) normal recurring year-end adjustments, the effect of which are not, individually or in the aggregate, material to the business or operations of such party and its Retained Subsidiaries, and (ii) lack of accompanying footnotes.

Governmental Authority means any federal, national, supranational, foreign, state, provincial, municipal, local or other government, governmental, regulatory or administrative authority, agency, department or commission or any court, tribunal or judicial or arbitral body.

Governmental Order means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

Hazardous Material means chemicals, pollutants, contaminants, wastes, toxic or hazardous substances, materials or wastes, petroleum and petroleum products, regulated greenhouse gasses, asbestos or asbestos-containing materials or products, polychlorinated biphenyls, lead or lead-based paints or materials, radon, toxic mold, mycotoxins or other similar substances, in each case as defined or regulated as such under Environmental Laws due to their dangerous, toxic or deleterious properties or characteristics.

Table of Contents

Indebtedness means, with respect to any Person at any date, without duplication: (i) all obligations of such Person for borrowed money; (ii) all obligations of such Person evidenced by bonds, debentures or notes (other than any surety bonds or similar instruments issued in the ordinary course of business); (iii) all obligations in respect of letters of credit, to the extent drawn, and bankers' acceptances issued for the account of such Person; (iv) obligations for the deferred purchase price of property or services with respect to which such Person is liable, contingently or otherwise (other than trade payables and other current liabilities incurred in the ordinary course of business which are not more than six (6) months past due), which, for the avoidance of doubt, shall include, in the case of Parent, the undisputed portion of any amounts owed under the Stock Purchase Agreement, dated as of April 29, 2011, by and between Parent and Clear Channel Acquisition LLC, including without limitation pursuant to Section 1.5(d) thereof; (v) any contingent reimbursement obligations with respect to letters of credit; (vi) any indebtedness guaranteed in any manner by such Person (including guaranties in the form of an agreement to repurchase or reimburse); (vii) obligations of such Person under or pursuant to any capital leases; and (viii) any accrued and unpaid interest related to any of the foregoing and prepayment premiums or penalties related to any of the foregoing that are due or become due as a result of the consummation of the Merger or the prepayment of such Indebtedness pursuant to Section 2.9; provided that in no event shall Indebtedness of any party include Indebtedness of such party owing to any of its Retained Subsidiaries or Indebtedness of any of its Retained Subsidiaries owing to it or any of its other Retained Subsidiaries. For the avoidance of doubt, any reference herein to Indebtedness of any party shall not include any Indebtedness of its Excluded Entities.

Intellectual Property means all intellectual property and industrial property rights of any kind or nature throughout the world, including all U.S. and foreign (i) Patents, (ii) Trademarks, (iii) Copyrights, (iv) Software, (v) Trade Secrets, (vi) Internet protocol addresses, (vii) rights of publicity and privacy, (viii) all rights in the foregoing, and (ix) all applications and registrations for the foregoing.

Interim Financial Statements means (i) with respect to Parent, the Parent Interim Financial Statements and (ii) with respect to the Company, the Company Interim Financial Statements.

IRS means the Internal Revenue Service.

Knowledge means (x) with respect to Parent or Merger Sub, the actual knowledge, without independent investigation, of the following individuals: Roderick Sherwood, Luis Castillo, Edward Mammone, David Hillman and Melissa Garza and (y) with respect to the Company, the actual knowledge, without independent investigation, of the following individuals: Neal Schore, Spencer Brown, Hiram Lazar, Ken Williams and David Landau.

Law means any federal, national, supranational, foreign, state, provincial, municipal, local or similar statute, law, ordinance, regulation, rule, code, order, requirement or rule of law (including common law).

Table of Contents

Leased Real Property means, with respect to any party, the real property currently leased, licensed, subleased, used or otherwise occupied by such party or any of its Retained Subsidiaries, in each case, as tenant, together with, to the extent currently leased, licensed, subleased, used or otherwise occupied by such party or any of its Retained Subsidiaries, all buildings and other structures, facilities or improvements currently located thereon, all fixtures, systems, equipment and items of personal property of such party or any of its Retained Subsidiaries attached or appurtenant thereto and all easements, licenses, rights and appurtenances relating to the foregoing.

Liabilities means any and all debts, liabilities and obligations, whether accrued or unaccrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Law, Action or Governmental Order and those arising under any Contract.

Licensed Intellectual Property means (x) with respect to Parent, the Parent Licensed Intellectual Property, and (y) with respect to the Company, the Company Licensed Intellectual Property.

Material Adverse Effect means, with respect to any party, any event, circumstance, change in or effect on such party or any of its Retained Subsidiaries that, individually or in the aggregate (taking into account all other such events, circumstances, changes or effects), has or would reasonably be expected to have a material adverse effect on (i) the business, assets, liabilities, financial condition or results of operations of such party and its Retained Subsidiaries, taken as a whole, or (ii) the ability of such party to perform its obligations hereunder or consummate the transactions contemplated hereby; provided, however, that none of the following, either alone or in combination, shall be considered in determining whether there has been a Material Adverse Effect : any event, circumstance, change in or effect resulting from (a) any change in the operating, business, regulatory or other conditions in the industries in which such party and its Retained Subsidiaries operate; (b) general economic conditions, including changes in the credit, debt, financial or capital markets (including changes in interest or exchange rates or any default or anticipated default by the United States on its sovereign debt or other obligations), in each case, in the United States or anywhere else in the world; (c) earthquakes, floods, natural disasters or other acts of nature or force majeure events; (d) acts of war, sabotage or terrorism or military actions or similar circumstances, including from worsening of current conditions caused thereby, occurring after the date hereof; (e) any change in Laws or GAAP, or the interpretation thereof; (f) the taking of any action or the consummation of any transaction, in either case required by this Agreement, or the announcement of the transactions contemplated hereby; (g) any decline in the market price of the common stock of Parent (it being understood that the facts or occurrences giving rise to or contributing to such decline may be deemed to constitute, or be taken into account in determining whether there has been or will be, a Material Adverse Effect); (h) any failure, in and of itself, by such party to meet any internal or published projections, forecasts, estimates or predictions in respect of revenues, earnings or other financial or operating metrics for any period (it being understood that the facts or occurrences giving rise to or contributing to such failure may be deemed to constitute, or be taken into account in determining whether there has been or will be, a Material Adverse Effect); (i) in and of itself, any statement or qualification in any auditor's report or opinion expressing doubt or uncertainty regarding Parent's ability to continue as a going concern (it being understood that the facts or occurrences giving rise to or contributing to such statement or qualification may be deemed to constitute, or be taken into account in determining whether there has been or will be, a Material Adverse Effect); or (j) any matter to the extent specifically described in such party's Disclosure Letter; provided that the exceptions in clauses (a), (b), (c), (d) and (e) shall only be taken into account if such party is not adversely affected in a disproportionate manner relative to other participants in the industry in which such party primarily operates.

