

## **MID-WAY RADIO SPONSORSHIP IDENTIFICATION COMPLIANCE PLAN**

Mid-Way Radio, Inc. (“Mid-Way”) has developed and implemented the following “Sponsorship Identification Compliance Plan” in order to comply with the terms of a Consent Decree released by the Federal Communications Commission (“FCC”) on April 25, 2014 (DA 14-360). The Consent Decree requires Mid-Way to develop and implement a Compliance Plan designed to ensure future compliance with Section 317 of the Communications Act of 1934, as amended (“Act”) and Section 73.1212 of the Commission’s rules (“Rules”), 47 C.F.R. § 73.1212 (collectively, “Sponsorship Identification Laws”).

The Sponsorship Identification Compliance Plan consists of the following components:

1. **Commitment to High Standards.** Mid-Way commits to enforcing high standards with respect to the Sponsorship Identification Laws to avoid violations.
2. **Appointment of a Compliance Officer.** Mid-Way shall designate a Compliance Officer, who on an initial basis shall be Mr. Michael Paterson.
3. **Duties of the Compliance Officer.** As Compliance Officer, Mr. Paterson shall be responsible to ensure Mid-Way’s compliance with the Sponsorship Identification Laws through the following duties: (a) the implementation, effectuation, and supervision of the training program with regard to the Sponsorship Identification Laws for all Covered Employees (as defined below); (b) being accessible by telephone and/or e-mail to any Mid-Way employee who seeks advice on compliance with the Sponsorship Identification Laws or who wishes to report potential violations of such policies and laws; (c) the development and implementation of procedures designed to ensure Mid-Way’s continuing compliance with the Sponsorship Identification Laws; (d) monitoring Mid-Way’s compliance with the Sponsorship Identification Laws; (e) reporting to the FCC on an annual basis regarding Mid-Way’s compliance with the Sponsorship Identification Laws; and (f) such other activities as Mr. Paterson deems necessary or appropriate to carry out his duties.
  - i. **Hotline.** Mid-Way employees will be informed that that may call or email Mr. Paterson to obtain advice on compliance with the Compliance Plan and to report violations of the Compliance Plan.
  - ii. **Contractual Agreements.** Mid-Way Radio will ensure that all contractual agreements with respect to Covered Employees shall include a contractual clause requiring compliance with the Sponsorship Identification Laws.
4. **Training of Covered Employees.** Mid-Way will conduct appropriate training of its sales employees and those employees and agents who are on-air talent

and/or materially participate in the on-air broadcast of program material or in the making of programming decisions, as well as their supervisors (“Covered Employees”) in connection with Sponsorship Identification Laws, including the FCC’s interpretation of such statutes and regulations. As part of the training, Covered Employees shall be advised of Mid-Way’s obligation to report any noncompliance with the Sponsorship Identification Laws under paragraph 13 of the Consent Decree and shall be instructed on how to disclose noncompliance to Mr. Paterson. Training will be provided to all Covered Employees by September 1, 2014 (within 90 days of the Consummation Date), and will subsequently be provided to all new Covered Employees promptly after they commence their duties. Refresher training will be provided to all Covered Employees at least once every twelve (12) months. Mid-Way will periodically review and revise the training program as necessary to ensure that it remains current and complete and to enhance its effectiveness.

5. **Operating Procedures and Compliance Checklist.** By July 31, 2014 (within sixty (60) calendar days after the Consummation Date), Mid-Way shall establish Operating Procedures that all Covered Employees must follow to help ensure Mid-Way’s compliance with the Sponsorship Identification Laws. Mid-Way’s Operating Procedures shall include internal procedures and policies specifically designed to ensure that Mid-Way discloses the sponsorship status and the sponsor of broadcasts that are aired in exchange for valuable consideration or otherwise require sponsorship identification, consistent with Section 317 of the Act and Section 73.1212 of the Rules. Mid-Way also shall develop a Compliance Checklist that describes the steps that Covered Employees must follow to ensure compliance with the Sponsorship Identification Laws. At a minimum, the Compliance Checklist shall require a multi-level review of Sponsored Broadcasts that air over the stations. All scripts of sponsored broadcasts shall be reviewed prior to broadcast for compliance with the Sponsorship Identification Laws by at least two station employees, one of whom shall be a management-level employee.

