#### Before the Federal Communications Commission Washington, D.C. 20554

In re Applications of (	NAL/Acct. No. MB-202441410006
WJAG, Inc.	FRN: 0004992103
for Consent to Transfer of Control of Stations ) WJAG(AM), Norfolk, Nebraska, ) KQKX(FM), Norfolk, Nebraska, KEXL(FM), ) Pierce, Nebraska, and ) K290AT, Norfolk, Nebraska )	Facility ID Nos. 73121, 73122, 170494, and 155264
from )	
Eugene F. Huse, Jr. (Deceased) (Transferor))Karla S. Huse (Deceased) (Transferor))	Application File No. 0000171561
to )	
W.H. Huse Revocable Trust (Transferee)	
and )	
W.H. Huse Revocable Trust (Transferor)	Application File No. 0000186217
to	
W.H. Huse Living Trust (Transferee)	

## **CONSENT DECREE**

## I. INTRODUCTION

1. This Consent Decree is entered into by and between the Media Bureau (Bureau) of the Federal Communications Commission and WJAG, Inc., licensee of the above-captioned stations, for the purpose of terminating the Bureau's investigation concerning compliance with section 310(d) of the Communications Act of 1934, as amended, 47 U.S.C. § 310(d), and section 73.3540 of the Commission's rules, 47 CFR § 73.3540.

## II. **DEFINITIONS**

- 2. For purposes of this Consent Decree, the following definitions shall apply:
  - (a) "Act" means the Communications Act of 1934, as amended, 47 U.S.C. § 151 et. seq.;
  - (b) "Adopting Order" means the order of the Bureau adopting this Consent Decree;
  - (c) "Bureau" means the Media Bureau of the Federal Communications Commission;
  - (d) "Civil Penalty" means the payment Licensee has agreed to pay to the United States Treasury;

- (e) "Commission" or "FCC" means the Federal Communications Commission and all of its bureaus and offices;
- (f) "Effective Date" means the date on which the Bureau releases the Adopting Order;
- (g) "Eugene Huse" means Eugene F. Huse, Jr.;
- (h) "William Huse" or "W.H. Huse" means William H. Huse;
- (i) "Karla Huse" means Karla S. Huse;
- (j) "Investigation" means the Bureau's investigation of information contained in the Voluntary Transfer Applications, as detailed herein;
- (k) "Licensee" means WJAG, Inc., licensee of stations WJAG(AM), Norfolk, Nebraska; KQKX(FM), Norfolk, Nebraska; KEXL(FM), Pierce, Nebraska; and K290AT, Norfolk, Nebraska, and its affiliates, subsidiaries, predecessors-in-interest, and successors-ininterest;
- (1) "Parties" means the Licensee and the Bureau;
- (m) "Rules" means the Commission's regulations found in Title 47 of the Code of Federal Regulations;
- (n) "Trust" means the WJAG Voting Trust;
- (o) "Violations" mean the violations of the Voluntary Transfer of Control Rule and section 310(d) of the Act;
- (p) "Voluntary Transfer Applications" means, collectively, the FCC Form 2100, Schedule 316 application for consent to the voluntary transfer of control seeking consent to the transfer of control from the W.H. Huse Revocable Trust to the W.H. Huse Living Trust, Application File No. 0000171561, and the FCC Form 2100, Schedule 315 application for consent to the voluntary transfer of control seeking consent to the transfer of control from Eugene F. Huse, Jr. to the W.H. Huse Revocable Trust, Application File No. 0000186217;
- (q) "Voluntary Transfer of Control Rule" means 47 CFR § 73.3540.

#### III. BACKGROUND

3. Section 310(d) of the Act, provides in pertinent part:

No construction permit or station license, or any rights thereunder, shall be transferred, assigned, or disposed of in any manner, voluntarily or involuntarily, directly or indirectly, or by transfer of control of any corporation holding such permit or license, to any person except upon application to the Commission and upon finding by the Commission that the public interest, convenience, and necessity will be served thereby.<sup>1</sup>

The Voluntary Transfer of Control Rule implements section 310(d) of the Act.<sup>2</sup> It is well-settled that "control" as used in the Act and the Voluntary Transfer of Control Rule encompasses all forms of control,

(continued....)

<sup>&</sup>lt;sup>1</sup> 47 U.S.C. § 310(d).

