FORM 10-K/A

SPANISH BROADCASTING SYSTEM INC - SBSA

Filed: March 31, 2010 (period: December 31, 2009)

Amendment to a previously filed 10-K

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K/A
(Amendment No. 1)

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2009

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission file number 000-27823

Spanish Broadcasting System, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**13-3827791**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

2601 South Bayshore Drive, PH II
Coconut Grove, Florida 33133
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(305) 441-6901**

Former name, former address and former fiscal year, if changed since last report: **None**

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Class A common stock, par value $0.0001 per share	**The NASDAQ Global Market**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☐	Smaller reporting company ☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

As of June 30, 2009, the last business day of the registrant's most recently completed second fiscal quarter, the registrant had 41,499,222 shares of Class A common stock, par value $0.0001 per share, and 23,403,500 shares of Class B common stock, par value $0.0001 per share, outstanding. As of June 30, 2009, the aggregate market value of the Class A common stock held by nonaffiliates of the registrant was approximately $7.4 million and the aggregate market value of the Class B common stock held by nonaffiliates of the registrant was approximately $1 thousand. We calculated the aggregate market value based upon the closing price of our Class A common stock reported on the NASDAQ Global Market on June 30, 2009 of $0.18 per share, and we have assumed that our shares of Class B common stock would trade at the same price per share as our shares of Class A common stock. (For purposes of this paragraph, directors and executive officers have been deemed affiliates.)

As of March 23, 2010, 41,596,513 shares of Class A common stock, par value $0.0001 per share, 23,403,500 shares of Class B common stock, par value $0.0001 per share and 380,000 shares of Series C convertible preferred stock, $0.01 par value per share, which are convertible into 7,600,000 shares of Class A common stock, were outstanding.

Documents Incorporated by Reference:

None.

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Explanatory Note

This Annual Report on Form 10-K/A (Form 10-K/A) is being filed in order to correct an inadvertent error in Part I. Item 1. of the Annual Report on Form 10-K of Spanish Broadcasting System (the Company), initially filed with the Securities and Exchange Commission on March 24, 2010 (the Original Filing). Subsequent to the issuance of the Company's Original Filing, the Company identified that revisions made to the dividend disclosures in the Original Filing during the edgarization process were not carried through the entire Original Filing. As a result, while the Company properly disclosed that our Board of Directors has not yet determined whether to pay the scheduled April 15, 2010 dividend in Part II. Item 5. under the heading *(c) Dividends* and in Part II. Item 7. under the heading *Recent Developments. Dividend Payment on the Series B Preferred Stock,* such revised disclosure was not included in Part I. Item 1. Instead, the second paragraph in Part I. Item 1 under the heading *Recent Developments. Dividend Payment on the Series B Preferred Stock* improperly disclosed that "On March 24, 2010, our Board of Directors declared to pay the scheduled April 15, 2010 dividend." This Form 10-K/A is being filed to revise this statement to read "Our Board of Directors has not yet determined whether to pay the scheduled April 15, 2010 dividend."

Except for the correction described above, the information contained in the Original Filing is not amended hereby and shall be as set forth in the Original Filing. This Form 10-K/A continues to speak as of the date of the Original Filing and the Company has not updated the disclosure in this Form 10-K/A to speak to any later date. Currently-dated certifications from the Company's Chief Executive Officer and Interim Chief Financial Officer have been included as exhibits to this Amendment.

Special Note Regarding Forward-Looking Statements

CAUTIONARY STATEMENT FOR PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. This annual report on Form 10-K/A contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Spanish Broadcasting System, Inc. intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and includes this statement for purposes of such safe harbor provisions. "Forward-looking" statements, as such term is defined by the Securities Exchange Commission (the Commission) in its rules, regulations and releases, represent our expectations or beliefs, including, but not limited to, statements concerning our operations, economic performance, financial condition, growth and acquisition strategies, investments and future operational plans, such as those disclosed under the caption "Risk Factors" appearing in Item 1A of Part I of this Report. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the generality of the foregoing, words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "estimate," "might," or "continue" or the negative or other variations thereof or comparable terminology are intended to identify forward-looking statements. These statements, by their nature, involve substantial risks and uncertainties, certain of which are beyond our control, and actual results may differ materially depending on a variety of important factors, including uncertainty related to acquisitions, governmental regulation and any other factors discussed in our filings with the Commission and we do not have any obligation to publicly update any forward-looking statements to reflect subsequent events or circumstances. *See Item 1A. Risk Factors*.

PART I

Item 1. Business

All references to "we", "us", "our", "SBS", "our company" or "the Company" in this report mean Spanish Broadcasting System, Inc., a Delaware corporation, and all entities owned or controlled by Spanish Broadcasting System, Inc. and, if prior to 1994, mean our predecessor parent company Spanish Broadcasting System, Inc., a New Jersey corporation, and its subsidiaries. Our executive offices are located at 2601 South Bayshore Drive, PH II, Coconut Grove, Florida 33133, our telephone number is (305) 441-6901, and our corporate website is www.spanishbroadcasting.com.

We are the largest publicly traded Hispanic-controlled media and entertainment company in the United States. We own and/or operate 21 radio stations in markets that reach approximately 48% of the U.S. Hispanic population. Our radio stations are located in six of the top-ten Hispanic markets of Los Angeles, New York, Puerto Rico, Chicago, Miami and San Francisco. The Los Angeles and New York markets have the largest and second largest Hispanic populations, and are also the largest and second largest radio markets in the United States in terms of advertising revenue, respectively.

We also own two television stations, which operate as one television operation, branded "MegaTV". MegaTV reaches approximately 2.0 million households in the South Florida market, and through affiliation, programming and local marketing agreements nationally throughout the U.S., including Puerto Rico, we reach approximately 4.5 million households.

As part of our media operating business, we also operate LaMusica.com, Mega.tv, and our radio station websites, which are bilingual (Spanish-English) websites providing content related to Latin music, entertainment, news and culture. We also produce live concerts and events throughout the United States, including Puerto Rico.

Mr. Raúl Alarcón, Jr. became Chairman of our Board of Directors when we completed our initial public offering on November 2, 1999 and has been our Chief Executive Officer since June 1994 and our President and a member of the Board of Directors since October 1985. The Alarcón family has been involved in Spanish-language radio broadcasting since the 1950's, when the late Mr. Pablo Raúl Alarcón, Sr., our former Chairman Emeritus and former member of our Board of Directors, established his first radio station in Camagüey, Cuba. Members of our senior management team, on average, have over 20 years of experience in media broadcasting.

Business Strategy

We focus on maximizing the revenue and profitability of our broadcast portfolio by strengthening the performance of our existing broadcast stations. We evaluate strategic media acquisitions and/or dispositions and strive to expand our media content through distribution and affiliations in order to achieve a significant presence with clusters of stations in the top U.S. Hispanic markets. We generally consider acquisitions and expansion of broadcast stations in markets where we can maximize our revenue through aggressive sales and programming efforts directed at U.S. Hispanic and general market advertisers. The potential acquisitions and expansion may include broadcast stations which do not currently target the U.S. Hispanic market, but which we believe can successfully be reformatted and programmed. We also focus on long-term growth by investing in on-air talent, advertising and from time to time, programming research. Additionally, from time to time, we explore investment opportunities in related media outlets targeting the U.S. Hispanic market.

Hispanic Market Opportunity

We believe that our focus on media formats targeting U.S. Hispanic audiences in the largest Hispanic media markets, together with our experience in programming and marketing to these audiences, provides us with significant opportunities for the following reasons:

- ***Hispanic Population Growth.*** The U.S. Hispanic population is the largest ethnic minority group and the fastest growing consumer market and demographic group of the U.S. population. Between 2000 and 2009, the Hispanic population increased by 35.3%, compared to 4.9% for the non-Hispanic population. By 2014, it is estimated that nearly one out of every six individuals living in the U.S. will be of Hispanic origin.

- ***Hispanic Buying Power.*** The U.S. Hispanic population accounted for an estimated buying power of $978 billion in 2009. Hispanic buying power is expected to increase by 36% between 2009 and 2014 to $1,330 billion, positioning the Hispanic demographic as an extremely attractive group for advertisers.

- ***Growth in Spanish Language Advertising Spending.*** In 2008, advertisers spent an estimated $4.0 billion on Spanish-language media advertising, compared to $3.9 billion in 2007, representing a 1.9% increase from the previous year.

The above market opportunity information is based on data provided by the *Selig Center for Economic Growth, Terry College of Business, The University of Georgia, July 2009* and *Advertising Age, Hispanic Fact Pack, Annual Guide to Hispanic Marketing and Media, 2009 Edition*.

