

SINCLAIR BROADCAST GROUP INC
Form SC TO-I
January 26, 2010

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

SCHEDULE TO

**Tender Offer Statement under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934**

SINCLAIR BROADCAST GROUP, INC.

(Name of Subject Company (Issuer))

SINCLAIR TELEVISION GROUP, INC.

(Name of Filing Person (Offeror))

3.0% Convertible Senior Notes due 2027
4.875% Convertible Senior Notes due 2018
(Title of Class of Securities)

829226AW9
829226AU3
(CUSIP Number of Class of Securities)

David D. Smith
Chairman of the Board, President and Chief Executive Officer
Sinclair Television Group, Inc.
10706 Beaver Dam Road
Hunt Valley, Maryland 21030
(410) 568-1500

(Name, address, and telephone numbers of person authorized to receive notices and communications on behalf of filing persons)

Copies to:

Jeffrey B. Grill, Esq.
Pillsbury Winthrop Shaw Pittman LLP
2300 N Street, NW
Washington, D.C. 20037
(202) 663-8000

CALCULATION OF FILING FEE

| Transaction Valuation* | Amount of Filing Fee** |
|-------------------------------|-------------------------------|
| \$64,683,000 | \$4,612 |

*

The transaction value is estimated only for purposes of calculating the filing fee. This amount is based on the purchase of the \$27.7 million in aggregate principal amount outstanding of 3.0% Convertible Senior Notes due 2027 at the offer price of \$1,000 per

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\$1,000 principal amount, and the \$37.0 million in aggregate principal amount outstanding of 4.875% Convertible Senior Notes due 2018 at the offer price of \$1,000 per \$1,000 principal amount.

**

\$71.30 per million dollars of transaction value, in accordance with Rule 0-11(b) and Fee Rate Advisory No. 4 for fiscal year 2010.

Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

| | |
|---------------------------|-----------------|
| Amount Previously Paid: | Not applicable. |
| Form or Registration No.: | Not applicable. |
| Filing party: | Not applicable. |
| Date filed: | Not applicable. |

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

third-party tender offer subject to Rule 14d-1.

issuer tender offer subject to Rule 13e-4.

going-private transaction subject to Rule 13e-3.

amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

Rule 13d-4(i) (Cross-Border Issuer Tender Offer)

Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

INTRODUCTORY STATEMENT

This Tender Offer Statement on Schedule TO relates to the offers by Sinclair Television Group, Inc., a Maryland corporation ("Sinclair Television Group" or the "Company"), to purchase for cash any and all of the \$27.7 million aggregate principal amount outstanding of 3.0% Convertible Senior Notes due 2027 (the "3.0% Notes") at a price of \$1,000 per \$1,000 in principal amount, and the \$37.0 million aggregate principal amount outstanding of 4.875% Convertible Senior Notes due 2018 (the "4.875% Notes" and, together with the 3.0% Notes, the "Securities") at a price of \$1,000 per \$1,000 in principal amount, of the Company's parent, Sinclair Broadcast Group, Inc., a Maryland corporation ("Sinclair"). Tendering holders of Securities that are accepted for purchase will also receive accrued and unpaid interest on the Securities from the last interest payment date to, but excluding, the Settlement Date, as defined in the Offer to Purchase, dated January 26, 2010 (as amended or supplemented from time to time, the "Offer to Purchase"). The Company's offers are being made upon the terms and subject to the conditions set forth in the Offer to Purchase and in the related Letter of Transmittal (as amended or supplemented from time to time, the "Letter of Transmittal"), copies of which are attached to this Schedule TO as Exhibits (a)(1)(i) and (a)(1)(ii), respectively (which together, as amended or supplemented from time to time, constitute the "Offers"). The Offers will expire at 12:00 midnight, New York City time, on Tuesday, February 23, 2010, unless extended (such time and date, as it may be extended, the "Expiration Date"). This Tender Offer Statement on Schedule TO is intended to satisfy the reporting requirements of Rule 13e-4(c)(2) under the Securities Exchange Act of 1934, as amended.