<sup>&</sup>lt;sup>2</sup> 47 CFR § 73.3540. In particular, the Voluntary Transfer of Control Rule states, in pertinent part, that "[p]rior consent of the FCC must be obtained for a voluntary assignment or transfer of control." *Id.* § 73.3540(a). The rule states further that an "[a]pplication for consent to the transfer of control of a corporation holding a construction permit or license must be filed on [FCC Form 2100, Schedule 315]" where the transaction involves a substantial (or non pro forma) change in ownership or control, or on FCC Form 2100, Schedule 316 where the transaction is pro

actual or legal, direct or indirect, negative or *affirmative*, and that passage of *de facto* as well as *de jure* control requires the prior consent of the Commission.<sup>3</sup>

4. Prior to 2017, Eugene Huse (now deceased) owned a controlling, majority interest in the Licensee. Specifically, Eugene Huse held 52% of the voting stock and 50.4% of non-voting stock of the Licensee.<sup>4</sup> In addition, his wife, Karla Huse (now deceased), held 1% of the Licensee's voting stock and 1.7% of the non-voting stock.<sup>5</sup> On March 1, 2017, and without prior Commission consent, Eugene and Karla Huse transferred their shares in the Licensee to a trust, the WJAG Voting Trust.<sup>6</sup> The couple's son, William Huse, was the trustee of the Trust, and Eugene and Karla Huse were the beneficiaries of the Trust.<sup>7</sup>

5. Subsequently, on August 30, 2018, the voting and non-voting shares held by the WJAG Voting Trust (constituting a controlling majority interest in the Licensee) were transferred to the W.H. Huse Revocable Trust without prior Commission consent.<sup>8</sup> William Huse was the sole trustee of the W.H. Huse Revocable Trust.<sup>9</sup> Finally, in August 2019, and similarly without prior Commission consent, all of the shares held by the W.H. Huse Revocable Trust (which originated from Eugene Huse and Karla Huse) were transferred to the W.H. Huse Living Trust.<sup>10</sup> William Huse is the sole trustee of the W.H. Huse Living Trust.

6. On November 26, 2021, the Licensee filed the Voluntary Transfer Application belatedly seeking Commission consent to the 2019 transfer of control from the W.H. Huse Revocable Trust to the W.H. Huse Living Trust.<sup>11</sup> In the course of processing that Voluntary Transfer Application, Bureau staff identified the two additional unauthorized transfers of control discussed above. On March 9, 2022, the Licensee filed a second Voluntary Transfer Application to address the earlier transfer of control of the

<sup>4</sup> See Voluntary Transfer Application FCC File No. 0000186217, Timeline of Various Transactions exhibit.

<sup>5</sup> Id.

<sup>6</sup> Id.

<sup>8</sup> Id.

forma (i.e., does not involve a substantial change in ownership or control). *Id.* § 73.3540(a). The test for whether a change in ownership or control is "substantial" has generally been (a) whether 50 percent or more of the voting stock is being transferred, and (b) whether as a result of the transaction 50 percent or more of the outstanding voting stock will be held by persons whose qualifications to be Commission licensees have not previously been approved of or "passed upon." *Barnes Enterprises, Inc.*, 55 FCC 2d 721 (1975); *Clay Broadcasters, Inc.*, 21 RR 2d 442 (1971).

<sup>&</sup>lt;sup>3</sup> See, e.g., Stereo Broadcasters, Inc., 55 FCC 2d 819, 821 (1975) (citing WWIZ, Inc., 36 FCC 561 (1964)), modified, 59 FCC 2d 1002 (1976).

<sup>&</sup>lt;sup>7</sup> *Id.* William Huse indicates that the WJAG Voting Trust was created to be a voting trust within the meaning of Section 21-271(a) of the Nebraska Model Business Corporation Act, and that the purpose of the trust was to ensure continuity for the Licensee in the event that the beneficiaries (Eugene and Karla Huse) were no longer able to make decisions regarding the corporate governance of the Licensee. *See* Voluntary Transfer Application FCC File No. 0000186217, Affidavit of William H. Huse.

<sup>&</sup>lt;sup>9</sup> *Id.* As a result of the demise of Eugene Huse, and consistent with the terms of the WJAG Voting Trust, on August 30, 2018, the beneficial interests held by Eugene and Karla Huse in the WJAG Voting Trust were also transferred to William Huse as Trustee of the W.H. Huse Revocable Trust.

<sup>&</sup>lt;sup>10</sup> *Id.* At that time William Huse also transferred 13,000 Class B non-voting shares that he owned personally and which comprised 1.2% of the non-voting shares of the Licensee to the W.H. Huse Living Trust.

<sup>&</sup>lt;sup>11</sup> See Application File No. 0000171561 (filed Nov. 26, 2021); see also, Broadcast Applications, Public Notice, Report No. PN-1-211129-01, at 6, 15-16, 18 (MB Nov. 29, 2021).

