

ENTERCOM COMMUNICATIONS CORP

Form 10-Q

November 04, 2014

[Table of Contents](#)

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2014

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: 001-14461

Entercom Communications Corp.

(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction of
incorporation or organization)
401 E. City Avenue, Suite 809

23-1701044
(I.R.S. employer
identification no.)

Bala Cynwyd, Pennsylvania 19004
(Address of principal executive offices and zip code)
(610) 660-5610

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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 (section 232.405 of this chapter) 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 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 ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class A common stock, \$0.01 par value 31,891,725 Shares Outstanding as of October 28, 2014

Edgar Filing: ENTERCOM COMMUNICATIONS CORP - Form 10-Q

(Class A Shares Outstanding include 1,390,371 unvested and vested but deferred restricted stock units)

Class B common stock, \$0.01 par value 7,197,532 Shares Outstanding as of October 28, 2014.

Table of Contents

ENTERCOM COMMUNICATIONS CORP.

INDEX

Part I Financial Information

Item 1.	<u>Financial Statements</u>	1
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	19
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	27
Item 4.	<u>Controls and Procedures</u>	28

Part II Other Information

Item 1.	<u>Legal Proceedings</u>	29
Item 1A.	<u>Risk Factors</u>	29
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	29
Item 3.	<u>Defaults Upon Senior Securities</u>	29
Item 4.	<u>Mine Safety Disclosures</u>	29
Item 5.	<u>Other Information</u>	29
Item 6.	<u>Exhibits</u>	30

<u>Signatures</u>	31
--------------------------	----

<u>Exhibit Index</u>	32
-----------------------------	----

Private Securities Litigation Reform Act Safe Harbor Statement

In addition to historical information, this report contains statements by us with regard to our expectations as to financial results and other aspects of our business that involve risks and uncertainties and may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934.

Forward-looking statements are presented for illustrative purposes only and reflect our current expectations concerning future results and events. All statements other than statements of historical fact are forward-looking statements for purposes of federal and state securities laws, including, without limitation, any projections of earnings, revenues or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing.

You can identify forward-looking statements by our use of words such as anticipates, believes, continues, expects, intends, likely, may, opportunity, plans, potential, project, will, could, would, should, seeks, similar expressions which identify forward-looking statements, whether in the negative or the affirmative. We cannot guarantee that we actually will achieve these plans, intentions or expectations. These forward-looking statements are subject to risks, uncertainties and other factors, some of which are beyond our control, which could cause actual

results to differ materially from those forecasted or anticipated in such forward-looking statements. You should not place undue reliance on these forward-looking statements, which reflect our view only as of the date of this report. We undertake no obligation to update these statements or publicly release the result of any revision(s) to these statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events.

Key risks to our company are described in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 3, 2014 and as may be supplemented by the risks described under Part II, Item 1A, of our quarterly reports on Form 10-Q and in our Current Reports on Form 8-K.

Table of Contents

PART I
FINANCIAL INFORMATION

ITEM 1. Financial Statements**ENTERCOM COMMUNICATIONS CORP.****CONDENSED CONSOLIDATED BALANCE SHEETS****(amounts in thousands)****(unaudited)**

	SEPTEMBER 30, 2014	DECEMBER 31, 2013
ASSETS:		
Cash	\$ 16,045	\$ 12,231
Accounts receivable, net of allowance for doubtful accounts	74,363	71,818
Prepaid expenses, deposits and other	5,155	4,326
Prepaid and refundable federal and state income taxes	34	41
Deferred tax assets	2,850	2,850
Total current assets	98,447	91,266
Net property and equipment	45,566	44,439
Radio broadcasting licenses	718,992	718,542
Goodwill	38,850	38,850
Assets held for sale	2,958	2,090
Deferred charges and other assets, net of accumulated amortization	14,075	17,501
TOTAL ASSETS	\$ 918,888	\$ 912,688
LIABILITIES:		
Accounts payable	\$ 180	\$ 200
Accrued expenses	17,299	13,729
Other current liabilities	20,369	12,723
Long-term debt, current portion	2,250	3,000
Total current liabilities	40,098	29,652
Long-term debt, net of current portion	479,600	514,124
Deferred tax liabilities	55,831	44,272
Other long-term liabilities	26,115	26,247

Total long-term liabilities	561,546	584,643
Total liabilities	601,644	614,295
CONTINGENCIES AND COMMITMENTS		
SHAREHOLDERS EQUITY:		
Preferred stock		
Class A, B and C common stock	391	385
Additional paid-in capital	607,593	604,721
Accumulated deficit	(290,740)	(306,713)
Total shareholders equity	317,244	298,393
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	\$ 918,888	\$ 912,688

See notes to condensed consolidated financial statements.

Table of Contents**ENTERCOM COMMUNICATIONS CORP.****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(amounts in thousands, except share and per share data)

(unaudited)

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30,			
	2014	2013	2014	2013
NET REVENUES	\$ 99,840	\$ 98,436	\$ 278,276	\$ 278,035
OPERATING EXPENSE:				
Station operating expenses, including non-cash compensation expense	69,490	67,104	195,672	191,040
Depreciation and amortization expense	1,956	2,041	5,797	6,557
Corporate general and administrative expenses, including non-cash compensation expense	7,319	6,039	20,094	17,887
Impairment loss				850
Net (gain) loss on sale or disposal of assets	(130)	(34)	(332)	(1,625)
Total operating expense	78,635	75,150	221,231	214,709
OPERATING INCOME (LOSS)	21,205	23,286	57,045	63,326
OTHER (INCOME) EXPENSE:				
Net interest expense	9,752	11,038	29,467	33,822
Other expense (income)				(93)
TOTAL OTHER EXPENSE	9,752	11,038	29,467	33,729
INCOME (LOSS) BEFORE INCOME TAXES (BENEFIT)	11,453	12,248	27,578	29,597
INCOME TAXES (BENEFIT)	4,980	5,373	11,605	13,080
NET INCOME (LOSS)	\$ 6,473	\$ 6,875	\$ 15,973	\$ 16,517
NET INCOME PER SHARE - BASIC	\$ 0.17	\$ 0.18	\$ 0.42	\$ 0.44
NET INCOME PER SHARE - DILUTED	\$ 0.17	\$ 0.18	\$ 0.41	\$ 0.43

WEIGHTED AVERAGE SHARES:

Basic	37,692,848	37,385,753	37,685,754	37,334,620
Diluted	38,482,073	38,153,422	38,522,122	38,208,979

See notes to condensed consolidated financial statements.

Table of Contents**ENTERCOM COMMUNICATIONS CORP.****CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY****NINE MONTHS ENDED SEPTEMBER 30, 2014 AND YEAR ENDED DECEMBER 31, 2013****(amounts in thousands, except share data)****(unaudited)**

	Common Stock		Class B		Additional	Retained	
	Class A				Paid-in	Earnings	
	Shares	Amount	Shares	Amount	Capital	(Accumulated Deficit)	Total
Balance, December 31, 2012	31,226,047	\$ 312	7,197,532	\$ 72	\$ 601,847	\$ (332,737)	\$ 269,494
Net income (loss)						26,024	26,024
Compensation expense related to granting of stock awards	96,560	1			4,269		4,270
Exercise of stock options	171,625	2			243		245
Purchase of vested employee restricted stock units	(186,038)	(2)			(1,638)		(1,640)
Balance, December 31, 2013	31,308,194	313	7,197,532	72	604,721	(306,713)	298,393
Net income (loss)						15,973	15,973
Compensation expense related to granting of stock awards	633,788	7			3,744		3,751
Exercise of stock options	27,500				42		42
Purchase of vested employee restricted stock units	(93,257)	(1)			(914)		(915)
Balance, September 30, 2014	31,876,225	\$ 319	7,197,532	\$ 72	\$ 607,593	\$ (290,740)	\$ 317,244

See notes to condensed consolidated financial statements.