Operating Strategy

Our operating strategy focuses on maximizing our broadcast stations' appeal to our targeted audiences and advertisers in order to increase revenue and cash flow, while simultaneously controlling operating expenses. To achieve these goals, we focus on the following:

Format high-quality programming. We format the programming of each of our broadcast stations to capture a significant share of the Spanish-language audience. From time to time, we use market research, including third-party consultants, periodic music testing and focus groups to assess audience preferences among the diverse groups in the Hispanic population in each broadcast station's target demographic audience. We then refine our programming to reflect the results of this research and testing. Because the U.S. Hispanic population is so diverse, consisting of numerous identifiable groups from many different countries of origin, each with its own culture and heritage, we strive to become very familiar with the tastes and preferences of each of the various Hispanic ethnic groups, and we customize our broadcast programming accordingly.

Attract and retain strong local management teams. We employ local management teams in each of our markets that are responsible for the day-to-day operations of our broadcast stations. The teams typically consist of a general manager, a sales manager and a programming director. Broadcast stations are staffed with managers who have experience in, and knowledge of, the local market and/or the local Hispanic market because of the cultural diversity of the Hispanic population from market to market in the United States. We believe this approach improves our flexibility and responsiveness to changing conditions in each of the media markets we serve.

Utilize focused sales efforts and sales bundling. To capture greater market share, our sales force focuses on converting audience share into rate and revenue increases. We strategically hire sales professionals who are experts at Hispanic and general market advertising. We also value knowledgeable account managers skilled at dealing directly with clients in the local market. The Spanish-language consumer market is uniquely positioned for national campaigns, regional marketing plans and local promotions in our diverse markets. We believe that our focused sales efforts are working to increase media spending aimed at the Hispanic consumer market and will enable us to achieve rate and revenue growth, and to narrow the gap between the level of advertising currently targeted towards U.S. Hispanics and the actual and potential buying power of their communities.

We utilize various sales strategies to sell and market our stations on a stand-alone basis, in combination with our other media properties within a given market, and across markets, where appropriate. We cross-promote, bundle, and sell our media properties to advertisers, thereby enhancing our revenue generating opportunities. We engage in joint sales and promotional activities across our various media properties in order to provide additional value to our advertisers and audience by creating a more efficient medium to reach and expand our Hispanic audience.

Control broadcast station operating costs. We employ a disciplined approach to operating our broadcast stations. We emphasize the control of each broadcast station's operating costs through detailed budgeting, tight control over staffing levels and constant expense and vendor analysis. While local management is responsible for the day-to-day operation of each broadcast station, corporate management is responsible for long-term and strategic planning, establishing policies and procedures, maximizing cost savings through centralized processes where appropriate, allocating corporate resources and maintaining overall control of our broadcast stations.

Effective use of promotions and special events. We rely on our expertise in marketing to the Hispanic consumer in each of the media markets in which we operate to maximize our share of advertising revenue. We believe that our on-air talent, combined with effective promotional efforts, play a significant role in both adding new listeners and viewers and increasing their loyalty. We organize special promotional appearances, such as station van appearances at client events, concerts and tie-ins to special events, which form an important part of our marketing strategy. Many of these events build advertiser loyalty because they enable us to offer advertisers an additional method of reaching the Hispanic consumer. In some instances, these events are co-sponsored by local television stations, newspapers, promoters and advertisers, allowing our mutual advertisers to reach a larger combined Hispanic audience.

Maintain strong community involvement. We have been, and will continue to be, actively involved in the local communities that we serve. Our broadcast stations participate in numerous community programs, fund-raisers and activities benefiting the local community and Hispanics abroad. Examples of our community involvement include free public service announcements, free equal-opportunity employment announcements, tours and discussions held by station personalities with school and community groups designed to deter drug and gang involvement, free concerts and events designed to promote family values within the local Hispanic communities, charitable contributions to organizations which benefit the Hispanic community, and extended coverage, when necessary, of significant events which have an impact on the U.S. Hispanic population. Our broadcast stations and members of our management have received numerous community service awards and acknowledgments from governmental entities, community and philanthropic organizations for their service. We believe that this involvement helps build and maintain broadcast station awareness and loyalty.

Expand branded content across multiple media platforms. We have found that our brands and the content that we have developed are well positioned for expansion in other media outlets. As part of our long-term strategy, it is essential that we find ways to monetize our content and investments across multiple platforms such as the Internet, television and other new media alternatives, such as personal music and video recording devices, cellular telephones and other new media technology. Since our content is unique to our brands and talent, expansion allows us to capture other advertising and sponsorship revenue. In addition, our key broadcast programs, on-air personalities and brands are being developed for downloadable video, ring-tone and interactive content use. We are also developing content from our production of musical events to create opportunities to sell, market and distribute such content through our websites and other media.

Recent Developments

Lehman Interest Rate Swap

In September and October 2008, the counterparty to one of our interest rate swaps, Lehman Brothers Special Financing Inc., and its parent and credit support provider, Lehman Brothers Holdings Inc., each filed for bankruptcy (the Lehman Bankruptcy). As a result of the Lehman Bankruptcy, a dispute has arisen with respect to payments under the swap agreement. We have agreed to non-binding mediation of our dispute with the counterparty and the mediation session is scheduled to occur at the end of March 2010.

Dividend Payment on the Series B Preferred Stock

Under the terms of our Series B preferred stock, the holders of the outstanding shares of the Series B preferred stock are entitled to receive, when, as and if declared by the Board of Directors, dividends on the Series B preferred stock at a rate of 10¾% per year, of the $1,000 liquidation preference per share, payable quarterly.

During fiscal year 2009, our Board of Directors, under management’s recommendation, determined that based on, among other things, the then current economic environment and future cash requirements, it would not be prudent to declare or pay the January 15, 2010, October 15, 2009 and July 15, 2009 cash dividends in the aggregate amount of approximately $7.5 million.

Our Board of Directors has not yet determined whether to pay the scheduled April 15, 2010 dividend. In determining whether to declare and pay any future cash dividends our Board of Directors will consider management’s recommendation, our financial condition, as well as whether, under Delaware law, sufficient surplus or net profits exist to pay such dividends.

NASDAQ Notification Letters

NASDAQ Delisting Letters and Temporary Extension

As we initially announced on August 25, 2008, we received a notice from The NASDAQ Stock Market (NASDAQ) on August 20, 2008 indicating that we failed to comply with the minimum bid price requirement set forth in NASDAQ Listing Rule 5450(a)(1) (formerly Marketplace Rule 4450(a)(5)) for continued listing of our common stock on The NASDAQ Global Market because the bid price of our common stock closed under $1.00 per share for 30 consecutive business days. The notice also stated that, in accordance with NASDAQ Listing Rule 5810(c)(3)(A) (formerly Marketplace Rule 4450(e)(2)), we would be provided 180 calendar days, or until February 17, 2009, to regain compliance with the minimum bid price requirement. Due to NASDAQ's subsequent suspensions of enforcement of the minimum bid price requirement in 2008 and 2009, and as disclosed by our filings of various Forms 8-K, 10-Q and 10-K, our time period for regaining compliance was extended until December 4, 2009. To regain compliance, the closing bid price of our common stock had to remain at or above $1.00 per share for a minimum of 10 consecutive business days prior to the market close on December 4, 2009.

We did not regain compliance with the $1.00 minimum bid price requirement by December 4, 2009. Accordingly, on December 7, 2009, we received written notification from NASDAQ (the Staff Determination) that unless we requested a hearing before the NASDAQ Listing Qualifications Panel (the Panel) on or before 4:00 p.m. Eastern Time on December 14, 2009, our common stock would be delisted from The NASDAQ Global Market at the opening of business on December 16, 2009.

On December 11, 2009, we requested a hearing before the Panel to appeal the Staff Determination in order to present our plan to address the minimum bid price deficiency (the Appeal). A hearing was held on January 7, 2010. At the hearing, we provided NASDAQ with a specific plan of how we intended to regain compliance with the minimum bid price deficiency, including a time frame for completion of such plan.

On February 9, 2010, we received notice from NASDAQ indicating that NASDAQ had granted our request for an extension of time to regain compliance with the Rule (the NASDAQ Extension Notice). Pursuant to the terms of the NASDAQ Extension Notice, we will be required to, on or before June 7, 2010, evidence a closing bid price of $1.00 or more for a minimum of ten consecutive trading days. In the event that we do not evidence compliance with the Rule and all other requirements for continued listing, our securities may be delisted from The NASDAQ Global Market.

NASDAQ Audit Committee Compliance Letter

On August 14, 2009, we notified NASDAQ that due to the vacancy in our Audit Committee created by Antonio Fernandez' voluntary resignation as a member of the Board, we were no longer in compliance with NASDAQ Marketplace Rule 5605 (Rule 5605), which requires that the Audit Committee be comprised of at least three members, each of whom are independent.