All of the information set forth in the Offer to Purchase and the Letter of Transmittal is expressly incorporated herein by reference in answer to all items in this Schedule TO, and as more particularly set forth below:

ITEM 1. SUMMARY TERM SHEET.

The information set forth under the caption "Summary" in the Offer to Purchase is incorporated herein by reference.

ITEM 2. SUBJECT COMPANY INFORMATION.

(a) *Name and Address.* The name of the issuer of the Securities is Sinclair Broadcast Group, Inc. The address of Sinclair's principal executive offices is 10706 Beaver Dam Road, Hunt Valley, MD 21030. Its telephone number is (410) 568-1500.

(b) *Securities.* The subject classes of securities are Sinclair's 3.0% Convertible Senior Notes due 2027 and Sinclair's 4.875% Convertible Senior Notes due 2018. As of January 25, 2010, approximately \$27.7 million in aggregate principal amount of the 3.0% Notes was outstanding, and approximately \$37.0 million in aggregate principal amount of the 4.875% Notes was outstanding. The information set forth under the caption "The Offers Description of the Securities" in the Offer to Purchase is incorporated herein by reference.

(c) *Trading Market and Price.* The Securities are not listed on any national or regional securities exchange or authorized to be quoted on any inter-dealer quotation system of any national securities association. Except for limited or sporadic quotations, there is no established trading market for the Securities. Sinclair's Class A common stock, into which the Securities are convertible, trades on the NASDAQ Global Select Market under the symbol "SBGI." The information set forth under the captions "Certain Significant Considerations Market and Trading Information for the Securities" and "Certain Significant Considerations Common Stock Market Price Information" in the Offer to Purchase is incorporated herein by reference.

ITEM 3. IDENTITY AND BACKGROUND OF FILING PERSON.

(a) *Name and Address.* The Company is the filing person. The business address of the Company is 10706 Beaver Dam Road, Hunt Valley, MD 21030, and its telephone number is (410) 568-1500. The Company is a wholly-owned subsidiary of Sinclair. The following table lists the names of all directors and executive officers of the Company and Sinclair. The mailing address of each director and executive officer is: c/o Sinclair Broadcast Group, Inc., 10706 Beaver Dam Road, Hunt Valley, MD 21030, and each such person's telephone number is (410) 568-1500.

THE COMPANY

| Name | Position |
|---------------------------|--|
| Directors | |
| David D. Smith | President and Chairman of the Board of Directors |
| Frederick G. Smith | Director |
| J. Duncan Smith | Director |
| Robert E. Smith | Director |
| Daniel C. Keith | Director |
| Martin R. Leader | Director |
| Lawrence E. McCanna | Director |
| Basil A. Thomas | Director |
| Executive Officers | |
| David B. Amy | Secretary |
| Lucy A. Rutishauser | Treasurer |
| Steven M. Marks | Vice President / Chief Operating Officer |
| M. William Butler | Vice President / Programming and Promotion |
| Delbert R. Parks III | Vice President / Engineering and Operations |
| Robert F. Malandra | Vice President / Finance Television |

SINCLAIR

| Name | Position |
|---------------------------|---|
| Directors | |
| David D. Smith | President, Chief Executive Officer and Chairman of the Board of Directors |
| Frederick G. Smith | Vice President and Director |
| J. Duncan Smith | Vice President, Secretary and Director |
| Robert E. Smith | Director |
| Daniel C. Keith | Director |
| Martin R. Leader | Director |
| Lawrence E. McCanna | Director |
| Basil A. Thomas | Director |
| Executive Officers | |
| David B. Amy | Executive Vice President / Chief Financial Officer |
| Barry M. Faber | Executive Vice President / General Counsel |
| Lucy A. Rutishauser | Vice President / Corporate Finance / Treasurer |
| David R. Bochenek | Vice President / Chief Accounting Officer |
| Steven M. Marks | Vice President / Chief Operating Officer |

ITEM 4. TERMS OF THE TRANSACTION.

(a) *Material Terms.* The information set forth under the captions entitled "Summary," "The Offers" and "Certain U.S. Federal Income Tax Considerations" in the Offer to Purchase is incorporated herein by reference.

