WESTWOOD ONE INC /DE/
Form DEF 14C
September 22, 2011

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
SCHEDULE 14C
(Rule 14c-101)
INFORMATION STATEMENT PURSUANT TO SECTION 14(C) OF THE
SECURITIES EXCHANGE ACT OF 1934

Check the appropriate box:

o Preliminary information statement
o Confidential, for use of the Commission only (as permitted by Rule 14c-5(d)(2))
þ Definitive information statement

WESTWOOD ONE, INC.
(Name of Registrant as Specified in Its Charter)

Payment of Filing Fee (Check the appropriate box):

o No fee required.

o Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

þ Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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WESTWOOD ONE, INC.
1166 Avenue of the Americas, 10th Floor
New York, NY 10036
NOTICE OF ACTION BY WRITTEN CONSENT
September 22, 2011

To the Stockholders of Westwood One, Inc.:

You are receiving this notice because stockholders of Westwood One, Inc., a Delaware corporation, which we refer to as the *Company*, representing the requisite voting power thereof, have approved and adopted by written consent the following matters that are explained below and in the Information Statement:

The merger of Verge Media Companies, Inc., a Delaware corporation, which we refer to as *Verge*, with and into Radio Network Holdings, LLC, a Delaware limited liability company and direct, wholly-owned subsidiary of the Company, which we refer to as *Merger Sub*, pursuant to the Merger Agreement, dated as of July 30, 2011, a copy of which is attached hereto as Annex A and which we refer to as the *Merger Agreement*;

An Amended and Restated Certificate of Incorporation of the Company, a copy of which is attached hereto as Annex B-1 and two Certificates of Designation, Powers, Preferences and Rights, attached hereto as Annex B-2 and Annex B-3, respectively, which we collectively refer to as the *Restated Charter*, and which, among other things, reclassify the Company s common stock into Class A Common Stock, par value $0.01 per share, authorize a new class of common stock to be designated as Class B Common Stock, par value $0.01 per share, and designate two new series of preferred stock, Series A Preferred Stock and Series B Preferred Stock; and

The issuance of shares of Class B Common Stock and, if any, Series A Preferred Stock of the Company to Verge s stockholders pursuant to the Merger Agreement.

Under the rules of the Securities and Exchange Commission, the corporate actions that are described above may be effected no earlier than twenty (20) business days after we have provided this notice and mailed our Information Statement relating to the matters described above to our stockholders.

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Overview of the Merger

On July 30, 2011, the Company, Merger Sub and Verge entered into the Merger Agreement pursuant to which Verge will merge with and into Merger Sub, which we refer to as the *Merger*, with Merger Sub surviving as a direct, wholly-owned subsidiary of the Company. In the Merger, Verge s stockholders will be entitled to receive 6.884183 common shares of the Company for each common share of Verge held by them. This exchange ratio was adjusted from the 6.90453 number included in the Merger Agreement following the execution of the Merger Agreement due to the expiration of certain stock options of the Company related to the sale of Metro Networks, Inc. and its subsidiaries, SmartRoute Systems, Inc. and TLAC, Inc. and the issuance of certain restricted stock units to our directors as is customary, and is subject to further adjustment as provided in the Merger Agreement. In addition, pursuant to the Merger Agreement, upon consummation of the Merger the Company will issue to stockholders of Verge a new series of preferred stock having an aggregate liquidation preference of $8,000,000, subject to adjustment upon the closing of the Merger based on the respective net debt amounts of the Company and Verge on the business day prior to the closing. Assuming the Merger had been consummated on June 30, 2011, on a pro forma basis giving effect to the respective net debt amounts of the Company and Verge as of such date, the Company would have issued to stockholders of Verge 15,060 shares of the new series of preferred stock having an aggregate liquidation preference of $15,060,000.

Following the closing of the Merger, based on the Company s and Verge s respective capitalizations as of July 30, 2011, and the exchange ratio of 6.884183, we estimate that current Company stockholders together with holders of outstanding options exercisable for Company common stock and restricted stock units will own approximately 41%, and current Verge stockholders will own approximately 59%, of the issued and outstanding shares of common stock of the combined company on a fully diluted basis.

Overview of the Recapitalization

Immediately prior to the Merger, the Company will file the Restated Charter which, among other things, (i) reclassifies the Company s existing common stock on a share-for-share basis into a new class of common stock to be designated as Class A Common Stock, par value $.01 per share, which we refer to as the *Reclassification*, (ii) authorizes a new class of common stock to be designated as Class B Common Stock, par value $.01 per share, which is to be issued to Verge s stockholders in the Merger, and (iii) designates two new series of preferred stock of the Company, Series A Preferred Stock and Series B Preferred Stock, which are senior to the common stock and may be issued in connection with the Merger under certain circumstances described herein. The Class A Common Stock and the Class B Common Stock will be identical except for certain class voting and approval rights (including with respect to election of directors) and, under certain circumstances, Class B Common Stock automatically converts into Class A Common Stock, as described in this Information Statement. We refer to the Reclassification, the other amendments to the Company s certificate of incorporation pursuant to the Restated Charter and certain amendments to the Company s Amended and Restated By-Laws as described in the Information Statement, as the *Recapitalization*.

The Company s common shares are currently listed on the NASDAQ Global Market under the symbol WWON. Upon the closing of the Recapitalization and the Merger, the Company intends to continue to list its shares of Class A Common Stock on the NASDAQ Global Market and to change its stock symbol to DIAL. The shares of Class B Common Stock and Series A Preferred Stock will not be publicly listed or traded.

The Merger Agreement and the consummation of the transactions contemplated thereby, including the Merger and the Recapitalization, have been approved, as applicable, by the board of directors and the requisite stockholders of each of the Company and Verge, as well as by the Company, as sole member of Merger Sub.

Purpose of Information Statement

This Notice and the Information Statement are being furnished to you for your information to comply with the requirements of the Securities Exchange Act of 1934, as amended. Pursuant to Section 228(e) of the Delaware General Corporation Law, the Company previously sent to the Company s stockholders the required notice of corporate action without a meeting by less than unanimous consent of the Company s stockholders, covering the items to which holders of common stock of the Company, having not less than the minimum number of votes that would be necessary to authorize or take such action, consented to on July 30, 2011. You are urged to read the Information Statement carefully in its entirety. However, no action is required on your part in connection with this document and the related actions. No meeting of our stockholders will be held or proxies requested for these matters because they have already been consented to by holders of common stock of the Company, having not less than the minimum number of votes that would be necessary to authorize or take such action, acting by written consent in lieu of a meeting.

Important Notice Regarding the Availability of Information Statement Materials in connection with this Notice of Stockholder Action by Written Consent:

The Information Statement, including our current and periodic reports filed with the U.S. Securities and Exchange Commission and amendments to those reports, may be obtained through our website at www.westwoodone.com.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

Sincerely,

By the Order of the Board of Directors

David Hillman

General Counsel and Secretary

September 22, 2011

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Annex B-2	Certificate of Designation, Powers, Preferences and Rights of Series A Preferred Stock of Westwood One, Inc.
Annex B-3	Certificate of Designation, Powers, Preferences and Rights of Series B Preferred Stock of Westwood One, Inc.
Annex C	First Amendment to Amended and Restated By-Laws
Annex D	Opinion of Financial Advisor to the Company
Annex E	Financial Statements of Verge as of December 31, 2010 and 2009 and for the Years Ended December 31, 2010, 2009 and 2008, and as of June 30, 2011 and for the Six Months Ended June 30, 2011

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1166 Avenue of the Americas, 10th Floor
New York, NY 10036

INFORMATION STATEMENT
PURSUANT TO SECTION 14(C)
OF THE SECURITIES EXCHANGE ACT OF 1934
AND RULE 14C-2 THEREUNDER

THIS IS NOT A NOTICE OF A SPECIAL MEETING OF STOCKHOLDERS AND NO STOCKHOLDER MEETING WILL BE HELD TO CONSIDER ANY MATTER DESCRIBED IN THIS INFORMATION STATEMENT. THE ACTIONS DESCRIBED IN THIS INFORMATION STATEMENT HAVE BEEN CONSENTED TO BY THE HOLDERS OF A MAJORITY IN VOTING POWER OF THE OUTSTANDING SHARES OF THE COMPANY S COMMON STOCK.