Table of Contents

Material Contract means, with respect to any party, any of the following to which such party or any of its Retained Subsidiaries is a party or by which it or its assets are bound:

- (i) any executory employment, contractor or consulting Contract with any manager, director or officer of such party or any of its Retained Subsidiaries, or with any on-air talent, or any such agreement with any employee or contractor that is not terminable upon thirty (30) days' notice or less without incurring further cost or liability;
- (ii) any Contract or plan, any of the benefits of which will be increased, or the vesting of any of the benefits of which will be accelerated, or under which payments will be made, as a result of the occurrence of any of the transactions contemplated by this Agreement, or the value of any of the benefits of which will be calculated on the basis of any of the transactions contemplated by this Agreement;
- (iii) any agreement of indemnification or any guaranty (other than any agreement of indemnification entered into in connection with the sale, license, maintenance, support or service of such party's or any of its Retained Subsidiaries' products or services in the ordinary course of business consistent with prior practice);
- (iv) any Contract containing any provision or covenant prohibiting or materially restricting the ability of such party or any of its Retained Subsidiaries to engage in any business activity that is material to the business of such party or its Retained Subsidiaries as of the date hereof (by activity, geographic region or otherwise);
- (v) (A) any Contract entered into since January 1, 2007, relating to the disposition or acquisition by such party or any of its Retained Subsidiaries of (x) assets, other than inventory purchased or sold in the ordinary course of business, or (y) any interest in any other Person or business enterprise, in either case for consideration in excess of \$1,000,000, and (B) any agreement providing for a deferred purchase price or any other contingent obligations of such party or any of its Retained Subsidiaries (other than liabilities arising after the closing of such transaction) related to prior dispositions or acquisitions of any Person or business enterprise;
- (vi) any mortgages, indentures, guaranties, loans or credit agreements, security agreements, deeds of trust or other documents granting an Encumbrance (other than any Permitted Encumbrance) upon any of its Assets;
- (vii) any dealer, distributor or joint marketing agreement under which such party or any of its Retained Subsidiaries has continuing material obligations to jointly market any product or technology and which provides for payments that exceed \$500,000 per annum;

Table of Contents

- (viii) any settlement agreement which contains material obligations of such party or any of its Retained Subsidiaries that shall continue after the Closing Date, but excluding any employment severance agreement or any settlement of a charge filed with the Equal Employment Opportunity Commission or a similar state fair employment practices agency involving payments to any Person of no greater than \$50,000 and involving affirmative obligations of such party or any of its Retained Subsidiaries that continue for no longer than one (1) year;
- (ix) any Contract, or group of Contracts, with a Person (or group of affiliated Persons) providing for future expenditures in excess of \$500,000 within the 12-month period after the date hereof;
- (x) any Contract relating to any Affiliate Transactions that will not be terminated without expense or obligation on the part of such party or its Retained Subsidiaries prior to the Closing Date;
- (xi) any Contract that is (1) a lease, rental or occupancy agreement, license, installment or conditional sale agreement or other agreement affecting the ownership of, leasing of, title to, use of, or any leasehold or other interest in, any personal property and which provides for payments that exceed \$50,000 per annum or (2) a lease, rental or occupancy agreement, license, installment or conditional sale agreement or other agreement affecting the ownership of, leasing of, title to, use of, or any leasehold or other interest in, any real property;
- (xii) any collective bargaining agreement or other labor-related agreement with any labor union or other representative of a group of employees;
- (xiii) any Contract pursuant to which such party or any of its Retained Subsidiaries (a) is granted or obtains any right to use any material Intellectual Property (excluding (1) all implied and express licenses granted to it and its Retained Subsidiaries in connection with the creation, production, distribution, syndication, broadcast and transmission of Programs in the ordinary course of its and its Retained Subsidiaries' business and (2) standard form Contracts granting rights to use readily available shrink wrap or click wrap software having an acquisition price of less than \$100,000 per Contract), (b) is restricted in its right to use or register any material Owned Intellectual Property, or (c) permits any other Person to use, enforce, or register any material Owned Intellectual Property, in each case including any license agreements, coexistence agreements, and covenants not to sue, and excluding all implied and express licenses granted by it and its Retained Subsidiaries to third parties in connection with the distribution, syndication, broadcast and transmission of Programs in the ordinary course of its and its Retained Subsidiaries' business; and
- (xiv) any tax sharing or similar agreement that will not be terminated without expense or obligation on the part of such party or any of its Retained Subsidiaries prior to the Closing Date or that contain obligations of such party or any of its Retained Subsidiaries that shall continue after the Closing Date.

Metro Marks means any Trademark (i) consisting of, including or embodying (in each case, in whole or in part) the terms Metro, Metro Television, Metro Source, Sigalert, Jaytu, SmartRoute Systems or Metro Networks by with other words and/or designs and including all variations, translations, adaptations, combinations and derivations thereof or (ii) transferred to Clear Channel Acquisition LLC pursuant to the Parent Restructuring Agreement.

Table of Contents

Most Recent Company Audit means the Company's audited financial statements for the year ended December 31, 2010, as Delivered to Parent by the Company prior to the date of this Agreement.

Net Debt Adjustment Amount \$8,000,000, plus (i) the excess, if any, of (x) the Company Target Net Debt Amount over (y) the aggregate Net Indebtedness of the Company and its Retained Subsidiaries as of the close of business on the Business Day immediately prior to the Closing, plus (ii) an amount equal to the quotient, if any, resulting from (a) the product of (x) the excess, if any, of (A) the aggregate Net Indebtedness of Parent and its Retained Subsidiaries as of the close of business on the Business Day immediately prior to the Closing over (B) the Parent Target Net Debt Amount, multiplied by (y) 0.59, divided by (b) 0.41, minus (iii) the excess, if any, of (x) the aggregate Net Indebtedness of the Company and its Retained Subsidiaries as of the close of business on the Business Day immediately prior to the Closing over (y) the Company Target Net Debt Amount. For purposes of this definition, Net Indebtedness of the Company and its Retained Subsidiaries as of the close of business on the Business Day immediately prior to the Closing and Net Indebtedness of Parent and its Retained Subsidiaries as of the close of business on the Business Day immediately prior to the Closing shall in each case be calculated on the second Business Day immediately preceding the Closing.

Net Indebtedness means, with respect to any Person(s), all Indebtedness of such Person(s), minus (i) the amount by which such Person(s) cash and Cash Equivalents (determined in each case in accordance with GAAP) exceeds \$3,000,000, plus (ii) the amount by which such Person(s) cash and Cash Equivalents (determined in each case in accordance with GAAP) is less than \$3,000,000. Notwithstanding the foregoing or anything else contained herein, the items identified as of the date hereof on Section A to the Company Disclosure Letter shall be excluded from the calculation of Net Indebtedness of the Company and its Retained Subsidiaries and the items identified as of the date hereof on Section A to the Parent Disclosure Letter shall be excluded from the calculation of Net Indebtedness of Parent and its Retained Subsidiaries.

Owned Intellectual Property means (x) with respect to Parent, the Parent Owned Intellectual Property, and (y) with respect to the Company, the Company Owned Intellectual Property.

Owned Real Property means, with respect to any party, the real property in which such party or any of its Retained Subsidiaries has fee title (or equivalent) interest, together with all buildings and other structures, facilities or improvements currently located thereon, all fixtures, systems, equipment and items of personal property of such party or any of its Retained Subsidiaries attached or appurtenant thereto and all easements, licenses, rights and appurtenances relating to the foregoing.

Parent Excluded Entities means Metro Networks, Inc., a Delaware corporation, SmartRoute Systems, Inc., a Delaware corporation, TLAC, Inc., a Delaware corporation, and the Subsidiaries of the foregoing.

