

CUMULUS MEDIA INC
Form DEF 14A
April 06, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

CUMULUS MEDIA INC.

(Name of Registrant as Specified in its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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No fee required.

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Cumulus Media Inc.

Annual Meeting of Stockholders

May 8, 2012

Notice of Meeting and Proxy Statement

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3280 Peachtree Road, N.W.

Suite 2300

Atlanta, Georgia 30305

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held On May 8, 2012

To the Stockholders of Cumulus Media Inc.:

The 2012 Annual Meeting of Stockholders of Cumulus Media Inc., a Delaware corporation (Cumulus Media or the Company), will be held at the Company s offices, 3280 Peachtree Road, N.W., Atlanta, Georgia 30305, in the boardroom located on the 23rd floor, on May 8, 2012 at 9:00 a.m., local time, for the following purposes:

- (1) to elect seven (7) directors to serve until the next annual meeting of stockholders and until their successors are elected and qualified;
- (2) to ratify the appointment of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm for 2012; and
- (3) to transact such other business as may properly come before the annual meeting or any postponement or adjournment thereof.

Only holders of record of shares of the Company s Class A common stock or Class C common stock at the close of business on March 23, 2012, are entitled to notice of, and to vote at, the annual meeting or any postponement or adjournment thereof.

Holders of a majority of the outstanding voting power represented by the shares of the Company s Class A common stock and Class C common stock, voting together as a single class, must be present in person or by proxy in order for the meeting to be held. Our Board of Directors recommends that you vote **FOR** each of the director nominees and **FOR** Item 2. Therefore, we urge you to date, sign and return the accompanying proxy card in the enclosed envelope whether or not you expect to attend the annual meeting in person. If you attend the meeting and wish to vote your shares personally, you may do so by validly revoking your proxy at any time prior to the vote.

This notice, the proxy statement and the accompanying proxy card are being distributed to stockholders and made available on the Internet commencing on or about April 6, 2012.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on May 8, 2012

The proxy statement and the Annual Report on Form 10-K for the fiscal year ended December 31, 2011 are available at www.cumulus.com/investors.aspx. If you need directions to the 2012 Annual Meeting of Stockholders, please call (404) 949-0700.

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Lewis W. Dickey, Jr.

Chairman, President and Chief Executive Officer

April 6, 2012

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INFORMATION REGARDING THE ANNUAL MEETING

Date, Time and Place of Annual Meeting

We are furnishing this proxy statement to the holders of our Class A common stock and our Class C common stock who held their shares at the close of business on March 23, 2012 (the Record Date), in connection with the solicitation of proxies by our Board of Directors for the annual meeting of stockholders to be held on May 8, 2012, at 9:00 a.m., local time, at our offices, 3280 Peachtree Road, N.W., Atlanta, Georgia 30305, in the boardroom located on the 23rd floor, or at any adjournment or postponement of that meeting. At the meeting, stockholders will be asked to consider and vote on the items of business listed and described in this proxy statement. This proxy statement and the accompanying proxy card are being distributed to our stockholders and made available on the Internet commencing on or about April 6, 2012.

Record Date; Quorum; Outstanding Common Stock Entitled to Vote

All holders of record of our Class A common stock and our Class C common stock as of the Record Date are entitled to receive notice of, and to vote at, the annual meeting. The presence, in person or by proxy, of holders of a majority of the voting power represented by outstanding shares of our Class A common stock and our Class C common stock, voting together as a single class, is required to constitute a quorum for the transaction of business.

Abstentions and broker non-votes will be treated as present for purposes of determining a quorum. A broker non-vote occurs when a registered holder (such as a bank, broker or other nominee) holding shares in street name for a beneficial owner does not vote on a particular proposal because the registered holder does not have discretionary voting power for that particular proposal and has not received voting instructions from the beneficial owner. Banks, brokers or other nominees that have not received voting instructions from their clients cannot vote on their clients behalf on the election of directors, but may (but are not required to) vote their clients shares on the proposal to ratify the appointment of our independent registered public accounting firm.

As of the Record Date, there were 138,912,110 shares of our Class A common stock outstanding and 644,871 shares of our Class C common stock outstanding, representing an aggregate of 145,360,820 votes.

Voting Rights; Vote Required for Approval

Holders of our Class A common stock are entitled to one vote for each share of Class A common stock held as of the Record Date. Holders of our Class C common stock are entitled to ten votes for each share of Class C common stock held as of the Record Date. Holders of shares of our Class A common stock and our Class C common stock will vote together as a single class on the matters to be voted upon at the annual meeting.