Table of Contents**ENTERCOM COMMUNICATIONS CORP.****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(amounts in thousands)

(unaudited)

	NINE MONTHS ENDED SEPTEMBER 30,	
	2014	2013
OPERATING ACTIVITIES:		
Net income (loss)	\$ 15,973	\$ 16,517
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	5,797	6,557
Amortization of deferred financing costs (including original issue discount)	3,391	3,261
Net deferred taxes (benefit) and other	11,605	13,080
Provision for bad debts	899	657
Net (gain) loss on sale or disposal of assets	(329)	(1,625)
Non-cash stock-based compensation expense	3,751	2,980
Deferred rent	663	126
Unearned revenue - long-term	(28)	(61)
Deferred compensation	888	1,587
Impairment loss		850
Accretion expense, net of asset retirement obligation adjustments	(18)	17
Other income		(93)
Changes in assets and liabilities:		
Accounts receivable	(3,444)	(1,217)
Prepaid expenses and deposits	(817)	(1,844)
Accounts payable and accrued liabilities	5,863	2,230
Accrued interest expense	5,602	4,311
Accrued liabilities - long-term	(1,235)	(1,055)
Prepaid expenses - long-term	(406)	200
Net cash provided by (used in) operating activities	48,155	46,478
INVESTING ACTIVITIES:		
Additions to property and equipment	(7,390)	(3,502)
Proceeds from sale of property, equipment, intangibles and other assets	80	8
Deferred charges and other assets	(658)	(4)
Proceeds from investments and capital projects		137
Net cash provided by (used in) investing activities	(7,968)	(3,361)

Table of Contents**ENTERCOM COMMUNICATIONS CORP.****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(amounts in thousands)

(unaudited)

	NINE MONTHS ENDED SEPTEMBER 30,	
	2014	2013
FINANCING ACTIVITIES:		
Borrowing under the revolving senior debt	15,500	23,000
Payments of long-term debt	(51,000)	(67,523)
Proceeds from the exercise of stock options	42	219
Purchase of vested employee restricted stock units	(915)	(1,167)
Net cash provided by (used in) financing activities	(36,373)	(45,471)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,814	(2,354)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	12,231	8,923
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 16,045	\$ 6,569
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	\$ 20,998	\$ 26,378
Income taxes	\$ 79	\$ 69

See notes to condensed consolidated financial statements.

Table of Contents

ENTERCOM COMMUNICATIONS CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NINE MONTHS ENDED SEPTEMBER 30, 2014 AND 2013

1. BASIS OF PRESENTATION AND SIGNIFICANT POLICIES

The condensed consolidated interim unaudited financial statements included herein have been prepared by Entercom Communications Corp. and its subsidiaries (collectively, the Company) in accordance with: (i) generally accepted accounting principles (U.S. GAAP) for interim financial information; and (ii) the instructions of the Securities and Exchange Commission (the SEC) for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for annual financial statements. In the opinion of management, the financial statements reflect all adjustments considered necessary for a fair statement of the results of operations and financial position for the interim periods presented. All such adjustments are of a normal and recurring nature. The Company's results are subject to seasonal fluctuations and, therefore, the results shown on an interim basis are not necessarily indicative of results for a full year.

This Form 10-Q should be read in conjunction with the financial statements and related notes included in the Company's audited financial statements as of and for the year ended December 31, 2013 and filed with the SEC on March 3, 2014, as part of the Company's Annual Report on Form 10-K. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations.

There have been no material changes from Note 2, Significant Accounting Policies, as described in the notes to the Company's financial statements contained in its Form 10-K for the year ended December 31, 2013 that was filed with the SEC on March 3, 2014.

Recent Accounting Pronouncements

Stock-Based Performance Awards

In June 2014, accounting guidance was updated for stock-based awards when the terms of an award provide that a performance target that affects vesting could be achieved after the requisite service period. The current accounting standard for stock-based compensation as it applies to awards with performance conditions should be applied. This guidance is effective for the Company as of January 1, 2016. The Company is currently evaluating this guidance, but does not anticipate it will have a material impact on its financial statements.

Revenue From Contracts With Customers

In May 2014, the accounting guidance was updated for revenue recognition from contracts with customers. Along with the update, most industry-specific revenue guidance was eliminated. The new guidance is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The guidance will be applied using one of two retrospective methods. The

guidance is effective for the Company as of January 1, 2017. The Company has not determined the potential effects of this guidance on its financial statements.

Reporting Discontinued Operations

In April 2014, the criteria for reporting discontinued operations, including enhanced disclosures, was modified under new accounting guidance. Under the new guidance, only disposals that have a major effect through a strategic shift on an organization's operations and financial results should be presented as discontinued operations. In addition, the new guidance requires expanded disclosures that will provide financial statement users with more information about the assets, liabilities, income, and expenses of discontinued operations. The guidance is effective for the Company as of January 1, 2016. The Company expects that this new guidance will reduce the number of transactions that will qualify for reporting discontinued operations.

Table of Contents***Netting Of Unrecognized Tax Benefits Against Tax Assets***

In June 2013, the accounting guidance was modified to require the netting of unrecognized tax benefits against a deferred tax asset for a loss or other carryforward that would apply in the settlement of uncertain tax positions. This guidance was effective for the Company beginning January 1, 2014. The adoption of this guidance did not have any effect on the presentation of the Company's consolidated financial statements as the Company's current and prior presentation conforms to this new guidance.

Obligations Resulting From Joint And Several Liability Arrangements

In February 2013, the accounting guidance was amended for obligations resulting from joint and several liability arrangements for which the total amount of the obligation is fixed at the reporting date. The amendments provide guidance on the recognition, measurement, and disclosure of obligations resulting from joint and several liability arrangements, including debt arrangements, other contractual obligations, and settled litigation and judicial rulings, for which the total amount of the obligation is fixed at the reporting date. The amendment was effective for the Company beginning January 1, 2014 and was applied retrospectively. The adoption of this guidance did not have a material effect on the Company's results of operations, cash flows or financial condition.

2. INTANGIBLE ASSETS AND GOODWILL

Goodwill and certain intangible assets are not amortized. The Company accounts for its acquired broadcasting licenses as indefinite-lived intangible assets and, similar to goodwill, these assets are reviewed at least annually for impairment. At the time of each review, if the fair value is less than the carrying value of goodwill and certain intangibles (such as broadcasting licenses), then a charge is recorded to the results of operations.

The following table presents the changes in broadcasting licenses:

	Broadcasting Licenses Carrying Amount	
	September 30, 2014	December 31, 2013
	(amounts in thousands)	
Beginning of period balance as of January 1,	\$ 718,542	\$ 718,656
Acquisitions	450	
Dispositions		(114)
Ending period balance	\$ 718,992	\$ 718,542

The following table presents the changes in goodwill:

Goodwill Carrying Amount

	September 30, 2014	December 31, 2013
	(amounts in thousands)	
Goodwill balance before cumulative loss on impairment as of January 1,	\$ 164,465	\$ 164,718
Accumulated loss on impairment as of January 1,	(125,615)	(125,615)
Goodwill beginning balance after cumulative loss on impairment as of January 1,	38,850	39,103
Dispositions		(253)
Ending period balance	\$ 38,850	\$ 38,850

Table of Contents

Broadcasting Licenses Impairment Test

The Company performs its annual broadcasting license impairment test during the second quarter of each year by evaluating its broadcasting licenses for impairment at the market level using the direct method.

Each market's broadcasting licenses are combined into a single unit of accounting for purposes of testing impairment, as the broadcasting licenses in each market are operated as a single asset. The Company determines the fair value of the broadcasting licenses in each of its markets by relying on a discounted cash flow approach (a 10-year income model) assuming a start-up scenario in which the only assets held by an investor are broadcasting licenses. The Company's fair value analysis contains assumptions based upon past experience, reflects expectations of industry observers and includes judgments about future performance using industry normalized information for an average station within a certain market. These assumptions include, but are not limited to: (1) the discount rate; (2) the market share and profit margin of an average station within a market, based upon market size and station type; (3) the forecast growth rate of each radio market; (4) the estimated capital start-up costs and losses incurred during the early years; (5) the likely media competition within the market area; (6) the tax rate; and (7) future terminal values.

The methodology used by the Company in determining its key estimates and assumptions was applied consistently to each market. Of the seven variables identified above, the Company believes that the assumptions in items (1) through (3) above are the most important and sensitive in the determination of fair value.

During the second quarter for each of the years 2014 and 2013, the Company completed its annual impairment test for broadcasting licenses and determined that the fair value of its broadcasting licenses was greater than the amount reflected in the balance sheet for each of the Company's markets and, accordingly, no impairment was recorded.

If actual market conditions are less favorable than those projected by the industry or the Company, or if events occur or circumstances change that would reduce the fair value of the Company's broadcasting licenses below the amount reflected in the balance sheet, the Company may be required to conduct an interim test and possibly recognize impairment charges, which may be material, in future periods.

There were no events or circumstances since the Company's second quarter annual license impairment test that indicated an interim review of broadcasting licenses was required.

Goodwill Impairment Test

During the second quarter for each of the years 2014 and 2013, the Company completed its annual goodwill impairment test and the results indicated that there was no impairment as the fair value was greater than the carrying value.