WE ARE NOT ASKING YOU FOR A PROXY OR CONSENT AND YOU ARE REQUESTED NOT TO SEND US A PROXY OR CONSENT.

THERE ARE NO APPRAISAL RIGHTS AVAILABLE TO HOLDERS OF COMMON STOCK WITH RESPECT TO THE ACTIONS DESCRIBED IN THIS INFORMATION STATEMENT.

Dated September 22, 2011

INTRODUCTION

On July 30, 2011, Westwood One, Inc., a Delaware corporation, which we refer to as the *Company*, *we*, *us* or *our*, Radio Network Holdings, LLC, a Delaware corporation and a direct, wholly-owned subsidiary of the Company, which we refer to as *Merger Sub*, and Verge Media Companies, Inc., a Delaware corporation, which we refer to as *Verge*, entered into a Merger Agreement, a copy of which is attached hereto as Annex A and which we refer to as the *Merger Agreement*, pursuant to which, among other things, (i) Verge will merge with and into Merger Sub, which we refer to as the *Merger*, with Merger Sub surviving as a direct, wholly-owned subsidiary of the Company and (ii) immediately prior to the Merger, the Company will file the Amended and Restated Certificate of Incorporation of the Company, a copy of which is attached hereto as Annex B-1 and two Certificates of Designation, Powers, Preferences and Rights, attached hereto as Annex B-2 and Annex B-3 respectively, which we collectively refer to as the *Restated Charter*, to effect the Reclassification and the other amendments to the Company s organizational documents described below and more fully in this Information Statement. Following the closing of the Merger, based on the Company s and Verge s respective capitalizations as of July 30, 2011, and the exchange ratio of 6.884183, we estimate that current Company stockholders together with holders of outstanding options exercisable for Company common stock and restricted stock units will own approximately 41%, and current Verge stockholders will own approximately 59%, of the issued and outstanding shares of common stock of the combined company on a fully diluted basis.

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The Merger Agreement and the consummation of the transactions contemplated thereby, including the Merger, the Recapitalization and the Parent Stock Issuance have been approved, as applicable, by the board of directors of each of the Company, which we refer to as the *Board*, and Verge, as well as by the Company, as sole member of Merger Sub, and by Gores Radio Holdings, LLC, which we refer to as *Gores*, as owner of 76.2% of the Company s issued and outstanding voting securities as of July 30, 2011.

The Company is sending this Information Statement to the holders of record at the close of business on August 31, 2011 of the Company s shares of common stock outstanding as of such date. This Information Statement is sent for the purpose of informing you, as one of our stockholders, in the manner required under Regulation 14(c) promulgated under the Securities Exchange Act of 1934, as amended, which we refer to as the *Exchange Act*, that the Board has approved, and Gores, as holder of a majority of the Company s issued and outstanding voting securities, as permitted by our Amended and Restated By-Laws, which we refer to as the *By-Laws*, and Section 228 of the Delaware General Corporation Law, which we refer to as the *DGCL*, has previously executed the Written Consent of Stockholders of Westwood One, Inc., which we refer to as the *Gores Written Consent*, with respect to the following actions:

- The adoption of the Merger Agreement and the approval of the Merger;
- The adoption and approval of the Restated Charter which, among other things, reclassifies the Company s common stock into Class A Common Stock, par value $0.01 per share, which we refer to as the *Reclassification*, authorizes a new class of common stock to be designated as Class B Common Stock, par value $0.01 per share, which, together with Class A Common Stock, we refer to as the *New Common Stock*, and designates two new series of preferred stock, Series A Preferred Stock and Series B Preferred Stock. We refer to the Reclassification, the other amendments to the Company s certificate of incorporation pursuant to the Restated Charter, and certain amendments to the By-Laws as described in this Information Statement, as the *Recapitalization*; and
- The approval of the issuance to Verge s stockholders in the Merger of shares of Class B Common Stock representing approximately 59% of the total issued and outstanding shares of common stock of the combined company on a fully diluted basis and shares of Series A Preferred Stock having an aggregate liquidation preference of $8,000,000, subject to adjustment upon the closing of the Merger based on the respective net debt amounts of the Company and Verge on the business day prior to the closing, which issuances we refer to as the *Parent Stock Issuance*.

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Under Section 228 of the DGCL, unless prohibited in a corporation s certificate of incorporation, any action required or permitted by the DGCL to be taken at an annual or special meeting of stockholders of a Delaware corporation may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Article 11 of the Company s current Amended and Restated Certificate of Incorporation allows for action by stockholders by written consent, without a meeting and without prior notice.

Under rules adopted by the U.S. Securities and Exchange Commission, which we refer to as the *SEC*, we are also providing access to the Information Statement over the Internet. The Information Statement, including our current and periodic reports filed with the SEC and amendments to those reports, may be obtained through our website at www.westwoodone.com. In addition, stockholders may request to receive future information statements or similar mailings in printed form by mail or electronically by email on an ongoing basis.

Under Section 262 of the DGCL, stockholders are not entitled to appraisal rights in connection with the Merger, the Recapitalization, the Parent Stock Issuance and related transactions.

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SUMMARY TERM SHEET

This summary highlights the material information in this Information Statement. To fully understand the proposed actions, and for a more complete description of the legal terms of the actions, you should carefully read this entire Information Statement, including the annexes and documents incorporated by reference herein, and the other documents to which the parties have referred you. For information on how to obtain the documents that are on file with the Securities and Exchange Commission, please see the section of this Information Statement entitled Where Stockholders Can Find More Information.

Parties to the Merger

The Company

Westwood One, Inc., is a provider of network radio programming, providing more than 5,000 radio stations with over 150 news, sports, music, talk and entertainment programs, features, live events and digital content. For more information about Westwood One, Inc., visit www.westwoodone.com.

The Company was incorporated on June 21, 1985, under the laws of the state of Delaware. The Company s shares of common stock are quoted on the NASDAQ Global Market under the ticker symbol WWON. The Company s principal executive offices are located at 1166 Avenue of the Americas, 10th Floor, New York, NY 10036, and its telephone number is (212) 641-2000.

Merger Sub

Radio Network Holdings, LLC is a direct, wholly-owned subsidiary of the Company and was formed solely for purposes of the Merger.

Merger Sub was formed on July 28, 2011, under the laws of the state of Delaware. Merger Sub s principal executive offices are located at 1166 Avenue of the Americas, 10th Floor, New York, NY 10036, and its telephone number is (212) 641-2000.

Verge

Verge Media Companies, Inc. is the ultimate parent company of all of the entities that will be acquired by the Company in the Merger. One of the entities the Company will acquire in the Merger is Dial Communications Global Media, LLC, which we refer to as *Dial Global*. Dial Global is a provider of national advertising sales representation to over 200 radio programs, services and networks on over 6,000 stations. In addition, Dial Global produces the Dial Global 24/7 Formats, as well as Prep Services, Jingles and Imaging as well as long and short form radio programs which it distributes to over 6,000 radio stations nationwide. For more information about Dial Global, visit www.dial-global.com.

Verge, a privately held company, was incorporated on February 24, 2009, under the laws of the state of Delaware. Verge s principal executive offices are located at 220 West 42nd Street, New York, NY 10036, and its telephone number is (212) 419-2900.

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The Merger

General Description

Pursuant to the Merger Agreement, Verge will merge with and into Merger Sub, a direct, wholly-owned subsidiary of the Company, with Merger Sub surviving as a direct, wholly-owned subsidiary of the Company succeeding to and assuming all of the rights, properties, liabilities and obligations of Verge.