Table of Contents

Parent Licensed Intellectual Property means all of the Intellectual Property licensed from a third party pursuant to a Contract for use by Parent or any of its Retained Subsidiaries other than the Parent Owned Intellectual Property.

Parent Owned Intellectual Property means all of the Intellectual Property owned by Parent or any of its Retained Subsidiaries.

Parent Preliminary Transactions means the transactions contemplated by the Parent Restructuring Agreement.

Parent Principal Stockholders means The Gores Group LLC, its portfolio companies and all Affiliates thereof (other than Parent and its Retained Subsidiaries).

Parent Restructuring Agreement means the (i) Stock Purchase Agreement, dated as of April 29, 2011, by and between Parent and Clear Channel Acquisition LLC, and (ii) Transition Services Agreement, dated as of April 29, 2011, by and between Parent and Clear Channel Acquisition LLC.

Parent Stock means the common stock par value \$0.01, of Parent, issued and outstanding as of the date hereof.

Parent Target Net Debt Amount means \$47,901,155.

Patents means all patents, patent applications, patent disclosures, and all related continuations, continuations-in-part, divisionals, reissues, re-examinations, substitutions, and extensions thereof.

Permit means all permits, certificates, licenses, identification numbers, approvals, governmental franchises and other authorizations.

Permitted Encumbrances means, with respect to any party, (i) defects or irregularities of title, easements, rights-of-way, covenants, restrictions and other similar matters that do not and would not reasonably be expected to have a material adverse effect on the Real Property subject thereto, (ii) mechanics , materialmen s, carriers , workers , repairers and other similar liens arising or incurred in the ordinary course of business consistent with past practice relating to obligations as to which there is no material default on the part of such party or any of its Retained Subsidiaries, (iii) Encumbrances set forth in Section 1.1 of such party s Disclosure Letter, (iv) intellectual property licenses granted in the ordinary course of business, and (v) statutory liens for current Taxes not yet due or delinquent (or which may be paid without interest or penalties) or the validity or amount of which is being contested in good faith by appropriate proceedings and as to which adequate reserves have been established on such party s books.

Person means any individual, corporation, partnership, limited liability company, joint venture, association, trust or other entity or organization or any Governmental Authority.

Preliminary Transactions means, in the case of Parent, the Parent Preliminary Transactions, and, in the case of the Company, the Company Preliminary Transactions.

Table of Contents

Principal Stockholders means, in the case of Parent, the Parent Principal Stockholders, and, in the case of the Company, the Company Principal Stockholders.

Programs means any and all creative work meant for human viewing or listening, including all radio, television, cable, wireless, satellite or digital programming (including on-demand and pay-per-view programming), motion pictures (including features, documentaries, shorts and trailers), Internet programming, direct-to-video/DVD programming or other live action, animated, filmed, taped or recorded entertainment of any kind or nature, known or unknown, and all components thereof (whether or not now known or hereafter acquired), whether distributed or displayed over any medium now known or hereafter developed, including titles, themes, content, dialogue, characters, plots, concepts, scenarios, characterizations, rights of publicity, elements and music (whether or not now known or recognized).

Radio Network Business means the procurement of advertising inventory or airtime through (i) direct purchase from a broadcaster, (ii) advertising sales representation of third parties and/or (iii) the production, provision, license and distribution of programming or services distributed to broadcasters, resulting in aggregated or networked inventory for the primary purpose of selling to advertisers.

Real Property means, with respect to any party, such party's Owned Real Property and Leased Real Property, collectively.

Registration Rights Agreement means a Registration Rights Agreement in the form of Exhibit A hereto to be entered into substantially contemporaneously with the Closing among Parent, Gores Radio Holdings, LLC, and Triton Media Group, LLC.

Restructuring Agreement means (x) with respect to Parent, the Parent Restructuring Agreement, and (y) with respect to the Company, the Company Restructuring Agreement and the Company Transition Services Agreement.

Retained Subsidiaries means (x) with respect to Parent, the Subsidiaries of Parent, and (y) with respect to the Company, the Subsidiaries of the Company, in each case, for the avoidance of doubt, other than the Excluded Entities.

SEC means the Securities and Exchange Commission.

Securities means, with respect to any Person, any series of common stock, preferred stock, and any other equity securities or capital stock of such Person, however described and whether voting or non-voting.

Securities Act means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

Series A Preferred Share Number means the number of shares of Series A Preferred Stock equal to (i) the Net Debt Adjustment Amount, divided by (ii) \$1,000.

Series A Preferred Stock means the class of preferred stock of Parent designated as Series A Preferred Stock of Parent, with the designations, preferences and relative, participating, option and other special rights, powers and duties set forth Certificate of Designation attached as Exhibit B hereto.

Table of Contents

Software means all rights in computer programs (whether in source code, object code, or other form), algorithms, databases, compilations and data, technology supporting the foregoing, and all documentation, including user manuals and training materials, related to any of the foregoing.

Stock means (i) with respect to Parent, the Parent Stock and, after the effective time of the Reclassification, the Class A Stock and Class B Stock, and (ii) with respect to the Company, the Company Stock.

Subsidiary means, with respect to any Person, any corporation, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof.

Superior Proposal means, with respect to Parent and its Subsidiaries only, a bona fide written Takeover Proposal (with all of the provisions in the definition of Takeover Proposal adjusted to increase the percentage of outstanding shares of capital stock, other securities, assets, properties and other rights to be acquired or disposed of to one hundred percent (100%)) that was not solicited by, or the result of any solicitation by Parent or any of its Subsidiaries or the Parent Principal Stockholders, or by any of their respective officers, directors, Affiliates, investment banks, accountants, financial advisors or other representatives or agents, in violation of Section 5.3, which the Board of Directors of Parent determines in good faith (after consultation with its legal and financial advisors) (i) to be reasonably likely to be consummated and not subject to greater uncertainty or more restrictive conditions, taken as a whole, than the transactions provided for herein, (ii) has binding financing commitments for 100% of the requisite financing of such transaction that is not more contingent, taken as a whole, than the commitment letters obtained in connection with the transactions provided for herein, and (iii) to be superior to the stockholders of Parent as compared to the transactions provided for herein and any alternative proposed in writing by the Company in accordance with Section 5.3 hereof, taking into account, among other things, the Person making such Takeover Proposal and all legal, financial, regulatory, fiduciary and other aspects of this Agreement and such Takeover Proposal, including any conditions relating to financing, regulatory approvals or other events or circumstances beyond the control of the party invoking the condition and any revisions made or proposed in writing by the Company prior to the time of determination.

Table of Contents

Takeover Proposal means, with respect to either Parent or the Company, as applicable, any inquiry, proposal or offer relating to (i) a merger, consolidation, business combination, reorganization, share exchange, sale of assets, recapitalization, liquidation, dissolution or other transaction which would result in any Person or group acquiring twenty percent (20%) or more of the fair market value of the assets (including rights and capital stock of such party's Subsidiaries) of such party and its Subsidiaries, taken as a whole, (ii) a merger, consolidation, business combination, reorganization, share exchange, share issuance, sale of stock, recapitalization, liquidation, dissolution or other transaction involving such party or any of its Subsidiaries which would result in any Person or group owning twenty percent (20%) or more of the outstanding shares of capital stock or twenty percent (20%) or more of the aggregate outstanding voting Securities of such party or any of its Subsidiaries or any resulting parent entity of such party or any of its Subsidiaries; provided that, in the case of a transaction involving solely the Subsidiaries of such party, such Subsidiaries constitute twenty percent (20%) or more of the fair market value of the assets of such party and its Subsidiaries, taken as a whole or (iii) any combination of the foregoing which collectively have the same economic effect as a transaction described in clause (i) or (ii).

