

Maryland State Lottery and Gaming Control Commission

STAFF AGENDA MEMORANDUM

DATE OF MEETING: December 13, 2018

AGENDA ITEM: **Radio One Entertainment Holdings, LLC – Modification of \$50 Million Senior Secured Term Loan Transaction**

PRESENTER: John J. Mooney, Managing Director, Regulatory Oversight

ISSUE SUMMARY: Radio One Entertainment Holdings, LLC seeks to modify the loan agreement with Carlyle Credit Opportunities Fund, L.P. to secure a \$50 million Senior Secured Term Loan. The modification seeks to replace Carlyle Credit Opportunities Fund, L.P. with TCG Senior Funding, LLC, a different fund wholly managed by the Carlyle Group. The modification also seeks to increase the loan from \$50 million to \$100 million. The proceeds of the loan will be used by the Company to retire its existing 9.25% Senior Unsecured Notes.

As a condition of the financing, the lender is requiring that Radio One Entertainment Holdings, LLC transfer its economic interest in MGM to a newly created wholly owned bankruptcy remote subsidiary. A bankruptcy remote subsidiary is a special purpose entity formed to hold a defined group of assets to protect them from being administered as property in a bankruptcy proceeding. To fulfill this requirement, the Company formed Urban One Entertainment SPV, LLC on October 4, 2018.

COMMISSION ACTION REQUIRED/REQUESTED: Commission approval upon review and discussion.

STAFF RECOMMENDATIONS: Staff recommends approval