The affirmative vote of a majority of the votes entitled to be cast and represented at the annual meeting is required to elect the directors nominated to serve until the next annual meeting and until their successors are elected and qualified, and to ratify the appointment of our independent registered public accounting firm for 2012. Withheld votes on the election of directors and abstentions on the ratification of the appointment of our independent registered public accounting firm for 2012 will have the same effect as a vote against these proposals, but broker non-votes are not considered to be votes cast and therefore will have no effect on the outcome of the vote on the election of directors.

Voting and Revocation of Proxies

A proxy card for you to use in voting at the annual meeting accompanies this proxy statement. You may also vote by telephone or via the Internet as follows:

by telephone: call toll free 1-800-652-VOTE (8683) and follow the instructions provided by the recorded message; or

via the Internet: visit www.investorvote.com/CMLS and follow the steps outlined on the secured website.

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All properly executed proxies that are received prior to, or at, the annual meeting and not revoked (and all shares properly voted by telephone or via the Internet) will be voted in the manner specified. If you execute and return a proxy card, and do not specify otherwise, the shares represented by your proxy will be voted **FOR** each of the director nominees and **FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for 2012.

If you have given a proxy or voted by telephone or via the Internet pursuant to this solicitation, you may nonetheless revoke it by attending the annual meeting and voting in person. In addition, you may revoke any proxy you give before the annual meeting by voting by telephone or via Internet at a later date (in which case only the last vote will be counted) prior to 1:00 a.m. Central Time on May 8, 2012 (the deadline to vote by telephone or via the Internet), by delivering a written statement revoking the proxy, or by delivering a duly executed proxy bearing a later date to Richard S. Denning, Corporate Secretary, at our principal executive offices, 3280 Peachtree Road, N.W., Suite 2300, Atlanta, Georgia 30305, so that it is received prior to the annual meeting, or at the annual meeting itself prior to the closing of the polls. If you have executed and delivered a proxy to us or voted by telephone or via the Internet, your attendance at the annual meeting will not, by itself, constitute a revocation of your proxy.

Solicitation of Proxies and Householding

We will bear the cost of the solicitation of proxies. We will solicit proxies initially by mail. Further solicitation may be made by our directors, officers and employees personally, by telephone, facsimile, e-mail or otherwise, but they will not be compensated specifically for these services. Upon request, we will reimburse brokers, dealers, banks or similar entities acting as nominees for their reasonable expenses incurred in forwarding copies of the proxy materials to the beneficial owners of the shares of common stock they hold of record.

From time to time, we may and, if you hold your shares in street name, your bank, broker or other nominee may, participate in the practice of householding proxy soliciting material. This means that if you reside in the same household as other stockholders of record or beneficial owners of our common stock, you may not receive your own copy of our proxy materials, even though each stockholder received his or her own proxy card. If your household received one set of proxy materials and you are a stockholder of record who would like to receive additional copies of our proxy materials, you may request a duplicate set by contacting our Corporate Secretary at our principal executive offices, 3280 Peachtree Road, N.W., Suite 2300, Atlanta, Georgia 30305 or at the following telephone number: (404) 949-0700. If you share an address with other stockholders of record and your household received multiple sets of proxy materials, and you would like for your household to receive a single copy of our proxy materials, you may make such a request by contacting our Corporate Secretary at our principal executive offices address or phone number listed above. If you hold your shares in street name, please contact your bank, broker or other nominee directly to request a duplicate set of our proxy materials or to reduce the number of copies of our proxy materials that will be sent to your household.

Other Matters

Except for the votes on the proposals described in this proxy statement, no other matter is expected to come before the annual meeting. If any other business properly comes before the annual meeting, the persons named as proxies will vote in their discretion to the extent permitted by law.

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PROPOSAL NO. 1: ELECTION OF DIRECTORS

Our Board of Directors is currently comprised of seven members. Pursuant to our Third Amended and Restated Certificate of Incorporation (the Charter) and our Amended and Restated By-laws (the By-laws), directors are elected or appointed to a term which expires at the next successive annual meeting and when their successors are elected and qualified. All seven of the director nominees are currently directors, and each director nominee was elected by our stockholders at our 2011 annual meeting of stockholders, except for Jeffrey A. Marcus and Arthur J. Reimers.