6. **Compliance Manual.** By July 31, 2014 (within sixty (60) calendar days after the Consummation Date), Michael Paterson (with assistance of counsel as appropriate) shall develop and distribute a Compliance Manual to all Covered Employees. The Compliance Manual shall explain the Sponsorship Identification Laws and set forth the Operating Procedures that Covered Employees shall follow to help ensure Mid-Way’s compliance with the Communications Laws. Mid-Way shall periodically review and revise the Compliance Manual as necessary to ensure that the information set forth therein remains current and complete. Mid-Way shall distribute any revisions to the Compliance Manual promptly to all Covered Employees. The Compliance Manual, which contains the Operating Procedures and Compliance Checklist, is attached hereto as **Attachment A.**

7. **Sponsor Education.** Mid-Way will implement and maintain a plan to educate prospective sponsors about appropriate sponsorship content and how it incorporates such sponsorship content in the messages that it prepares for the sponsor’s approval and eventual broadcast. To that end, Mid-Way will summarize the Sponsorship Identification Laws for each client prior to accepting any contract to air messages and/or programming over the Stations and preparing the message and/or programming for the

sponsor's review ("Sponsor Education Summary"). Mid-Way will not broadcast any message, announcement, or programming that does not comply with the Sponsorship Identification Laws.

8. **Annual Report.** Mr. Paterson shall submit reports to Mid-Way's Board of Directors concerning Mid-Way's compliance with this Compliance Plan. The first such report will be due by July 31, 2014 (within sixty (60) days of the date of consummation ("Consummation Date")) of Mid-Way's acquisition of WNTA(AM), Rockford, Illinois, and FM Translator W263BJ, Loves Park, Illinois, and additional reports shall be submitted annually thereafter.

9. **Compliance Reports.** Mid-Way shall file Compliance Reports with the FCC by September 1, 2014 (within ninety (90) calendar days after the Consummation Date), by June 1, 2015 (within twelve (12) months after the Consummation Date), by June 1, 2016 (within twenty-four (24) months after the Consummation Date), and by June 1, 2017 (within thirty-six (36) months after the Consummation Date). A sample Compliance Report is attached hereto at **Attachment B.**

- i. Each Compliance Report shall include a detailed description of Mid-Way's efforts during the relevant period to comply with the terms and conditions of this Consent Decree and the Sponsorship Identification Laws. In addition, each Compliance Report shall include a certification by Michael Paterson, as an agent of and on behalf of Mid-Way, stating that he has personal knowledge that Mid-Way: (a) has established and implemented the Compliance Plan; (b) has utilized the Operating Procedures since the implementation of the Compliance Plan; and (c) is not aware of any instances of noncompliance with the terms and conditions of the Consent Decree, including the reporting obligations set forth in paragraph 9 below (as set forth in paragraph 13 in the Consent Decree).
- ii. Mr. Paterson's certification shall be accompanied by a statement explaining the basis for such certification and must comply with Section 1.16 of the Rules and be subscribed to as true under penalty of perjury in substantially the form set forth therein.
- iii. If Mr. Paterson cannot provide the requisite certification, then he shall provide the Commission with a detailed explanation of the reason(s) why and describe fully: (a) each instance of noncompliance; (b) the steps that Mid-Way has taken or will take to remedy such noncompliance, including the schedule on which proposed remedial action will be taken; and (c) the steps that Mid-Way has taken or will take to prevent the recurrence of any such noncompliance, including the schedule on which such preventive action will be taken.