If actual market conditions are less favorable than those projected by the industry or the Company, or if events occur or circumstances change that would reduce the fair value of the Company's goodwill below the amount reflected in the balance sheet, the Company may be required to conduct an interim test and possibly recognize impairment charges, which could be material, in future periods.

There were no events or circumstances since the Company's second quarter annual goodwill test that required the Company to test the carrying value of its goodwill.

Table of Contents**3. OTHER CURRENT LIABILITIES**

Other current liabilities consist of the following as of the periods indicated:

	Other Current Liabilities	
	September 30, 2014	December 31, 2013
	(amounts in thousands)	
Accrued compensation	\$ 6,144	\$ 5,418
Accounts receivable credits	3,150	1,547
Advertiser obligations	1,033	1,123
Accrued interest payable	8,512	2,910
Other	1,530	1,725
Total other current liabilities	\$ 20,369	\$ 12,723

4. LONG-TERM DEBT**(A) Senior Debt*****The Credit Facility***

As of September 30, 2014, the amount outstanding under the term loan component (the Term B Loan) of the Company's senior secured credit facility (the Credit Facility) was \$262.0 million and the amount outstanding under the revolving credit facility component (the Revolver) of the Credit Facility was \$2.0 million. The maximum available amount under the Revolver, which includes the impact of outstanding letters of credit, was \$47.4 million as of September 30, 2014. The amount of the Revolver actually available to the Company is a function of covenant compliance at the time of borrowing.

On November 23, 2011, the Company entered into a credit agreement with a syndicate of lenders for a \$425 million Credit Facility that was initially comprised of: (a) a \$50 million Revolver that matures on November 23, 2016; and (b) a \$375 million Term B Loan that matures on November 23, 2018.

The Term B Loan requires mandatory prepayments equal to 50% of Excess Cash Flow, as defined within the agreement, subject to incremental step-downs, depending on the Consolidated Leverage Ratio. The Excess Cash Flow payment is due in the first quarter of each year and the amount of the payment is based on the Excess Cash Flow and Leverage Ratio for the prior year. The Company estimates that the Excess Cash Flow payment for 2015 has been fully paid as of September 30, 2014. The Company funded the prepayment using cash from operating activities.

As of September 30, 2014, the Company is in compliance with all financial covenants and all other terms of the Credit Facility in all material respects. The Company's ability to maintain compliance with its covenants is highly dependent on its results of operations. Management believes that over the next 12 months the Company can continue to maintain compliance. The Company's operating cash flow is positive, and management believes that it is adequate to fund the Company's operating needs. Management believes that cash on hand and cash from operating activities, together with available borrowings under the Revolver, will be sufficient to permit the Company to meet its liquidity requirements.

over the next 12 months, including its debt repayments. As a result, the Company has not been required to rely upon, and the Company does not anticipate being required to rely upon, the Revolver to fund its operations.

Failure to comply with the Company's financial covenants or other terms of its Credit Facility and any subsequent failure to negotiate and obtain any required relief from its lenders could result in a default under the Company's Credit Facility. Any event of default could have a material adverse effect on the Company's business and financial condition. In addition, a default under either the Company's Credit Facility or the indenture governing the Company's 10.5% senior unsecured notes (the "Senior Notes") could cause a cross default in the other and result in the acceleration of the maturity of all outstanding debt. The acceleration of the Company's debt could have a material adverse effect on its business. The Company may seek from time to time to amend its Credit Facility or obtain other funding or additional funding, which may result in higher interest rates on its debt.

Table of Contents

As of September 30, 2014, the Company's Consolidated Leverage Ratio was 4.66 times versus a covenant limit of 5.75 times and the Consolidated Interest Coverage Ratio was 2.83 times versus a covenant minimum of 1.75 times. These covenants become more restrictive over time.

(B) Senior Unsecured Debt***The Senior Notes***

Simultaneously with entering into the Credit Facility on November 23, 2011, the Company issued \$220 million of 10.5% unsecured Senior Notes which mature on December 1, 2019. The Company received net proceeds of \$212.7 million, which included a discount of \$2.9 million, and incurred deferred financing costs of \$6.1 million. These amounts are amortized over the term under the effective interest rate method. Interest on the Senior Notes is payable semi-annually in arrears on June 1 and December 1 of each year.

(C) Net Interest Expense

The components of net interest expense are as follows:

	Net Interest Expense Nine Months Ended September 30, 2014 2013 (amounts in thousands)	
Interest expense	\$ 26,076	\$ 30,564
Amortization of deferred financing costs	3,165	3,058
Amortization of original issue discount of senior notes	226	203
Interest income and other investment income		(3)
Total net interest expense	\$ 29,467	\$ 33,822

	Net Interest Expense Three Months Ended September 30, 2014 2013 (amounts in thousands)	
Interest expense	\$ 8,644	\$ 9,965
Amortization of deferred financing costs	1,031	1,005
Amortization of original issue discount of senior notes	77	69
Interest income and other investment income		(1)
Total net interest expense	\$ 9,752	\$ 11,038

5. TOWER SALE AND LEASEBACK

During the second quarter of 2013, the Company applied the guidance under sale and leaseback accounting to the sale of certain towers and recorded a non-cash current and deferred gain of \$1.6 million and \$9.9 million, respectively. The current gain was included in the statement of operations under net (gain) loss on sale or disposal of assets. The deferred gain is amortized on a straight-line basis over the remaining life of the lease of 16.5 years as of June 2013 and during this period, the gain will be reflected as a net (gain) loss on sale or disposal of assets. As of September 30, 2014, the Company recorded on the balance sheet \$0.6 million of deferred gain as a short-term liability under other current liabilities and \$8.5 million of deferred gain as a long-term liability under other long-term liabilities. All of the leases were accounted for as operating leases.

Table of Contents**6. SHARE-BASED COMPENSATION**

Under the Entercom Equity Compensation Plan (the Plan), the Company is authorized to issue share-based compensation awards to key employees, directors and consultants.

Restricted Stock Units (RSUs) Activity

The following is a summary of the changes in RSUs under the Plan during the current period:

	Period Ended	Number Of Restricted Stock Units	Weighted Average Purchase Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value As Of September 30, 2014
RSUs outstanding as of:	December 31, 2013	1,030,486			
RSUs awarded		675,113			
RSUs released		(289,403)			
RSUs forfeited		(41,325)			
RSUs outstanding as of:	September 30, 2014	1,374,871	\$	1.2	\$ 11,040,214
RSUs vested and expected to vest as of:	September 30, 2014	1,297,223	\$	1.2	\$ 9,737,342
RSUs exercisable (vested and deferred) as of:	September 30, 2014	84,603	\$		\$ 679,362
Weighted average remaining recognition period in years		1.9			
Unamortized compensation expense, net of estimated forfeitures		\$ 6,295,793			

RSUs With Service And Market Conditions

During the first quarter of 2014, the Company issued RSUs with service and market conditions. These shares vest if: (1) the Company's stock achieves certain shareholder performance targets over a defined measurement period; and (2) the employee fulfills a minimum service period. The compensation expense is recognized even if the market conditions are not satisfied and are only reversed in the event the service period is not met. These RSUs, which are included in the RSU activity table, are amortized over the longest of the explicit, implicit or derived service periods, which is one or two years, as all of the conditions need to be satisfied.

Table of Contents

The following table presents the changes in outstanding RSUs with market conditions:

	Nine Months Ended September 30, 2014	Year Ended December 31, 2013
(amounts in thousands, except per share data)		
Reconciliation Of RSUs With Market Conditions		
Beginning of period balance		200
Number of RSUs granted	290	
Number of RSUs forfeited		(200)
Number of RSUs vested		
End of period balance	290	
Average fair value of RSUs issued with market conditions	\$ 6.90	\$

The fair value of RSUs with service conditions is estimated based on the market value stock price on the date of the grant. To determine the fair value of RSUs with service and market conditions, the Company used the Monte Carlo simulation lattice model. The Company's determination of the fair value was based on the number of shares granted, the Company's stock price on the date of grant and certain assumptions regarding a number of highly complex and subjective variables. If other reasonable assumptions were used, the results could differ.