As a result, on August 27, 2009, we received a letter from NASDAQ notifying us that we were not in compliance with the audit committee requirements as set forth in Rule 5605 and advising us that, consistent with NASDAQ Marketplace Rule 5605(c)(4)(A), NASDAQ will provide us the following cure period to regain compliance:

- until the earlier of our next annual shareholders' meeting or August 11, 2010; or
- if the next annual shareholders' meeting is held before February 8, 2010, no later than February 8, 2010.

Since we intend to hold our next annual shareholders' meeting after February 8, 2010 and before August 11, 2010, we will have until our next annual shareholders' meeting to regain compliance. An active search for Mr. Fernandez' replacement is currently underway and we fully intend to regain compliance with Rule 5605 within the cure period allowed by NASDAQ.

Operating Segments

We report two operating segments, radio and television.

See Item 8. Financial Statements and Supplementary Data below.

Radio Overview

We operate radio stations in some of the top Hispanic markets in the United States, including Puerto Rico. We own and/or operate radio stations in Los Angeles, New York, Puerto Rico, Chicago, Miami and San Francisco.

The following table sets forth certain statistical and demographic information relating to our radio markets:

OUR RADIO MARKETS

Hispanic Market Rank(a)	Hispanic Market	2008 Estimated Hispanic Population (000)(a)	2008 Estimated % of Total Hispanic Population in Market(a)	2008 Estimated % of Total U.S. Hispanic Population(a)	2009 Total Estimated Market Radio Revenue ($mm)(b)	Number of Stations We Operate
1	Los Angeles	8,507	48%	18%	$ 698	2
2	New York	4,435	21%	9%	560	2
*	Puerto Rico	3,912	99%	9%	81	11
3	Miami	2,152	49%	5%	223	4
4	Chicago	1,972	20%	4%	441	1
6	San Francisco	1,712	24%	4%	274	1
Total for our markets		**22,690**	**35%**	**48%**	**$ 2,277**	**21**

(a) Sources: *Synovate 2008 Diversity Markets Report*; *U.S. Census Bureau Population Estimates for Puerto Rico, July 2007*.

(b) Source: *BIA Financial Network Inc.'s Investing in Radio, 2009 Market Report*.

* Puerto Rico is not ranked by the *Synovate 2008 Diversity Markets Report*.

Radio Station Portfolio

The following is a general description of each of our markets. The market revenue information is based on data provided by *BIA Financial Network, Inc.'s 2009 Investing in Radio Market Report 4th Edition, Synovate 2008 Diversity Markets Report* and the *U.S. Census Bureau Population Estimates for Puerto Rico — 2007.*

Los Angeles. The Los Angeles market is the largest radio market in terms of advertising revenue, which was projected to be approximately $698 million in 2009. As a result of the worldwide economic recession, the Los Angeles market experienced an annual radio revenue decrease of 11.0% between 2007 and 2008. Radio revenue in the Los Angeles market is expected to decline at an annual rate of 4.0% between 2008 and 2013.

New York. The New York market is the second largest radio market in terms of advertising revenue, which was projected to be approximately $560 million in 2009. As a result of the worldwide economic recession, the New York market experienced an annual radio revenue decrease of 9.5% between 2007 and 2008. Radio revenue in the New York market is expected to decline at an annual rate of 1.9% between 2008 and 2013.

Puerto Rico. The Puerto Rico market is the twenty-fifth largest radio market in terms of advertising revenue, which was projected to be approximately $81 million in 2009. As a result of the worldwide economic recession, the Puerto Rico market experienced an annual radio revenue decrease of 9.1% between 2007 and 2008. Radio revenue in the Puerto Rico market is expected to decrease at an annual rate of 3.8% between 2008 and 2013.

Miami. The Miami market is the tenth largest radio market in terms of advertising revenue, which was projected to be approximately $223 million in 2009. As a result of the worldwide economic recession, the Miami market experienced an annual radio revenue decrease of 11.1% between 2007 and 2008. Radio revenue in the Miami market is expected to decrease at an annual rate of 3.1% between 2008 and 2013.

Chicago. The Chicago market is the third largest radio market in terms of advertising revenue, which was projected to be approximately $441 million in 2009. As a result of the worldwide economic recession, the Chicago market experienced an annual radio revenue decrease of 6.0% between 2007 and 2008. Radio revenue in the Chicago market is expected to decline at an annual rate of 1.0% between 2008 and 2013.

San Francisco. The San Francisco market is the fifth largest radio market in terms of advertising revenue, which was projected to be approximately $274 million in 2009. As a result of the worldwide economic recession, the San Francisco market experienced an annual radio revenue decrease of 8.5% between 2007 and 2008. Radio revenue in the San Francisco market is expected to decline at an annual rate of 3.7% between 2008 and 2013.

Radio Station Programming

We format the programming of each of our radio stations to capture a substantial share of the U.S. Hispanic audience in its respective market. The U.S. Hispanic population is diverse, consisting of numerous identifiable groups from many different countries of origin and each with its own musical and cultural heritage. The music, culture, customs and Spanish dialects vary from one radio market to another. We strive to become very familiar with the musical tastes and preferences of each of the various Hispanic ethnic groups and customize our programming to match the local preferences of our target demographic audience in each market we serve. By employing listener study groups and surveys, we can respond immediately, if necessary, to any changing preferences of listeners and/or trends by refining our programming to reflect the results of our research and testing. Each of our programming formats is described below.

- ***Spanish Tropical.*** The Spanish Tropical format primarily consists of salsa, merengue, bachata, and reggaeton music. Salsa is dance music combining Latin Caribbean rhythms with jazz originating from Puerto Rico, Cuba and the Dominican Republic, which is popular with the Hispanics whom we target in New York, Miami and Puerto Rico. Merengue music is up-tempo dance music originating in the Dominican Republic. Bachata is a softer tempo dance music also originating in the Dominican Republic. Reggaeton is a modern rhythmic dance genre that incorporates certain elements of hip-hop music.

- ***Regional Mexican.*** The Regional Mexican format consists of various types of music played in different regions of Mexico such as ranchera, norteña, banda and cumbia. Ranchera music, originating from Jalisco, Mexico, is a traditional folkloric sound commonly referred to as mariachi music. Mariachi music features acoustical instruments and is considered the music indigenous to Mexicans who live in country towns. Norteña means northern, and is representative of Northern Mexico. Featuring an accordion, norteña has a polka sound with a distinct Mexican flavor. Banda is a regional format from the state of Sinalóa, Mexico and is popular in California. Banda resembles up-tempo marching band music with synthesizers.

- ***Spanish Adult Contemporary.*** The Spanish Adult Contemporary format includes soft romantic ballads and Spanish pop music as well as, international hits from Puerto Rico, Mexico, Latin America and Spain.

- ***Spanish Oldies.*** The Spanish Oldies format includes a variety of Latin and English classics, mainly from the 1960s, 1970s, and 1980s.

- ***Top 40.*** The Top 40 format consists of the most popular current Latin and English chart hits.

- ***Latin Rhythmic.*** The Hispanic Urban (Hurban) format consists of "reggaeton" with a mix of pop and tropical mixes. "Reggaeton" is dance music that originated in Panama and Puerto Rico more than a decade ago and has evolved into a mix of Spanish- and English-language dance hall, traditional reggae, Latin pop and Spanish hip-hop.

The following table lists the programming formats of our radio stations and the target demographic group of each station.

Market	FM Station	Format	Target buying demographic group by age
Los Angeles	KLAX	Regional Mexican	18-49
	KXOL	Latin Rhythmic	18-34
New York	WSKQ	Spanish Tropical	18-49
	WPAT	Spanish Adult Contemporary	18-49
Puerto Rico	WMEG	Top 40	18-34
	WEGM	Top 40	18-34
	WRXD	Spanish Tropical	18-49
	WIOA	Spanish Adult Contemporary	18-49
	WIOB	Spanish Adult Contemporary	18-49
	WIOC	Spanish Adult Contemporary	18-49
	WZNT	Spanish Tropical	18-49
	WZMT	Spanish Tropical	18-49
	WZET	Spanish Tropical	18-49
	WODA	Latin Rhythmic	18-34
	WNOD	Latin Rhythmic	18-34
Chicago	WLEY	Regional Mexican	18-49
Miami	WXDJ	Spanish Tropical	18-49
	WCMQ	Spanish Oldies	25-54
	WRMA	Spanish Adult Contemporary	18-49
	WRZA	Regional Mexican	18-49
San Francisco	KRZZ	Regional Mexican	18-49

On-Line Properties

As part of our media operating business, we also operate LaMusica.com, Mega.tv, and our radio station websites which are bilingual (Spanish-English) websites providing content related to Latin music, entertainment, news and culture. LaMusica.com and our network of station websites generate revenue primarily from advertising and sponsorship. In addition, the majority of our station websites simultaneously streams our stations' content, which has broadened our audience reach. In addition, we hope to generate revenue from our key broadcast programs, on-air personalities and brands, which are being developed for downloadable video, ring-tone and interactive content use through our network website, LaMusica.com. We are also developing content from our production of musical events to create opportunities to sell, market, and distribute this content through our websites and other media.