Tax (and with the correlative meaning **Taxes**) means (i) all taxes, charges, fees, levies, imposts, customs duties or other assessments imposed by and required to be paid to any Governmental Authority including any federal, state, provincial, municipal, local or foreign taxing authority, including income, excise, real and personal property, sales, transfer, import, export, ad valorem, payroll, use, goods and services, value added, capital, capital gains, alternative, net worth, profits, withholding, employer health and franchise taxes (including any interest, penalties, fines or additions attributable to or imposed on or with respect to any such assessment) and any similar charges in the nature of a tax, including unemployment and employment insurance payments and workers compensation premiums, together with any installments with respect thereto and any estimated payments or estimated taxes, and whether disputed or not, (ii) any and all liability for amounts described in clause (i) of any member of an affiliated, consolidated, combined or unitary group of which the Company or Parent, as applicable, together with its Retained Subsidiaries (or any predecessor of any of the foregoing), is or was a member on or prior to the Closing Date, including pursuant to Treasury Regulations Section 1.1502-6 or any analogous or similar state, local or foreign law or regulation, and (iii) any and all liability for amounts described in clause (i) of any Person imposed on the Company or Parent, as applicable, together with its Retained Subsidiaries, as a transferee or successor, by contract or pursuant to any law, rule or regulation, which Taxes relate to an event or transaction occurring before the Closing.

Tax Returns means any return, report, information return or other document (including any related or supporting information) filed or required to be filed with any federal, state, provincial, municipal, local or foreign governmental entity or other authority in connection with the determination, assessment or collection of any Tax or the administration of any Laws or administrative requirements relating to any Tax, including any claims for refunds of Taxes, any information returns and any amendments or supplements of any of the foregoing.

Trade Secrets means all trade secrets and other confidential, proprietary information and know-how.

Trademarks means all trademarks, service marks, names, corporate names, trade names, domain names, Uniform Resource Locators, web site addresses, logos, slogans, trade dress, and other similar designations of source or origin, and all registrations of or applications for any of the foregoing, together with the goodwill symbolized by any of the foregoing.

Table of Contents

Triton Marks means any Trademark consisting of, including or embodying (in each case, in whole or in part) the terms Triton, Triton Radio, Triton Radio Networks or Triton Media by itself or with other words and/or designs and including all variations, translations, adaptations, combinations and derivations thereof.

Voting Agreement means the Voting Agreement, dated as of the date hereof, between Gores Radio Holdings, LLC and the Company, which is attached hereto as Exhibit C.

Section 1.2 Other Definitions. The following terms have the meanings set forth in the Sections set forth below.

Defined Term	Section Definition Reference
401(k) Plan	Section 5.8(e)
Acquisition Agreement	Section 5.3(b)
Action	Section 1.1
Affiliate	Section 1.1
Affiliate Transactions	Section 3.16
Agreement	Preamble
Assets	Section 1.1
Benefit Plans	Section 3.13(a)
Board of Directors	Section 1.1
Business Day	Section 1.1
Business Guaranties	Section 3.17
Bylaws	Section 1.1
Cash Equivalents	Section 1.1
Certificate	Section 2.8(b)
Certificate of Merger	Section 2.3
Charter	Section 1.1
Class A Stock	Section 2.1
Class B Stock	Section 2.1
Closing	Section 2.4
Closing Date	Section 2.4
Code	Recitals
Commitment Letters	Section 1.1
Company	Preamble
Company Audited Financial Statements	Section 3.6(a)(i)
Company Bylaws	Section 3.3(d)
Company Charter	Section 3.3(d)
Company Current Insurance	Section 5.11(c)
Company Disclosure Letter	Article III
Company Equity Right	Section 3.2(b)
Company Excluded Entities	Section 1.1
Company Financial Statements	Section 3.6(a)(i)

Table of Contents

Defined Term	Section Definition Reference
Company Indemnified Parties	Section 5.11(a)
Company Interim Financial Statements	Section 3.6(a)(i)
Company Licensed Intellectual Property	Section 1.1
Company Owned Intellectual Property	Section 1.1
Company Preliminary Transactions	Section 1.1
Company Principal Stockholders	Section 1.1
Company Reporting Tail Endorsement	Section 5.11(c)
Company Restructuring Agreement	Section 1.1
Company Stock	Section 2.8(a)
Company Stockholder Consent	Section 6.1(c)
Company Target Net Debt Amount	Section 1.1
Company Transition Services Agreement	Section 1.1
Confidentiality Agreement	Section 5.4(a)
Consent	Section 3.5
Continuing Employees	Section 5.8(a)
Contract	Section 1.1
Copyrights	Section 1.1
Delivered	Section 1.1
DGCL	Section 2.1
Digital Reseller Agreement	Section 1.1
Disclosure Letter	Article III
Dissenting Shares	Section 2.11
Effective Time	Section 2.3
Encumbrance	Section 1.1
Environmental Claim	Section 1.1
Environmental Law	Section 1.1
Environmental Permits	Section 1.1
Equity Right	Section 3.2(b)
ERISA	Section 3.13(a)
ERISA Affiliate	Section 1.1
ERISA Plans	Section 3.13(a)
Exchange Act	Section 1.1
Exchange Agent	Section 2.12(a)
Exchange Fund	Section 2.12(a)
Exchange Ratio	Section 2.8(a)
Excluded Entities	Section 1.1
Excluded Marks	Section 1.1
Excluded Shares	Section 2.8(d)
Exploit	Section 1.1
FCC	Section 5.3(c)
FCC Applications	Section 5.3(c)
FCC Consent	Section 5.3(c)
Filing	Section 3.5
Financial Statements	Section 1.1
Financing	Section 1.1
Financing Source	Section 5.12 1.1

Table of Contents

Defined Term	Section Definition Reference
FIRPTA Certificate	Section 5.20
GAAP	Section 1.1
Gores Written Consent	Section 5.1(a)
Governmental Authority	Section 1.1
Governmental Order	Section 1.1
Hazardous Material	Section 1.1
HSR Act	Section 5.5(b)
Indebtedness	Section 1.1
Indemnified Parties	Section 5.11(a)
Indemnity and Contribution Agreement	Section 6.2(h)
Information Statement	Section 5.1(a)
Intellectual Property	Section 1.1
Interim Financial Statements	Section 1.1
IRS	Section 1.1
Knowledge	Section 1.1
Law	Section 1.1
Leased Real Property	Section 1.1
Leases	Section 3.12(b)
Liabilities	Section 1.1
Licensed Intellectual Property	Section 1.1
Material Adverse Effect	Section 1.1
Material Contract	Section 1.1
Merger	Recitals
Merger Consideration	Section 2.8(a)
Merger Sub	Preamble
Metro Marks	Section 1.1
Most Recent Company Audit	Section 1.1
Net Debt Adjustment Amount	Section 1.1
Net Indebtedness	Section 1.1
Notice of Adverse Recommendation Change	Section 5.3(b)
Owned Intellectual Property	Section 1.1
Owned Real Property	Section 1.1
Parent	Preamble
Parent Adverse Action	Section 5.3(b)
Parent Audited Financial Statements	Section 3.6(b)(iii)
Parent Bylaws	Section 3.3(b)
Parent Charter	Section 3.3(b)
Parent Current Insurance	Section 5.11(d)
Parent Disclosure Letter	Article III
Parent Equity Right	Section 3.2(b)
Parent Excluded Entities	Section 1.1
Parent Financial Statements	Section 3.6(b)(iii)
Parent Indemnified Parties	Section 5.11(a)
Parent Interim Financial Statements	Section 3.6(b)(iii)
Parent Licensed Intellectual Property	Section 1.1
Parent Owned Intellectual Property	Section 1.1