The specific assumptions used for this valuation are as follows:

	Nine Months Ended September 30, 2014
Expected Volatility Structure	39% to 51%
Risk Free Interest Rate	0.1% to 0.4%
Expected Dividend Yield	0.0%

RSUs With Performance Conditions

In addition to the RSUs included in the table above summarizing the changes in RSUs under the Plan, the Company issued 11 thousand RSUs during 2014 with performance conditions at an average fair market value of \$9.60 per share. The fair value was determined based upon the closing price of the Company's common stock on the date of grant. Vesting of the ultimate number of shares underlying such performance-based awards, if any, will be dependent upon the achievement of certain performance targets. If the performance standards are not achieved, all unvested shares will expire and any accrued expense will be reversed.

The Company applies a quarterly probability assessment in computing its non-cash compensation expense and any change in the estimate is reflected as a cumulative adjustment to expense in the quarter of the change.

Table of Contents**Option Activity**

The following table provides summary information related to the exercise of stock options:

Option Exercise Data	Nine Months Ended September 30,	
	2014	2013
	(amounts in thousands)	
Intrinsic value of options exercised	\$ 232	\$ 1,093
Tax benefit from options exercised ⁽¹⁾	\$ 88	\$ 415
Cash received from exercise price of options exercised	\$ 42	\$ 219

⁽¹⁾ Amount excludes impact from suspended income tax benefits and/or valuation allowances.

The following table presents the option activity during the current period under the Plan:

	Period Ended	Number Of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Intrinsic Value As Of September 30, 2014
Options outstanding as of:	December 31, 2013	557,550	\$ 2.58		
Options granted					
Options exercised		(27,500)	1.52		
Options forfeited					
Options expired		(9,000)	20.71		
Options outstanding as of:	September 30, 2014	521,050	\$ 2.32	4.3	\$ 3,194,910
Options vested and expected to vest as of:	September 30, 2014	520,708	\$ 2.32	4.3	\$ 3,194,910
Options vested and exercisable as of:	September 30, 2014	517,300	\$ 2.28	4.3	\$ 3,194,910

Weighted average remaining recognition period
in years

2.9

Unamortized compensation expense, net of
estimated forfeitures

\$ 18,750

The following table summarizes significant ranges of outstanding and exercisable options as of the current period:

Range Of Exercise Prices		Options Outstanding			Options Exercisable	
		Number Of Options Outstanding September 30, 2014	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Of Options Exercisable September 30, 2014	Weighted Average Exercise Price
From	To					
\$ 1.34	\$ 1.34	471,050	4.4	\$ 1.34	471,050	\$ 1.34
\$ 2.02	\$ 11.78	45,000	4.6	\$ 9.00	41,250	\$ 9.02
\$ 33.90	\$ 35.05	5,000	0.2	\$ 34.82	5,000	\$ 34.82
\$ 1.34	\$ 35.05	521,050	4.3	\$ 2.32	517,300	\$ 2.28

Table of Contents**Recognized Non-Cash Stock-Based Compensation Expense**

The following summarizes recognized non-cash stock-based compensation expense, which consists primarily of RSUs:

	Nine Months Ended September 30, 2014 2013	
	(amounts in thousands)	
Station operating expenses	\$ 672	\$ 522
Corporate general and administrative expenses	3,079	2,458
Stock-based compensation expense included in operating expenses	3,751	2,980
Income tax benefit ⁽¹⁾	1,121	791
Net stock-based compensation expense	\$ 2,630	\$ 2,189

	Three Months Ended September 30, 2014 2013	
	(amounts in thousands)	
Station operating expenses	\$ 277	\$ 187
Corporate general and administrative expenses	981	695
Stock-based compensation expense included in operating expenses	1,258	882
Income tax benefit ⁽¹⁾	378	230
Net stock-based compensation expense	\$ 880	\$ 652

⁽¹⁾ Amount excludes impact from suspended income tax benefits and/or valuation allowances.

7. NET INCOME (LOSS) PER COMMON SHARE

The following tables present the computations of basic and diluted net income (loss) per share:

	Nine Months Ended					
	September 30, 2014			September 30, 2013		
	(amounts in thousands, except share and per share data)					
	Net Income		Net Income	Net Income		Net Income
	(Loss)	Shares	(Loss) Per Share	(Loss)	Shares	(Loss) Per Share
Basic net income (loss) per common share:	\$ 15,973	37,685,754	\$ 0.42	\$ 16,517	37,334,620	\$ 0.44
Impact of dilutive equity awards		836,368			874,359	
Diluted net income (loss) per common share:	\$ 15,973	38,522,122	\$ 0.41	\$ 16,517	38,208,979	\$ 0.43

Table of Contents

	Three Months Ended					
	September 30, 2014			September 30, 2013		
	(amounts in thousands, except share and per share data)					
	Net Income (Loss)	Shares	Net Income (Loss) Per Share	Net Income (Loss)	Shares	Net Income (Loss) Per Share
Basic net income (loss) per common share:	\$ 6,473	37,692,848	\$ 0.17	\$ 6,875	37,385,753	\$ 0.18
Impact of dilutive equity awards		789,225			767,669	
Diluted net income (loss) per common share:	\$ 6,473	38,482,073	\$ 0.17	\$ 6,875	38,153,422	\$ 0.18

Incremental Shares Disclosed As Anti-Dilutive

The following table provides the incremental shares excluded as they were anti-dilutive under the treasury stock method:

Impact Of Equity Awards	Nine Months Ended September 30,	
	2014	2013
(amounts in thousands, except per share data)		
Dilutive or anti-dilutive for all potentially dilutive equivalent shares	dilutive	dilutive
Excluded shares as anti-dilutive under the treasury stock method:		
Options	32	38
Price range of options: from	\$ 8.04	\$ 8.79
Price range of options: to	\$ 35.05	\$ 48.21
RSUs with service conditions		242
Excluded RSUs with service and market conditions as market conditions not met	290	200
Excluded RSUs with service and performance conditions as performance conditions not met	11	

Table of Contents

Impact Of Equity Awards	Three Months Ended September 30,	
	2014	2013
	(amounts in thousands, except per share data)	
Dilutive or anti-dilutive for all potentially dilutive equivalent shares	dilutive	dilutive
Excluded shares as anti-dilutive under the treasury stock method:		
Options	30	36
Price range of options: from	\$ 8.04	\$ 8.79
Price range of options: to	\$ 35.05	\$ 48.21
RSUs with service conditions		6
Excluded RSUs with service and market conditions as market conditions not met	290	200
Excluded RSUs with service and performance conditions as performance conditions not met	11	

8. INCOME TAXES**Tax Rates For The Nine Months And Three Months Ended September 30, 2014**

The effective income tax rates were 42.1% and 43.5% for the nine months and three months ended September 30, 2014, respectively. These rates were impacted by an adjustment for expenses that are not deductible for tax purposes and an increase in net deferred tax liabilities associated with non-amortizable assets such as broadcasting licenses and goodwill. The rate was reduced by a tax benefit associated with a statutory change in income tax rates in certain states.

Tax Rates For The Nine Months And Three Months Ended September 30, 2013

The effective income tax rates were 44.2% and 43.9% for the nine months and three months ended September 30, 2013, respectively. These rates were impacted by an adjustment for expenses that are not deductible for tax purposes, an increase in net deferred tax liabilities associated with non-amortizable assets such as broadcasting licenses and goodwill and a tax benefit shortfall associated with stock-based awards.

Net Deferred Tax Assets And Liabilities

As of September 30, 2014 and December 31, 2013, net deferred tax liabilities were \$53.0 million and \$41.4 million, respectively. The income tax accounting process to determine the deferred tax liabilities involves estimating all temporary differences between the tax and financial reporting bases of the Company's assets and liabilities, based on enacted tax laws and statutory tax rates applicable to the period in which the differences are expected to affect taxable

income. The Company estimated the current exposure by assessing the temporary differences and computing the provision for income taxes by applying the estimated effective tax rate to income.

9. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Of Financial Instruments Subject To Fair Value Measurements

Recurring Fair Value Measurements

The following table sets forth the Company's financial assets and/or liabilities that were accounted for at fair value on a recurring basis and are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value and its placement within the fair value hierarchy levels.

Description	Value Measurements At Reporting Date	
	September 30, 2014	December 31, 2013
Liabilities		
Deferred compensation - Level 1 ⁽¹⁾	\$ 10,614	\$ 10,459

- (1) The Company's deferred compensation liability, which is included in other long-term liabilities, is recorded at fair value on a recurring basis. The unfunded plan allows participants to hypothetically invest in various specified investment options. The deferred compensation plan liability is valued based on quoted market prices of the underlying investments.

Table of Contents***Non-Recurring Fair Value Measurements***

The Company has certain assets that are measured at fair value on a non-recurring basis and are adjusted to fair value only when the carrying values are more than the fair values. The categorization of the framework used to price the assets is considered Level 3, due to the subjective nature of the unobservable inputs used to determine the fair value.