Licensee from Eugene Huse to a trust controlled by William Huse.<sup>12</sup> These various transfers of control were done without prior Commission consent as required by section 310(d) of the Act and the Voluntary Transfer of Control Rule.

7. Based on the foregoing, the Bureau commenced the Investigation and suspended processing of the Voluntary Transfer Applications. The Parties acknowledge that any proceedings that might result from the Violations would be time-consuming and require a substantial expenditure of public and private resources. In order to conserve such resources, resolve the matters, and promote compliance with the Rules, the Parties are entering into this Consent Decree, in consideration of the mutual commitments made herein.

# IV. TERMS OF AGREEMENT

8. <u>Adopting Order</u>. The provisions of this Consent Decree shall be incorporated by the Bureau in an Adopting Order.

9. Jurisdiction. Licensee agrees that the Bureau has jurisdiction over it and the matters contained in this Consent Decree and the authority to enter into and adopt this Consent Decree.

10. <u>Effective Date; Violations</u>. The Parties agree that this Consent Decree shall become effective on the Effective Date as defined herein. Upon the Effective Date, the Adopting Order and this Consent Decree shall have the same force and effect as any other order of the Commission. Licensee agrees that it is required to comply with each individual condition of this Consent Decree. Each specific condition is a separate condition of the Consent Decree as approved. Any violation of the Adopting Order or the terms of this Consent Decree shall constitute a separate violation of a Commission order, entitling the Commission to exercise any rights and remedies attendant to enforcement of a Commission order.

11. <u>Termination of Investigation</u>. In express reliance on the covenants and representations in this Consent Decree and to avoid further expenditure of public resources, the Bureau agrees to terminate the Investigation. In consideration for the termination of the Investigation, Licensee agrees to the terms, conditions, and procedures contained herein.

12. The Bureau further agrees that, in the absence of new material evidence, it will not use the Violations or the existence of this Consent Decree in any action against Licensee concerning the matters that were the subject of the Investigation, provided that the Licensee satisfies all of its obligations under this Consent Decree. In the event that the Licensee fails to satisfy any of its obligations under this Consent Decree, the Bureau may take any enforcement action available pursuant to the Act and the Rules with respect to each Violation, and/or the violation of this Consent Decree.

13. <u>Admission of Liability</u>. Licensee stipulates that its actions described in Paragraph 4 violated section 310(d) of the Act and the Voluntary Transfer of Control Rule.

14. <u>**Civil Penalty**</u>. Licensee agrees to pay the Civil Penalty to the United States Treasury in the amount of eight thousand dollars (\$8,000), within thirty (30) calendar days after the Effective Date. Licensee acknowledges and agrees that upon execution of this Consent Decree, the Civil Penalty shall become a "Claim" or "Debt" as defined in section 3701(b)(1) of the Debt Collection Improvement Act of 1996.<sup>13</sup>

15. <u>**Payment**</u>. Licensee will also send electronic notification of payment to Brendan Holland at <u>Brendan.Holland@fcc.gov</u> and to Olivia Hill at <u>Olivia.Hill@fcc.gov</u> on the date said payment is made. Payment of the Civil Penalty must be made by credit card, ACH (Automated Clearing House)

<sup>&</sup>lt;sup>12</sup> See Application File No. 0000186217 (filed Mar. 9, 2022), amended Apr. 1, 2023, Sept. 22, 2023, and Jan. 18, 2024; see also, *Broadcast Applications*, Public Notice, Report No. PN-1-220314-01, at 3, 6, 14 (MB Mar. 14, 2022).

<sup>&</sup>lt;sup>13</sup> Debt Collection Improvement Act of 1996, Pub. L. No. 104-134, 110 Stat. 1321, 1358 (Apr. 26, 1996).

debit from a bank account using CORES (the Commission's online payment system),<sup>14</sup> or by wire transfer. The Commission no longer accepts Civil Penalty payments by check or money order. Below are instructions that payors should follow based on the form of payment selected:<sup>15</sup>