Merger Consideration

Subject to the terms and conditions of the Merger Agreement, upon consummation of the Merger, Verge s stockholders will be entitled to receive 6.884183 shares of new Class B Common Stock of the Company for each common share of Verge held by them. This exchange ratio was adjusted from the 6.90453 number included in the Merger Agreement following the execution of the Merger Agreement due to the expiration of certain stock options of the Company related to the sale of Metro Networks, Inc. and its subsidiaries, SmartRoute Systems, Inc. and TLAC, Inc., which we collectively refer to as the *Metro Traffic Business*, and the issuance of certain restricted stock units to our directors as is customary, and is subject to further adjustment as provided in the Merger Agreement. In addition, pursuant to the Merger Agreement, upon consummation of the Merger the Company will issue to stockholders of Verge shares of Series A Preferred Stock of the Company having an aggregate liquidation preference of $8,000,000, subject to adjustment upon the closing of the Merger based on the respective net debt amounts of the Company and Verge on the business day prior to the closing. Assuming the Merger had been consummated on June 30, 2011, on a pro forma basis giving effect to the respective net debt amounts of the Company and Verge as of such date, the Company would have issued to stockholders of Verge 15,060 shares of Series A Preferred Stock having an aggregate liquidation preference of $15,060,000.

Following the closing of the Merger, based on the Company s and Verge s respective capitalizations as of July 30, 2011, and the exchange ratio of 6.884183, we estimate that current Company stockholders together with holders of outstanding options exercisable for Company common stock and restricted stock units will own approximately 41%, and current Verge stockholders will own approximately 59%, of the issued and outstanding shares of common stock of the combined company on a fully diluted basis.

The Recapitalization

General Description

Immediately prior to the Merger, the Company will file the Restated Charter, which, among other things, (i) authorizes two classes of common stock, par value $0.01 per share, to be designated as Class A Common Stock and Class B Common Stock, and (ii) designates two new series of preferred stock of the Company, Series A Preferred Stock and Series B Preferred Stock. We are also making certain amendments to our By-Laws which are summarized below.

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The Reclassification

Upon the effectiveness of the Restated Charter, each issued and outstanding share of Company common stock shall be reclassified and automatically converted into one share of Class A Common Stock without any further action on the part of the Company s stockholders.

Voting Rights and Directors

Each share of Class A Common Stock and Class B Common Stock will be entitled to one vote for all matters submitted to a vote of the Company s stockholders whether voting separately as a class or together as a single class, and will be identical in all respects except as described below and under *Automatic Conversion*.

Until the Board Trigger Date (defined below), the members of the board of directors of the combined company shall be determined as follows:

- the holders of Class A Common Stock voting as a separate class will be entitled to elect three members to the board of directors of the combined company, which we refer to as the *Class A Directors*;
- the Chief Executive Officer of the Company shall have the right to be nominated to the board of directors of the combined company and shall be elected by the holders of Class A Common Stock and Class B Common Stock voting together as a single class; and
- the holders of Class B Common Stock voting as a separate class will be entitled to elect all other members of the board of directors of the combined company, which we refer to as the *Class B Directors*.

At least one Class A Director is required to be an Independent Director (as defined by NASDAQ Marketplace Rule 5605(a)(2) or any successor provision), and must be reasonably acceptable to a majority of the Class B Directors. At least two Class B Directors are required to be Independent Directors and must be reasonably acceptable to a majority of the Class A Directors.

Certain actions of the Company may not be taken without approval of a majority of the Class A Directors, the Class B Directors or all of the Independent Directors, as described below under *The Recapitalization Restated Charter*.

After the Board Trigger Date, the holders of the Class A Common Stock and the holders of the Class B Common Stock voting together as a single class will be entitled to elect all members of the board of directors of the combined company.

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The *Board Trigger Date* means the later of (x) the date that is 18 months following the effective date of the Restated Charter and (y) the date on which at least 35% of the outstanding shares of New Common Stock are freely tradable on the NASDAQ Stock Market or other national securities exchange.

Until the third anniversary of the effective date of the Restated Charter, the affirmative vote of the holders of Class A Common Stock shall be required to approve a sale of the Company, unless the price per share of Class A Common Stock in such sale exceeds $7.78 minus the per share amount of all cash dividends to holders of record after July 30, 2011 and prior to the date of such sale (subject, in each case, to adjustment based upon stock splits, stock dividends and transactions having similar effects).

Automatic Conversion

Class B Common Stock may be held only by Verge stockholders and their affiliates. As a result, each share of Class B Common Stock transferred to any other person will automatically convert to one share of Class A Common Stock.

In addition, each share of Class B Common Stock will automatically convert into one share of Class A Common Stock upon the later of (i) the third anniversary of the effective date of the Restated Charter and (ii) the date upon which both of the following conditions are satisfied: (x) at least 35% of the outstanding shares of New Common Stock are freely tradable on the NASDAQ Stock Market or other national securities exchange and (y) Verge s stockholders and their affiliates cease to own a majority of the outstanding shares of voting securities of the Company.

Series A Preferred Stock

As to dividends and distributions of assets upon liquidation, dissolution or winding up of the Company, the Series A Preferred Stock will rank senior over the New Common Stock and junior to the Series B Preferred Stock.

Each holder of the Series A Preferred Stock shall be entitled to receive dividends when, as and if declared by the board of directors of the combined company or a duly authorized committee thereof out of funds of the Company legally available therefor at an annual rate equal to (i) 9% per annum from and excluding the issue date through and including the second anniversary of the issue date, (ii) 12% per annum from the day immediately following the second anniversary of the issue date through and including the fourth anniversary of the issue date, and (iii) 15% per annum thereafter. Dividends shall be paid in cash and, to the extent not paid on March 15, June 15, September 15 or December 15 of any given year, shall accumulate and remain accumulated dividends until paid to the holders of the Series A Preferred Stock. No cash dividends shall in any instance be paid in the first year after the Series A Preferred Stock is issued, and the Company may further pay cash dividends to the New Common Stock and not on the Series A Preferred Stock during such first year notwithstanding the priority of the Series A Preferred Stock otherwise set forth in the Restated Charter.

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Following the first anniversary of the issue date, the Company may redeem the Series A Preferred Stock for cash at the Company s option. The redemption price as of any given date shall be equal to the liquidation preference of $1,000 per share, plus all dividends accumulated thereon and all accrued and unpaid dividends to the payment date.

The holders of the shares of the Series A Preferred Stock shall not have any right to convert such shares into or exchange such shares for any other class or series of stock or obligations of the Company.

Upon the liquidation, bankruptcy, dissolution or winding up of the Company, the holders of the shares of the Series A Preferred Stock shall be entitled to an amount of cash equal to the liquidation preference of $1,000 per share, plus all dividends accumulated thereon and all accrued and unpaid dividends to the payment date. A change of control will be considered a liquidation, dissolution or winding up of the Company.

The Series A Preferred Stock shall not have any voting powers, either general or special, except that the affirmative vote or consent of the holders of a majority of the outstanding shares of the Series A Preferred Stock will be required for any amendment of the Restated Charter if the amendment would specifically alter or change the powers, preferences or rights of the shares of the Series A Preferred Stock so as to affect them adversely.

Series B Preferred Stock

The terms of the Series B Preferred Stock are substantially the same as the terms of the Series A Preferred Stock described above, except:

As to dividends and distributions of assets upon liquidation, dissolution or winding up of the Company, the Series B Preferred Stock will rank senior over the New Common Stock and the Series A Preferred Stock.

Dividends on the Series B Preferred Stock shall accrue at an annual rate equal to (i) 15% per annum from and excluding the issue date through and including the third anniversary of the issue date and (ii) 17% per annum thereafter.

Amendment to the Amended and Restated By-Laws

The amendments to the By-Laws will provide as follows:

Nominations of persons to serve as directors of the board of directors of the combined company, the number of directors on the board of directors of the combined company (including the minimum number of independent directors), the length of service of each director on the board of directors of the combined company, and the filling of vacancies on the board of directors of the combined company must all be in compliance with the Restated Charter.