On September 16, 2011, in connection with the completion of the Company's acquisition of Citadel Broadcasting Corporation (Citadel) (the Citadel Acquisition), the Company entered into a Stockholders' Agreement with BA Capital Company, L.P. (BA Capital) and Banc of America Capital Investors SBIC, L.P. (BACI) (together, the BofA Stockholders), Blackstone FC Communications Partners L.P. (Blackstone), Lewis W. Dickey, Jr., John W. Dickey, David W. Dickey, Michael W. Dickey, Lewis W. Dickey, Sr. and DBBC, L.L.C. (collectively, the Dickeys), Crestview Radio Investors, LLC (Crestview), MIHI LLC (Macquarie) and UBS Securities LLC (UBS). Pursuant to the Stockholders' Agreement, which provides that the size of the Board of Directors is set at seven members, Crestview has the right to designate two individuals for nomination to the Board of Directors, and each of the Dickeys, the BofA Stockholders and Blackstone has the right to designate one individual for nomination to the Board of Directors. The Stockholders' Agreement provides that the other two positions on the Board of Directors will be filled by individuals selected and nominated by the Board of Directors, each of whom must meet applicable independence criteria. Further, the parties to the Stockholders' Agreement (other than the Company) have agreed to support the director nominees who are designated by the relevant stockholders and are presented to the Company's stockholders for approval at stockholder meetings for the term set out in the Stockholders' Agreement. Each stockholder party's respective director nomination rights under the Stockholders' Agreement will generally survive for so long as that stockholder continues to own a specified percentage of the Company's stock, subject to certain exceptions. Messrs. Marcus and Reimers are Crestview's designees to our Board of Directors, Mr. Tolley is Blackstone's designee to our Board of Directors, Mr. Sheridan is the BofA Stockholders' designee to our Board of Directors, and Mr. Lewis W. Dickey, Jr., our Chairman and Chief Executive Officer, is the Dickeys' designee to our Board of Directors.

The Stockholders' Agreement also provides that, for so long as Crestview is the Company's largest stockholder, it will have the right to select one of its designees to our Board of Directors, who shall meet the definition of an independent director and who is elected to the Board of Directors, to be appointed as the lead director of the Board of Directors. Effective September 16, 2011, Mr. Marcus was appointed as lead director.

The director nominees have all been nominated for election by our Board of Directors, upon the recommendation of a majority of our independent directors. If elected, each of the director nominees would serve until the 2013 annual meeting of stockholders or until each is succeeded by another qualified director who has been elected.

Detailed information about each of the director nominees is provided below. Our Board of Directors has no reason to believe that any of these individuals will be unable to serve as directors. If for any reason any of these individuals becomes unable to serve before the annual meeting, the persons named in the proxy will vote for the election of such other persons as our Board of Directors may recommend.

Recommendation of the Board of Directors

Your Board of Directors recommends a vote FOR the election of each of the director nominees.

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Directors Nominated for Election to Serve until the 2013 Annual Meeting

Lewis W. Dickey, Jr., age 50, is our Chairman, President and Chief Executive Officer. Mr. L. Dickey has served as Chairman, President and Chief Executive Officer since December 2000. Mr. L. Dickey was one of our founders and initial investors, and served as Executive Vice Chairman from March 1998 to December 2000. Mr. L. Dickey is a nationally regarded consultant on radio strategy and the author of *The Franchise Building Radio Brands*, published by the National Association of Broadcasters, one of the industry's leading texts on competition and strategy. Mr. L. Dickey also serves as a member of the National Association of Broadcasters Radio board of directors. Mr. L. Dickey is the brother of John W. Dickey, our Executive Vice President and Co-Chief Operating Officer.

Mr. L. Dickey has over 28 years of experience in the radio broadcasting industry in a variety of strategic, operational and financing areas. As a founder of Cumulus Media, Mr. L. Dickey was instrumental in our development and growth. His service as our Chairman and Chief Executive Officer over the past eleven years has resulted in his having a unique level of knowledge of the opportunities and challenges associated with our business. Among other things, he brings to our Board of Directors his extensive background in station acquisitions, integration and management. Mr. L. Dickey's familiarity with us, our industry and various market participants makes him uniquely qualified to lead and advise the Board of Directors as Chairman.