Table of Contents

Defined Term	Section Definition Reference
Parent Preliminary Transactions	Section 1.1
Parent Principal Stockholders	Section 1.1
Parent Recommendation	Section 5.3(b)
Parent Reporting Tail Endorsement	Section 5.11(d)
Parent Restructuring Agreement	Section 1.1
Parent SEC Reports	Section 3.6(b)(i)
Parent Stock	Section 1.1
Parent Stock Issuance	Section 3.3(b)
Parent Target Net Debt Amount	Section 1.1
Patents	Section 1.1
Permit	Section 1.1
Permitted Encumbrances	Section 1.1
Person	Section 1.1
Post-Closing Parent Directors	Section 2.6
Preliminary Transactions	Section 1.1
Principal Stockholders	Section 1.1
Programs	Section 1.1
Radio Network Business	Section 1.1
Real Property	Section 1.1
Reclassification	Recitals
Registration Rights Agreement	Section 1.1
Requested Party	Section 5.2
Requesting Party	Section 5.2
Restated By-Laws	Section 2.1
Restated Charter	Section 2.1
Restricted Parties	Section 5.3(a)
Restructuring Agreement	Section 1.1
Retained Subsidiaries	Section 1.1
SEC	Section 1.1
Securities	Section 1.1
Securities Act	Section 1.1
Series A Preferred Certificates	Section 2.10
Series A Preferred Share Number	Section 1.1
Series A Preferred Stock	Section 1.1
Software	Section 1.1
Stock	Section 1.1
Subsidiary	Section 1.1
Superior Proposal	Section 1.1
Surviving Entity	Section 2.3
Takeover Proposal	Section 1.1
Tax	Section 1.1
Tax Return	Section 1.1
Taxes	Section 1.1
Termination Date	Section 7.1
Termination Fee	Section 7.4(a)
Trade Secrets	Section 1.1

Trademarks	Section 1.1
Triton Marks	Section 1.1
Voting Agreement	Section 1.1
WARN Act	Section 3.15(d)

Table of Contents

ARTICLE II
RECLASSIFICATION AND THE MERGER

Section 2.1 Amendment and Restatement of Parent's Certificate of Incorporation and Adoption of Amended and Restated By-Laws.

(a) Upon the terms and subject to the conditions of this Agreement and in accordance with the General Corporation Law of the State of Delaware, as amended (the DGCL), at or prior to the Closing, Parent shall file with the Secretary of State of the State of Delaware (a) a Certificate of Amendment to amend and restate Parent's certificate of incorporation substantially in the form attached hereto as Exhibit D (the Restated Charter), and (b) if shares of Series A Preferred Stock are delivered to holders of Company Stock in accordance with Section 2.10 hereof, the Certificate of Designation substantially in the form attached hereto as Exhibit B. The Restated Charter shall, among other things, provide that Parent shall have two authorized classes of common stock, par value \$0.01 per share, (i) one class of common stock shall be designated as Class A Common Stock (the Class A Stock) and (ii) one class of common stock shall be designated as Class B Common Stock (the Class B Stock). The respective rights and restrictions in respect of Class A Stock and Class B Stock shall be as set forth in the Restated Charter.

(b) At or prior to the Closing, and immediately prior to giving effect to the Restated Charter as set forth in Section 2.1(a) above, Parent shall cause the Parent Bylaws (as defined below) to be amended and restated in substantially the form attached hereto as Exhibit E (the Restated By-Laws).

Section 2.2 Reclassification of Shares. Upon the effectiveness of the Restated Charter, each issued and outstanding share of Parent Stock shall be reclassified pursuant to the Reclassification and automatically converted into one share of Class A Stock without any further action on the part of the holders of Parent Stock.

Section 2.3 The Merger. Upon the terms and subject to the conditions of this Agreement and in accordance with the DGCL, after the effectiveness of the Restated Charter, the Company shall be merged with and into Merger Sub at the effective time of the Merger (the Effective Time), which shall be the time on the Closing Date at which the certificate of merger in a form reasonably acceptable to Parent and the Company (the Certificate of Merger) is filed with the Secretary of State of the State of Delaware, or such other time and/or date as may be agreed by Parent and the Company and set forth in the Certificate of Merger. At the Effective Time, the separate corporate existence of the Company shall cease, and Merger Sub shall be the surviving entity (sometimes referred to, in such capacity, as the Surviving Entity) and shall succeed to and assume all the rights and obligations of the Company in accordance with the DGCL.

Table of Contents

Section 2.4 Closing. The closing of the Merger (the Closing) shall take place at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, New York 10036, or such other place as the parties shall mutually agree, at 10:00 a.m., local time, on the first Business Day after the day on which the conditions set forth in Article VI have been satisfied or waived (other than those conditions that by their nature are to be satisfied by actions to be taken at the Closing), or such other date or time as the parties shall mutually agree (the date of the Closing being herein referred to as the Closing Date).

Section 2.5 Effects of the Merger.

(a) At the Effective Time, the effects of the Merger shall be as provided in this Agreement, the Certificate of Merger and the applicable provisions of the DGCL. At the Effective Time, all property, rights, privileges, powers and franchises of the Company and Merger Sub shall vest in the Surviving Entity, and all debts, liabilities, and duties of the Company and Merger Sub shall become the debts, liabilities and duties of the Surviving Entity.

(b) At and after the Effective Time, the certificate of formation of Merger Sub, as in effect immediately prior to the Effective Time, shall be the certificate of formation of the Surviving Entity until thereafter duly amended in accordance with applicable Law; provided, however, that the certificate of formation of Merger Sub shall be deemed amended to cause the name of the Surviving Entity to be the name of the Company immediately prior to the Effective Time.

(c) At and after the Effective Time, the operating agreement of Merger Sub, as in effect immediately prior to the Effective Time, shall be the operating agreement of the Surviving Entity until thereafter duly amended in accordance with applicable Law; provided, however, that the operating agreement of Merger Sub shall be deemed amended to cause the name of the Surviving Entity to be the name of the Company immediately prior to the Effective Time.

Section 2.6 Directors of Parent.

(a) At least 3 days prior to the Closing Date, Parent shall identify in writing three (3) directors (one of whom shall be independent (as defined in the Restated Charter) and reasonably acceptable to the Company), and the Company shall identify in writing 5 directors (two of whom shall be independent (as defined in the Restated Charter) and reasonably acceptable to Parent) (the Post-Closing Parent Directors). The parties shall take all actions necessary, including by requesting the resignation of one or more of Parent's existing directors, so that immediately following the Effective Time, the Post-Closing Parent Directors shall comprise the Board of Directors of Parent. Such individuals will serve as directors on the Board of Directors of Parent until the earlier of their death, resignation or removal or until their respective successors are duly elected or appointed. The parties shall take all actions necessary so that immediately after the Effective Time Neal Schore (or his replacement pursuant to the terms of Section 2.7) shall be the Chairman of the Board of Directors of Parent.