- Payment by wire transfer must be made to ABA Number 021030004, receiving bank TREAS/NYC, and Account Number 27000001. A completed Form 159 must be faxed to the Federal Communications Commission at 202-418-2843 or e-mailed to RROGWireFaxes@fcc.gov on the same business day the wire transfer is initiated. Failure to provide all required information in Form 159 may result in payment not being recognized as having been received. When completing FCC Form 159, enter the Account Number in block number 23A (call sign/other ID), enter the letters "FORF" in block number 24A (payment type code), and enter in block number 11 the FRN(s) captioned above (Payor FRN).<sup>16</sup> For additional detail and wire transfer instructions, go to https://www.fcc.gov/licensing-databases/fees/wire-transfer.
- Payment by credit card must be made by using the Commission's Registration System (CORES) at <a href="https://apps.fcc.gov/cores/userLogin.do">https://apps.fcc.gov/cores/userLogin.do</a>. To pay by credit card, log-in using the FCC Username associated to the FRN captioned above. If payment must be split across FRNs, complete this process for each FRN. Next, select "Manage Existing FRNs | FRN Financial | Bills & Fees" from the CORES Menu, then select FRN Financial and the view/make payments option next to the FRN. Select the "Open Bills" tab and find the bill number associated with the NAL/Acct. No. The bill number is the NAL Acct. No. (e.g., NAL/Acct. No. 1912345678 would be associated with FCC Bill Number 1912345678). After selecting the bill for payment, choose the "Pay by Credit Card" option. Please note that there is a \$24,999.99 limit on credit card transactions.
- Payment by ACH must be made by using the Commission's Registration System (CORES) at <a href="https://apps.fcc.gov/cores/paymentFrnLogin.do">https://apps.fcc.gov/cores/paymentFrnLogin.do</a>. To pay by ACH, log in using the FRN captioned above. If payment must be split across FRNs, complete this process for each FRN. Next, select "Manage Existing FRNs | FRN Financial | Bills & Fees" on the CORES Menu, then select FRN Financial and the view/make payments option next to the FRN. Select the "Open Bills" tab and find the bill number associated with the NAL/Acct. No. The bill number is the NAL/Acct. No. (e.g., NAL/Acct. No. 1912345678 would be associated with FCC Bill Number 1912345678). Finally, choose the "Pay from Bank Account" option. Please contact the appropriate financial institution to confirm the correct Routing Number and the correct account number from which payment will be made and verify with that financial institution that the designated account has authorization to accept ACH transactions.

16. <u>Compliance Officer</u>. Within 30 calendar days after the Effective Date, Licensee shall designate William Huse to serve as the Compliance Officer who will discharge the duties set forth below, supervise Licensee's compliance with the Act and the Rules, and serve as the point of contact on behalf of the Licensee for all FCC-related compliance matters.

17. <u>Compliance Plan</u>. For purposes of settling the matters set forth herein, the Licensee agrees that it shall, within thirty (30) calendar days after the Effective Date, develop, implement, and maintain for a period of three (3) years a Compliance Plan designed to ensure future compliance with the

<sup>&</sup>lt;sup>14</sup> Payments made using CORES do not require the submission of an FCC Form 159.

<sup>&</sup>lt;sup>15</sup> For questions regarding payment procedures, please contact the Financial Operations Group Help Desk by phone at 1-877-480-3201 (option #6), or by e-mail at <u>ARINQUIRIES@fcc.gov</u>.

<sup>&</sup>lt;sup>16</sup> Instructions for completing the form may be obtained at <u>http://www.fcc.gov/Forms/Form159/159.pdf</u>.

Commission's transfer of control rules. The Compliance Plan shall apply to all radio stations owned by the Licensee. The Compliance Plan shall contain, at a minimum, the following elements:

- a. **Compliance Manual**. Licensee will issue a Compliance Manual that is distributed to employees and others who perform duties for the Licensee that trigger or may trigger compliance-related responsibilities. Licensee may adopt a Compliance Manual that it has prepared or one that has been prepared by an outside source, such as a trade association (e.g. the National Association of Broadcasters), another licensee, or a law firm. The Compliance Manual shall include: (1) an overview of the Commission's requirements with respect to applications for assignment or transfer of control of FCC licenses, including the need for prior approval for license assignments and transfers of control as set forth in the Rules; and (2) a description of the regulatory requirements applicable to the accurate reporting of information in assignment and transfer of control applications as set forth in the Rules. Licensee shall update the Compliance Manual from time to time to reflect changes to relevant sections of the Act, Rules, and Commission orders, and as otherwise needed.
- b. Compliance Training Program. Licensee shall administer a Compliance Training Program for employees and others who perform duties for the Licensee related to assignment and transfer of control applications. This Compliance Training Program shall be completed for all such employees within sixty (60) calendar days of the Effective Date. This Compliance Training Program shall also be presented to new employees who are engaged in such activities, within the first sixty (60) calendar days of employment. This Compliance Training Program shall track the Compliance Manual, focusing on proper implementation of the Compliance Manual.
- c. **Compliance Reports.** Licensee shall submit a Compliance Report to the Commission 90 days after the Effective Date and annually thereafter on the anniversary of the Effective Date for a period of three (3) years. Each Compliance Report will include a certification by the Compliance Officer, as an agent of and on behalf of Licensee, attesting to personal knowledge that: (1) Licensee has established operating procedures intended to ensure compliance with the terms and conditions of this Consent Decree and with section 310(d) of the Act and the Voluntary Transfer of Control Rule, together with an accompanying statement explaining the basis for the certification; (2) Licensee has been utilizing those procedures since the previous Compliance Report was submitted; and (3) Licensee is not aware of any instances of non-compliance with the Consent Decree or those specified sections of the Act and Rules. The certification 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. If the Compliance Officer cannot provide the requisite certification, then the Compliance Officer shall provide the Commission with a detailed explanation of: (i) any instances of non-compliance with this Consent Decree and the Act or Rules, and (ii) the steps that Licensee has taken or will take to remedy each instance of non-compliance and ensure future compliance, and the schedule on which proposed remedial actions will be taken. A copy will be served on Brendan Holland, Audio Division, FCC Media Bureau, at Brendan.Holland@fcc.gov.