Ralph B. Everett, age 60, has served as one of our directors since July 1998. Since January 2007, Mr. Everett has served as the President and Chief Executive Officer of the Joint Center for Political and Economic Studies, a national, nonprofit research and public policy institution located in Washington, D.C. Prior to 2007, and for more than eighteen years, Mr. Everett had been a partner with the Washington, D.C. office of the law firm of Paul, Hastings LLP, where he headed the firm's Federal Legislative Practice Group. He had previously worked in the U.S. Senate for more than a decade, including serving as a staff director and chief counsel of the Committee on Commerce, Science and Transportation. In 1998, Mr. Everett was appointed by President Clinton as United States Ambassador to the 1998 International Telecommunication Union Plenipotentiary Conference. In the same year, he led the U.S. delegation to the Second World Telecommunication Development Conference in Malta, joining participants from more than 190 nations. He is also a member of the Board of Visitors of Duke University Law School and serves on the boards of Connection Nation and Independent Sector.

Mr. Everett possesses an extensive legal background, particularly in FCC and radio broadcasting matters, as evidenced by the various legal and advisory positions he has held during his career. In addition, Mr. Everett's management experience as a chief executive officer of a public policy institute focused on political and economic matters provides a valuable perspective to our Board of Directors and enables Mr. Everett to offer value in the oversight of the Company through his service on the Audit Committee.

Jeffrey A. Marcus, age 65, has served as one of our directors since September 2011. Mr. Marcus joined Crestview Partners, a private equity firm, in 2004, and currently serves as head of the Crestview Partners' media and communications group. Prior to joining Crestview Partners, Mr. Marcus served in various positions in the media and communications industry, including as president and chief executive officer of AMFM Inc. (formerly Chancellor Media Corporation), one of the nation's largest radio broadcasting companies, and as founder and chief executive officer of Marcus Cable Company, a privately-held cable company. Mr. Marcus is currently a director of CWGS Enterprises, LLC, OneLink Communications (MCNA Cable Holdings LLC and San Juan Cable LLC) and Insight Communications Company, Inc. and a director candidate of Charter Communications, Inc.

Mr. Marcus brings a diverse financial and business management background to our Board of Directors, as evidenced by the variety of senior management positions he has held throughout his career in the media and communications industry. This history and experience contributes to the Board of Directors and its committees significant insight into a number of functional areas critical to Cumulus. Mr. Marcus has also served as a member of several boards of directors, which allows him to leverage his experience for the further benefit of the Company.

Arthur J. Reimers, age 57, has served as one of our directors since September 2011. Mr. Reimers has acted as an independent investor and business consultant since 2001. Prior to 2001, Mr. Reimers served in various

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positions with increasing seniority at Goldman, Sachs & Co., an investment banking firm, from 1981 to 2001, including as Managing Director from 1998 until his retirement in 2001. Mr. Reimers serves on the boards of directors of FBR Capital Markets Corporation and Rotech Healthcare Inc.

Mr. Reimers brings significant financial acumen and an understanding of risk and capital-related matters as a result of his professional experience, which are critical to our success and important to the Board of Directors and to his service on our Audit Committee. In addition, Mr. Reimers brings significant experience serving on other public company boards, including as a lead director, which allows us to benefit from his insight into process and procedural oversight and appropriate levels of interaction between the Board of Directors and management.

Eric P. Robison, age 52, has served as one of our directors since August 1999. Mr. Robison is currently the President and Chief Executive Officer of Lynda.com, an Internet-based software and education training company, which he joined in January 2008. From 2002 to 2008, he was President of IdeaTrek, Inc., a company that provides business consulting services. From 1994 to 2002, Mr. Robison was Vice President, Business Development at Vulcan Inc., the holding company that managed all personal and business interests for investor Paul G. Allen, where Mr. Robison managed various projects and analyzed investment opportunities. He has previously served as a director of several publicly traded companies in various industries.

Mr. Robison brings to our Board of Directors substantial corporate management experience through his high-level positions at technology, business services and training companies, as well as past experience on boards of directors, including at CNET Networks, Inc. Mr. Robison has particular skill and experience in business development and investments and acquisitions, and particularly in connection with internet initiatives and related ventures, all of which is useful to our business strategy, and provides value in the oversight of the Company through his service on the Compensation Committee.

