

SPANISH BROADCASTING SYSTEM, INC.

ETHICS AND COMPLIANCE HOTLINE

Purpose:

To establish procedures for the submission of complaints regarding Accounting, Internal Accounting, Auditing Matters or Violations of any of Spanish Broadcasting System, Inc.'s Policies and Procedures, including the Stock Trading Policy, the Code of Business Conduct and Ethics or possible violations of law.

Background:

Section 301 of the Sarbanes-Oxley Act of 2002 requires the Audit Committee of the Board of Directors of Spanish Broadcasting System, Inc. (the "Company") to establish procedures for: (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. The Company will use the policy and procedure set forth below to provide employees with an avenue to submit complaints regarding non-compliance with any of the Company's policies and procedures, including the Stock Trading Policy and its Code of Business Conduct and Ethics, as well as, complaints regarding possible violations of law, and other complaints that may otherwise amount to conduct deemed to be seriously improper.

Policy:

In accordance with Section 301 of the Sarbanes-Oxley Act of 2002, the following procedures are in place and effective as of June 28, 2004:

1. Any employee of the Company may submit, on a confidential, anonymous basis, any good faith concerns regarding, accounting, internal accounting, auditing matters, violations of the Company's policies and procedures, including the Stock Trading Policy and its Code of Business Conduct and Ethics, as well as, complaints regarding possible violations of law, and other complaints that may otherwise amount to conduct deemed to be seriously improper.
2. The Company provides various alternatives for all such concerns to be communicated. Confidential and anonymous concerns can be made by calling the toll-free telephone number provided.
3. In conducting any investigation, Management and the Audit Committee will use reasonable efforts to protect the confidentiality and anonymity of the complainant.
4. Employees who wish to further discuss any matter, on a non-confidential or non-anonymous basis, should provide contact information such as a telephone number with their complaint. The Company encourages employees to provide their

contact information, along with complaints or concerns, because appropriate follow-up questions and investigative procedures may not be possible unless the source of the information is identified. Additionally, the Company reinforces that prompt submission of complaints or concerns facilitates the investigation process.

5. During the investigation of complaints or concerns, the Company will consider the seriousness and credibility of the issue raised, as well as the likelihood of confirming the allegation through attributable sources.
6. Following the receipt of any complaints, management will investigate each matter and take corrective and disciplinary actions, as it deems appropriate, alone or in combination, including, but not limited to, reprimands, warnings, probation or suspension without pay, demotion, reduction in salary, discharge for cause and restitution.
7. All complaints will be reported to the Audit Committee at the regularly scheduled Audit Committee meetings, along with a status report to include any corrective or disciplinary action taken in response to a complaint received by the Company.
8. The Company will not discipline, discriminate against, or retaliate against any employee who reports such conduct in good faith, unless it is determined that the report was made with knowledge that it was false and / or with intent to harm another. Malicious allegations may result in disciplinary action, as described in Section 6 above.
9. The Company's Director of Internal Audit shall retain any such complaints or concerns for a period of seven (7) years, on behalf of the Audit Committee.

Contact Information

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