- iv. All Compliance Reports shall be submitted to the Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, Room 4-C330, 445 12th Street, S.W., Washington, DC 20554, with a copy submitted electronically to Theresa Z. Cavanaugh at Terry.Cavanaugh@fcc.gov, Jeffrey J. Gee at Jeffrey.Gee@fcc.gov, Anjali Singh at Anjali.Singh@fcc.gov, and Melanie Godschall at [Melanie.Godschall@fcc.gov](mailto:Melanie.Godschall@fcc.gov).

10. **Reporting Noncompliance.** Mid-Way shall report any noncompliance with the Sponsorship Identification Laws, and with the terms and conditions of this Consent Decree, within thirty (30) calendar days after discovery of such noncompliance. Such reports shall include a detailed explanation of: (i) each instance of noncompliance; (ii) the steps that Mid-Way has taken or will take to remedy such noncompliance; (iii) the schedule on which such remedial actions will be taken; and (iv) the steps that Mid-Way has taken or will take to prevent the recurrence of any such noncompliance. All reports of noncompliance shall be submitted to the Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, Room 4-C330, 445 12th Street, S.W., Washington, DC 20554, with a copy submitted electronically to Theresa Z. Cavanaugh at Terry.Cavanaugh@fcc.gov, Jeffrey J. Gee at Jeffrey.Gee@fcc.gov, Anjali Singh at Anjali.Singh@fcc.gov, and Melanie Godschall at [Melanie.Godschall@fcc.gov](mailto:Melanie.Godschall@fcc.gov).

11. **FCC Enforcement Actions.** If, as a result of a possible future violation of the Sponsorship Identification Laws at one of the Stations, Mid-Way receives a Notice of Apparent Liability or similar Bureau document proposing a forfeiture, or contemplating license non-renewal or revocation, Mid-Way shall:

- i. suspend each employee accused of violating the Sponsorship Identification Laws and undertake an investigation of each such incident;
- ii. require that each such employee receive remedial training on the Sponsorship Identification Laws and the Compliance Plan and successfully demonstrate to Mr. Paterson and station management that he or she understands such regulations and policies before allowing such employee to resume his or her duties; and
- iii. take disciplinary action, up to and including termination, against each employee who is materially involved in the violation of the Sponsorship Identification Laws, if such violation results in a final adjudication by the FCC that Mid-Way violated the Sponsorship Identification Laws.

12. **Termination Date.** This Compliance Plan and the requirements set forth above shall expire on June 1, 2017.

**ATTACHMENT A**



## **COMPLIANCE MANUAL AND OPERATING PROCEDURES: SPONSORSHIP IDENTIFICATION**

Mid-Way Radio, Inc. (“Mid-Way”) has developed and implemented the following Compliance Manual and Operating Procedures in order to comply with the terms of a Consent Decree released by the Federal Communications Commission (“FCC”) on April 25, 2014 (DA 14-360). The Consent Decree requires Mid-Way to develop and implement these documents to ensure future compliance with Section 317 of the Communications Act of 1934, as amended (“Act”) and Section 73.1212 of the Commission’s rules (“Rules”), 47 C.F.R. § 73.1212 (collectively, “Sponsorship Identification Laws”).

**What Are The Sponsorship Identification Laws:** The Sponsorship Identification Laws require broadcasters to identify any programming for which they receive any consideration – meaning anything of value. If stations do receive consideration for any on-air statements, announcements or programs, they must identify that they are receiving the consideration, and who provided it. These laws are based on the principle that listeners and viewers have the right to know who is trying to persuade them. If a broadcast station or station employee receives any money, product or service directly or indirectly, in exchange for causing anything to be broadcast, that fact, as well as the identification of the sponsor, must be broadcast.

**What Is Covered By The Sponsorship Identification Laws:** The Sponsorship Identification Laws cover the receipt of anything of value in exchange for causing any content to be broadcast on the air. In the simplest example, payment to the station to broadcast a commercial requires sponsorship identification. Where the commercial is for a product or service and the payment is made by the party that provides the product or service, the FCC assumes that the identification of the product or service is sufficient to allow listeners to know who purchased the commercial.