Robert H. Sheridan, III, age 49, has served as one of our directors since July 1998. Mr. Sheridan is currently a partner at Ridgmont Equity Partners, a private equity firm that provides buyout and growth capital to closely-held private companies and new business platforms. Prior to joining Ridgmont Equity Partners in August 2010, Mr. Sheridan served as Managing Director, and Co-Head of the Americas, for BAML Capital Partners (BAMLCP), the private equity and mezzanine group within Bank of America Corporation, since January 1998, and was a Senior Vice President and Managing Director of BA Capital, which was formerly known as NationsBanc Capital Corp. Affiliates of Ridgmont Equity Partners are the successor general partners to certain affiliates of BAMLCP, which previously served as general partners of the BofA Stockholders. Mr. Sheridan has an economic interest in the entities comprising the general partners of the BofA Stockholders. He was a Director of NationsBank Capital Investors, the predecessor of BAMLCP, from January 1996 to January 1998.

Mr. Sheridan's expertise in a variety of financial matters, in private equity and in capital markets and acquisition transactions, makes him a valuable member of our Board of Directors, and enhances the value of his service on the Audit Committee. Mr. Sheridan's significant experience as a senior-level private equity professional provides a solid and diverse platform for him to provide a perspective to our Board of Directors on financial, strategic and acquisition-related matters.

David M. Tolley, age 44, has served as one of our directors since January 2011. Mr. Tolley is a private investor who previously was employed by Blackstone from 2000 until December 2011, most recently serving as Senior Managing Director. Prior to joining Blackstone, Mr. Tolley held a series of positions at Morgan Stanley & Co. He served as a director of Cumulus Media Partners, LLC (CMP) from 2006 to August 2011, and is the former Chairman of the board of directors of New Skies Satellites Holdings Ltd.

Mr. Tolley has over fifteen years of experience in private equity investments and investment banking, with extensive experience in mergers, acquisitions and financings. He has particular experience in the telecommunications and media sectors. His competence in critical financial analysis and strategic planning, and vast experience in both transactions in, and overseeing operations of, numerous companies in the telecommunications and media industries, bring essential skills and a unique perspective to the Board of Directors and to his service on the Audit and Compensation Committees.

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INFORMATION ABOUT THE BOARD OF DIRECTORS

The Board of Directors is elected by our stockholders to oversee our business and affairs and to assure that the long-term interests of our stockholders are being served. Our business is conducted by our employees, managers and officers under the direction of the Chief Executive Officer and the oversight of the Board of Directors.

The Board of Directors held 12 meetings during 2011. Each director attended at least 75% of the meetings of the Board of Directors and the committees on which he served, during the period that he served. We do not have a formal policy regarding attendance by directors at our annual meetings, but we encourage all incumbent directors, as well as all director nominees, to attend the annual meeting. All director nominees who were then members of our Board of Directors attended last year's annual meeting of stockholders, either in person or telephonically.

Director Independence

Our Board of Directors has reviewed the standards of independence for directors established by applicable laws and regulations, including the current listing standards of the NASDAQ Marketplace Rules, and has reviewed and evaluated the relationships of the directors with us and our management. Based upon this review and evaluation, our Board of Directors has determined that none of the current non-employee members of the Board of Directors has a relationship with us or our management that would interfere with such director's exercise of independent judgment, and that each non-employee member of the Board of Directors—Messrs. Everett, Marcus, Reimers, Robison, Sheridan and Tolley—is an independent director. The independent directors meet periodically in executive sessions.

Board of Directors Leadership Structure

Lewis W. Dickey, Jr. serves as our Chairman, President and Chief Executive Officer. Our Board of Directors believes that Mr. L. Dickey's service as both Chairman of the Board of Directors and Chief Executive Officer is in our and our stockholders' best interests. He has extensive experience in radio broadcasting, is viewed as a leader in the industry and possesses detailed and in-depth knowledge of the issues, opportunities and challenges that we face. Our Board of Directors believes that he is, therefore, best positioned to guide the Board of Directors to ensure that our directors' time and attention are focused on the most critical matters. His combined role enables decisive leadership and clear accountability, and enhances our ability to communicate our message and strategy clearly and consistently to our stockholders, employees, customers and suppliers, as well as to the investment community and the capital markets, particularly given the turbulent economic conditions and changes that have occurred within the industry.

Historically, in light of the relatively small size of our Board of Directors, and the active participation of each of our independent directors, our Board of Directors did not believe it was necessary to designate one of the four independent directors as a lead independent director. However, in connection with the significant growth of, and changes in, our Company in 2011 resulting primarily from our completion of the acquisition of the 75.0% of the equity interests of Cumulus Media Partners, LLC that the Company did not own (the "CMP Acquisition"), the Citadel Acquisition and the related equity investment and global refinancing, and pursuant to the terms of the Stockholders' Agreement, effective September 16, 2011, we created the position of lead director. The Board of Directors believed that this was appropriate to allow Mr. L. Dickey to continue to focus on managing the Company's business, to provide additional structure for our independent directors' role in the oversight of the Company, and to demonstrate the effective, independent leadership on the Board of Directors.