Table of Contents

(b) The parties shall take all actions necessary so that immediately after the Effective Time, the officers of Parent shall be the individuals identified in writing by the Company at least three (3) prior to the Closing Date to serve until the earlier of their death, resignation or removal or until their respective successors are duly appointed.

Section 2.7 Alternative Directors. Notwithstanding anything to the contrary in this Agreement, should Neal Schore or any of the other Post-Closing Parent Directors be unwilling or unable to serve in the capacities provided for in Section 2.6, then Parent (in the case of individuals to be appointed by holders of Class A Common Stock) or the Company (in the case of individuals to be appointed by holders of Class B Common Stock) shall designate a qualified replacement.

Section 2.8 Effect on Capital Stock.

(a) At the Effective Time, subject to the provisions of this Article II, each share of common stock, par value \$0.001 per share, of the Company (the Company Stock) issued and outstanding immediately prior to the Effective Time (other than Excluded Shares and Dissenting Shares) shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into and shall thereafter represent the right to receive 6.90453 (the Exchange Ratio) fully paid and non-assessable shares of Class B Stock, subject to adjustment in accordance with Section 2.8(c) and Section 2.10 (the Merger Consideration).

(b) From and after the Effective Time, none of the Company Stock converted into the Merger Consideration pursuant to this Article II shall remain outstanding, all such Company Stock shall automatically be cancelled and retired and shall cease to exist, and each holder of a certificate previously representing any such Company Stock or shares of Company Stock that are in non-certificated book-entry form (either case being referred to in this Agreement, to the extent applicable, as a Certificate) shall thereafter cease to have any rights with respect to such securities, except the right to receive (i) the consideration to which such holder may be entitled pursuant to this Section 2.8 and (ii) any dividends and other distributions in accordance with Section 2.12(f).

(c) If, at any time during the period between the date of this Agreement and the Effective Time, any change in the outstanding Securities of Parent or the Company shall occur by reason of any reclassification, recapitalization, stock split or combination, issuance, exchange, repurchase or readjustment of shares, or any stock dividend thereon with a record date during such period, the Exchange Ratio and any other similarly dependent items shall be appropriately adjusted to provide the holders of Company Stock the same economic effect as contemplated by this Agreement prior to such event. Nothing in this Section 2.8(c) shall be construed to require or permit either Parent or the Company to take any action that is otherwise prohibited or restricted by any other provision of this Agreement.

(d) At the Effective Time, all shares of Company Stock that are owned by Parent or the Company or any of their respective wholly owned Subsidiaries (Excluded Shares) shall, by virtue of the Merger and without any action on the part of the holder thereof, be cancelled and retired and shall cease to exist, and no Securities of Parent, cash or other consideration shall be delivered in exchange therefor.

Table of Contents

(e) At the Effective Time, each issued and outstanding membership interest of Merger Sub shall remain issued and outstanding from and after the Effective Time as a membership interest of the Surviving Entity.

Section 2.9 Payment of Indebtedness. On the Closing Date, after the Effective Time, Parent and the Surviving Entity will repay, or cause Parent's other Subsidiaries to repay, each item of Borrowed Money Indebtedness set forth on Schedule 2.9. In order to facilitate such repayment, prior to the Closing Date, Parent and the Company shall, and shall cause their respective Retained Subsidiaries to, as applicable, obtain customary payoff letters from the lenders of such Borrowed Money Indebtedness, which payoff letters shall indicate that the lenders of such Borrowed Money Indebtedness have agreed to release all Encumbrances held by them in respect of such Borrowed Money Indebtedness relating to the applicable Assets upon receipt of the amounts indicated in such payoff letters.

Section 2.10 Delivery of Series A Preferred Stock; Adjustment. At the Closing, Parent shall deliver to holders of Company Stock certificates evidencing a number of shares of Series A Preferred Stock equal to the Series A Preferred Share Number (the Series A Preferred Certificates); provided that if the Net Debt Adjustment Amount is a negative number, the Exchange Ratio shall be adjusted to reduce the number of shares of Class B Common Stock issued to the stockholders of the Company by a number of shares equal to (a) the absolute value of such negative amount, divided by (b) the greater of (i) the average reported trading price of the Parent Stock on the Nasdaq Stock Market over the 60 consecutive trading days immediately preceding Closing Date and (ii) \$5.50. On the Business Day immediately preceding the Closing Date, Parent and the Company shall deliver to each other a reasonably detailed calculation of their respective amount of Net Indebtedness.

Section 2.11 Dissenting Shares. Notwithstanding anything in this Agreement to the contrary, all shares of Company Stock outstanding immediately prior to the Effective Time and held by a holder who is entitled to demand and properly demands appraisal of such shares (Dissenting Shares) pursuant to, and who complies in all respects with, Section 262 of the DGCL shall not be converted into, or represent the right to receive the Merger Consideration. Such holders of Dissenting Shares shall instead be entitled to payment of the fair value of such Dissenting Shares as determined in accordance with Section 262 of the DGCL; provided, however, that if any such holder shall fail to perfect or otherwise shall waive, withdraw or lose the right to appraisal under Section 262 of the DGCL, then the right of such holder to be paid the fair value of such holder's Dissenting Shares shall cease and such Dissenting Shares shall be deemed to have been converted as of the Effective Time into, and to have become exchangeable solely for the right to receive, the Merger Consideration, without interest. The Company shall give Parent (i) prompt notice of any written demands for appraisal, attempted withdrawals of such demands, and any other instruments served pursuant to applicable Law that are received by the Company relating to Company stockholders' rights of appraisal and (ii) the opportunity to participate in all negotiations and proceedings with respect to demands for appraisal by Company stockholders under the DGCL; provided that neither Parent nor the Company shall, without the consent of the other, be permitted to take any action in connection therewith that would require the Company to incur material costs or to pay any amount prior to the Closing or to take or refrain from taking any action that would reasonably be expected to be adverse to the Company if the Closing does not occur. The Company shall not, prior to the Effective Time, except with the prior written consent of Parent, voluntarily (x) make any payment with respect to any demands for appraisal or any offer to settle such demands or (y) settle such demands.

Table of Contents

Section 2.12 Exchange of Shares.