We believe that LaMusica.com, together with our broadcast portfolio, enables our audience to enjoy targeted and culturally specific entertainment options, such as concert listings, music reviews, local entertainment calendars, and interactive content on popular Latin artists and entertainers. At the same time, our online properties enable our advertisers to reach their targeted Hispanic consumers through an additional and dynamic medium.

Television Overview and Programming

On March 1, 2006, we launched MegaTV, our general entertainment Spanish-language television operation. We created a unique television format which focuses on entertainment, events and variety with high-quality production. Our programming is formatted to capture shares of the market's U.S. Hispanic audience by focusing on our core strengths as an "entertainment" company, thus offering a new alternative compared to the traditional Latino channels.

The following table lists the distribution outlets of our MegaTV programming.

Market	Station ID	Channel	Programming Type
Charleston, South Carolina	WHDC	40.2	Affiliation Agreement
Chicago, Illinois	WOCK	13	Local Marketing Agreement
Dallas, Texas	KODF	26	Affiliation Agreement
Fresno, California	KSDI	33.2	Affiliation Agreement
Miami, Florida	WSBS	22	Owned & Operated
New York, New York	WRNN	48.2	Local Marketing Agreement
Orlando, Florida	WHDO	38.2	Affiliation Agreement
Palm Springs, California	KPLS	19.2	Affiliation Agreement
Puerto Rico	WMEI	14.1	Programming Agreement
Tampa, Florida	WFHD	63.2	Affiliation Agreement
West Palm Beach, Florida	WBWP	57	Affiliation Agreement
DirecTV Más — Nation Wide	Satellite	405	Affiliation Agreement
DirecTV — Puerto Rico	Satellite	169	Affiliation Agreement

MegaTV's programming is based on a strategy designed to showcase a combination of programs, ranging from televised radio-branded shows to general entertainment programs, such as music, celebrity, debate, interviews and personality-based shows. As part of our strategy, we have incorporated certain of our on-air personalities into our programming, as well as including interactive elements to complement our Internet websites. We have developed approximately 70% of our programming and have commissioned other content from capable Spanish-language production partners. Our television revenue is generated primarily from the sale of local advertising and paid programming. Advertising rates depend primarily on our ability to attract an audience in the demographic groups targeted by our advertisers, the number of stations in the market we compete with for the same audience, and the supply of and demand for television advertising time, as well as other qualitative factors. We also generate revenue from the sale of integrated sponsorships and program syndication.

Advertising Revenue

The vast majority of our revenue is derived from cash advertising sales. Advertising revenue is usually classified by two categories — “national” and “local.” “National” generally refers to advertising that is solicited by a representative firm for national advertisers. A subset category of National advertising revenue is network advertising revenue, which is advertising purchased by our other strategic alliance agreements. Our national sales representative for our radio stations is McGavern Guild, Inc. and Spanish Television Sales, LLC for our television stations. “Local” refers to advertising purchased by advertisers and agencies in the local market served by a particular station.

Current trends in the media advertising market have changed the long-established model for categorizing advertising revenue. In the past, media advertising was usually classified into two categories—”national” or “local” spot sales. We have expanded the conventional model by offering “integrated sponsorship” opportunities, which are highly sought after and command a higher investment from agencies, in order to maximize our advertisers’ opportunities. We expect that our primary source of revenue from our broadcast stations will be generated from the sale of national, local and integrated sponsorship advertising. In addition, we are anticipating that the television, radio and internet offerings will generate more advertising opportunities by offering multi-media packages.

The broadcasting industry is one of the most efficient and cost-effective means for advertisers to reach targeted demographic groups. Advertising rates charged by a station are based primarily on the station’s ability to attract an audience in a given market and on the attractiveness to advertisers of the station’s audience demographics, as well as the demand on available advertising inventory. Rates also vary depending upon a program’s popularity among the listeners/viewers an advertiser is seeking to attract and the availability of alternative media in the market. Radio advertising rates generally are highest during the morning drive-time hours, which are the peak hours for radio audience listening. Television advertising rates are higher during prime time evening viewing periods. A broadcaster that has multiple stations in a market appeals to national advertisers because these advertisers can reach more listeners and viewers, thus enabling the broadcaster to attract a greater share of the advertising revenue in a given market. We believe that we will be able to exploit our competitiveness advantages as new and existing advertisers recognize the increasing desirability of targeting the growing U.S. Hispanic population.

Each station broadcasts a predetermined number of advertisements per hour with the actual number depending upon the format of a particular station and any programming strategy we are utilizing to attract an audience. We also determine the number of advertisements broadcast hourly that can maximize the station’s revenue without negatively impacting its audience listener/viewer levels. While there may be shifts from time to time in the number of advertisements broadcast during a particular time of the day, the total number of advertisements broadcast on a particular station generally does not vary significantly from year to year.

We have short- and long-term contracts with our advertisers, although it is customary in the radio and television industry that the majority of advertising contracts are short-term and generally run for less than three months. This affords broadcasters the opportunity to modify advertising rates as dictated by changes in viewer ratings, changes in competitive dynamics and changes in the business climate within a particular market. In each of our broadcasting markets, we employ sales personnel to obtain local advertising revenue. Our local sales force is responsible for maintaining relationships with key local advertisers and agencies and identifying new advertisers. We pay commissions to our local sales staff upon receipt of payment for their respective billings which assist in our collection efforts.

Seasonality

Seasonal broadcasting revenue fluctuations are common in the broadcasting industry and are primarily due to fluctuations in advertising expenditures by local and national advertisers. Our net broadcasting revenues vary throughout the year. Historically, our first calendar quarter (January through March) has generally produced the lowest net broadcasting revenue for the year because of routine post-holiday decreases in advertising expenditures.

Competition

The success of our broadcast stations depends significantly upon their audience ratings and their share of the overall advertising revenue within their markets. The radio and television broadcasting industries are highly competitive businesses. Each of our radio stations competes with both Spanish-language and English-language radio stations in their market, as well as other media, such as newspapers, broadcast television, cable television, the Internet, magazines, outdoor advertising, satellite radio, transit advertising and direct mail marketing. Our television operations compete for viewers and revenue with both Spanish-language and English-language television stations in our local markets, as well as nationally broadcast television operations, cable television, the Internet and other video media.

Several of the broadcast stations with which we compete are subsidiaries of larger national or regional companies that may have substantially greater financial resources than we do. Factors which are material to our competitive position include:

- management experience;
- talent and popularity of on-air personalities and television show hosts and actors;
- audience ratings and our broadcast stations' rank in their markets;
- signal strength and frequency; and
- audience demographics, including the nature of the Spanish-language market targeted by a particular station.

Although the broadcast industry is highly competitive, some barriers to entry do exist. These barriers can be mitigated to some extent by changing existing broadcast station formats and programming and upgrading power, among other actions. The operation of a broadcast station requires a license or other authorization from the Federal Communications Commission (FCC). The number of AM radio stations that can operate in a given market is limited by the availability of AM radio frequencies spectrum in a given market. The number of FM radio frequencies and television stations that can operate in a given market is limited by the availability of those allotted by the FCC to communities in such market. In addition, the FCC's multiple ownership rules regulate the number of stations that may be owned and controlled by a single entity in a given market. However, in recent years, these rules have changed significantly. For a discussion of FCC regulation, see *Federal Regulation of Radio and Television Broadcasting* below.

The radio industry is also subject to competition from new media technologies that are being developed or introduced, such as the delivery of audio programming by cable television systems and by satellite. The FCC has licensed companies for the use of a new technology, satellite digital audio radio services (known as SDARS), to deliver audio programming. SDARS provides a medium for the delivery by satellite of multiple new audio programming formats to local and national audiences. Some radio broadcast stations, including ours, are presently utilizing digital technology on their existing frequencies to deliver audio programming. The FCC also has begun granting licenses for a new "low power" radio or "microbroadcasting" service to provide low-cost neighborhood service on frequencies which would not interfere with existing stations.

The FCC has selected In-Band On-ChannelTM, or IBOC, as the exclusive technology for introduction of terrestrial digital operations by AM and FM radio stations. The technology is also known as "HD Radio®." The FCC has authorized the commencement of "hybrid" IBOC transmissions, that is, simultaneous broadcast in both digital and analog format, pursuant to notification by the station. The advantages of digital audio broadcasting over traditional analog broadcasting technology include improved sound quality and the ability to offer a greater variety of auxiliary services. IBOC technology permits a station to transmit radio programming in both analog and digital formats, and eventually in digital only formats, using the bandwidth that the radio station is currently licensed to use. It is unclear what impact the introduction of digital broadcasting will have on the radio markets in which we compete. The FCC has authorized use of IBOC digital technology developed by iBiquity Digital Corporation, or iBiquity, on AM and FM stations full-time to (1) improve sound quality, (2) provide spectrum for enhanced data services and multiple program streams, and (3) allow radio stations to time broker unused digital bandwidth to third parties, thereby providing new business opportunities for radio broadcasters. Final digital radio rules, including the imposition of new public interest requirements and appropriate limits to the amount of subscription requirements, remain under consideration by the FCC.