But where it is not clear that the message is a commercial, or it is not clear who paid for the commercial, the station must make the true sponsor clear to the audience. So, if a Chamber of Commerce buys ads to promote the businesses in a town, the Chamber of Commerce needs to be identified by name as the sponsor. Or, if a program is purchased by a local business to discuss the business and promote its services, the program and any promos for the program should identify the local business by name as a sponsor.

Value is provided for the broadcast of content on the station not only where money is paid to the station, but also where anything else of more than token value is provided to the station for saying something on the air. So if merchandise (e.g. tickets), or other tangible goods are provided to the station with the expectation that there will be some statement made on the air about such merchandise, the person or entity who provides

such merchandise should be identified on the air by name when the on-air statement anticipated by the sponsor is made.

In any discussion of a political race or any controversial issue of public importance, even the furnishing of tapes or transcripts can be seen as consideration. Thus, when tapes or transcripts are provided by parties with an interest in a political race or controversial issue, the fact that the tape or transcript was provided by a specific person or entity should also be stated on the air.

Sponsorship identification is not triggered only when the receipt of value is made to the station itself, but also when it is provided to anyone else involved in providing programming to the station. Station employees should inquire of syndicated program providers or any station time brokers as to whether they were paid anything, or otherwise provided something of value, for including any content in the program material provided to the station. If so, the receipt of that consideration should be disclosed to the audience.

If station employees receive anything of value for making statements on the air, or if they have any financial interest in anything that they promote on the air, this can be considered “payola” or “plugola” and is covered by the Sponsorship Identification Laws. See the discussion of these issues below.

**Payola and Plugola:** The FCC’s Sponsorship Identification Laws prohibit the practices of “payola.” “Payola” arises when a broadcast station employee or contractor receives or is promised anything of value in return for putting any content on the air. Payola usually occurs when someone makes a gift or payment to a person involved in station programming (i.e., station employees, program producers, program suppliers) in exchange for favorable on-air exposure of a product or service. While payola is most often associated with the receipt by a station announcer or music director of money, trips or other value for playing songs on the station, it arises whenever any programming personnel of a station gets anything of value in exchange for the airing of any content (where a sponsorship identification is not acknowledged). So if a restaurant gives an announcer free food with the expectation that the announcer will rave about the meal on the air, that is payola. If a bar provides on-air announcers with free drinks with the expectation that the announcers will talk about what a great place the bar is, that is payola.

Payola is always illegal. However, payola only exists where there is no disclosure of the receipt of something of value for the on-air statements. Payola is not an issue when full disclosure is made. It is not the payment of money to influence a broadcast, but the lack of disclosure and sponsorship identification, that makes the transaction illegal. To avoid violation of the payola rules, a station employee (as well as the person making the gift or payment) must disclose the existence of a “payment” to the station management. It is then up to station management whether to allow the program to be aired. If it does air the program, the broadcast must then disclose the “sponsorship” arrangement.

The FCC also prohibits the practice of “plugola.” “Plugola” occurs when someone responsible for program selection promotes (or “plugs”) on the air a venture in which he or she has a financial interest. Plugola is similar to payola, except that it need not involve an outside party or payment of any kind. For example, if a station employee promotes on the air a concert of a band that he manages without disclosing his financial interest in the band, he has engaged in plugola. If an employee promotes on the air a restaurant in which he is a part owner, that is plugola. As with payola, this conduct is legal when (1) station management is made aware of the nature and extent of the employee’s interest being promoted and (2) required over-the-air sponsorship identification is given. Employees who are in any way connected with station programming and have any outside interests that could result in a conflict of interest with any station programming should disclose those interests to management.