(a) Prior to the Effective Time, Parent shall appoint an exchange agent reasonably acceptable to the Company (the Exchange Agent) for the purpose of exchanging Certificates for the Merger Consideration. As soon as reasonably practicable after the Effective Time, Parent will cause the Exchange Agent to send to each holder of record of shares of Company Stock as of the Effective Time, whose shares of Company Stock were converted into the right to receive the Merger Consideration pursuant to Section 2.8, a letter of transmittal (which shall specify that the delivery shall be effected, and risk of loss and title shall pass, only upon proper delivery of the Certificates to the Exchange Agent), which letter of transmittal shall provide instructions for use in effecting the surrender of Certificates to the Exchange Agent in exchange for the Merger Consideration (including representations and warranties regarding title and ownership). Promptly after the Effective Time, Parent shall cause to be deposited with the Exchange Agent the number of shares of Class B Stock (which shall be in non-certificated book-entry form unless a physical certificate is requested) payable upon due surrender of the Certificates pursuant to the provisions of this Article II. Following the Effective Time, Parent agrees to make available to the Exchange Agent, from time to time as needed, cash in U.S. dollars sufficient to pay any dividends and other distributions pursuant to Section 2.12(f). All cash and book-entry shares representing Class B Stock deposited with the Exchange Agent shall be referred to in this Agreement as the Exchange Fund. The Exchange Agent shall, pursuant to irrevocable instructions, deliver the Merger Consideration contemplated to be issued pursuant to Section 2.8 and Section 2.16 out of the Exchange Fund. The Exchange Fund shall not be used for any other purpose. The cash portion of the Exchange Fund shall be invested by the Exchange Agent as directed by Parent; provided, however, that any such investments shall be in (i) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof and having maturities of not more than one month from the date of investment or (ii) money market mutual or similar funds having assets in excess of \$1,000,000,000. Earnings on the Exchange Fund shall be the sole and exclusive property of Parent and shall be paid to Parent. No investment of the Exchange Fund shall relieve Parent or the Exchange Agent from making the payments required by this Article II, and following any losses from any such investment, Parent shall promptly provide additional funds to the Exchange Agent for the benefit of the holders of shares of Company Stock at the Effective Time in the amount of such losses, which additional funds will be deemed to be part of the Exchange Fund.

(b) Each holder of shares of Company Stock that have been converted into the right to receive the Merger Consideration, upon surrender to the Exchange Agent of a Certificate, together with a properly completed letter of transmittal, duly executed and completed in accordance with the instructions thereto, and such other documents as may reasonably be required by the Exchange Agent, will be entitled to receive in exchange therefor, pursuant to Section 2.8 and this Article II, (i) one or more shares of Class B Stock (which shall be in non-certificated book-entry form unless a physical certificate is requested) representing, in the aggregate, the whole number of shares of Class B Stock that such holder has the right to receive and (ii) a check in the amount, if any, that such holder has the right to receive as dividends and other distributions payable pursuant to Section 2.12(f) (less any required Tax

Table of Contents

withholding). The Merger Consideration shall be paid as promptly as practicable after receipt by the Exchange Agent of the Certificate and letter of transmittal in accordance with the foregoing. No interest shall be paid or accrued on any Merger Consideration or on any unpaid dividends and distributions payable to holders of Certificates. Until so surrendered, each such Certificate shall, after the Effective Time, represent for all purposes only the right to receive such Merger Consideration. Notwithstanding anything in this Section 2.12 to the contrary, shares of Company Stock that are in non-certificated book-entry form immediately prior to the Effective Time will be exchanged automatically and treated as if Certificates were surrendered for all purposes hereunder, unless mutually agreed upon by the Company and Parent.

(c) If any portion of the Merger Consideration is to be registered in the name of or paid to a Person other than the Person in whose name the applicable surrendered Certificate is registered, it shall be a condition thereof that the surrendered Certificate shall be properly endorsed or otherwise be in proper form for transfer and that the Person requesting such delivery of the Merger Consideration shall pay to the Exchange Agent any required transfer or other similar Taxes or establish to the satisfaction of the Exchange Agent that such Tax has been paid or is not payable.

(d) After the Effective Time, there shall be no further registration of transfers of shares of Company Stock. From and after the Effective Time, the holders of Certificates representing shares of Company Stock outstanding immediately prior to the Effective Time shall cease to have any rights with respect to such shares of Company Stock, except to receive the consideration provided for, and in accordance with the procedures set forth, in this Article II, and except as otherwise provided in this Agreement or by applicable Law. If, after the Effective Time, Certificates are presented to the Exchange Agent or Parent, they shall be cancelled and exchanged for the consideration provided for, and in accordance with the procedures set forth, in this Article II.

(e) Any portion of the Exchange Fund that remains unclaimed by the holders of shares of Company Stock one (1) year after the Effective Time shall be returned to Parent, upon demand, and any such holder who has not exchanged his, her or its shares of Company Stock for the Merger Consideration in accordance with this Section 2.12 prior to that time shall thereafter look only to Parent for delivery of the Merger Consideration in respect of such holder's shares of Company Stock. Notwithstanding the foregoing, none of Parent, the Surviving Entity, or any other Subsidiary of Parent shall be liable to any holder of shares of Company Stock for any Merger Consideration delivered to a public official pursuant to applicable abandoned property Laws.

(f) No dividends or other distributions with respect to shares of Class B Stock issued in the Merger shall be paid to the holder of any unsurrendered Certificates until such Certificates are surrendered as provided in this Section 2.12. Following such surrender, subject to the effect of escheat, Tax or other applicable Law, there shall be paid, without interest, to the record holder of the shares of Class B Stock issued in exchange therefor (i) at the time of such surrender, all dividends and other distributions payable in respect of such shares of Class B Stock with a record date after the Effective Time and a payment date on or prior to the date of such surrender and not previously paid and (ii) at the appropriate payment date, the dividends or other distributions payable with respect to such shares of Class B Stock with a record date after the Effective Time but with a payment date subsequent to such surrender. For purposes of dividends or other distributions in respect of shares of Class B Stock, all shares of Class B Stock to be issued pursuant to the Merger shall be entitled to dividends pursuant to the immediately preceding sentence as if issued and outstanding as of the Effective Time.

Table of Contents

Section 2.13 Lost, Stolen or Destroyed Certificates. If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if reasonably required by Parent, the posting by such Person of a bond, in such reasonable amount as Parent may direct, as indemnity against any claim that may be made against it with respect to such Certificate, the Exchange Agent will issue in exchange for such lost, stolen or destroyed Certificate the Merger Consideration to be paid in respect of the shares of Company Stock represented by such Certificate as contemplated by this Article II.

Section 2.14 Withholding Rights. Each of Parent, Merger Sub and the Surviving Entity shall be entitled to deduct and withhold, or cause the Exchange Agent to deduct and withhold, from the consideration otherwise payable to any Person pursuant to this Article II such amounts as it is required to deduct and withhold with respect to the making of such payment under the Code or any provision of state, local or foreign Tax law. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of shares of Company Stock in respect of which such deduction and withholding was made.

Section 2.15 Further Assurances. After the Effective Time, the officers and the Board of Directors of the Surviving Entity will be authorized to execute and deliver, in the name and on behalf of the Company, any deeds, bills of sale, assignments or assurances and to take and do, in the name and on behalf of the Company, any other actions and things to vest, perfect or confirm of record or otherwise in the Surviving Entity any and all right, title and interest in, to and under any of the rights, properties or assets acquired or to be acquired by the Surviving Entity as a result of, or in connection with, the Merger.

Section 2.16 No Fractional Shares. No fraction of a share of Class B Stock will be issued by virtue of the Merger, and each holder of shares of Company Stock who would otherwise be entitled to a fraction of a share of Class B Stock (after aggregating all fractional shares of Class B Stock which such holder would otherwise receive) shall, upon compliance with Section 2.12 hereof, receive from Parent, in lieu of such fractional share, a whole share of Class B Stock.