We currently utilize HD Radio® digital technology on some of our stations and will evaluate additional installations over the next few years. This digital technology, which is not required by the FCC, offers the possibility of multiple audio channels in our assigned frequencies.

The delivery of information through the presently unregulated Internet also could create a new form of competition for both radio and television. Internet radio broadcasts have no geographic limitations and can provide listeners with radio programming from around the country and the world. Although we believe that the current sound quality of Internet radio is below standard and may vary depending on factors that can distort or interrupt the broadcast, such as network traffic, we expect that improvements from higher bandwidths, faster modems and wider programming selection may make Internet radio a more significant competitor in the future. The radio broadcasting industry historically has grown despite the introduction of new technologies for the delivery of entertainment and information, such as television broadcasting, cable television, audio tapes, portable digital music players and compact discs. Similarly, the television broadcasting industry has grown, notwithstanding the increasing popularity of portable compact disc players, digital video recorders and entertainment and media content delivered through cell phones and other wireless devices. A growing population and the greater availability of televisions and radios, particularly car and portable radios, have contributed to the growth of the radio and television industries. We cannot assure you, however, that the development or introduction of any new media technology will not have an adverse effect on the radio and television broadcasting industries.

We cannot predict what other matters may be considered in the future by the FCC, nor can we assess in advance what impact, if any, the implementation of any of these proposals or changes may have on our business. See *Federal Regulation of Radio and Television Broadcasting* below.

Trademarks, Copyrights, and Licenses

In the course of our business, we use various trademarks, copyrights, trade names, domain names, and service marks, including logos, with our products and services in our programming, advertising and promotions. Trademarks and copyrights are of material importance to our business and are protected by registration or otherwise in the United States, including Puerto Rico. We believe our trademarks, copyrights, trade names, domain names and service marks are important to our business and we intend to continue to protect and promote them where appropriate and to protect the registration of new trademarks and copyrights, including through legal action. We do not hold or depend upon any material government license, franchise or concession, except the broadcast licenses granted by the FCC and the trademarks granted by the United States Patent and Trademark Office.

Antitrust

We have completed, and in the future may complete, strategic acquisitions and divestitures in order to achieve a significant presence with clusters of stations in the top U.S. Hispanic markets. Since the passage of the Telecommunications Act of 1996, the Federal Trade Commission (FTC) and the Department of Justice (DOJ), the federal agencies responsible for enforcing the federal antitrust laws, have reviewed certain proposed acquisitions of broadcast stations and station networks. The DOJ can be particularly aggressive when the proposed buyer already owns one or more broadcast stations in the market of the station it is seeking to buy. The DOJ has challenged a number of broadcasting transactions. Some of those challenges ultimately resulted in consent decrees requiring, among other things, divestitures of certain stations. As part of its scrutiny of station acquisitions, the DOJ has stated publicly that it believes that commencement of operations under time brokerage agreements, local marketing agreements and other similar agreements customarily entered into in connection with station transfers prior to the expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act), could violate the HSR Act. In connection with acquisitions, subject to the waiting period under the HSR Act, so long as the DOJ policy on the issue remains unchanged, we would not expect to commence operation of any affected station under a time brokerage agreement, local marketing agreement or similar agreement until the waiting period has expired or been terminated.

Federal Regulation of Radio and Television Broadcasting

General. The radio and television broadcasting industry is subject to extensive and changing regulation by the FCC of programming, technical operations, employment and other business practices. The FCC regulates broadcast stations pursuant to the Communications Act of 1934, as amended (the Communications Act). The Communications Act permits the operation of broadcast stations only in accordance with a license issued by the FCC upon a finding that the grant of a license would serve the public interest, convenience and necessity. The Communications Act provides for the FCC to exercise its licensing authority to provide a fair, efficient and equitable distribution of broadcast service throughout the United States. Among other things, the FCC:

- assigns frequency bands for radio and television broadcasting;
- determines the particular frequencies, locations and operating power of radio and television broadcast stations;
- issues, renews, revokes and modifies radio and television broadcast station licenses;
- establishes technical requirements for certain transmitting equipment used by radio and television broadcast stations;
- adopts and implements regulations and policies that directly or indirectly affect the ownership, operation, program content and employment and business practices of radio and television broadcast stations;
- has the power to impose penalties, including monetary forfeitures and license revocations, for violations of its rules and the Communications Act; and
- regulates certain aspects of the operation of cable and Direct to Home (DTH) satellite systems and certain other electronic media that compete with broadcast stations.

The following is a brief summary of certain provisions of the Communications Act and specific FCC rules and policies. This summary does not purport to be complete and is subject to the text of the Communications Act, the FCC's rules and regulations, and the rulings of the FCC. You should refer to the Communications Act and these FCC rules, regulations and rulings for further information concerning the nature and extent of federal regulation of broadcast stations. A licensee's failure to observe the requirements of the Communications Act or FCC rules and policies may result in the imposition of various sanctions, including admonishment, fines, the grant of renewal terms of less than eight years, the grant of a license with conditions or, for particularly egregious violations, the denial of a license renewal application, the revocation of an FCC broadcasting license or the denial of FCC consent to acquire additional broadcast properties, all of which could have a material adverse impact on our operations.

FCC Licenses. The Communications Act provides that a broadcast station license may be granted to any applicant if the granting of the application would serve the public interest, convenience and necessity, subject to certain limitations. In making licensing determinations, the FCC considers an applicant's legal, technical, financial and other qualifications. The FCC grants radio and television broadcast station licenses for specific periods of time and, upon application, may renew them for additional terms. Under the Communications Act, radio and television broadcast station licenses may be granted for a maximum term of eight years.

The following table sets forth the technical information and license expiration dates of each of our owned radio and television stations:

Broadcast station	Market	Date of acquisition	Date of license expiration	Operation frequency	FCC class	HAAT (In meters)	Power (In kilowatts)
KLAX-FM	Los Angeles, CA	2/24/1988	12/1/2013	97.9 MHz	B	184	33.00
KXOL-FM	Los Angeles, CA	10/30/2003	12/1/2013	96.3 MHz	B	398	6.60
WSKQ-FM	New York, NY	1/26/1989	6/1/2006(a)	97.9 MHz	B	415	6.00
WPAT-FM	New York, NY	3/25/1996	6/1/2014	93.1 MHz	B	433	5.40
WMEG-FM	Puerto Rico	5/13/1999	2/1/2012	106.9 MHz	B	594	25.00
WEGM-FM	Puerto Rico	1/14/2000	2/1/2012	95.1 MHz	B	600	25.00
WRXD-FM	Puerto Rico	12/1/1998	2/1/2012	96.5 MHz	B	852	11.50
WZET-FM	Puerto Rico	5/13/1999	2/1/2012	92.1 MHz	A	337	3.00
WIOA-FM	Puerto Rico	1/14/2000	2/1/2012	99.9 MHz	B	560	31.00
WIOB-FM	Puerto Rico	1/14/2000	2/1/2012	97.5 MHz	B	302	50.00
WIOC-FM	Puerto Rico	1/14/2000	2/1/2012	105.1 MHz	B	(61)	47.00
WZNT-FM	Puerto Rico	1/14/2000	2/1/2012	93.7 MHz	B	560	28.00
WZMT-FM	Puerto Rico	1/14/2000	2/1/2012	93.3 MHz	B1	(69)	14.50
WODA-FM	Puerto Rico	1/14/2000	2/1/2012	94.7 MHz	B	560	31.00
WNOD-FM	Puerto Rico	1/14/2000	2/1/2012	94.1 MHz	B	597	25.00
WLEY-FM	Chicago, IL	3/27/1997	12/1/2012	107.9 MHz	B	232	21.00
WXDJ-FM	Miami, FL	3/28/1997	2/1/2012	95.7 MHz	C2	167	40.00
WCMQ-FM	Miami, FL	12/22/1986	2/1/2012	92.3 MHz	C2	188	31.00
WRMA-FM	Miami, FL	3/28/1997	2/1/2012	106.7 MHz	CO	300	100.00
KRZZ-FM	San Francisco, CA	12/23/2004	12/1/2013	93.3 MHz	B	150	50.00
WSBS-DT	Miami, FL (b)	3/1/2006	2/1/2013	CH. 3	DTV	54	1.00
WSBS-CA	Miami, FL	3/1/2006	2/1/2013	CH. 50	CA	236	150.00

(a) Application for renewal of license is pending. The FCC broadcasting license for WSKQ-FM expired on June 1, 2006. A petition to deny the application for renewal was filed by several parties who alleged, *inter alia,* that WSKQ-FM had broadcast indecent material during the license term. An opposition pleading was submitted to the Commission categorically stating that the allegations made did not raise sufficient questions to warrant non-renewal of the license. The application remains pending and the station continues to operate under its expired license until the FCC takes action on the renewal. In the great majority of cases, radio broadcast licenses are renewed by the FCC even when petitions to deny are filed against license renewal applications.