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Transfers of stock of the Company must also be in compliance with the Restated Charter.

Special meetings of the board of directors of the combined company may be called by any two directors and require 48 hours prior notice to the other directors.

Committees of the board of directors of the combined company must consist of at least one Class A Director and one Class B Director (for so long as there are Class B Directors).

The Company will be the indemnitor of first resort with respect to directors affiliated with Gores or Oaktree.

The board of directors of the combined company must have a minimum of three independent directors or a higher number if required by the SEC or the rules and regulations of the NASDAQ Stock Market or any other securities exchange or quotation system on which the Company s securities are listed or quoted for trading in the future and, in the case of a higher number so being required, the board of directors of the combined company will be expanded to allow for the appointment of any additional independent directors so required, and each such additional seat will be filled with an independent director appointed by a majority of the board of directors of the combined company and elected annually by the holders of New Common Stock, voting as a single class.

Any salaries paid to a director, or any other fees payable to directors for the attendance of meetings, must be approved by the board of directors of the combined company.

Until the Board Trigger Date:

- the By-Laws may not be amended in a manner contrary to the Restated Charter;
- without the consent of a majority of the Class A Directors, the By-Laws may not be amended in a manner that materially adversely affects the holders of Class A Common Stock in a disproportionate manner relative to holders of Class B Common Stock, or adversely affects the approval rights of the Class A Directors and holders of Class A Common Stock to approve a sale of the Company; and
- without the consent of a majority of the Class B Directors, the By-Laws may not be amended in a manner that materially adversely affects the holders of Class B Common Stock in a disproportionate manner relative to holders of Class A Common Stock, or adversely affects the approval rights of the Class B Directors.

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For more information about the Recapitalization, including a summary of the material differences between the rights of holders of our existing common stock and Class A Common Stock after the Recapitalization, see *The Recapitalization Restated Charter*, *Amendment to Amended and Restated Bylaws of the Company* and *Comparison of the Rights of Holders of Existing Common Stock and Class A Common Stock*.

The Merger Agreement

The Company and Verge have made certain customary representations and warranties to each other in the Merger Agreement.

The parties have agreed to use their respective reasonable best efforts to do all things necessary, proper or advisable to consummate the Merger, including obtaining all necessary approvals and consents, subject to certain limitations.

Completion of the Merger is subject to certain conditions, including, among others:

- completion of approximately $265 million of debt financing for the transaction;
- the expiration or early termination of the waiting period applicable to the Merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which we refer to as the *HSR Act*, and any required approvals thereunder, which early termination was granted on August 24, 2011;
- receipt of certain other required regulatory approvals;
- the absence of legal impediments to the Merger;
- the absence of certain material adverse changes or events;
- the accuracy of the other party s representations and warranties (subject to customary materiality qualifiers and other qualifying disclosures which are not necessarily reflected in the Merger Agreement);
- there not being holders of more than 3% of the outstanding shares of Verge common stock that have demanded appraisal rights pursuant to the DGCL;
- the effectiveness of the Recapitalization, including the Reclassification;
- receipt of tax opinions; and
- the execution and delivery by the parties and certain of their affiliates of various ancillary documents and agreements described below and more fully in this Information Statement.

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The Merger Agreement may be terminated by:

- mutual consent of the Company and Verge;

- the Company or Verge if the Merger has not been completed by October 28, 2011 (so long as the terminating party s failure to perform its obligations under the Merger Agreement is not the primary reason for the closing not having occurred by that date);

- the Company or Verge if the Merger has been permanently enjoined or declared illegal;

- the Company or Verge upon certain breaches of the Merger Agreement by the other party;

- the Company if holders of more than 3% of the outstanding shares of Verge common stock have demanded appraisal rights pursuant to the DGCL;

- the Company if it receives an unsolicited Superior Proposal (as defined in the Merger Agreement) on or before August 26, 2011 and, as a result, the Board believes it is required to terminate the Merger Agreement pursuant to its fiduciary duties, and subject to certain additional limitations; and

- Verge if the Board takes certain adverse actions, including changing its recommendation regarding approval of the Merger or approving or recommending an alternative transaction.

If the Merger Agreement is terminated pursuant to the circumstances described in the two immediately preceding bullets, which we refer to as the *Fiduciary Termination Provisions*, the Company will be required to pay Verge a termination fee of $5,625,000.

If the Merger is not consummated, the fees and expenses incurred by each party in connection with the Merger and related transactions shall be the sole responsibility of such incurring party, except that (a) the fees and expenses incurred by the parties in respect of such parties legal counsel after the date of execution of the Merger Agreement shall be split equally between the Company and Verge, (b) filing fees incurred in respect of filings under the HSR Act shall be split equally between the Company and Verge, and (c) the fees and expenses incurred by the parties in respect of the obtaining of the debt financing at any time (including prior to the date of execution of the Merger Agreement) shall be split equally between the Company and Verge.

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If the Merger is consummated, the combined company shall pay and/or reimburse the Company and Verge for all reasonable documented out-of-pocket fees and expenses incurred by the Company and Verge (including prior to the date of execution of the Merger Agreement), as applicable, in order to consummate the transactions contemplated by the Merger Agreement.

The Company agreed to deliver at the closing a number of shares of Series A Preferred Stock with a liquidation preference equal to $8,000,000 to the holders of Verge common stock, subject to adjustment upon the closing of the Merger based on the respective net debt amounts of the Company and Verge on the business day prior to the closing. If such adjustment results in a negative value, the Company shall not deliver the shares of Series A Preferred Stock and the exchange ratio shall be adjusted as described under *The Merger Agreement Delivery of Series A Preferred Stock; Net Debt Adjustment*.

On the business day immediately preceding the closing, the Company shall declare a dividend (payable to record holders of Company common stock as of such date) equal to the excess, if any, of (a) $47,901,155, over (b) the aggregate net indebtedness of the Company and its subsidiaries as of the close of business on the business day immediately prior to the closing, as calculated in accordance with the Merger Agreement.

For more information about the terms of the Merger Agreement, see *The Merger Agreement*.

Determination and Recommendation of the Board of Directors

On July 30, 2011, the Board determined that the Merger, the Recapitalization, the Parent Stock Issuance and related transactions were advisable, fair to and in the best interests of the Company s stockholders (other than The Gores Group LLC, its portfolio companies and all affiliates thereof, which we refer to as the *Excluded Gores Parties*) and recommended that the Company s stockholders vote to approve such transactions. Among the reasons for recommending the Merger was the Board s belief that the combined company will have substantial synergy potential in the near term. To review the Board s reasons for approving such transactions and recommending that our stockholders vote to approve such transactions, see *The Merger Reasons for the Merger*.

Opinion of Financial Advisor to the Company

Berenson & Company, LLC, which we refer to as *Berenson*, served as the financial advisor to the audit committee of the Board, which we refer to as the *Audit Committee*, and the Board in connection with the Merger. On July 30, 2011, Berenson rendered to the Audit Committee and the Board its opinion, which we refer to as the *Berenson Opinion*, to the effect that, as of that date and based upon and subject to the various considerations and assumptions set forth therein, the exchange ratio pursuant to the Merger Agreement (taking into account the potential issuance of Series A Preferred Stock pursuant to the Merger Agreement based on the assumptions referenced in such opinion) was fair from a financial point of view to the holders of the Company s common stock (other than the Excluded Gores Parties).