As discussed above, under the Stockholders' Agreement, Crestview has the right to have one of its designees to the Board of Directors appointed as lead director. Pursuant thereto, Mr. Marcus was appointed as lead director effective September 16, 2011. The lead director's responsibilities, include, among others:

providing oversight of corporate governance matters;

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serving as a liaison between the independent directors and the Chairman and as consensus builder for the Board of Directors;

assisting the Chairman in guiding the Board of Directors in its strategic focus;

reviewing and participating in developing Board of Directors meeting agendas;

overseeing and managing any potential conflict of interest issues;

coordinating communication and integration across committees; and

presiding over executive sessions of the independent directors.

We believe that the foregoing structure and responsibilities, when combined with the Company's other governance policies and procedures, provide appropriate opportunities for oversight, discussion, and evaluation of decisions and direction from the Board of Directors.

Committees of the Board of Directors

The Board of Directors has an Audit Committee and a Compensation Committee.

The Audit Committee. The purpose of the Audit Committee is to assist our Board of Directors in fulfilling its oversight responsibilities with respect to: (i) our accounting, reporting and financial practices, including the integrity of our financial statements; (ii) our compliance with legal and regulatory requirements; (iii) the independent auditors' qualifications and independence and (iv) the performance of the independent auditors, and our own internal audit function. The Audit Committee is responsible for overseeing our accounting and financial reporting processes and the audits of our financial statements on behalf of our Board of Directors. The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of our independent registered public accounting firm (including resolution of any disagreements between our management and independent registered public accounting firm regarding financial reporting), and our independent registered public accounting firm's report directly to the Audit Committee.

The Audit Committee met 5 times in 2011. The members of the Audit Committee during 2011 were Robert H. Sheridan, III (Chairman), Ralph B. Everett and Eric P. Robison. Effective March 13, 2012, the members of the Audit Committee are David M. Tolley (Chairman), Ralph B. Everett, Arthur J. Reimers and Robert H. Sheridan, III. Our Board of Directors has determined that each Audit Committee member is independent, as such term is defined under the rules of the Securities and Exchange Commission (SEC) and the NASDAQ Marketplace Rules applicable to audit committee members, and meets the financial literacy requirements of the NASDAQ Marketplace Rules. None of the aforementioned members has participated in the preparation of the financial statements of Cumulus Media or its subsidiaries at any time during the past three years. Our Board of Directors has determined that Mr. Sheridan (1) is an audit committee financial expert, as such term is defined under the rules of the SEC, and (2) meets the NASDAQ Marketplace Rules' professional experience requirements. In making such determination, the Board of Directors took into consideration, among other things, the express provision in Item 407(d) of SEC Regulation S-K that the determination that a person has the attributes of an audit committee financial expert shall not impose any greater responsibility or liability on that person than the responsibility and liability imposed on such person as a member of the Audit Committee and the Board of Directors, nor shall it affect the duties and obligations of other Audit Committee members or the Board of Directors.

The Audit Committee operates pursuant to a written charter, which is reviewed on an annual basis and complies with the applicable provisions of the Sarbanes-Oxley Act of 2002, the related rules of the SEC, and the NASDAQ Marketplace Rules. A copy of our Audit Committee charter is available on our corporate website, at www.cumulus.com.

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The Compensation Committee. The Compensation Committee oversees the determination of all matters relating to employee compensation and benefits and specifically reviews and approves salaries, bonuses and equity-based compensation for our executive officers. The Compensation Committee met 7 times in 2011. The members of the Compensation Committee during 2011 were Eric P. Robison (Chairman), Ralph B. Everett and Robert H. Sheridan, III. Effective January 1, 2012, the members of the Compensation Committee are Jeffrey A. Marcus (Chairman), Eric P. Robison and David M. Tolley, each of whom is independent, as such term is defined under the NASDAQ Marketplace Rules.

The Compensation Committee does not have a formal written charter. Our Board of Directors has delegated to the Compensation Committee the following areas of responsibilities:

performance evaluation, compensation and development of our executive officers;

establishment of performance objectives under the Company's short- and long-term incentive compensation arrangements and determination of the attainment of such performance objectives; and

oversight and administration of benefit plans.