During the quarters ended June 30, 2014 and 2013, the Company reviewed the fair value of its broadcasting licenses, goodwill and net property and equipment and other intangibles (except as identified below), and concluded that these assets were not impaired as the fair value of these assets equaled or exceeded their carrying value.

During the second quarter of 2013, the Company determined that land it had reclassified as held for sale was in excess of the fair value less the cost to sell. The Company measured \$2.1 million of land held for sale using significant unobservable inputs (Level 3) and recorded an impairment loss of \$0.9 million for the nine months ended September 30, 2013.

Fair Value Of Financial Instruments Subject To Disclosures

The carrying amount of the following assets and liabilities approximates fair value due to the short maturity of these instruments: (1) cash and cash equivalents; (2) accounts receivable; and (3) accounts payable, including accrued liabilities.

The following table presents the carrying value of financial instruments and, where practicable, the fair value as of the periods indicated:

	September 30, 2014		December 31, 2013	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(amounts in thousands)			
Credit Facility ⁽¹⁾	\$ 264,000	\$ 263,340	\$ 299,500	\$ 301,559
Senior Notes ⁽²⁾	\$ 217,850	\$ 240,180	\$ 217,624	\$ 248,635
Letters of credit ⁽³⁾	\$ 620		\$ 370	

The following methods and assumptions were used to estimate the fair value of financial instruments:

- ⁽¹⁾ The Company's determination of the fair value of the Credit Facility was based on quoted prices for this instrument and is considered a Level 2 measurement.

- (2) The Company utilizes a Level 2 valuation input based upon the market trading prices of the Senior Notes to compute the fair value as these Senior Notes are traded in the debt securities market.
- (3) The Company does not believe it is practicable to estimate the fair value of the outstanding standby letters of credit and does not expect any material loss since the performance of the letters of credit is not likely to be required.

Table of Contents

10. ASSETS HELD FOR SALE

Long-lived assets to be sold are classified as held for sale in the period in which they meet all the criteria for the disposal of long-lived assets. As of September 30, 2014, the Company classified \$3.0 million as assets held for sale, which primarily reflects: (1) land that formerly served as a transmitter site in one of the Company's markets; and (2) land and a building that the Company formerly used as its main studio facility in one of its markets and a co-located tower/antenna structure for two of its AM radio stations that the Company plans to relocate to other suitable sites.

In October 2014, the Company completed the sale of the transmitter site, which comprises a substantial portion of the assets held for sale.

Impairment Of Assets Held For Sale

Long-lived assets considered held for sale are stated at the lower of carrying value or fair value less the cost to sell. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the second quarter of 2013, the Company determined that the carrying value of land it was holding for sale was in excess of the fair value less the cost to sell. The Level 3 fair value measurement was determined using a third party's offer as representative of the fair value. The third party's offer was accepted by the Company in early July 2013. As a result, the Company recorded an impairment of \$0.9 million during the second quarter of 2013.

11. CONTINGENCIES, GUARANTOR ARRANGEMENTS AND COMMITMENTS

The Company is subject to various outstanding claims which arise in the ordinary course of business and to other legal proceedings. Management anticipates that any potential liability of the Company, which may arise out of or with respect to these matters, will not materially affect the Company's financial position, results of operations or cash flows. There were no material changes from the contingencies listed in the Company's Form 10-K, filed with the SEC on March 3, 2014.

Other Matters

During the third quarter of 2014, the Company settled a legal claim for \$1.0 million. This amount was included in corporate general and administrative expenses for the nine and three months ended September 30, 2014.

12. SUBSEQUENT EVENTS

Events occurring after September 30, 2014, and through the date that these consolidated financial statements were issued, were evaluated to ensure that any subsequent events that met the criteria for recognition have been included.

Table of Contents

ITEM 2. Management's Discussion And Analysis Of Financial Condition And Results Of Operations

In preparing the discussion and analysis contained in this Item 2, we presume that readers have read or have access to the discussion and analysis contained in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on March 3, 2014. In addition, you should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and related notes included elsewhere in this report. The following results of operations include a discussion of the nine and three months ended September 30, 2014 as compared to the comparable periods in the prior year. Our results of operations during the relevant periods represent the operations of the radio stations owned and operated by us.

We evaluate net revenues, station operating expenses and operating income by comparing the performance of stations owned or operated by us throughout a relevant period to the performance of those same stations in the prior period whether or not owned or operated by us. Same station comparisons are used by us and those in the industry to assess the effect of acquisitions and dispositions on our operations throughout the periods measured. For those acquisitions and dispositions that management considers material, we include these stations in our same station computations. There were no acquisitions or dispositions considered material during the periods measured.

Results Of Operations For The Year-To-Date

The following significant factors affected our results of operations for the nine months ended September 30, 2014 as compared to the nine months ended September 30, 2013:

In connection with a legal claim that was settled during the third quarter of 2014, our corporate general and administrative expenses were higher by \$1.0 million.

During December 2013, a modification of our senior secured credit facility (our "Credit Facility") reduced the interest rates on our Term B Loan.

During the second quarter of 2013, we recorded a non-cash gain of \$1.6 million from the sale in 2009 of certain towers under sale and leaseback accounting.

During the second quarter of 2013, we recorded an impairment of \$0.9 million for land classified as held for sale.

Table of Contents**Nine Months Ended September 30, 2014 As Compared To The Nine Months Ended September 30, 2013**

	NINE MONTHS ENDED SEPTEMBER 30,		
	2014	2013	% Change
	(dollars in millions)		
NET REVENUES	\$ 278.3	\$ 278.0	0%
OPERATING EXPENSE:			
Station operating expenses	195.7	191.0	2%
Depreciation and amortization expense	5.8	6.6	(12%)
Corporate general and administrative expenses	20.1	17.9	12%
Other operating expenses	(0.3)	(0.8)	63%
Total operating expense	221.3	214.7	3%
OPERATING INCOME (LOSS)	57.0	63.3	(10%)
OTHER (INCOME) EXPENSE:			
Net interest expense	29.4	33.8	(13%)
Other income and expense		(0.1)	100%
TOTAL OTHER EXPENSE	29.4	33.7	(13%)
INCOME (LOSS) BEFORE INCOME TAXES (BENEFIT)	27.6	29.6	(7%)
INCOME TAXES (BENEFIT)	11.6	13.1	(11%)
NET INCOME (LOSS)	\$ 16.0	\$ 16.5	(3%)

Net Revenues

Net revenues were flat as advertising demand has remained sluggish since the beginning of this year.

Net revenues increased the most for our stations in the Kansas City and San Francisco markets, offset by revenue decreases for our stations located in the Boston and Portland markets. Contributing to the decline in our Boston market was the termination of the Celtics NBA basketball rights after last year's season.

Station Operating Expenses

Station operating expenses increased for the current year-to-date period primarily due to continuing investment in our digital sales organization and our digital product offerings.

The increase in station operating expenses during the period was partially offset by cost reduction initiatives and the termination of the Celtics radio sports contract after last year's season.

Depreciation And Amortization Expense

Depreciation and amortization expense decreased in 2014 primarily due to a trend of lower capital expenditure requirements over the past several years.

Corporate General And Administrative Expenses

Corporate general and administrative expenses increased primarily due to: (1) the settlement during the third quarter of 2014 of a legal claim of \$1.0 million; and (2) an increase in non-cash compensation expense of \$0.6 million.

Table of Contents

Operating Income

Operating income decreased primarily due to: (1) an increase in station operating expenses; and (2) an increase in corporate general and administrative expenses.

Interest Expense

The decrease in interest expense was primarily due to: (1) lower outstanding debt upon which interest is computed; and (2) lower interest rates as a result of the December 2013 modification to our Credit Facility.

Income Before Income Taxes (Benefit)

The decrease was primarily attributable to a decrease in operating income, offset by a decrease in interest expense.

Income Taxes (Benefit)

The effective income tax rate was 42.1% for the nine months ended September 30, 2014. This rate was impacted by expenses that are not deductible for tax purposes and net deferred tax liabilities associated with non-amortizable assets such as broadcasting licenses and goodwill. During this period, we received a discrete tax benefit from legislatively reduced income tax rates in certain states. We estimate that our 2014 annual tax rate before discrete items, which may fluctuate from quarter to quarter, will be in the low 40% range.

The effective income tax rate was 44.2% for the nine months ended September 30, 2013, which was higher than expected due to an adjustment for expenses that are not deductible for tax purposes, an increase in net deferred tax liabilities associated with non-amortizable assets such as broadcasting licenses and goodwill and discrete items arising during the period.