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The full text of the Berenson Opinion, which sets forth the assumptions made, matters considered, and limitations on the scope of review undertaken by Berenson in rendering its opinion, is attached to this Information Statement as Annex D. Berenson provided its opinion for the information and assistance of the Audit Committee and the Board in connection with their consideration of the Merger. The Berenson Opinion is limited solely to the fairness, from a financial point of view, of the exchange ratio set forth in the Merger Agreement to the holders of the Company s common stock (other than the Excluded Gores Parties) as of the date of the opinion and does not constitute a recommendation to any stockholder of the Company as to how such stockholder should vote with respect to the Merger, the Recapitalization, the Parent Stock Issuance or any other matter. In addition, Berenson was not requested to opine as to, and its opinion does not in any manner address, the Company s underlying business decision to effect the Merger and Recapitalization or the relative merits of the Merger and the Recapitalization as compared to any alternative business strategies or transactions that might be available to the Company. The Company encourages the Company s stockholders to read the Berenson Opinion carefully and in its entirety. The summary of the Berenson Opinion in this Information Statement, which describes the material analyses underlying the Berenson Opinion, but does not purport to be a complete description of the analyses performed by Berenson in connection with its opinion, is qualified in its entirety by reference to the full text of the Berenson Opinion. See *The Merger Opinion of Financial Advisor to the Company* for more information.

Interests of Certain Persons in Matters to be Acted Upon

Certain of the Company s directors and executive officers, as well as certain entities affiliated with the Company, have interests in the Merger that are different from, and/or in addition to, the interests of the Company s stockholders generally. The Board was aware of and considered these differing interests and potential conflicts, among other matters, in approving the Merger, the Recapitalization, the Parent Stock Issuance and related transactions and in recommending such transactions to the Company s stockholders. The following is a description of certain rights directors and executive officers may have in connection with the Merger, as well as a summary of certain agreements with entities affiliated with the Company.

Directors and Executive Officers

The rights of the Company s directors and executive officers with respect to outstanding equity awards, the rights of certain of the Company s executive officers under their respective employment agreements, and the rights of the Company s directors and officers to indemnification and maintenance of directors and officers liability insurance are described in the section entitled *Interest of Certain Persons in Matters to be Acted Upon Interests of Directors and Executive Officers.*

Voting Agreement

Pursuant to a Voting Agreement between Gores and Verge, Gores has agreed, among other matters, to vote against any alternative transaction until the earlier to occur of (1) the closing of the transactions contemplated by the Merger Agreement; (2) 18 months from the date of the Merger Agreement; (3) 12 months following any termination of the Merger Agreement pursuant to the Fiduciary Termination Provisions; and (4) termination of the Merger Agreement for any reason other than pursuant to the Fiduciary Termination Provisions. For more information about the Voting Agreement, see *Interest of Certain Persons in Matters to be Acted Upon Voting Agreement.*

Registration Rights Agreement

As a closing condition under the Merger Agreement, the Company has agreed to enter into a Registration Rights Agreement with Triton Media Group, LLC, the sole stockholder of Verge, which we refer to as *Triton*, and Gores relating to shares of Class A Common Stock (including Class A Common Stock issued or issuable in respect of Class B Common Stock). Among other matters, the Registration Rights Agreement grants Triton and Gores a specified number of long-form and unlimited short-from demand registrations and unlimited piggyback registration rights, in each case subject to certain limitations. For more information, see *Interest of Certain Persons in Matters to be Acted Upon Registration Rights Agreement*.

Indemnity and Contribution Agreement

Concurrent with the execution and delivery of the Merger Agreement, the Company, Verge, Gores and Triton entered into an Indemnity and Contribution Agreement, dated as of July 30, 2011, which we refer to as the *Indemnity and Contribution Agreement*. Pursuant to the agreement, Triton agreed to indemnify the Company in certain circumstances if the Company suffers losses arising from or directly related to Verge s digital service business that it recently spun off to Triton, and Gores agreed to indemnify Triton in certain circumstances if the Company makes any payments or otherwise suffers any losses arising from or directly related to the Metro Traffic Business that the Company recently sold to a third party, in each case, subject to certain limitations. For more information, see *Interest of Certain Persons in Matters to be Acted Upon Indemnity and Contribution Agreement*.

Letter Agreement

Pursuant to a Letter Agreement, which we refer to as the *Letter Agreement*, dated as of July 30, 2011, by and among the Company, Gores, certain entities affiliated with Oaktree, which we refer to as the *Oaktree Entities*, and certain entities affiliated with Black Canyon Capital LLC, which we refer to as the *Black Canyon Entities*, each of Gores, the Oaktree Entities and the Black Canyon Entities have agreed to exchange certain debt of the Company and Verge, as applicable, held by such party for Senior Subordinated Unsecured PIK Notes of the Company, which we refer to as the *PIK Notes*. For more information, see *Interest of Certain Persons in Matters to be Acted Upon Letter Agreement*.

PIK Notes

The PIK Notes are unsecured, accrue interest at the rate of 15% per annum, mature on the 6th anniversary of the issue date and are subordinated in right of payment to the combined company s debt to be issued pursuant to the Debt Commitment Letters. For more information, see *Interest of Certain Persons in Matters to be Acted Upon PIK Notes*.

Digital Reseller Agreement

On July 29, 2011, Triton and Dial Global entered into a Digital Reseller Agreement, pursuant to which, among other things, Dial Global agreed to provide, at its sole expense and on an exclusive basis (subject to certain exceptions), services to Triton customarily rendered by terrestrial network radio sales representatives in the United States in exchange for a commission. For more information, see *Other Agreements Digital Reseller Agreement*.

Debt Commitment Letters

Concurrent with the execution and delivery of the Merger Agreement, Verge obtained (a) a first lien secured debt commitment letter from certain first lien lenders, pursuant to which such first lien lenders agree to provide, upon the terms and subject to the conditions set forth in the first lien secured debt commitment letter, in the aggregate up to $200 million in debt financing, consisting of a term loan facility in the aggregate principal amount of $175 million and a revolving credit facility with a maximum aggregate availability of $25 million, and (b) a second lien secured debt commitment letter from certain second lien lenders, pursuant to which such second lien lenders agree to provide, upon the terms and subject to the conditions set forth in the second lien secured debt commitment letter, up to $65 million in debt financing pursuant to a second lien term loan credit facility. For more information, see *Other Agreements Debt Commitment Letters*.

Anticipated Accounting Treatment

The transactions contemplated by the Merger Agreement will be accounted for as a reverse acquisition of the Company by Verge under the acquisition method of accounting. The combined company will account for the transaction by using Verge historical information and accounting policies and applying fair value estimates to the Company. For more information, see *Accounting Treatment of the Merger*.

Outstanding Voting Securities; Vote Required; Gores Written Consent

As of July 30, 2011, the Company had 22,594,472 shares of common stock issued and outstanding, which is the only capital stock of the Company entitled to vote. The Merger, the Recapitalization, the Parent Stock Issuance and related transactions require approval of the holders of a majority of the Company s issued and outstanding voting securities. On July 30, 2011, Gores, which owned 17,212,977 shares of the Company s common stock, representing 76.2% of the Company s issued and outstanding voting securities as of such date, delivered to the Company a written consent approving the Merger, the Recapitalization, the Parent Stock Issuance and related transactions. No further approval by the Company s stockholders is required by law, applicable stock exchange rules or our organizational documents. For more information, see *Outstanding Voting Securities; Vote Required; Gores Written Consent*.

Recent Developments

On August 24, 2011, early termination of the waiting period applicable to the Merger under the HSR Act was granted.

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QUESTIONS AND ANSWERS ABOUT THE MERGER

The following questions and answers are intended to briefly address some commonly asked questions regarding the Merger, the Recapitalization, the Parent Stock Issuance and related transactions. These questions and answers may not address all questions that may be important to you as a stockholder of the Company. Please refer to the *Introduction* and *Summary Term Sheet* and the more detailed information contained elsewhere in this Information Statement, the annexes to this Information Statement and the documents referred to or incorporated by reference in this Information Statement, each of which you should read carefully. You may obtain information incorporated by reference in this Information Statement without charge by following the instructions under W*here Stockholders Can Find More Information*.

Q: What is the proposed transaction?

A: The proposed transaction is the merger of Verge with and into Merger Sub, a direct, wholly owned subsidiary of the Company, with Merger Sub being the surviving corporation and remaining a direct, wholly-owned subsidiary of the Company.

Q: What will Verge stockholders receive in the Merger?