The Compensation Committee generally consults with management in addressing executive compensation matters. Historically, the parameters for the compensation of our Chief Executive Officer have been largely established pursuant to his employment agreement, and the compensation of our other executive officers has been determined after taking into account compensation recommendations made by the Chief Executive Officer. In November 2011, the Company entered into new employment agreements with all of its executive officers. Subject to applicable parameters, our Chief Executive Officer, based on the performance evaluations of the other executive officers, recommends to the Compensation Committee compensation for those executive officers. The executive officers, including our Chief Financial Officer, also provide recommendations to the Compensation Committee from time to time regarding key business drivers included in compensation program designs, especially incentive programs, which may include defining related measures and explaining the mutual influence on or by other business drivers and the accounting and tax treatment relating to certain awards. Our Chief Executive Officer also provides regular updates to the Compensation Committee regarding current and anticipated performance outcomes, including the impact on executive compensation. The Compensation Committee has the authority to retain compensation consultants from time to time as it deems appropriate. For additional information about the Compensation Committee's process and its role, as well as the role of executive officers, in determining executive compensation, see Executive Compensation Compensation Discussion and Analysis.

Risk Oversight

Our Board of Directors as a whole has responsibility for risk oversight, with reviews of certain areas being conducted by the relevant Board committee, which reports on its deliberations to the full Board of Directors, as further described below. The Board of Directors feels that this structure for risk oversight is appropriate (except for those risks that require risk oversight by independent directors only) and, as only independent directors serve on the Board of Directors standing committees, the independent directors have full access to all available information for risks that may affect us.

The Audit Committee is specifically charged with discussing risk management (primarily financial and internal control risk), and receives regular reports from management (including legal and financial representatives), independent auditors, internal audit and outside legal counsel on risks related to, among others, our financial controls and reporting, covenant compliance and cost of capital. The Compensation Committee reviews risks related to compensation and makes recommendations to the Board of Directors with respect to whether the Company's compensation policies are properly aligned to discourage inappropriate risk-taking, and is regularly advised by management (including legal and financial representatives) and outside legal counsel. In addition, the Company's management, including the Company's General Counsel, regularly communicates with

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the Board of Directors to discuss important risks that merit its review and oversight, including regulatory risk and risks stemming from periodic litigation or other legal matters in which we are involved. Finally, our Board of Directors believes that, in light of the significant changes to the Company and its business in 2011, our leadership structure of a combined Chairman and Chief Executive Officer, along with a separate lead director, allows for appropriate identification and assessment of issues that should be brought to the Board of Directors' attention.

Nomination Process

Our Board of Directors does not have a standing nominating committee. Historically, due to the small size of our Board of Directors and the historically low turnover of its members, we did not foresee the need to establish a separate nominating committee or to adopt a charter to govern the nomination process. In light of the contractual rights set forth in the Stockholders' Agreement governing the designation of a majority of the nominees to our Board of Directors, we do not currently foresee the need to establish a separate nominating committee or to adopt a written charter to govern the nomination process. Similarly, we do not have a formal process for identifying and evaluating nominees for director. Generally, director candidates have been first identified by evaluating the current members of our Board of Directors whose term will be expiring at the next annual meeting and who are willing to continue in service. If a member whose term is expiring no longer wishes to continue in service, or if our Board of Directors decides not to re-nominate such member, our Board of Directors would then determine whether to commence a search for qualified individuals meeting the criteria discussed below. To date, we have not engaged third parties to identify or evaluate, or assist in identifying or evaluating, potential director nominees.

In accordance with Board policy and the NASDAQ Marketplace Rules, director nominees (including Messrs. L. Dickey, Marcus, Reimers, Sheridan and Tolley, who are designated for nomination pursuant to the terms of the Stockholders' Agreement) must either be (1) recommended by a majority of the independent directors for selection by our Board of Directors or (2) discussed by the full Board of Directors and approved for nomination by the affirmative vote of a majority of our Board of Directors, including the affirmative vote of a majority of the independent directors.

Historically, we have not had a formal policy with regard to the consideration of director candidates recommended by our stockholders. To date, our Board of Directors has not received any recommendations from stockholders requesting that it consider a candidate for inclusion among our Board of Directors' slate of nominees in our proxy statement, other than pursuant to the Stockholders' Agreement, and certain predecessor agreements.

The absence of such a policy does not mean, however, that a recommendation would not have been considered had one been received, or will not be considered, if one is received in the future. Our Board of Directors from time to time may give consideration to the circumstances in which the adoption of a formal policy would be appropriate.