(b) *Purchases.* The information set forth under the caption "Interests of Directors and Executive Officers" in the Offer to Purchase is incorporated herein by reference.

ITEM 5. PAST CONTRACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS.

(e) *Agreements Involving the Issuer's Securities.* The information set forth under the captions "The Offers Description of the Securities" and "Interests of Directors and Executive Officers" and the documents referred to and information set forth under the caption "Incorporation of Certain Documents by Reference" in the Offer to Purchase are incorporated herein by reference.

Sinclair is a party to the following agreements in connection with the Securities:

3.0% Notes: Senior Indenture, dated as of May 10, 2007, between Sinclair Broadcast Group, Inc. and U.S. Bank National Association, as Trustee (the "Trustee"), as supplemented by the First Supplemental Indenture, dated as of May 10, 2007 between Sinclair Broadcast Group, Inc. and the Trustee; and

4.875% Notes: Indenture, dated as of May 20, 2003, between Sinclair Broadcast Group, Inc. and U.S. Bank National Association (as successor to Wachovia Bank, National Association), as Trustee.

Sinclair is a party to the following agreements in connection with the below listed series of securities:

9.25% Senior Secured Second Lien Notes: Indenture, dated as of October 29, 2009, among Sinclair Television Group, Inc., Sinclair Broadcast Group, Inc. and the other Guarantors identified therein and U.S. Bank National Association, as Trustee and collateral agent

6.0% Convertible Debentures: Subordinated Indenture, dated as of December 17, 1997, between Sinclair Broadcast Group, Inc. and U.S. Bank National Association (as successor to Wachovia Bank, National Association, formerly First Union National Bank), as Trustee, as supplemented by the Ninth Supplemental Indenture, dated as of May 13, 2005, between Sinclair Broadcast Group, Inc. and the Trustee.

8.0% Senior Subordinated Notes: Indenture, dated as of March 14, 2002, between Sinclair Broadcast Group, Inc. and U.S. Bank National Association (as successor to Wachovia Bank, National Association, formerly First Union National Bank), as Trustee, as supplemented.

A description of the 9.25% Senior Secured Second Lien Notes is set forth under the caption "Second Lien Notes Offering" under Item 1.01 of Sinclair's Current Report on Form 8-K, filed with the Securities and Exchange Commission (the "Commission") on October 29, 2009 and incorporated herein by reference. A description of the other series of securities is set forth under caption "Note 6. Notes Payable and Commercial Bank Financing" in Sinclair's Annual Report on Form 10-K, filed with the Commission on March 4, 2009 (the "2008 10-K"), and is incorporated herein by reference.

Sinclair is a party to the following equity compensation plan:

1996 Long-Term Incentive Plan for Sinclair Broadcast Group, Inc., as amended by the First Amendment thereto. The 1996 Long-Term Incentive Plan and the First Amendment thereto are filed as Exhibits (d)(10) and (d)(11) to this Schedule TO, respectively, and are incorporated herein by reference. The form of restricted stock award agreement relating to this plan is filed

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as Exhibit (d)(12) to this Schedule TO and is incorporated herein by reference. Two stock appreciation rights agreements relating to the plan are filed as Exhibits (d)(13) and (d)(14) to this Schedule TO and are incorporated herein by reference. Rights of non-employee directors relating to stock grants under the plan are described in Exhibit (d)(15) filed with this Schedule TO and incorporated herein by reference.

A description of this plan and these agreements relating to the plan is set forth under the caption "Note 2: Stock-Based Compensation Plans" in the 2008 10-K and is incorporated herein by reference.

Certain directors and controlling stockholders are a party to the following stockholders' agreement:

On April 19, 2005, David D. Smith, Frederick G. Smith, J. Duncan Smith and Robert E. Smith (the "Smith brothers"), each a director and a controlling stockholder of Sinclair, entered into a stockholders' agreement (the "Stockholders' Agreement"), pursuant to which the Smith brothers have agreed to vote collectively all shares of their common stock of Sinclair to elect each other as directors of Sinclair through June 13, 2015. The Stockholders' Agreement will terminate on the earlier of (i) June 13, 2015 or (ii) the date on which no class or series of Sinclair's capital stock is nationally traded (as defined in the Stockholders' Agreement). The Stockholders' Agreement does not apply to any issue requiring stockholder approval other than the election of directors and it does not require the Smith brothers to act in concert when discharging their duties as directors.