**Penalties for Violations of Sponsorship Identification Laws:** Violations of the Sponsorship Identification Laws can cause the FCC to severely sanction the station. Thus, all employees involved in programming matters need to be sure that the sponsor is identified by name whenever anything of value is received for the airing of any content.

In addition, violators of the payola and plugola prohibitions can face stiff penalties, or even imprisonment. Failure to disclose the payment or the providing of services or other consideration, or promise to provide them, is punishable by a fine of not more than \$10,000 or imprisonment for not more than one year or both. These criminal penalties bring violations within the purview of the Department of Justice. In addition, payola and plugola by station employees, when carried on without the station owner’s knowledge, are forms of employee theft that can, among other things, result in termination of employment.

**Ensuring Compliance with the Sponsorship Identification Laws:** The following operating procedures have been designed to ensure that Mid-Way discloses the sponsorship status and the sponsor of broadcasts that are aired in exchanged for valuable consideration or otherwise require sponsorship identification:

- (1) **Affidavit.** All Mid-Way sales employees and those employees and agents that serve as on-air talent, materially participate in the on-air broadcast of program material, and/or materially participate in the making of programming decisions, as well as their supervisors (“Covered Employees”), must sign the Affidavit signed at **Exhibit A** to this Compliance Manual.
- (2) **Programming.** All programming should have appropriate identification of any sponsors. For any scripted program to be aired in exchange for any consideration or anything else of value, all Covered Employees must submit the script to his or her immediate supervisor, as well as to Michael Paterson, Mid-Way’s appointed Compliance Officer, prior to the airing of such

programming, and will not air such programming unless he/she has obtained written consent to do so.

- (3) Sponsor Education. Covered Employees will distribute the Sponsor Education Summary at **Exhibit B** to prospective sponsors prior to accepting any contract to air messages and/or programming over any station and preparing the message and/or programming for the sponsor's review.
- (4) Disclosure of Sponsored Programming. Covered Employees will ensure that any approved sponsored programming includes the appropriate disclosures indicating that the programming was paid for, or sponsored by, the sponsor. Such disclosures must include the sponsor's name.
- (5) Training. Covered Employees must attend annual training on compliance with the FCC's Sponsorship Identification Laws. Mr. Paterson will set the schedule of such training and notify Covered Employees on when the training will be held.
- (6) Compliance Checklist. Covered Employees must complete the Compliance Checklist at **Exhibit C** before airing any sponsored programming.
- (7) Reporting Noncompliance. Any employee that sees any situation where the station or any employee is receiving anything of value for the promotion of a product, service or other good on the air, where disclosure is not being made on the air, must immediately report that fact to Mr. Paterson.
- (8) Further Information. If there are any questions about these policies, or their application to anything aired on any station, employees should call Mr. Paterson at (815) 874-7861, or email him at [mpaterson@rmgmwf.com](mailto:mpaterson@rmgmwf.com). It is each employee's duty to make sure that these policies are observed to the letter, and violations of these policies will be grounds for termination or other employment action.

# **EXHIBIT A**

## AFFIDAVIT

I, \_\_\_\_\_, hereby state that I have read and understand the attached “COMPLIANCE MANUAL AND OPERATING PROCEDURES: SPONSORSHIP IDENTIFICATION” and will comply with the laws, regulations, policies, and rules described therein.

I further state that I will refrain from (a) engaging in any outside business that might create a conflict of interest in program selection without prior written approval from management; (b) accepting anything of value from persons in exchange for the inclusion of matter in a broadcast without prior written approval from management, and (c) promoting on the air anything in which any employee has a financial interest, by any means other than a standard paid commercial announcement, without the prior written approval of management.

\_\_\_\_\_  
Affiant

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

## **EXHIBIT B**

### **Summary Of The FCC'S Sponsorship Identification Laws**

Pursuant to the terms of a Consent Decree released by the Federal Communications Commission ("FCC") on April 25, 2014 (DA 14-360), Mid-Way Radio, Inc. ("Mid-Way") is required provide prospective sponsors with a summary of Section 317 of the Communications Act of 1934, as amended, and Section 73.1212 of the Commission's rules, 47 C.F.R. § 73.1212 (collectively, "Sponsorship Identification Laws"). This summary is being provided to you in order to fulfill this requirement.