Our Board of Directors evaluates all candidates based upon, among other factors, a candidate's financial literacy, knowledge of our industry or other relevant background experience, status as a stakeholder, independence (for purposes of compliance with the rules of the SEC and the NASDAQ Marketplace Rules), and willingness, ability and availability for service. Other than the foregoing, there are no stated minimum criteria for director nominees, although our Board of Directors may also consider such other factors as it may deem are in the best interests of us and our stockholders. The Board of Directors considers diversity as it deems appropriate in this context (without having a formal diversity policy), given our current needs and the current needs of the Board of Directors to maintain a balance of knowledge, experience and capability. When considering diversity, the Board of Directors considers diversity as one factor, of no greater or lesser importance than other factors and considers diversity in a broad context of race, gender, age, business experience, skills, international experience, education, other board experience and other relevant factors.

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Our By-laws provide for stockholder nominations to our Board of Directors, subject to certain procedural requirements. To nominate a director to our Board of Directors, a stockholder must give timely notice of the nomination in writing to our Corporate Secretary not later than 90 days prior to the anniversary date of the annual meeting of stockholders in the preceding year. All such notices must include (i) the stockholder's name and address, (ii) a representation that the stockholder is one of our stockholders, and will remain so through the record date for the upcoming annual meeting, (iii) the class and number of shares of our common stock that the stockholder holds (beneficially and of record), and (iv) a representation that the stockholder intends to appear in person or by proxy at the upcoming annual meeting to make the nomination. The stockholder must also provide information on his or her prospective nominee, including such person's name, address and principal occupation or employment, a description of all arrangements or understandings between the stockholder, his or her prospective nominee and any other persons (to be named), the written consent of the prospective nominee and such other information as would be required to be included in a proxy statement soliciting proxies for the election of director nominees.

STOCKHOLDER COMMUNICATION WITH THE BOARD OF DIRECTORS

Any matter intended for our Board of Directors, or for any individual member or members of our Board of Directors, should be directed to Richard S. Denning, Corporate Secretary, at our principal executive offices, 3280 Peachtree Road, N.W., Suite 2300, Atlanta, Georgia 30305, with a request to forward the same to the intended recipient. In the alternative, stockholders may direct correspondence to our Board of Directors to the attention of the chairman of the Audit Committee of the Board, in care of Richard S. Denning, Corporate Secretary, at our principal executive offices. All such communications will be forwarded unopened.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Pursuant to Section 16(a) of the Securities Exchange Act of 1934, our directors and executive officers, and any persons who beneficially own more than 10% of our common stock, are required to file initial reports of ownership and reports of changes in ownership with the SEC. Based upon our review of copies of such reports for our 2011 fiscal year and written representations from our directors and executive officers, we believe that our directors and executive officers, and beneficial owners of more than 10% of our common stock, have complied with all applicable filing requirements for our 2011 fiscal year.

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The following table lists information concerning the beneficial ownership of our common stock as of March 23, 2012 (unless otherwise noted) by (1) each of our directors and each of our named executive officers, (2) all of our directors and executive officers as a group, and (3) each person known to us to beneficially own more than 5% of any class of our voting common stock.

Name of Stockholder	Class A Common Stock(1)		Class B Common Stock(1)		Class C Common Stock(1)(2)		Percentage of Voting Control
	Number of Shares	Percentage	Number of Shares	Percentage	Number of Shares	Percentage	
Crestview Radio Investors, LLC(3)	66,933,581	45.6%					43.7%
Banc of America Capital Investors SBIC, L.P.(4)	821,568	*	4,959,916	39.9%			*
BA Capital Company, L.P.(4)	849,475	*	849,275	6.8%			*
Lewis W. Dickey, Sr.(5)	11,504,632	8.3%			644,871	100%	12.3%
Canyon Capital Advisors LLC(6)	22,161,404	14.6%					14.0%
Blackstone FC Communications Partners L.P.(7)	3,315,238	2.4%					2.3%
Lewis W. Dickey, Jr.(8)	11,504,632	8.3%			644,871	100%	12.3%
John W. Dickey(9)	2,153,119	1.5%					1.5%
Joseph P. Hannan	25,000	*					*
John G. Pinch(10)	313,180	*					*
Richard S. Denning(11)	109,616	*					*
Robert H. Sheridan, III(12)	89,173	*					*
Ralph B. Everett(13)	95,330	*					*