A: Under the terms of the Merger Agreement, upon consummation of the Merger, Verge s stockholders will be entitled to receive 6.884183 shares of new Class B Common Stock of the Company for each common share of Verge held by them. This exchange ratio was adjusted from the 6.90453 number included in the Merger Agreement following the execution of the Merger Agreement due to the expiration of certain stock options of the Company related to the sale of the Metro Traffic Business and the issuance of certain restricted stock units to our directors as is customary, and is subject to further adjustment as provided in the Merger Agreement. In addition, pursuant to the Merger Agreement, upon consummation of the Merger the Company will issue to stockholders of Verge shares of Series A Preferred Stock of the Company having an aggregate liquidation preference of $8,000,000, subject to adjustment upon the closing of the Merger based on the respective net debt amounts of the Company and Verge on the business day prior to the closing. Assuming the Merger had been consummated on June 30, 2011, on a pro forma basis giving effect to the respective net debt amounts of the Company and Verge as of such date, the Company would have issued to stockholders of Verge 15,060 shares of Series A Preferred Stock having an aggregate liquidation preference of $15,060,000.

Q: What percentage of our common stock will the Company s current stockholders and Verge s current stockholders own, in the aggregate, after the Merger?

A: Following the Merger, based on the Company s and Verge s respective capitalizations as of July 30, 2011, and the exchange ratio of 6.884183, we estimate that current Company stockholders together with holders of outstanding options exercisable for Company common stock and restricted stock units will own approximately 41%, and current Verge stockholders will own approximately 59%, of the issued and outstanding shares of common stock of the combined company on a fully diluted basis.

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Q: What is the Recapitalization?

A: Immediately prior to the Merger, the Company will file the Restated Charter which, among other things, reclassifies the Company s existing common stock on a share-for-share basis into a new class of common stock to be designated as Class A Common Stock, authorizes a new class of common stock to be designated as Class B Common Stock, which is to be issued to Verge s stockholders in the Merger, and designates two new series of preferred stock of the Company, Series A Preferred Stock and Series B Preferred Stock, which are senior to the common stock and may be issued in connection with the Merger under certain circumstances.

The Company will also make certain amendments to its By-Laws in connection with the Recapitalization.

Q: What will happen to my shares of common stock in the Recapitalization?

A: Upon the effectiveness of the Restated Charter, each share of the Company s existing common stock will automatically be converted into one share of Class A Common Stock. **Stockholders do not need to surrender their share certificates or take any other actions in connection with the Recapitalization.**

Q: What are the material differences between the rights of holders of the Company s existing common stock and Class A Common Stock?

A: The differences between the rights of holders of the Company s existing common stock and Class A Common Stock include, among other differences, that holders of Class A Common Stock will initially have the right to elect three of nine directors rather than the entire Board and, under certain circumstances, will have a class vote to approve a sale of the Company for the first three years following the Merger. For more information about these and other differences in the rights of the holders of the Company s existing common stock and Class A Common Stock, see *The Recapitalization Comparison of the Rights of Holders of Existing Common Stock and Class A Common Stock*.

Q: What are the differences between the Class A Common Stock and the Class B Common Stock?

A: The Class A Common Stock and the Class B Common Stock will be identical in all respects except with respect to certain class voting and approval rights (including with respect to the election of directors) and, under certain circumstances, the Class B Common Stock automatically converts into Class A Common Stock. Upon the closing of the Recapitalization and Merger, the Company intends to continue to list its shares of Class A Common Stock on the NASDAQ and to change its stock symbol to DIAL. The shares of Class B Common Stock will not be publicly listed or traded.

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Q: What will be the composition of the board of directors of the combined company following the Merger?

A: Upon to the closing of the Merger, the board of directors of the combined company will consist of three directors identified in writing by the Company, one of whom must be independent under applicable stock exchange rules, five directors identified in writing by Verge, two of whom must be independent under applicable stock exchange rules, and the current Chief Executive Officer of Verge or his replacement, to serve as Chairman.

At the next annual meeting of stockholders, the holders of Class A Common Stock voting as a separate class will be entitled to elect three directors to the board of directors of the combined company, one of whom must be independent, and the holders of Class B Common Stock voting as a separate class will be entitled to elect five directors to the board of directors of the combined company, two of whom must be independent, and the holders of Class A Common Stock and Class B Common Stock will vote together as a single class to elect the Chief Executive Officer of the combined company as the final director.

Q: When do you expect the Merger to be completed?

A: We are working to complete the Merger as quickly as possible. We currently expect to complete the Merger promptly after all of the conditions to the Merger set forth in the Merger Agreement have been satisfied or waived. Completion of the Merger is expected to occur in the fourth quarter of 2011.

Q: What are the material conditions to the completion of the Merger?

A: Completion of the Merger is subject to several conditions, including, among others, completion of approximately $265 million in financing, the effectiveness of the Recapitalization, and the expiration or early termination of the waiting period applicable to the Merger under the HSR Act, and any required approvals thereunder. Early termination of the waiting period applicable to the Merger under the HSR Act was granted on August 24, 2011.

Q: What happens if the Merger is not consummated?

A: If the Merger is not completed for any reason, we will not effect the Recapitalization and, thus, your existing common stock will not be converted into Class A Common Stock. In addition, under specified circumstances in connection with the termination of the Merger Agreement, the Company may be required to pay Verge a termination fee of $5,625,000.

Q: Why am I not being asked to vote on the Merger?

A: On July 30, 2011, Gores, in its capacity as the holder of a majority of the Company s issued and outstanding voting securities, approved the Merger, the Recapitalization, the Parent Stock Issuance and related transactions by delivering to the Company a written consent. There is no other vote required by law, applicable stock exchange rules or our organizational documents. Therefore, your vote is not required and is not being sought. We are not asking you for a proxy and you are requested not to send us a proxy.

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Q: Why did I receive this information statement?

A: Applicable laws and regulations require us to provide you with notice of the written consent delivered by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action, as well as other information regarding the Merger, the Recapitalization, the Parent Stock Issuance and related transactions, even though your vote or consent is neither required nor requested in connection with such transactions.

Q: Am I entitled to appraisal rights?

A: No. You are not entitled to appraisal rights under the DGCL in connection with the Merger, the Recapitalization, the Parent Stock Issuance or related transactions under the requirements of Section 262 of the DGCL.

Q: Did the Board approve and recommend the Merger?

A: Yes. On July 30, 2011, the Board determined that the Merger, the Recapitalization, the Parent Stock Issuance and related transactions were advisable, fair to and in the best interests of the Company s stockholders (other than the Excluded Gores Parties) and recommended that the Company s stockholders vote to approve such transactions. Among the reasons for recommending the Merger was the Board s belief that the combined company will have substantial synergy potential in the near term. To review the Board s reasons for approving such transactions and recommending such transactions to our stockholders, see *The Merger Reasons for the Merger*.

Q: What are certain U.S. federal income tax consequences of the Merger and the Reclassification?

A: The Merger is intended to qualify as a reorganization under Section 368(a) of the U.S. Internal Revenue Code of 1986, as amended, which we refer to as the *Code.* For U.S. federal income tax purposes, you are not receiving any consideration or exchanging any outstanding stock in the Merger. Accordingly, you are not expected to recognize gain or loss for U.S. federal income tax purposes as a result of the Merger.

The Reclassification is intended to qualify as a recapitalization within the meaning of Section 368(a)(1)(E) of the Code. Subject to the discussion below under the heading *Certain United States Federal Income Tax Considerations of the Merger and the Reclassification Cash Distribution*, a stockholder will generally not recognize any gain or loss upon the receipt of new Class A Common Stock in exchange for Company common stock pursuant to the Reclassification. If the Company makes a Cash Distribution to you, as described below under the heading *The Merger Covenants Distributions to Stockholders of the Company*, generally, any such Cash Distribution will be subject to U.S. federal tax as described below under the heading *Certain United States Federal Income Tax Considerations of the Merger and the Reclassification Cash Distribution*.

