



HISPANIC BROADCASTER SBS FILES \$64 MILLION LAWSUIT AGAINST DEFAULTED BUYER OF ITS MEGA TV OPERATIONS

COMPANY ALLEGES BREACH OF CONTRACT AND FRAUD CLAIMS AGAINST VOZ MEDIA AND ITS PRINCIPALS

After months of unwarranted delays and deadline violations, Spanish Broadcasting System, Inc. (“SBS”), the largest certified Hispanic broadcaster in the nation, has filed a lawsuit against VOZ Media, Inc. (“VOZ”) and its principals Orlando Salazar, his wife and McClaren family heiress, Janet McClaren Salazar, and two VOZ executives, Pablo Kleinman and Ryan Morfin. The lawsuit claims that VOZ illegally and improperly breached an agreement to acquire Mega TV from SBS for \$64 million.

The lawsuit alleges that after nearly a year of discussions, negotiations, due diligence and the execution of numerous purchase agreements and extensions, VOZ failed to close the transaction after a series of deceptive delays, resulting in significant financial, legal and reputational harm to SBS.

Since the acquisition was first publicly announced in February of this year, Salazar has publicly proselytized his “divine” mission to deliver a conservative Hispanic voice to compete against the leading U.S. Spanish-language TV networks, Univision and Telemundo. Salazar shared his vision for right-of-center programming to be led by the new “face” of Mega TV, Karina Yapor, a former Univision news anchor.

The complaint also alleges that Salazar and defendants conspired to lure SBS with the promise of a \$64 million transaction, only to secure intimate access to SBS’s proprietary and confidential information while foisting economic losses upon SBS, devaluing Mega TV, and unjustifiably delaying the transaction’s closing – all in an attempt to acquire Mega TV at a significantly lower “vulture” price.

In addition, the complaint details that defendants Kleinman and Morfin furthered the conspiracy by characterizing Salazar and McClaren Salazar as “Dallas royalty”, noting

Salazar's ready access to a deep reservoir of cash, and by constantly relying on and promoting the resources and wealth of the McClaren family. For her part, defendant McClaren Salazar allegedly authorized one of her holding companies to fund the initial multi-million dollar deposit, assuaging concerns as to whether the newly-created VOZ entity possessed the financial wherewithal to satisfy the \$64 million contractual commitment.

A spokesperson for SBS stated, "SBS did everything in its power to close on this transaction, after months of urging Salazar to honor the agreement. We regret that we have reached this point but are confident of our legal standing and the process by which the judicial system will provide the appropriate relief". SBS seeks to be made whole, as well as to recover its attorneys' fees and costs.

The lawsuit was filed with the Eleventh Judicial Circuit in Miami-Dade County and will be heard by the Honorable Judge Lisa Walsh.

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ABOUT SPANISH BROADCASTING SYSTEM

Spanish Broadcasting System, Inc. (SBS) owns and operates radio stations located in the top U.S. Hispanic markets of Los Angeles, New York, Puerto Rico, Chicago, Miami, San Francisco, Orlando, and Tampa, airing the Tropical, Regional Mexican, Spanish Adult Contemporary, Top 40 and Urbano format genres. SBS also operates AIRE Radio Networks, a national radio platform of over 290 affiliated stations reaching 95% of the U.S. Hispanic audience. SBS also owns Mega TV, a network television operation with over-the-air, cable and satellite distribution and affiliates throughout the U.S. and Puerto Rico, produces a nationwide roster of live concerts and events, and owns a stable of digital properties, including LaMusica, a mobile app providing Latino-focused audio and video streaming content and HitzMaker, a performance showcase for trendsetting new artists and music aficionados. For more information, visit us online at www.spanishbroadcasting.com.