(b) TV Station WSBS-TV is licensed to Key West and is part of the Miami DMA (designated market area, as defined by Nielsen Media Research).

License Grant and Renewal. Generally, the FCC renews broadcast licenses without a hearing upon a finding that:

- the station has served the public interest, convenience and necessity;
- there have been no serious violations by the licensee of the Communications Act or FCC rules and regulations; and
- there have been no other violations by the licensee of the Communications Act or FCC rules and regulations which, taken together, indicate a pattern of abuse.

After considering these factors, the FCC may grant the license renewal application with or without conditions, including renewal for a term less than the maximum term otherwise permitted by law, or hold an evidentiary hearing.

The Communications Act authorizes the filing of petitions to deny a license renewal application during specific periods of time after a renewal application has been filed. Interested parties, including members of the public, may use these petitions to raise issues concerning a renewal applicant's qualifications. If a substantial and material question of fact concerning a renewal application is raised by the FCC or other interested parties, or if for any reason the FCC cannot determine that granting a renewal application would serve the public interest, convenience and necessity, the FCC will hold an evidentiary hearing on the application. If, as a result of an evidentiary hearing, the FCC determines that the licensee has failed to meet the requirements specified above and that no mitigating factors justify the imposition of a lesser sanction, then the FCC may deny a license renewal application. Generally, our licenses have been renewed without any material conditions or sanctions being imposed, but we cannot assure that the licenses of each of our stations will continue to be renewed or will continue to be renewed without conditions or sanctions. In a pending rule-making proceeding, the FCC has sought comments on the adoption of processing guidelines for renewal applications regarding a station's locally oriented programming performance. The effect of whether and to what extent any such requirements are ultimately adopted and become effective cannot currently be determined.

The FCC classifies each AM and FM radio station. An AM radio station operates on either a clear channel, regional channel or local channel. A clear channel is one on which AM radio stations are assigned to serve wide areas, particularly at night. The minimum and maximum facilities requirements for an FM radio station are determined by its class. Possible FM class designations depend upon the geographic zone in which the transmitter of the FM radio station is located. In general, commercial FM radio stations are classified as follows, in order of increasing power and antenna height: Class A, B1, C3, B, C2, C1, C0, or C radio stations.

Transfers and Assignments of License. The Communications Act requires prior approval by the FCC for the assignment of a broadcast license or the transfer of control of a corporation or other entity holding a license. In determining whether to approve an assignment of a radio broadcast license or a transfer of control of a broadcast licensee, the FCC considers, among other things:

- the financial and legal qualifications of the prospective assignee or transferee, including compliance with FCC restrictions on non-U.S. citizens or entity ownership and control;
- compliance with FCC rules limiting the common ownership of attributable interests in broadcast and newspaper properties;

- the history of compliance with FCC operating rules; and
- the character qualifications of the transferee or assignee and the individuals or entities holding attributable interests in them.

To obtain the FCC's prior consent to assign or transfer a broadcast license, appropriate applications must be filed with the FCC. The application must be placed on public notice for a period of 30 days during which petitions to deny the application may be filed by interested parties, including members of the public. Informal objections may be filed any time up until the FCC acts upon the application. If the FCC grants an assignment or transfer application, interested parties have 30 days from public notice of the grant to seek reconsideration of that grant. The FCC has an additional ten days to set aside such grant on its own motion. When ruling on an assignment or transfer application, the FCC is prohibited from considering whether the public interest might be served by an assignment or transfer to any party other than the assignee or transferee specified in the application.

Alien Ownership. Under the Communications Act, a broadcast license may not be granted to or held by any corporation that has more than 20% of its capital stock owned or voted by non-U.S. citizens, whom the FCC refers to as "aliens" or entities or their representatives, by foreign governments or their representatives, or by non-U.S. corporations. Furthermore, the Communications Act provides that no FCC broadcast license may be granted to or held by any corporation directly or indirectly controlled by any other corporation of which more than 25% of the capital stock of record is owned or voted by non-U.S. citizens or entities or their representatives, by foreign governments or their representatives, or by non-U.S. corporations, if the FCC finds the public interest will be served by the refusal or revocation of such license. These restrictions apply in modified form to other forms of business organizations, including partnerships and limited liability companies. Thus, the licenses for our stations could be revoked if more than 25% of our outstanding capital stock is issued to or for the benefit of non-U.S. citizens. Our certificate of incorporation provides that the transfer or conversion of our capital stock, whether voluntary or involuntary, shall not be permitted, and shall be ineffective, if such transfer or conversion would violate (or would result in violation of) the Communications Act or any of the rules or regulations promulgated thereunder or require the prior approval of the FCC, unless such prior approval has been obtained.

Ownership Attribution. The FCC generally applies its other broadcast ownership limits to "attributable" interests held by an individual, corporation, partnership or other association or entity, including limited liability companies. In the case of a corporation holding broadcast licenses, the interests of officers, directors and those who, directly or indirectly, have the right to vote 5% or more of the stock of a licensee corporation are generally deemed attributable interests, as are officer positions and directors of a corporate parent of a broadcasting licensee. The FCC treats all partnership interests as attributable, except for those limited partnership interests that under FCC policies are considered insulated from material involvement in the management or operation of the media-related activities of the partnership. The FCC currently treats limited liability companies like limited partnerships for purposes of attribution. Stock interests held by insurance companies, mutual funds, bank trust departments and certain other passive investors that hold stock for investment purposes only become attributable with the ownership of 20% or more of the voting stock of the corporation holding broadcast licenses.

To assess whether a voting stock interest in a direct or an indirect parent corporation of a broadcast licensee is attributable, the FCC uses a "multiplier" analysis in which noncontrolling voting stock interests are deemed proportionally reduced at each noncontrolling link in a multi-corporation ownership chain. A time brokerage agreement with another radio station in the same market creates an attributable interest in the brokered radio station, as well as for purposes of the FCC's local radio station ownership rules, if the agreement affects more than 15% of the brokered radio station's weekly broadcast hours.

Debt instruments, nonvoting stock options or other nonvoting interests with rights of conversion to voting interests that have not yet been exercised and insulated limited partnership interests where the limited partner is not materially involved in the media-related activities of the partnership generally do not subject their holders to attribution. However, the holder of an equity or debt instrument or interest in a broadcast licensee, cable television system, daily newspaper or other media outlet shall have that interest attributed if the equity (including all stock holdings, whether voting or nonvoting, common or preferred) and debt interest or interests in the aggregate exceed 33% of the total asset value, defined as the aggregate of all equity plus all debt of that media outlet, and the interest holder also holds an interest in a broadcast licensee, cable television system, newspaper or other media outlet operating in the same market that is subject to the broadcast multiple ownership or cross-ownership rules and is otherwise attributable or if the interest holder supplies over 15% of the total weekly broadcast programming hours of the station in which the interest is held.

Multiple Ownership. The Communications Act and FCC rules generally restrict ownership, operation or control of, or the common holding of attributable interests in (i) broadcast stations above certain limits serving the same local market, and (ii) broadcast stations and a daily newspaper serving the same local market. The FCC's multiple ownership rules are briefly summarized below.

Local Radio Ownership. Although current FCC nationwide radio broadcast ownership rules allow one entity to own, control or hold attributable interests in an unlimited number of AM and FM radio stations nationwide, the Communications Act and the FCC's rules limit the number of radio broadcast stations in local markets (defined as those counties in the Arbitron® defined market) in which a single entity may own an attributable interest as follows:

- In a radio market with 45 or more full-power commercial and noncommercial radio stations, a party may own, operate or control up to eight commercial radio stations, not more than five of which are in the same service (AM or FM).

- In a radio market with between 30 and 44 (inclusive) full-power commercial and noncommercial radio stations, a party may own, operate or control up to seven commercial radio stations, not more than four of which are in the same service (AM or FM).

- In a radio market with between 15 and 29 (inclusive) full-power commercial and noncommercial radio stations, a party may own, operate or control up to six commercial radio stations, not more than four of which are in the same service (AM or FM).

- In a radio market with 14 or fewer full-power commercial and noncommercial radio stations, a party may own, operate or control up to five commercial radio stations, not more than three of which are in the same service (AM or FM), except that a party may not own, operate, or control more than 50% of the radio stations in such market.