ITEM 6. PURPOSES OF THE TRANSACTION AND PLANS OR PROPOSALS.

(a) *Purposes.* The information set forth under the caption "The Offers Purpose of the Offers" in the Offer to Purchase is incorporated herein by reference.

(b) *Use of Securities Acquired.* Any Securities accepted for purchase by the Company pursuant to the Offers will be retired and cancelled and will no longer be outstanding.

(c) *Plans.* The information set forth under the caption "The Offers Source of Funds" in the Offer to Purchase is incorporated herein by reference.

ITEM 7. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

(a) *Source of Funds.* The information set forth under the caption "The Offers Source of Funds" in the Offer to Purchase is incorporated herein by reference. Assuming that we purchase \$27.7 million in aggregate principal amount of outstanding 3.0% Notes pursuant to the Offer at the offer price of \$1,000 per \$1,000 in principal amount, and \$37.0 million in aggregate principal amount of outstanding 4.875% Notes pursuant to the Offer at the offer price of \$1,000 per \$1,000 in principal amount, we will require approximately \$64.7 million to consummate the Offers (excluding accrued interest, fees and expenses).

(b) *Conditions.* The information set forth under the caption "The Offers Conditions of the Offers; Extension; Amendment; Termination" in the Offer to Purchase is incorporated herein by reference. We have no alternative financing arrangements or alternative financing plans.

(d) *Borrowed Funds.* The information set forth under the caption "The Offers Source of Funds" in the Offer to Purchase is incorporated herein by reference.

ITEM 8. INTEREST IN SECURITIES OF THE ISSUER.

(a) *Securities Ownership.* The information set forth under the caption "Interests of Directors and Executive Officers" in the Offer to Purchase is incorporated herein by reference.

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(b) *Securities Transactions.* The information set forth under the caption "Interests of Directors and Executive Officers Recent Transactions Involving the Securities" in the Offer to Purchase is incorporated herein by reference.

ITEM 9. PERSONS/ASSETS RETAINED, EMPLOYED, COMPENSATED OR USED.

(a) *Solicitations or Recommendations.* The information set forth under the captions "Summary" and "Depository and Information Agent" in the Offer to Purchase is incorporated herein by reference.

ITEM 10. FINANCIAL STATEMENTS.

(a) *Financial Information.* Not applicable.

(b) *Pro Forma Information.* Not applicable.

ITEM 11. ADDITIONAL INFORMATION.

(a) *Agreements, Regulatory Requirements and Legal Proceedings.* The documents referred to under the caption "Incorporation of Certain Documents by Reference" and the information set forth under the caption "The Offers Certain Legal Matters; Regulatory Approvals" in the Offer to Purchase are incorporated herein by reference.

(b) *Other Material Information.* Not applicable.

ITEM 12. EXHIBITS.

The Index to Exhibits appearing after the signature page is incorporated herein by reference.

ITEM 13. INFORMATION REQUIRED BY SCHEDULE 13E-3.

Not applicable.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

SINCLAIR TELEVISION GROUP, INC.