As of September 30, 2014 and December 31, 2013, our net deferred tax liabilities were \$53.0 million and \$41.4 million, respectively. The deferred tax liabilities primarily relate to differences between the book and tax bases of our broadcasting licenses and goodwill.

Net Income (Loss)

The decrease in net income was primarily attributable to the reasons described above under Income Before Income Taxes (Benefit) and Income Taxes (Benefit).

Results Of Operations For The Quarter

The following significant factors affected our results of operations for the three months ended September 30, 2014 as compared to the same period in the prior year:

In connection with a legal claim that was settled during the third quarter of 2014, our corporate general and administrative expenses were higher by \$1.0 million.

During December 2013, a modification of our Credit Facility reduced the interest rates on our Term B Loan.

Table of Contents**Three Months Ended September 30, 2014 As Compared To The Three Months Ended September 30, 2013**

	THREE MONTHS ENDED SEPTEMBER 30,		
	2014	2013	% Change
	(dollars in millions)		
NET REVENUES	\$ 99.8	\$ 98.4	1%
OPERATING EXPENSE:			
Station operating expenses	69.5	67.1	4%
Depreciation and amortization expense	2.0	2.0	0%
Corporate general and administrative expenses	7.3	6.0	22%
Other operating expenses	(0.2)		nmf
Total operating expense	78.6	75.1	5%
OPERATING INCOME (LOSS)	21.2	23.3	(9%)
OTHER (INCOME) EXPENSE:			
Net interest expense	9.8	11.0	(11%)
Other income and expense	(0.1)	0.1	(200%)
TOTAL OTHER EXPENSE	9.7	11.1	(13%)
INCOME (LOSS) BEFORE INCOME TAXES (BENEFIT)	11.5	12.2	(6%)
INCOME TAXES (BENEFIT)	5.0	5.3	(6%)
NET INCOME (LOSS)	\$ 6.5	\$ 6.9	(6%)

Net Revenues

Net revenues increased by 1%, which was mostly attributable to an increase in political advertising.

Net revenues increased the most for our stations in the Buffalo and Kansas City markets, offset by a decrease for our stations in the New Orleans and Portland markets.

Station Operating Expenses

The increase in station operating expenses was primarily due to continuing investment in our digital sales organization and our product offerings.

Depreciation And Amortization Expense

Depreciation and amortization expense was flat for the quarter.

Corporate General And Administrative Expenses

Corporate general and administrative expenses increased primarily due to a settlement of a legal claim of \$1.0 million during the third quarter of 2014.

Operating Income

Operating income decreased primarily due to: (1) a \$2.4 million increase in station operating expenses; and (2) a \$1.3 million increase in corporate general and administrative expenses. The decrease was offset by an increase of \$1.4 million in net revenues.

Table of Contents

Interest Expense

The decrease in interest expense was primarily due to: (1) lower outstanding debt upon which interest is computed; and (2) lower interest rates as a result of the December 2013 modification to our Credit Facility.

Income Before Income Taxes (Benefit)

The decrease was primarily attributable to the decrease in operating income, offset by a decrease in interest expense.

Income Taxes (Benefit)

For the current and prior periods, the income tax rate was 43.5% and 43.9%, respectively, which primarily reflects adjustments for expenses that are not deductible for tax purposes and an increase in net deferred tax liabilities associated with non-amortizable assets such as broadcasting licenses and goodwill.

Net Income (Loss)

The net change in net income was primarily attributable to the reasons described above under Income Before Income Taxes and Income Taxes (Benefit).

Liquidity And Capital Resources

Liquidity

As of September 30, 2014, we had \$264.0 million outstanding under our Credit Facility and \$220 million in principal for our 10.5% senior unsecured notes (the *Senior Notes*). In addition, we had \$0.6 million in outstanding letters of credit. As of September 30, 2014, we had \$16.0 million in cash and cash equivalents.

The Credit Facility

On November 23, 2011, we entered into a new credit agreement with a syndicate of lenders for a \$425 million Credit Facility, which was initially comprised of: (a) a \$50 million revolving credit facility (the *Revolver*) that matures on November 23, 2016; and (b) a \$375 million term loan (the *Term B Loan*) that matures on November 23, 2018. The Term B Loan presently amortizes in quarterly installments of \$0.8 million and any remaining principal and interest is due at maturity (except for certain mandatory principal prepayments of Excess Cash Flow and other events as described below).

The undrawn amount of the Revolver was \$47.4 million as of September 30, 2014. The amount of the Revolver available to us is a function of covenant compliance at the time of borrowing. Based on our financial covenant analysis as of September 30, 2014, we would not be limited in these borrowings.

The Term B Loan requires mandatory prepayments equal to 50% of Excess Cash Flow, as defined within the agreement, subject to incremental step-downs depending on the Consolidated Leverage Ratio. The Excess Cash Flow payment is due in the first quarter of each year for the prior year. We estimate that the Excess Cash Flow payment for 2015 has been fully paid as of September 30, 2014. We funded the prepayment using cash from operating activities.

As of September 30, 2014, we are in compliance with all financial covenants and all other terms of the Credit Facility in all material respects. Our ability to maintain compliance with our covenants will be highly dependent on our results

of operations. A default under our Credit Facility or the indenture governing our Senior Notes could cause a cross default in the other. Any event of default could have a material adverse effect on our business and financial condition.

Our operating cash flow remains positive, and we believe that it is adequate to fund our operating needs. As a result, we have not been required to rely upon, and we do not anticipate being required to rely upon, the Revolver to fund our operations. We believe that over the next 12 months we can continue to maintain our compliance with these covenants. We believe that cash on hand and cash from operating activities, together with available borrowings under the Revolver, will be sufficient to permit us to meet our liquidity requirements over the next 12 months, including our debt repayments.

Table of Contents

Failure to comply with our financial covenants or other terms of our Credit Facility and any subsequent failure to negotiate and obtain any required relief from our lenders could result in the acceleration of the maturity of all outstanding debt. Under these circumstances, the acceleration of our debt could have a material adverse effect on our business. We may seek from time to time to amend our Credit Facility or obtain other funding or additional financing, which may result in higher interest rates.

Credit Facility's Financial Covenants

As of September 30, 2014, our Consolidated Leverage Ratio was 4.66 times versus a covenant maximum of 5.75 times and our Consolidated Interest Coverage Ratio was 2.83 times versus a covenant minimum of 1.75 times. These covenants become more restrictive over time.

The following tables present the computations as defined under our Credit Facility:

Consolidated Leverage Ratio Computations:
(amounts in thousands, except ratios)

Numerator: Consolidated Funded Indebtedness

Senior debt outstanding	\$ 264,000
Senior Notes at maturity	220,000
Letters of credit outstanding	620
Total debt outstanding	484,620
Less cash outstanding, not to exceed \$40 million	(16,045)
Consolidated Funded Indebtedness	\$ 468,575

Denominator: Consolidated Operating Cash Flow

Net income	\$ 25,480
Income taxes	21,001
Depreciation and amortization	7,785
Interest expense	39,880
Non-cash compensation expense	5,042
Deferred non-cash charges	2,013
Unusual gains not in the ordinary course of business	(600)

Consolidated Operating Cash Flow \$ 100,601

Consolidated Leverage Ratio 4.66

Consolidated Interest Coverage Ratio Computations:
(amounts in thousands, except ratios)

Numerator: Consolidated Operating Cash Flow \$ 100,601

Denominator: Consolidated Interest Charges

Interest expense	\$ 39,880
Less: Interest income and certain deferred financing expense	(4,274)

Consolidated Interest Charges	\$ 35,606
-------------------------------	-----------

Consolidated Interest Coverage Ratio	2.83
--------------------------------------	------

Table of Contents

The Senior Notes

Simultaneously with entering into the Credit Facility on November 23, 2011, we issued the Senior Notes which mature on December 1, 2019 in the amount of \$220 million. Interest on the Senior Notes is payable semi-annually in arrears on June 1 and December 1 of each year.

In addition to the parent, Entercom Communications Corp., all of our existing subsidiaries (other than Entercom Radio, LLC, which is a finance subsidiary and is the issuer of the Senior Notes), jointly and severally guaranteed the Senior Notes. Under certain covenants, our subsidiary guarantors are restricted from paying dividends or distributions in excess of amounts defined under the Senior Notes, and the subsidiary guarantors are limited in their ability to incur additional indebtedness under certain restrictive covenants.