The Sponsorship Identification Laws require broadcasters to identify any programming for which they receive any consideration – meaning anything of value. If stations do receive consideration for any on-air statements, announcements or programs, they must identify that they are receiving the consideration, and who provided it. These laws are based on the principle that listeners and viewers have the right to know who is trying to persuade them. If a broadcast station or station employee receives any money, product or service directly or indirectly, in exchange for causing anything to be broadcast, that fact, as well as the identification of the sponsor, must be broadcast.

Sponsorship identification is not triggered only when the receipt of value is made to the station itself, but also when it is provided to anyone else involved in providing programming to the station. Syndicated program providers or any station time brokers must disclose to the Station whether they were paid anything, or otherwise provided something of value, for including any content in the program material provided to the station. The receipt of that consideration should be disclosed to the audience.

For more information, please refer to Section 73.1212 of the Commission's rules, [47 C.F.R. § 73.1212](#).

# **EXHIBIT C**

## **SPONSORSHIP IDENTIFICATION COMPLIANCE CHECKLIST**

Mid-Way Radio, Inc. (“Mid-Way”) has developed and implemented the following Compliance Checklist to ensure future compliance with Section 317 of the Communications Act of 1934, as amended (“Act”) and Section 73.1212 of the Commission’s rules (“Rules”), 47 C.F.R. § 73.1212 (collectively, “Sponsorship Identification Laws”). The Sponsorship Identification Laws require broadcasters to air announcements that identify when they are being paid to broadcast material and who is paying them. For more details on the Sponsorship Identifications Laws, please refer to the Sponsorship Identification Compliance Manual.

If you have been approached to broadcast material in exchange for payment or other consideration (“Sponsored Programming”), please complete the checklist below.

**SPONSOR:** \_\_\_\_\_

**NAME OF SPONSORED PROGRAMMING:** \_\_\_\_\_

- (1) I have reviewed the Sponsorship Identification Compliance Manual and Operating Procedures and have signed the Sponsorship Identification Affidavit attached thereto. *Yes/No*
- (2) I have distributed the Sponsor Education Summary to the Sponsor requesting the broadcast of the Sponsored Programming. *Yes/No*
- (3) I have submitted the script of the Sponsored Programming to my immediate supervisor, as well as to Michael Paterson prior to the airing of such programming. *Yes/No*
- (4) I have received written permission from Mid-Way’s Compliance Officer, Michael Paterson, to broadcast the Sponsored Programming. *Yes/No*
- (5) I have included in the Sponsored Programming the appropriate disclosures indicating that the programming was paid for, or sponsored by, the Sponsor. Such disclosure includes the actual name of the Sponsor. *Yes/No*

You must answer each question above in the affirmative and submit your completed checklist to Mr. Paterson before broadcasting the Sponsored Programming. **FAILURE TO DO SO MAY RESULT IN DISCIPLINARY ACTION.**

\_\_\_\_\_  
**Name**

\_\_\_\_\_  
**Date**

**ATTACHMENT B**



# **MID-WAY RADIO, INC. 90-DAY COMPLIANCE REPORT**

File Nos. EB-IHD-14-00013829, EB-10-IH-3870

## **I. INTRODUCTION**

Mid-Way Radio, Inc. (“Mid-Way Radio”) hereby files this Compliance Report (“Report”) as required by Paragraph 12(B)(6) of the Consent Decree in the matter referenced above.<sup>1</sup> This Report covers the period from June 1, 2014 (the Consummation Date) through September 1, 2014.<sup>2</sup> As required by Paragraph 12(B)(6)(i) of the Consent Decree, attached to this Report is the certification by Mid-Way Radio’s Compliance Officer, Michael Paterson, as an agent of and on behalf of Mid-Way Radio, which includes a statement explaining the basis for that certification as required by Paragraph 12(B)(6)(ii) of the Consent Decree.