By: /s/ David B. Amy

Name: David B. Amy
Title: Secretary

Date: January 26, 2010

Index to Exhibits

| Exhibit Number | Description |
|-----------------------|--|
| (a)(1)(i) | Offer to Purchase, dated January 26, 2010. |
| (a)(1)(ii) | Letter of Transmittal (including Substitute Form W-9 and Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9). |
| (a)(5)(i) | Press Release, dated January 26, 2010. |
| (d)(1) | Indenture, dated as of October 29, 2009, among the Company, the guarantors identified therein and U.S. Bank National Association, as trustee and collateral agent (incorporated herein by reference from Sinclair's Current Report on Form 8-K, filed on October 29, 2009). |
| (d)(2) | Senior Indenture, dated as of May 10, 2007 between Sinclair Broadcast Group, Inc. and U.S. Bank National Association, as trustee (incorporated herein by reference from Sinclair's Current Report on Form 8-K, filed on May 11, 2007). |
| (d)(3) | First Supplemental Indenture, dated as of May 10, 2007 between Sinclair Broadcast Group, Inc. and U.S. Bank National Association, as trustee (incorporated herein by reference from Sinclair's Current Report on Form 8-K, filed on May 11, 2007). |
| (d)(4) | Indenture, dated as of May 20, 2003 between Sinclair Broadcast Group, Inc. and U.S. Bank National Association (as successor to Wachovia Bank, National Association), as trustee (incorporated herein by reference from Sinclair's Registration Statement on Form S-4 No. 333-107522). |
| (d)(5) | Indenture, dated as of March 14, 2002, between Sinclair Broadcast Group, Inc. and U.S. Bank National Association (as successor to Wachovia Bank, National Association, formerly First Union National Bank), as trustee (incorporated herein by reference from Sinclair's Annual Report on Form 10-K for the year ended December 31, 2001). |
| (d)(6) | Form of Subordinated Indenture between Sinclair Broadcast Group, Inc. and U.S. Bank National Association (as successor to Wachovia Bank, National Association, formerly First Union National Bank), as trustee (incorporated herein by reference from Sinclair's Current Report on Form 8-K, filed on December 16, 1997). |
| (d)(7) | Ninth Supplemental Indenture, dated as of May 13, 2005, between Sinclair Broadcast Group, Inc. and U.S. Bank National Association (as successor to Wachovia Bank, National Association, formerly First Union National Bank), as trustee (incorporated herein by reference from Sinclair's Current Report on Form 8-K, filed on June 21, 2005). |
| (d)(8) | Common Non-Voting Capital Stock Option between Sinclair Broadcast Group, Inc. and William Richard Schmidt, as trustee (incorporated herein by reference from Sinclair's Registration Statement on Form S-1 No. 33-90682). |
| (d)(9) | Common Non-Voting Capital Stock Option between Sinclair Broadcast Group, Inc. and C. Victoria Woodward, as trustee (incorporated herein by reference from Sinclair's Registration Statement on Form S-1 No. 33-90682). |
| (d)(10) | Common Non-Voting Capital Stock Option between Sinclair Broadcast Group, Inc. and Dyson Ehrhardt, as trustee (incorporated herein by reference from Sinclair's Registration Statement on Form S-1 No. 33-90682). |
| (d)(11) | Common Non-Voting Capital Stock Option between Sinclair Broadcast Group, Inc. and Mark Knobloch, as trustee (incorporated herein by reference from Sinclair's Registration Statement on Form S-1 No. 33-90682). |

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| Exhibit Number | Description |
|---------------------------|---|
| (d)(12) | 1996 Long-Term Incentive Plan for Sinclair Broadcast Group, Inc. (incorporated herein by reference from Sinclair's Annual Report on Form 10-K/A for the year ended December 31, 1996). |
| (d)(13) | First Amendment to 1996 Long-Term Incentive Plan for Sinclair Broadcast Group, Inc. (incorporated herein by reference from Sinclair's Proxy Statement on Schedule 14A for the year ended December 31, 1998). |
| (d)(14) | Form of Restricted Stock Award Agreement (incorporated herein by reference from Sinclair's Quarterly Report on Form 10-Q for the quarter ended June 30, 2006). |
| (d)(15) | Stock Appreciation Right Agreement between Sinclair Broadcast Group, Inc. and David D. Smith dated April 2, 2007 (incorporated herein by reference from Sinclair's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007). |
| (d)(16) | Stock Appreciation Right Agreement between Sinclair Broadcast Group, Inc., and David D. Smith dated April 1, 2008 (incorporated by reference from Sinclair's Report on Form 10-Q filed on May 9, 2008). |
| (d)(17) | Director Compensation (incorporated herein by reference from Sinclair's Annual Report on Form 10-K for the year ended December 31, 2005). |
| (d)(18) | Stockholders' Agreement, dated April 19, 2005, by and among the Smith brothers (incorporated herein by reference from Sinclair's Current Report on Form 8-K, filed on April 26, 2005). |

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