A default under our Senior Notes could cause a default under our Credit Facility. Any event of default could have a material adverse effect on our business and financial condition.

We may from time to time seek to repurchase and retire our outstanding debt through cash purchases, open market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Operating Activities

Net cash flows provided by operating activities were \$48.2 million and \$46.5 million for the nine months ended September 30, 2014 and 2013, respectively. The cash flows from operating activities increased primarily as a result of a \$2.9 million decrease in working capital requirements. The reduction in working capital requirements was primarily due to a \$3.6 million increase in accounts payable and accrued liabilities, offset by a \$2.2 million decrease in accounts receivable.

Investing Activities

Net cash flows used in investing activities were \$8.0 million and \$3.4 million for the nine months ended September 30, 2014 and 2013, respectively.

For the nine months ended September 30, 2014 and 2013, the cash used in investing activities primarily reflects the additions to property and equipment of \$7.4 million and \$3.5 million, respectively.

Financing Activities

Net cash flows used in financing activities were \$36.4 million and \$45.5 million for the nine months ended September 30, 2014 and 2013, respectively.

For the nine months ended September 30, 2014 and 2013, the cash flows used in financing activities primarily reflect the reduction to our net borrowings of \$35.5 million and \$44.5 million, respectively.

Dividends

We do not currently pay, and have not paid for the past several years, any dividends on our common stock. Any future dividends will be at the discretion of the Board of Directors based upon the relevant factors at the time of such

consideration, including, without limitation, compliance with the restrictions set forth in our Credit Facility and the Indenture governing our Senior Notes.

Income Taxes

During the nine months ended September 30, 2014, we paid a nominal amount in state income taxes. We anticipate that it will not be necessary to make any quarterly estimated federal or state income tax payments for the remainder of 2014 based upon available net operating loss carryovers, existing prepayments and expected quarterly income subject to tax.

Table of Contents

Capital Expenditures

Capital expenditures for the nine months ended September 30, 2014 were \$7.4 million. We anticipate that total capital expenditures in 2014 will be between \$8.5 million and \$9.0 million.

Contractual Obligations

There have been no material changes from the contractual obligations listed in our Form 10-K for the year ended December 31, 2013, filed with the SEC on March 3, 2014.

Off-Balance Sheet Arrangements

As of September 30, 2014, we had no off-balance sheet arrangements, other than as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the SEC on March 3, 2014.

Critical Accounting Policies

The SEC defines critical accounting policies as those that are most important to the portrayal of a company's financial condition and results and that require management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

There have been no material changes to our critical accounting policies from the information provided in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies, in our Annual Report on Form 10-K for the year ended December 31, 2013. We have, however, provided additional disclosures to one of our critical accounting policies for impairment testing of radio broadcasting licenses and goodwill, as we conducted our annual impairment test of broadcasting licenses and goodwill during the second quarter of 2014.

Radio Broadcasting Licenses And Goodwill

We have made acquisitions in the past for which a significant amount of the purchase price was allocated to broadcasting licenses and goodwill assets. As of September 30, 2014, we have recorded approximately \$758 million in radio broadcasting licenses and goodwill, which represents 82% of our total assets at that date. We must conduct impairment testing at least annually, or more frequently if events or changes in circumstances indicate that the assets might be impaired, and charge to operations an impairment expense in the periods in which the recorded value of these assets is more than their fair value. Any such impairment could be material. After an impairment expense is recognized, the recorded value of these assets will be reduced by the amount of the impairment expense and that result will be the assets' new accounting basis. Our most recent impairment loss to our broadcasting licenses and goodwill was in 2012.

We believe our estimate of the value of our radio broadcasting licenses and goodwill assets is a critical accounting estimate as the value is significant in relation to our total assets, and our estimate of the value uses assumptions that incorporate variables based on past experiences and judgments about future performance of our stations.

Broadcasting Licenses Impairment Test

We perform our broadcasting license impairment test by using the direct method at the market level. Each market's broadcasting licenses are combined into a single unit of accounting for the purpose of testing impairment, as the

broadcasting licenses in each market are operated as a single asset. We determine the fair value of broadcasting licenses in each of our markets by relying on a discounted cash flow approach (a 10-year income model) assuming a start-up scenario in which the only assets held by an investor are broadcasting licenses. Our fair value analysis contains assumptions based upon past experience, reflects expectations of industry observers and includes judgments about future performance using industry normalized information for an average station within a certain market. These assumptions include, but are not limited to: (1) the discount rate; (2) the market share and profit margin of an average station within a market, based upon market size and station type; (3) the forecast growth rate of each radio market; (4) the estimated capital start-up costs and losses incurred during the early years; (5) the likely media competition within the market area; (6) a tax rate; and (7) future terminal values. Changes in our estimates of the fair value of these assets could result in material future period write-downs in the carrying value of our broadcasting licenses and goodwill assets.

Table of Contents

The methodology used by us in determining our key estimates and assumptions was applied consistently to each market. Of the seven variables identified above, we believe that the first three (in items (1) through (3) above) are the most important and sensitive in the determination of fair value.

We completed our annual impairment test for broadcasting licenses during the second quarter of 2014 and determined that the fair value of the broadcasting licenses was more than the carrying value in each of our markets and, as a result, we did not record an impairment loss.

There were no events or circumstances since the Company's second quarter annual license impairment test that indicated an interim review of broadcasting licenses was required.

If actual market conditions are less favorable than those projected by the industry or by us, or if events occur or circumstances change that would reduce the fair value of our broadcasting licenses below the carrying value, we may be required to recognize impairment charges, which could be material, in future periods.

Broadcasting Licenses Valuation At Risk

The second quarter 2014 impairment test of our broadcasting licenses indicated that there were seven units of accounting where the fair value exceeded their carrying value by 10% or less as of June 30, 2014. In aggregate, these seven units of accounting have a carrying value of \$389.0 million. If overall market conditions or the performance of the economy deteriorates, advertising expenditures and radio industry results could be negatively impacted, including expectations for future growth. This could result in future impairment charges for these or other of our units of accounting.

Goodwill Impairment Test

There were no events or circumstances since our second quarter of 2014 annual goodwill test that required us to test the carrying value of our goodwill.

We completed our annual goodwill impairment test during the second quarter of 2014 and the results indicated that there was no impairment as the fair value was greater than the carrying value.

If actual market conditions are less favorable than those projected by the industry or us, or if events occur or circumstances change that would reduce the fair value of our goodwill below the amount reflected in the balance sheet, we may be required to conduct an interim test and possibly recognize impairment charges, which could be material, in future periods.

Goodwill Valuation At Risk

The second quarter 2014 impairment test of our goodwill indicated that there were three reporting units that exceeded the carrying value by 10% or less as of June 30, 2014. In aggregate, these three reporting units have a carrying value of \$262.4 million, of which \$4.4 million is goodwill. Future impairment charges may be required on these, or other of our reporting units, as the discounted cash flow and market-based models are subject to change based upon our performance, our stock price, peer company performance and their stock prices, overall market conditions, and the state of the credit markets.

ITEM 3. Quantitative And Qualitative Disclosures About Market Risk

We are exposed to market risk from changes in interest rates on our variable rate senior debt (the Term B Loan and Revolver). If the borrowing rates under London Interbank Offered Rate (LIBOR) were to increase 1% above the current rates as of September 30, 2014, our interest expense on: (1) our Term B Loan would increase \$0.5 million on an annual basis as our Term Loan provides for a minimum LIBOR floor; and (2) our Revolver would increase by \$0.5 million, assuming our entire Revolver was outstanding as of September 30, 2014. From time to time, we may seek to limit our exposure to interest rate volatility through the use of interest rate hedging instruments.

Table of Contents

Assuming LIBOR remains flat, interest expense in 2014 should continue to decline due to the impact of the debt modification to our Credit Facility during December of 2013 and the lower outstanding debt.

As of September 30, 2014, there were no interest rate hedging transactions outstanding.

From time-to-time, we invest in cash equivalents that are money market instruments consisting of short-term government securities and repurchase agreements that are fully collateralized by government securities. When such investments are made, we do not believe that we have any material credit exposure with respect to these assets. As of September 30, 2014, we did not have any investments in money market instruments.

Our credit exposure related to our accounts receivable does not represent a significant concentration of credit risk due to the quantity of advertisers, the minimal reliance on any one advertiser, the multiple markets in which we operate and the wide variety of advertising business sectors.

See also additional disclosures regarding liquidity and capital resources made under Liquidity and Capital Resources in Part 1, Item 2, above.