The following sections describe Mid-Way Radio’s actions since the Consummation Date to comply with the terms and conditions of the Consent Decree.

## **II. COMPLIANCE PLAN**

On [insert date], within X days of the Consummation Date and consistent with Paragraph 12(B) of the Consent Decree, Mid-Way Radio developed and implemented a Compliance Plan to help ensure future compliance with the Sponsorship Identification Laws and with the terms and conditions of the Consent Decree. The Compliance Plan includes the following components:

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<sup>1</sup> See *Maverick Media of Rockford License LLC*, Consent Decree, File Nos. EB-IHD-14-00013829, EB-10-IH-3870, DA 14-360 (rel. April 25, 2014) (“Consent Decree”).

<sup>2</sup> Unless otherwise noted, capitalized terms used in this Report that are defined in the Consent Decree have the meaning so defined in the Consent Decree and that meaning is incorporated herein by reference.

### **A. Compliance Officer**

On June 9, 2014, within 30 days of the Consummation Date and consistent with Paragraph 12(A) of the Consent Decree, Mid-Way Radio designated Michael Paterson to serve as Compliance Officer. Mr. Paterson is a senior corporate manager with the requisite corporate and organizational authority to serve as Compliance Officer. As Compliance Officer, Mr. Paterson is responsible for:

- Developing, implementing, and administering the Compliance Plan, and
- Ensuring that Mid-Way Radio complies with the terms and conditions of the Compliance Plan and the Consent Decree.

In addition to the general knowledge of the Communications Laws necessary to discharge his duties under the Consent Decree, Mr. Paterson had specific knowledge of the Sponsorship Identification Rules prior to assuming his duties.

### **B. Operating Procedures on Sponsorship Identification Laws**

On [insert date], within X days of the Consummation Date and consistent with Paragraph 12(B)(1) of the Consent Decree, Mid-Way Radio established Operating Procedures that all Covered Employees must follow to help ensure Mid-Way Radio's compliance with the Sponsorship Identification Rules. Mid-Way Radio's Operating Procedures include internal procedures and policies specifically designed to ensure that Mid-Way Radio discloses the sponsorship status and the sponsor of broadcasts that are aired in exchange for valuable Consideration or otherwise require sponsorship identification, consistent with Section 317 of the Act and Section 73.1212 of the Rules. Mid-Way Radio has also developed a Compliance Checklist. The Checklist describes the steps that a Covered Employee must follow to ensure compliance with the Sponsorship Identification Laws, including a requirement that all scripts of Sponsored Broadcasts be

reviewed prior to broadcast for compliance with the Sponsorship Identification Laws by at least two employees, one of whom is a management-level employee.

### **C. Compliance Manual**

On [insert date], X days after the Consummation Date and consistent with Paragraph 12(B)(2) of the Consent Decree, Mr. Paterson developed and distributed a Compliance Manual to all Covered Employees. The Compliance Manual explains the Sponsorship Identification Rules and sets forth the Operating Procedures that Covered Employees shall follow to help ensure Mid-Way Radio's compliance with the Communications Laws.

Mid-Way Radio will continue to periodically review and revise the Compliance Manual as necessary to ensure that the information set forth therein remains current and complete. Mid-Way will distribute any revisions to the Compliance Manual promptly to all Covered Employees.

### **D. Compliance Training Program**

On [insert date], X days after the Consummation Date and consistent with Paragraph 12(B)(3) of the Consent Decree, Mid-Way Radio established and implemented a Compliance Training Program on the Sponsorship Identification Rules and the Operating Procedures. As part of the Compliance Training Program, Mid-Way Radio advised all Covered Employees of Mid-Way Radio's obligation to report any noncompliance with the Sponsorship Identification Rules under Paragraph 13 of the Consent Decree and instructed the Covered Employees on how to disclose any potential noncompliance to the Compliance Officer.