For the purpose of radio ownership caps, the FCC defines a local radio market as the geographic market assigned by Arbitron®, the private audience measurement service for radio broadcasters. For non-Arbitron® markets, the FCC is conducting a rulemaking in order to define markets in a manner comparable to Arbitron®'s method. In the interim, the FCC will apply a "modified contour approach" to non-Arbitron® markets. This modified approach will exclude any radio station whose transmitter site is more than 58 miles from the perimeter of the mutual overlap area

Local Television Ownership. Under the ownership rules currently in place, the FCC generally permits an owner to have only one television station per market. A single owner is permitted to have two stations with overlapping signals so long as (i) one of the two commonly owned stations is not ranked in the top four based upon audience share, and (ii) there will remain after the transaction eight independently owned, full power noncommercial or commercial operating television stations in the market. The FCC will consider waiving these ownership restrictions in certain cases involving failing or failed stations or stations which are not yet built.

Television National Audience Reach Limitation. Under the national television ownership rule, one party may not own television stations which reach more than 39% of all U.S. television households. For purposes of calculating the total number of television households reached by a station, the FCC attributes a UHF television station with only 50% of the television households in its market. In establishing a national cap by statute, Congress did not make mention of the FCC's "UHF discount" policy. The FCC may commence a proceeding to determine if the UHF discount policy should be retained, reused or eliminated.

Radio-Television Cross-Ownership. The radio-television cross-ownership rule generally allows common ownership of one or two television stations and up to six radio stations, or, in certain circumstances, (i) one television station and seven radio stations, in any market where at least 20 independent voices would remain after the combination; (ii) two television stations and up to four radio stations in a market where at least 10 independent voices would remain after the combination; and (iii) one television and one radio station notwithstanding the number of independent voices in the market. A "voice" includes each independently owned and operated full-power television and radio station and each daily newspaper that has a circulation exceeding 5% of the households in the market, plus one voice for all cable television systems operating in the market.

Newspaper-Broadcast Cross-Ownership. Under the currently effective newspaper broadcast cross-ownership rule, unless grandfathered or subject to waiver, no party can have an attributable interest in both a daily English-language newspaper and either a television or radio station in the same market if specified signal contours of the television station or the radio station encompass the entire community in which the newspaper is published.

Programming and Operations. The Communications Act requires broadcasters to serve the public interest. A broadcast licensee is required to present programming in response to community problems, needs and interests and to maintain certain records demonstrating its responsiveness. The FCC will consider complaints from listeners about a broadcast station's programming when it evaluates the licensee's renewal application, but listeners' complaints also may be filed and considered at any time. Stations also must pay regulatory and application fees, and follow various FCC rules that regulate, among other things, political advertising, equal employment opportunity, technical operation, the broadcast of obscene or indecent programming, sponsorship identification, the broadcast of contest and lottery information and the conduct of contests. Certain FCC rules affecting programming and operations are briefly summarized below.

Indecency and Profanity. Provisions of federal law regulate the broadcast of obscene, indecent, or profane material. The FCC's rules prohibit the broadcast of obscene material at any time and indecent or profane material between the hours of 6 a.m. and 10 p.m. Broadcasters risk violating the prohibition against broadcasting indecent or profane material because the vagueness of the FCC's indecency/profanity definition makes it difficult to apply, particularly with regard to spontaneous, live programming. In recent years, the FCC has increased its enforcement efforts of these indecency and profanity regulations, and has threatened to initiate license revocation proceedings against broadcast licensees for "serious" indecency or profanity violations. The FCC has substantially increased its monetary penalties for violations of these regulations. Legislation enacted in 2006 provides the FCC with authority to impose fines of up to $325,000 per indecent or profane utterance with a maximum forfeiture exposure of $3.0 million for any continuing violation arising from a single act or failure to act. Several appeals of certain of the FCC's recent enforcement actions and of the FCC's underlying indecency standards are pending in the federal courts. We cannot predict the outcome of these court proceedings or whether Congress will consider or adopt further legislation in this area.

Equal Employment Opportunities. The FCC requires that licensees not discriminate in hiring practices, develop and implement programs designed to promote equal employment opportunities and maintain reports on these matters annually and submit reports to the FCC in connection with each license renewal application and mid-term between renewal applications.

Simulcasting. The FCC rules also prohibit a licensee from simulcasting more than 25% of its programming on another radio station in the same broadcast service (that is, AM/AM or FM/FM). The simulcasting restriction applies if the licensee owns both radio broadcast stations or owns one and programs the other through a local marketing agreement, provided that the contours of the radio stations overlap in a certain manner.

Time Brokerage and Joint Sales Agreements. Occasionally, stations enter into time brokerage agreements or local marketing agreements. Separately owned and licensed stations may agree to function cooperatively in programming, advertising sales and other matters, subject to compliance with the antitrust laws and the FCC's rules and policies, including the requirement that the licensee of each station maintain independent control over the programming and other operations of its own station. Over the past few years, a number of stations have entered into cooperative arrangements commonly known as joint sales agreements or JSAs. The FCC has determined that where two radio stations are both located in the same market and a party with a cognizable interest in one such station sells more than 15% of the advertising per week of the other station, that party shall be treated as if it has an attributable interest in that brokered station.

RF Radiation. In 1985, the FCC adopted rules based on a 1982 American National Standards Institute, or ANSI standard regarding human exposure to levels of radio frequency, or RF, radiation. These rules require applicants for renewal of broadcast licenses or modification of existing licenses to inform the FCC at the time of filing such applications whether an existing broadcast facility would expose people to RF radiation in excess of certain limits. In 1992, ANSI adopted a new standard for RF radiation exposure that, in some respects, was more restrictive in the amount of environmental RF radiation exposure permitted. The FCC has since adopted more restrictive radiation limits which became effective October 15, 1997, and which are based in part on the revised ANSI standard.

Digital Audio Radio Satellite Service. The FCC rules authorize the Digital Audio Radio Satellite Service, also known as DARS, in the 2310-2360 MHz frequency band. The FCC granted two nationwide licenses, one to XM Satellite Radio and a second to Sirius Satellite Radio. In July 2008, the companies merged into Sirius XM Radio, Inc. The satellite radio systems provide multiple channels of audio programming in exchange for the payment of a subscription fee.

Terrestrial Digital Radio. The FCC has approved a technical standard for the provision of "in band, on channel" terrestrial digital radio broadcasting by existing radio broadcasters, and has allowed radio broadcasters to convert to a hybrid mode of digital/analog operation on their existing frequencies. Digital radio provides additional spectrum segmentation for enhanced data services and additional program streams to complement the existing programming service, which permits new business and multicasting opportunities for radio broadcasters.

Low Power Radio Broadcast Service. The FCC has adopted rules establishing two classes of a low power radio service, both of which will operate in the existing FM radio band; a primary class with a maximum operating power of 100 watts and a secondary class with a maximum power of 10 watts. These low power radio stations have limited service areas of 3.5 miles and 1 to 2 miles, respectively. Implementation of a low power radio service provides an additional audio programming service that could compete with our radio stations for listeners, but we cannot predict the effect upon us.

Change of Community. The FCC has adopted rules concerning the FM Table of Allotments to allow radio broadcasters to change their community of license more easily. We are evaluating our current licenses to see if a community of license change would be beneficial. We are aware that competitors may use this rule revision to improve their facilities, and other radio operators may use this rule in a way that would make them newly attractive acquisition targets for us.

Cable and Satellite Carriage of Television Broadcast Stations. The Cable Television Consumer Protection and Competition Act of 1992 (the Cable Act) and implementing FCC regulations govern the retransmission of commercial television stations by cable television operators. Every three years, each station must elect, with respect to cable systems within its DMA, either "must carry" status, pursuant to which the cable system's carriage of the station is mandatory, or "retransmission consent," pursuant to which the station gives up its right to mandatory carriage in order to negotiate consideration in return for consenting to carriage. We have elected "must carry" with respect to our full power television station.

Similarly, federal legislation and FCC rules govern the retransmission of broadcast television stations by DTH satellite operators. DTH satellite operators are required to carry the signals of all local television broadcast stations requesting carriage in local markets in which the DTH satellite operator carries at least one signal pursuant to the statutory local-to-local compulsory copyright license. Every three years, each television station in such markets must elect "must carry" or "retransmission consent" status, in a manner similar to that described above with respect to cable systems.

In June 2009, broadcast television transitioned from analog to digital. As a result of this transition, for a three-year period cable television systems are required to carry must-carry signals in an analog format or, in the case of all-digital cable systems, to provide equipment to down-convert must-carry digital signals for viewing on analog television sets. Cable television systems, with some exceptions, are also required to carry such stations' high definition signals. DTH satellite carriers are also required, but over a four-year phase-in period, to carry the high definition signals of must-carry stations. Neither cable systems nor DTH satellite carriers are required to carry more than a station's primary video programming channel.