Please refer to *Certain United States Federal Income Tax Considerations of the Merger and the Reclassification*, for a description of certain U.S. federal income tax consequences of the Merger, the Reclassification and any Cash Distribution to you. Determining the actual tax consequences of the Merger, the Reclassification and any Cash Distribution to you may be complex and will depend on your specific situation. **You are urged to consult your tax adviser for a full understanding of the tax consequences of the Merger, the Reclassification and any Cash Distribution to you.**

Q: What happens if I sell my shares before completion of the Merger?

A: If you transfer your shares of common stock before completion of the Merger, you will have transferred the right to receive the Class A Common Stock to be received by our stockholders in the Recapitalization and to participate as a stockholder in ownership of the combined company upon consummation of the Merger. In order to receive the Class A Common Stock, you must hold your shares through completion of the Merger.

Q: Should I send in my stock certificates now?

A: No. Your stock certificates shall represent Class A Common Stock following the Merger without any further action on your part.

Q: Where can I find more information about the Company?

A: Our current and periodic reports filed with the SEC including amendments to those reports, may be obtained through our internet website at www.westwoodone.com; directly from us in print upon request to Westwood One, Inc., 1166 Avenue of the Americas, 10th Floor, New York NY, 10036, Attn: Secretary; or from the SEC s website at www.sec.gov free of charge as soon as reasonably practicable after we file these reports with the SEC. Additionally, any reports or information that we file with the SEC may be read and copied at the SEC s Public Reference Room at 100 F Street, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. You may also obtain copies of this information by mail from the Public Reference Section of the SEC, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates.

Q: Who can help answer my other questions?

A: If you have more questions about the Merger, the Recapitalization, the Parent Stock Issuance or related transactions or need additional copies of this Information Statement, please contact David Hillman, General Counsel and Corporate Secretary, or Melissa Garza, Senior Vice President of Business & Legal Affairs, at (212) 641-2000.

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FORWARD-LOOKING STATEMENTS

This Information Statement contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements we make or others make on our behalf. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These statements are not based on historical fact but rather are based on management s views and assumptions concerning future events and results at the time the statements are made. No assurances can be given that management s expectations will come to pass. There may be additional risks, uncertainties and factors that we do not currently view as material or that are not necessarily known. Any forward-looking statements included in this document are only made as of the date of this document and we do not have any obligation to publicly update any forward-looking statement to reflect subsequent events or circumstances.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF VERGE

The following table sets forth Verge s selected historical consolidated financial data as of and for the periods indicated, as provided to us by Verge. Verge derived its selected historical consolidated financial data for the years ended December 31, 2006 and 2007 from its unaudited consolidated financial statements, which are not included in this Information Statement. Verge derived its selected historical consolidated financial data for the year ended December 31, 2008 from its unaudited consolidated financial statement and for the years ended December 31, 2009 and 2010 from its audited consolidated financial statements, which are included elsewhere in this Information Statement.

Verge derived its selected historical consolidated financial data for the six months ended June 30, 2010 and 2011 from its unaudited condensed consolidated financial statements for such periods, which contain all adjustments, consisting of normal recurring adjustments, that the management of Verge considers necessary for a fair presentation of its financial position and results of operations for the periods presented and are included elsewhere in this Information Statement. Operating results for the six-month periods are not necessarily indicative of results for a full year, or any other periods.

On November 1, 2007, Excelsior Radio Networks, LLC, which we refer to as the *Predecessor Company*, was purchased by an affiliate of Verge, whereby the affiliate acquired 100% of the outstanding common stock of the Predecessor Company. Verge currently owns 100% of the Predecessor Company. Following this acquisition, Verge Media Companies, Inc. is referred to as the *Successor Company*.

	Successor Company						Predecessor Company	
	Six Months Ended June 30,		Year Ended December 31,			November 1 to December 31,	January 1 to October 31,	Year Ended December 31,
(in thousands)	2011 (unaudited)	2010 (unaudited)	2010	2009	2008 (unaudited)	2007 (unaudited)	2007 (unaudited)	2006 (unaudited)
Statement of income (loss) data:								
Net revenues	$ 57,957	$ 56,099	$ 122,746	$ 95,143	$ 83,132	$ 6,891	$ 33,860	$ 29,948
Cost of revenues	23,544	21,307	48,114	40,838	36,255	3,078	14,707	12,231
Operating expenses	24,402	23,454	49,202	50,175	36,089	3,540	13,729	10,598
Depreciation and amortization	9,925	8,665	18,639	15,622	9,080	824	2,942	2,722
Income (loss) from continuing operations	86	2,673	6,791	(11,492)	1,708	(551)	2,482	4,397
Interest expense, net	(10,771)	(8,202)	(19,533)	(16,376)	(14,173)	(1,185)	(4,460)	(5,159)
Gain from remeasurement of investment		5,573	5,573	1,675				
Loss on equity investment		(778)	(778)	(1,148)	(3,837)			
Other expenses			(1,257)	(464)				
Loss from continuing operations before income tax (benefit)	(10,685)	(734)	(9,204)	(27,805)	(16,302)	(1,736)	(1,978)	(762)
Income tax (benefit) from continuing operations	1,076	1,042	2,156	(10,389)	(5,889)	0	7	208
Loss from continuing operations	(11,761)	(1,776)	(11,360)	(17,416)	(10,413)	(1,736)	(1,985)	(554)
Loss from discontinued operations, net of income tax benefit			(27)	(565)				
Net loss	$ (11,761)	$ (1,776)	$ (11,387)	$ (17,981)	$ (10,413)	$ (1,736)	$ (1,985)	$ (554)

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PRELIMINARY UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The preliminary unaudited pro forma condensed consolidated balance sheet at June 30, 2011, presents the consolidated balance sheets of the Company and Verge, giving effect to the Merger, the Recapitalization, the Parent Stock Issuance and related transactions, which we refer to in this section, collectively, as the *Transactions,* as if they had been consummated on June 30, 2011. The preliminary unaudited pro forma condensed consolidated income statement for the six months ended June 30, 2011 and the year ended December 31, 2010, presents the consolidated statements of income of the Company and Verge giving effect to the Transactions as if they had occurred on January 1, 2010. We have adjusted the historical consolidated financial information to give effect to pro forma events that are (1) attributable directly to the Transactions, (2) factually supportable, and (3) with respect to the statement of operations, expected to have a continuing impact on the consolidated results.

We have adjusted the historical consolidated financial statements to give effect to the following events in connection with the Transactions:

- The spin-off of Verge s digital business on July 29, 2011.
- The reclassification of the Company s existing common stock into Class A Common Stock.
- The issuance of 34.4 million shares of Class B Common Stock and 15,060 shares of Series A Preferred Stock to Verge s stockholders.
- The payment of a special cash dividend of $2,422 to the Company s existing stockholders.
- The refinancing of outstanding debt of the Company and Verge.
- The elimination of historical transactions between the Company and Verge.
- The re-measurement of the assets and liabilities of the Company (the accounting acquiree in the Merger) to fair value as a result of Verge obtaining a controlling interest in the Company.
- Other adjustments necessary to reflect the effects of the Merger.

The transactions contemplated by the Merger Agreement will be accounted for under the acquisition method of accounting in accordance with the authoritative guidance of the Financial Accounting Standards Board for generally accepted accounting principles in the United States with Verge treated as the accounting acquirer. Accordingly, Verge s cost to acquire the Company has been allocated to the acquired assets, liabilities and commitments based upon their estimated fair values at July 30, 2011. The allocation of the purchase price is preliminary and is dependent upon certain valuations that have not progressed to a stage where there is sufficient information to make a final allocation and the final purchase price of Verge s acquisition of the Company will not be known until the date of closing of the merger and could vary materially from the price as of June 30, 2011. Accordingly, the final acquisition accounting adjustments may be materially different from the preliminary unaudited pro forma adjustments presented herein.