Any person who becomes a Covered Employee at any time after the Initial Compliance Training Program shall be trained within thirty (30) calendar days after the date such person becomes a Covered Employee.

Mid-Way Radio will repeat the Compliance Training Program annually and will continue to periodically review and revise the Compliance Training Program as necessary to ensure that it remains current and complete and to enhance its effectiveness.

#### **E. Sponsor Education**

On [insert date], X days after the Consummation Date and consistent with Paragraph 12(B)(4) of the Consent Decree, Mid-Way Radio implemented a plan to educate prospective sponsors about appropriate sponsorship content and how it incorporates such sponsorship content in the messages that it prepares for the sponsor's approval and eventual broadcast. Under the plan, Mid-Way Radio summarizes the Sponsorship Identification Laws for each prospective sponsor prior to accepting any contract to air messages and/or programming over the stations and preparing the message and/or programming for the sponsor's review.

#### **F. Annual Report**

On [insert date], consistent with Paragraph 12(B)(4) of the Consent Decree, Mr. Paterson, as Compliance Officer, submitted his first Annual Report to Mid-Way Radio's Board of Directors concerning Mid-Way Radio's compliance with the Compliance Plan.

### **G. Compliance Reports**

This Compliance Report is being submitted pursuant to Paragraph 12(B)(6) of the Consent Decree. The next Compliance Report will be filed on June 1, 2015.

### **III. CONCLUSION**

Please do not hesitate to contact the undersigned with any questions or comments about this Report.

**MID-WAY RADIO, INC.**

By: \_\_\_\_\_  
David Oxenford  
Kelly Donohue

*Their Attorneys*

Wilkinson Barker Knauer, LLP  
2300 N Street, N.W., Suite 700  
Washington, D.C. 20037  
(202)383-3357

Dated: September 1, 2014

Attachment

**Attachment**  
**Mid-Way Radio, Inc. 90-Day Compliance Report**  
File Nos. EB-IHD-14-00013829, EB-10-IH-3870

**COMPLIANCE CERTIFICATION OF MICHAEL PATERSON**

I, Michael Paterson, hereby certify as follows, as required by Paragraph 12(B)(6) of the Consent Decree<sup>3</sup> entered in this matter:

1. I am the Compliance Officer of Mid-Way Radio, Inc. I submit this Compliance Certification as an agent of and on behalf of Mid-Way Radio, Inc.

2. As Compliance Officer, I am responsible for developing, implementing, and administering the Compliance Plan and ensuring that Mid-Way Radio, Inc. complies with the terms and conditions of the Compliance Plan and the Consent Decree.

3. To my personal knowledge, Mid-Way Radio, Inc. (i) has implemented the Compliance Plan, including any necessary updates, and (ii) has utilized the Operating Procedures since the implementation of the Compliance Plan and updated the Operating Procedures as necessary. I am not aware of any instances of noncompliance with the terms and conditions of the Consent Decree, including the reporting obligations set forth in Paragraph 13 of the Consent Decree.

4. As required in Paragraph 12(B)(6) of the Consent Decree, I hereby state that the basis for this certification is the information gained from performance of my responsibilities

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<sup>3</sup> See *Maverick Media of Rockford License LLC*, Consent Decree, File Nos. EB-IHD-14-00013829, EB-10-IH-3870, DA 14-360 (rel. April 25, 2014) (“Consent Decree”). Unless otherwise noted, capitalized terms used in this Certification that are defined in the Consent Decree have the meaning so defined in the Consent Decree and that meaning is incorporated herein by reference.

described above as Compliance Officer and information obtained from appropriate personnel of Mid-Way Radio, Inc.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 1<sup>st</sup> day of September, 2014.

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Michael Paterson  
Compliance Officer, Mid-Way Radio, Inc.