Table of Contents

**ARTICLE III
REPRESENTATIONS AND WARRANTIES**

Except as (i) set forth in, in the case of the Company, the disclosure letter delivered by the Company to Parent and Merger Sub simultaneously with the execution of this Agreement (the Company Disclosure Letter) or, in the case of Parent and Merger Sub, the disclosure letter delivered by Parent and Merger Sub to the Company simultaneously with the execution of this Agreement (the Parent Disclosure Letter, and each of the Company Disclosure Letter and the Parent Disclosure Letter, a Disclosure Letter), (ii) in the case of Parent, disclosed in the Parent SEC Reports publicly filed with the SEC at least two Business Days prior to the execution of this Agreement (excluding any disclosures set forth in any risk factor section in any Parent SEC Report, forward-looking statements contained in any Parent SEC Report or any exhibit to any Parent SEC Report (except, in the case of an exhibit to any Parent SEC Report, to the extent explicitly referred to in this Agreement for a particular purpose)), or (iii) in the case of the Company, disclosed in the Most Recent Company Audit (excluding any disclosures set forth in any risk factor section in the Most Recent Company Audit or forward-looking statements contained in the Most Recent Company Audit), the Company hereby represents and warrants to Parent, and each of Parent and, solely with respect to Sections 3.1(a), 3.1(d), 3.2(d), 3.3 and 3.4, Merger Sub hereby represents and warrants to the Company, to the extent applicable, in each case with respect to itself and its Retained Subsidiaries (and not (x) in the case of the Company, as to Parent or Parent's Subsidiaries or (y) in the case of Parent or Merger Sub, as to the Company or the Company's Subsidiaries), as follows:

Section 3.1 Organization and Qualification.

(a) It is a corporation or, in the case of Merger Sub, a limited liability company, and has been duly incorporated or formed, as applicable, is validly existing and is in good standing under the laws of the State of Delaware, with the requisite corporate or, in the case of Merger Sub, limited liability company power and authority to own, operate or lease the properties and assets owned, operated or leased by it and to carry on its business as currently conducted (and Parent additionally represents and warrants to the Company that the foregoing statements in this sentence regarding Merger Sub are true and correct). Each of its Retained Subsidiaries has been duly organized or incorporated, is validly existing and is in good standing under the laws of such Retained Subsidiary's jurisdiction of formation set forth in Section 3.2(c) of its Disclosure Letter, with the requisite corporate, partnership, limited liability company or similar power and authority to own, operate or lease the properties that it owns, operates or leases and to carry on its business as currently conducted. It and each of its Retained Subsidiaries is duly licensed or qualified to do business and is in good standing in each jurisdiction where such licensing or qualification is necessary, except to the extent that the failure to be so licensed, qualified or in good standing would not reasonably be expected to have a Material Adverse Effect.

(b) In the case of the Company, true and correct copies of the organizational documents of it and its Retained Subsidiaries have been Delivered to Parent.

(c) In the case of Parent, (i) the copies of its organizational documents incorporated by reference in its Form 10-K for the year ended December 31, 2010 are true and correct, and (ii) true and correct copies of the organizational documents of its Retained Subsidiaries have been Delivered to the Company.

(d) In the case of Parent and Merger Sub, (I) true and correct copies of the organizational documents of Merger Sub have been Delivered to the Company; (II) Merger Sub is a wholly owned subsidiary of Parent that was formed by Parent solely for the purpose of engaging in the Merger and the other transactions contemplated by this Agreement; and (III) as of the date of this Agreement and the Effective Time, Merger Sub (i) has engaged in no other business activities, (ii) has conducted its operations only as contemplated by this Agreement, and (iii) has no liabilities and is not a party to any agreement other than this Agreement.

Table of Contents

Section 3.2 Capitalization: Ownership of Common Stock.

(a) Its authorized capital stock and its outstanding shares of capital stock as of the date of this Agreement are described in Section 3.2(a) of its Disclosure Letter. All outstanding shares of its Stock (i) have been duly authorized and validly issued, (ii) were not issued in violation of, and are not subject to, any preemptive or subscription rights, rights of first refusal or similar rights, and (iii) have been offered and sold pursuant to a valid exemption from registration under the Securities Act, and other applicable securities laws, and are otherwise in material compliance with such securities laws and the rules and regulations thereunder. In addition, Section 3.2(a) of the Company Disclosure Letter sets forth, as of the date of this Agreement, a complete and accurate list of the names and addresses of all holders of record of the shares of Company Stock.

(b) Except as set forth in Section 3.2(b) of its Disclosure Letter, there are no options, warrants, puts, calls, phantom stock rights, convertible or exchangeable securities or other rights, agreements, arrangements or commitments relating to its Stock, or any other interest in it, or obligating it to issue, sell, purchase, redeem or otherwise acquire any of its Stock, or any other interest in it, or which give any other Person the right to receive any benefits or rights similar to any rights enjoyed by any holder of its Stock (in the capacity as a holder of its Stock) or to provide funds to or make any investment (in the form of a loan, capital contribution or otherwise) in it. Section 3.2(b) of its Disclosure Letter sets forth a true and complete list as of the date hereof of all record holders of options or warrants to purchase its Stock, restricted shares of its Stock, restricted stock units or stock appreciation rights convertible into its Stock and all other phantom stock rights (with respect to Parent, a Parent Equity Right, with respect to the Company, a Company Equity Right, and each, an Equity Right), including for each Equity Right (i) the number of shares of its Stock subject to each Equity Right, (ii) the exercise or vesting schedule, as applicable, (iii) if applicable, the exercise price per share, (iv) the date of grant, (v) the expiration date, (vi) the Equity Rights that have been exercised, if applicable, or that have expired or been terminated, and (vii) if the Equity Right is a stock option, whether the stock option is an incentive stock option (as defined in Section 422 of the Code) or a nonqualified stock option. Except as set forth in Section 3.2(b) of its Disclosure Letter, there are no commitments or agreements of any character to which it is bound obligating it to accelerate the vesting or exercisability of any Equity Right as a result of the Merger (whether alone or upon the occurrence of any additional or subsequent events). Each grant of an Equity Right was validly issued and properly approved by its Board of Directors (or a duly authorized committee or subcommittee thereof) in compliance with applicable Law and recorded on its Financial Statements in accordance with GAAP consistently applied, and no such grants involved any back dating, forward dating or similar practices with respect to the effective date of grant. No Equity Right that is a stock option has an exercise price that has been or may be less than the fair market value of its Stock as of the date such stock option was granted or has any feature for the deferral of compensation other than the deferral of recognition of income until the later of exercise or disposition of such option, in each case, determined in accordance with the regulations and guidance under Code Section 409A. In the case of the Company, (x) there are no shares of restricted Company Stock with respect to which a timely election under Code Section 83(b) has not been properly filed, (y) the Company has Delivered to Parent prior to the date hereof copies of all Code Section 83(b) elections for all restricted Company Stock awards, and (z) the Company has Delivered to Parent, prior to the date hereof, true and correct copies of all Code Section 409A valuation reports with respect to the valuation of the fair market value of Company Stock since January 1, 2005 for purposes of determining the exercise price of stock options.

Table of Contents

(c) Section 3.2(c) of its Disclosure Letter sets forth, with respect to each of its Retained Subsidiaries, such Retained Subsidiary's name, type of entity, the jurisdiction of its organization or formation and its authorized and outstanding capital stock or other equity interests as of the date hereof. Except as set forth in Section 3.2(c) of its Disclo