18. **Qualifications: Agreement to Grant**. The Bureau finds that its Investigation raises no substantial and material questions of fact as to whether the Licensee possesses the basic qualifications, including those relating to character, to hold a Commission license or authorization. Accordingly, the Bureau agrees to grant the Voluntary Transfer Applications after the Effective Date, provided that the following conditions have been met: 1) the Civil Penalty payment, referenced in paragraph 15 of this Decree, has been fully and timely satisfied; and 2) there are no issues other than the Violations that would preclude grant of the Voluntary Transfer Applications.

19. <u>Waivers</u>. Licensee agrees to waive any and all rights it may have to seek administrative or judicial reconsideration, review, appeal, or stay, or to otherwise challenge the validity of this Consent Decree and the Adopting Order, provided the Consent Decree is adopted without change, addition or modification. If any Party (or the United States on behalf of the Commission), brings a judicial action to enforce the terms of the Consent Decree or Adopting Order, no Party will contest the validity of the Consent Decree or Adopting Order, and Licensee will waive any statutory right to a *trial de novo*. Licensee further agrees to waive any claims it may otherwise have under the Equal Access to Justice Act<sup>17</sup> relating to the Consent Decree or Adopting Order.

20. <u>Severability</u>. The Parties agree that if a court of competent jurisdiction renders any of the provisions of this Consent Decree unenforceable, such unenforceability shall not render unenforceable the Consent Decree, but rather the entire Consent Decree shall be construed as if not containing the particular unenforceable provision or provisions, and the rights and obligations of the Parties shall be construed and enforced accordingly.

21. <u>Invalidity</u>. In the event that this Consent Decree in its entirety is rendered invalid by any court of competent jurisdiction, it will become null and void and may not be used in any manner in any legal proceeding.

22. <u>Subsequent Rule or Order</u>. The Parties agree that if any provision of this Consent Decree conflicts with any subsequent Rule or order adopted by the Commission (except an order specifically intended to revise the terms of this Consent Decree to which Licensee does not expressly consent), such provision will be superseded by such Rule or order.

23. <u>Successors and Assigns</u>. Licensee agrees that the provisions of this Consent Decree shall be binding on its successors, assigns, and transferees.

24. **<u>Final Settlement</u>**. The Parties agree and acknowledge that this Consent Decree shall constitute a final settlement between the Parties with respect to the Investigation.

25. <u>Modifications</u>. This Consent Decree cannot be modified or amended without the advance written consent of all Parties.

26. <u>**Paragraph Headings**</u>. The headings of the paragraphs in this Consent Decree are inserted for convenience only and are not intended to affect the meaning or interpretation of this Consent Decree.

27. <u>Authorized Representative</u>. Each Party represents and warrants to the other Party that it has full power and authority to enter into this Consent Decree. Each person signing this Consent Decree on behalf of a Party hereby represents that he or she is fully authorized by the Party to execute this Consent Decree and to bind the Party to its terms and conditions.

<sup>&</sup>lt;sup>17</sup> 5 U.S.C. § 504; 47 CFR §§ 1.1501-.1530.

28. <u>Counterparts</u>. This Consent Decree may be signed in counterparts and/or electronically and, when so executed, the counterparts, taken together, will constitute a legally binding and enforceable instrument whether executed electronically or by original signatures.

#### MEDIA BUREAU FEDERAL COMMUNICATIONS COMMISSION

By:

Albert Shuldiner, Chief, Audio Division

Date:

WJAG, Inc.

By: William H. Huse, President

Date: \_\_\_\_\_