Digital Television Services. As of June 12, 2009, all full-power broadcast television stations were required to cease broadcasting analog programming and convert to all digital broadcasts. The transition to digital television has improved the technical quality of television signals and provides broadcasters the flexibility to offer new services, including high-definition television, broadband data transmission and additional video streams. Our full-power television station has completed construction of its DTV facility and is currently broadcasting solely on its digital channel. No statutory deadline has been established for the mandatory conversion of Class A television stations, such as WSBS-CA, from analog to digital broadcasting. We have FCC authority to flash-cut WSBS-CA to retain the Channel 50 frequency and are constructing the facilities authorized by the FCC.

Children's Television Programming. The FCC has adopted rules on children's television programming pursuant to the Children's Television Act of 1990. The rules limit the amount and content of commercial matter that may be shown on television stations during programming designed for children 12 years of age and younger, and require stations to broadcast on their main program stream three hours per week of educational and informational programming (E/I programming) designed for children 16 years of age and younger. FCC rules also impose E/I programming requirements on each additional digital multicast program stream transmitted by television stations, with the requirement increasing in proportion to the additional hours of free programming offered on multicast channels. These rules also limit the display during children's programming of Internet addresses of websites that contain or link to commercial material or that use program characters to sell products.

Sponsorship Identification. Both the Communications Act and the FCC rules generally require that, when payment or other consideration has been received or promised to a broadcast licensee for the airing of program material, the station must disclose that fact and identify who paid or promised to provide the consideration at the time of the airing. The FCC has initiated inquiries against several media companies, including the Company, concerning sponsorship identification practices with respect to the music recording industry. The FCC has also initiated inquiries against several dozen television stations seeking to determine whether their broadcast of "video news releases" (VNRs) violated the sponsorship identification rules by failing to disclose the source and sponsorship of the VNR materials. VNRs are news stories and feature materials produced by government agencies and commercial entities, among others, for use by broadcasters. The FCC also has under consideration rule-making proceedings concerning sponsorship identification issues, such as product placement. Whether any new regulations are ultimately adopted and, if so, the effect of such rules on our operations cannot currently be determined.

Proposed and Recent Changes. Congress and the FCC continually consider new laws, regulations and policies regarding a wide variety of matters that could, directly or indirectly, affect our operations, ownership and profitability; result in the loss of audience share and advertising revenue; or affect our ability to acquire additional broadcast stations or to finance such acquisitions. We can neither predict what matters might be considered nor judge in advance what impact, if any, the implementation of any of these proposals or changes might have on our business. Such matters may include:

- changes to the license authorization and renewal process;
- proposals to increase regulatory fees or impose spectrum use or other fees on FCC broadcasting licensees;
- changes to the FCC's equal employment opportunity regulations and other matters relating to the involvement of minorities and women in the broadcasting industry;
- proposals to change rules relating to political broadcasting including proposals to grant free air time to candidates, and other changes regarding program content;
- proposals to restrict or prohibit the advertising of beer, wine and other alcoholic beverages;
- proposals to restrict or prohibit the advertising of on-line casinos or on-line sports-betting services;
- proposals to require broadcast stations to operate studios in the communities to which they are licensed, which would require construction of new studios, to provide staffing on a 24 hour per day basis, and to increase and/or quantify locally oriented program content and diversity;
- proposals to change rules regarding studio location and operations;
- technical and frequency allocation matters;
- changes in broadcast, multiple ownership, foreign ownership, cross-ownership and ownership attribution policies;
- proposals to alter provisions of the tax laws affecting broadcast operations and acquisitions;
- proposals to regulate or prohibit payments to stations by independent record promoters, record labels and others for the inclusion of specific content in broadcast programming; and
- proposals to require radio broadcasters to pay royalties to musicians and record labels for the performance of music played on the stations.

Environmental Matters

As the owner, lessee or operator of various real properties and facilities, we are subject to various federal, state and local environmental laws and regulations. Historically, compliance with these laws and regulations has not had a material adverse effect on our business. We cannot assure you, however, that compliance with existing or new environmental laws and regulations will not require us to make significant expenditures of funds.

Management and Personnel

As of December 31, 2009, we had approximately 438 full-time employees and 70 part-time employees. None of our employees are represented by a labor organization or are covered by a collective bargaining agreement. We consider our relations with our employees to be satisfactory.

Our business depends upon the efforts, abilities and expertise of our executive officers and other key employees, including on-air talent, and our ability to hire and retain qualified personnel. The loss of any of these executive officers and key employees, particularly Raúl Alarcón, Jr., Chairman of our Board of Directors, Chief Executive Officer and President, could have a material adverse effect on our business.

Available Information

We are subject to the reporting and other information requirements of the Exchange Act. We file reports and other information with the SEC. Such reports and other information filed by us pursuant to the Exchange Act may be inspected and copied at the public reference facility maintained by the SEC at 100 F Street, N.E., Washington D.C. 20549, on official business days during the hours of 10:00 am to 3:00 pm. If interested, please call 1-800-SEC-0330 for further information on the public reference room. The SEC maintains a website on the Internet containing reports, proxy materials, information statements and other items. The Internet website address is *http://www.sec.gov.*

Our reports, proxy materials, information statements and other information can also be inspected and copied at the offices of the NASDAQ Stock Market, on which our common stock is listed (symbol: SBSA). You can find more information about us at our Internet website located at www.spanishbroadcasting.com and the investor relations section of our website is located at www.spanishbroadcasting.com. Our annual report on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act are available free of charge on our Internet website as soon as reasonably practicable after we electronically file such material with, or furnish such material to, the SEC.

The information on our Internet website is not, and shall not be deemed to be part of this report or incorporated into any other filings we make with the SEC.

PART IV

Item 15. Exhibits and Financial Statement Schedules

The following exhibits, which are numbered in accordance with Item 601 of Regulation S-K, are filed herewith or, as noted, incorporated by reference herein:

Exhibit Number	Exhibit description
31.1	Chief Executive Officer's Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Chief Financial Officer's Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Chief Executive Officer's Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Chief Financial Officer's Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 31st day of March, 2010.

Spanish Broadcasting System, Inc.

By: /s/ Raúl Alarcón, Jr.
Name: Raúl Alarcón, Jr.
Title: Chairman of the Board of Directors, Chief Executive Officer and President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the 31st day of March, 2010.

Signature	
/s/ Raúl Alarcón, Jr. Raúl Alarcón, Jr.	Chairman of the Board of Directors, Chief Executive Officer and President (principal executive officer)
/s/ Joseph A. García Joseph A. García	Director, Senior Executive Vice President, Chief Financial Officer, Chief Administration Officer and Secretary (principal financial and accounting officer)
/s/ Jose A. Villamil Jose A. Villamil	Director
/s/ Mitchell A. Yelen Mitchell A. Yelen	Director
/s/ Jason L. Shrinsky Jason L. Shrinsky	Director

Exhibits

The following exhibits, which are numbered in accordance with Item 601 of Regulation S-K, are filed herewith or, as noted, incorporated by reference herein:

Exhibit Number	Exhibit description
31.1	Chief Executive Officer's Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Chief Financial Officer's Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Chief Executive Officer's Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Chief Financial Officer's Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit 31.1

CERTIFICATION

I, Raúl Alarcón, Jr., certify that:

1. I have reviewed this annual report on Form 10-K/A for the year ended December 31, 2009 of Spanish Broadcasting System, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Raúl Alarcón, Jr.

Name: Raúl Alarcón, Jr.
Title: Chairman of the Board of Directors,
Chief Executive Officer and President

Date: March 31, 2010

Exhibit 31.2

CERTIFICATION

I, Joseph A. García, certify that:

1. I have reviewed this annual report on Form 10-K/A for the year ended December 31, 2009 of Spanish Broadcasting System, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Joseph A. García

Name: Joseph A. García
Title: Chief Financial Officer, Chief Administrative Officer,
Senior Executive Vice President and Secretary

Date: March 31, 2010

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Spanish Broadcasting System, Inc. (the Company) on Form 10-K/A for the period ended December 31, 2009, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Raúl Alarcón, Jr., as Chairman of the Board of Directors, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)), as amended; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Raúl Alarcón, Jr.

Name: Raúl Alarcón, Jr.
Title: Chairman of the Board of Directors,
Chief Executive Officer and President

Date: March 31, 2010

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Spanish Broadcasting System, Inc. (the Company) on Form 10-K/A for the period ended December 31, 2009, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph A. García, as Chief Financial Officer, Executive Vice President and Secretary of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)), as amended; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joseph A. García

Name: Joseph A. García
Title: Chief Financial Officer, Chief Administrative Officer,
Senior Executive Vice President and Secretary

Date: March 31, 2010