ITEM 4. Controls And Procedures

Evaluation Of Controls And Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) that are designed to ensure that: (i) information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms; and (ii) such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, our President/Chief Executive Officer and Executive Vice President/Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

Changes In Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Table of Contents**PART II****OTHER INFORMATION****ITEM 1. Legal Proceedings**

There were no material developments relating to the legal proceedings described in our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the Securities and Exchange Commission on March 3, 2014.

ITEM 1A. Risk Factors

There have been no material changes to the Risk Factors described in our Annual Report on Form 10-K for the year ended December 31, 2013, filed with the Securities and Exchange Commission on March 3, 2014.

ITEM 2. Unregistered Sales Of Equity Securities And Use Of Proceeds

The following table provides information on our repurchases during the quarter ended September 30, 2014:

Period ⁽¹⁾	(a) Total Number Of Shares Purchased	(b) Average Price Paid Per Share	(c) Total Number Of Shares Purchased As Part Of Publicly Announced Plans Or Programs	(d) Maximum Approximate Dollar Value Of Shares That May Yet Be Purchased Under The Plans Or Programs
July 1, 2014 - July 31, 2014	497	\$ 10.73		\$
August 1, 2014 - August 31, 2014		\$		\$
September 1, 2014 - September 30, 2014	171	\$ 9.46		\$
Total	668			

(1)

As a result of our withholding shares to satisfy employee tax obligations related to the vesting of restricted stock units during the three months ended September 30, 2014, we are deemed to have repurchased the following shares withheld to satisfy employees' tax obligations: 497 shares at an average price of \$10.73 per share in July 2014; and 171 shares at an average price of \$9.46 in September 2014. These shares are included in the table above.

ITEM 3. Defaults Upon Senior Securities

None.

ITEM 4. Mine Safety Disclosures

N/A

ITEM 5. Other Information

None.

Table of Contents**ITEM 6. Exhibits**

Exhibit Number	Description
3.01	Amended and Restated Articles of Incorporation of the Entercom Communications Corp. as further amended on December 19, 2007 and May 15, 2009. (1)
3.02	Amended and Restated Bylaws of the Entercom Communications Corp. (2)
4.01	Credit Agreement, dated as of November 23, 2011, among Entercom Radio, LLC, as the Borrower, Entercom Communications Corp., as the Parent, Bank of America, N.A. as Administrative Agent and the lenders party thereto. (3) (Originally filed as Exhibit 4.1)
4.02	First Amendment to Credit Agreement, dated as of November 27, 2012, among Entercom Radio, LLC, as the Borrower, Entercom Communications Corp., as the Parent, Bank of America, N.A. as Administrative Agent and the lenders party thereto. (4) (Originally filed as Exhibit 4.02)
4.03	Second Amendment to Credit Agreement, dated as of December 2, 2013, among Entercom Radio, LLC, as the Borrower, Entercom Communications Corp., as the Parent, Bank of America, N.A. as Administrative Agent and the lenders party thereto. (5) (Originally filed as Exhibit 4.03)
4.04	Indenture, dated as of November 23, 2011, by and among Entercom Radio, LLC, as the Issuer, the Note Guarantors (as defined therein) and Wilmington Trust, National Association, as trustee. (3) (Originally filed as Exhibit 4.2)
4.05	Form of Note. (3) (Originally filed as Exhibit 4.3)
31.01	Certification of President and Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a), as created by Section 302 of the Sarbanes-Oxley Act of 2002. (6)
31.02	Certification of Executive Vice President and Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a), as created by Section 302 of the Sarbanes-Oxley Act of 2002. (6)
32.01	Certification of President and Chief Executive Officer pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002. (7)
32.02	Certification of Executive Vice President and Chief Financial Officer pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002. (7)
101.INS	XBRL Instance Document (6)
101.SCH	XBRL Taxonomy Extension Schema Document (6)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (6)
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document (6)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (6)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (6)

- (1) Incorporated by reference to Exhibit 3.01 of our Amendment to Registration Statement on Form S-1, as filed on January 27, 1999 (File No. 333-61381), Exhibit 3.1 of our Current Report on Form 8-K as filed on December 21, 2007 and Exhibit 3.02 of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2009, as filed on

August 5, 2009.

- (2) Incorporated by reference to Exhibit 3.1 of our Current Report on Form 8-K as filed on February 21, 2008.
- (3) Incorporated by reference to an exhibit (as indicated above) to our Current Report on Form 8-K filed on November 25, 2011.
- (4) Incorporated by reference to an exhibit (as indicated above) to our Annual Report on Form 10-K for the year ended December 31, 2012, as filed on February 27, 2013.
- (5) Incorporated by reference to an exhibit (as indicated above) to our Annual Report on Form 10-K for the year ended December 31, 2013, as filed on March 3, 2014.
- (6) Filed herewith.
- (7) These exhibits are submitted herewith as accompanying this Quarterly Report on Form 10-Q and shall not be deemed to be filed as part of such Quarterly Report on Form 10-Q.

Table of Contents

SIGNATURES

Pursuant to the requirements 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.

ENTERCOM COMMUNICATIONS CORP.
(Registrant)

Date: November 4, 2014

/S/ David J. Field
Name: David J. Field
Title: President and Chief Executive Officer
(principal executive officer)

Date: November 4, 2014

/S/ Stephen F. Fisher
Name: Stephen F. Fisher
Title: Executive Vice President and Chief Financial
Officer (principal financial officer)

Table of Contents

EXHIBIT INDEX

Exhibit Number	Description
3.01	Amended and Restated Articles of Incorporation of the Entercom Communications Corp. as further amended on December 19, 2007 and May 15, 2009. (1)
3.02	Amended and Restated Bylaws of the Entercom Communications Corp. (2)
4.01	Credit Agreement, dated as of November 23, 2011, among Entercom Radio, LLC, as the Borrower, Entercom Communications Corp., as the Parent, Bank of America, N.A. as Administrative Agent and the lenders party thereto. (3) (Originally filed as Exhibit 4.1)
4.02	First Amendment to Credit Agreement, dated as of November 27, 2012, among Entercom Radio, LLC, as the Borrower, Entercom Communications Corp., as the Parent, Bank of America, N.A. as Administrative Agent and the lenders party thereto. (4) (Originally filed as Exhibit 4.02)
4.03	Second Amendment to Credit Agreement, dated as of December 2, 2013, among Entercom Radio, LLC, as the Borrower, Entercom Communications Corp., as the Parent, Bank of America, N.A. as Administrative Agent and the lenders party thereto. (5) (Originally filed as Exhibit 4.03)
4.04	Indenture, dated as of November 23, 2011, by and among Entercom Radio, LLC, as the Issuer, the Note Guarantors (as defined therein) and Wilmington Trust, National Association, as trustee. (3) (Originally filed as Exhibit 4.2)
4.05	Form of Note. (3) (Originally filed as Exhibit 4.3)
31.01	Certification of President and Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a), as created by Section 302 of the Sarbanes-Oxley Act of 2002. (6)
31.02	Certification of Executive Vice President and Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a), as created by Section 302 of the Sarbanes-Oxley Act of 2002. (6)
32.01	Certification of President and Chief Executive Officer pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002. (7)
32.02	Certification of Executive Vice President and Chief Financial Officer pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002. (7)
101.INS	XBRL Instance Document (6)
101.SCH	XBRL Taxonomy Extension Schema Document (6)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (6)
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document (6)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (6)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (6)

(1) Incorporated by reference to Exhibit 3.01 of our Amendment to Registration Statement on Form S-1, as filed on January 27, 1999 (File No. 333-61381), Exhibit 3.1 of our Current Report on Form 8-K as filed on December 21,

Edgar Filing: ENTERCOM COMMUNICATIONS CORP - Form 10-Q

2007 and Exhibit 3.02 of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2009, as filed on August 5, 2009.

- (2) Incorporated by reference to Exhibit 3.1 of our Current Report on Form 8-K as filed on February 21, 2008.
- (3) Incorporated by reference to an exhibit (as indicated above) to our Current Report on Form 8-K filed on November 25, 2011.
- (4) Incorporated by reference to an exhibit (as indicated above) to our Annual Report on Form 10-K for the year ended December 31, 2012, as filed on February 27, 2013.
- (5) Incorporated by reference to an exhibit (as indicated above) to our Annual Report on Form 10-K for the year ended December 31, 2013, as filed on March 3, 2014.
- (6) Filed herewith.
- (7) These exhibits are submitted herewith as accompanying this Quarterly Report on Form 10-Q and shall not be deemed to be filed as part of such Quarterly Report on Form 10-Q.