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You should read this information in conjunction with:

- the accompanying notes to the preliminary unaudited pro forma condensed consolidated financial information;
- the Company s separate historical audited financial statements as of and for the year ended December 31, 2010, included in the Company s current report on Form 8-K filed on September 6, 2011), and its unaudited financial statements as of and for the six months ended June 30, 2011, included in the Company s Quarterly Report on Form 10-Q for the quarter ended June 30, 2011; and
- Verge s separate historical audited financial statements as of and for the year ended December 31, 2010 and its unaudited financial statements as of and for the six months ended June 30, 2011, included in Annex E hereto.

The preliminary unaudited pro forma condensed consolidated financial information has been prepared for informational purposes only. The preliminary unaudited pro forma adjustments represent management s estimates based on information available at this time. The preliminary unaudited pro forma condensed consolidated financial information is not necessarily indicative of what the financial position or results of operations actually would have been had the Transactions been completed at the dates indicated. In addition, the preliminary unaudited pro forma condensed consolidated financial information does not purport to project the future financial position or operating results of the combined company. The preliminary unaudited pro forma condensed consolidated financial information does not give consideration to the impact of possible revenue enhancements, expense efficiencies, synergies or asset dispositions that may result from the Merger.

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WESTWOOD ONE, INC
PRO FORMA CONDENSED COMBINED BALANCE SHEET
As of June 30, 2011
(In thousands)
(unaudited)

	Historical		Pro Forma Adjustments			
	Westwood	**Verge As Adjusted (1)**	**Refinancing**	**Purchase Accounting and Other**		**Pro Forma as Adjusted**
ASSETS						
Current assets:						
Cash and cash equivalents	$ 13,289	$ 3,051	$ 28,435	$ 660	3a	$ 45,435
Accounts receivable	37,457	45,407				82,864
Prepaid and other assets	14,085	3,213		(660)	3a	16,638
Current assets discontinued operations	590					590
Total current assets	65,421	51,671	28,435			145,527
Property and equipment, net	23,711	6,076				29,787
Intangible assets, net	24,600	82,623		39,934	3b	147,157
Goodwill	25,796	59,252		113,815	3c	198,863
Other assets	6,216	4,342	3,768		3d	14,326
TOTAL ASSETS	$ 145,744	$ 203,964	$ 32,203	$ 153,749		$ 535,660
LIABILITIES AND STOCKHOLDERS EQUITY						
Current liabilities:						
Accounts payable	$ 24,794	$ 27,420	$	$		$ 52,214
Amounts payable to related parties	1,331					1,331
Current portion of long term debt		13,923	(13,923)		3e	
Accrued expenses and other liabilities	17,339	3,986	5,825	12,821	3d, 3f, 3m	39,971
Current liabilities discontinued operations	11,754					11,754
Total current liabilities	55,218	45,329	(8,098)	12,821		105,270
Long-term debt	35,000	178,238	52,837		3e	266,075
Deferred tax liability	14,375	7,288		16,784	3g	38,447
Due to Gores	10,479		(10,479)		3e	

Other liabilities	14,635	1,120		6,209	3h	21,964
Non-current liabilities discontinued operations	6,209			(6,209)	3h	
TOTAL LIABILITIES	135,916	231,975	34,260	29,605		431,756
Commitments and contingencies						
Preferred Stock Series A				15,060	3i	15,060
STOCKHOLDERS EQUITY						
Common stock	226	5		(231)	3j	
Common stock Class A				226	3j	226
Common stock Class B				344	3j	344
Additional paid-in capital	100,242			18,105	3k, 3m	118,347
Accumulated deficit	(90,640)	(28,016)	(2,057)	90,640	3d, 3l	(30,073)
TOTAL STOCKHOLDERS EQUITY	9,828	(28,011)	(2,057)	109,084		88,844
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	$ 145,744	$ 203,964	$ 32,203	$ 153,749		$ 535,660

(1) See Note 2 of the accompanying notes to the preliminary unaudited pro forma condensed consolidated financial information for an explanation of adjustments to Verge historical financial information.

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PRO FORMA STATEMENT OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2011
(In thousands, except per share amounts)
(unaudited)

	Historical		Pro Forma Adjustments		
	Westwood	**Verge As Adjusted (1)**	**Refinancing**	**Purchase Accounting and Other**	**Pro Forma as Adjusted**
Revenue	$ 92,494	$ 39,196	$	$ (1,320) 4a	$ 130,370
Operating costs	94,744	31,250		(1,745) 4a, 4b	124,249
Depreciation and amortization	3,393	6,712		2,864 4c	12,969
Corporate general and administrative expenses	4,673				4,673
Restructuring charges	1,774				1,774
Special charges	1,924				1,924
Total Expenses	106,508	37,962		1,119	145,589
Operating (loss)	(14,014)	1,234		(2,439)	(15,219)
Interest expense	2,589	10,770	(364)	4d	12,995
Other (income) expense	(1,096)				(1,096)
Loss from continuing operations before income tax	(15,507)	(9,536)	364	(2,439)	(27,118)
Income tax (benefit) expense from continuing operations	(6,968)	722	142	(4,472) 4e	(10,576)
Net Loss from continuing operations	(8,539)	(10,258)	222	2,033	(16,542)
Preferred stock dividends and accretion				(910) 4f	(910)
Net loss attributable to common stockholders from continuing operation	$ (8,539)	$ (10,258)	$ 222	$ 1,123	$ (17,452)

(Loss) Per Share of Common Stock		
Basic	$ (0.39)	$ (0.31)
Diluted	$ (0.39)	$ (0.31)
Weighted Average Shares Outstanding:		
Common Stock		
Basic	22,173	56,640
Diluted	22,173	56,640

(1) See Note 2 of the accompanying notes to the preliminary unaudited pro forma condensed consolidated financial information for an explanation of adjustments to Verge historical financial information.

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UNAUDITED PRO FORMA STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010
(In thousands, except per share amounts)

	Historical		Pro Forma Adjustments			
	Westwood	**Verge As Adjusted (1)**	**Refinancing**	**Purchase Accounting and Other**		**Pro Forma as Adjusted**
Revenue	$ 196,986	$ 89,951	$	$ (2,530)	4a	$ 284,407
Operating costs	187,053	64,704		(3,380)	4a, 4b	248,377
Depreciation and amortization	5,943	13,080		6,785	4c	25,808
Corporate general and administrative expenses	11,076					11,076
Restructuring charges	269					269
Special charges	5,448					5,448
	209,789	77,784		3,405		290,978
Operating (loss)	(12,803)	12,167		(5,935)		(6,571)
Interest expense	7,624	19,543	(991)		4d	26,176
Other (income) expense	1,688	561				2,249
Loss from continuing operations before income before income tax	(22,115)	(7,937)	991	(5,935)		(34,996)
Income tax (benefit) expense	(7,922)	1,446	387	(7,559)	4e	(13,648)
Net loss from continuing operations	(14,193)	(9,383)	604	1,624		(21,348)
Preferred stock dividends and accretion				(1,869)	4f	(1,869)
Net loss attributable to common stockholders from continuing operation	$ (14,193)	$ (9,383)	$ 604	$ (245)		$ (23,217)

(Loss) Per Share of Common Stock		
Basic	$ (0.64)	$ (0.38)
Diluted	$ (0.64)	$ (0.38)
Weighted Average Shares Outstanding:		
Common Stock		
Basic	22,173	56,640
Diluted	22,173	56,640

(1) See Note 2 of the accompanying notes to the preliminary unaudited pro forma condensed consolidated financial information for an explanation of adjustments to Verge historical financial information.

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Note 1 Basis of Presentation

On July 30, 2011, the Company and Verge entered into the Merger Agreement. Following the closing of the Merger, based on the Company s and Verge s respective capitalizations as of July 30, 2011, and the exchange ratio of 6.884183, we estimate that current Company stockholders together with holders of outstanding options exercisable for Company common stock and restricted stock units will own approximately 41%, and current Verge stockholders will own approximately 59%, of the issued and outstanding shares of common stock of the combined company on a fully diluted basis.

The significant events related to the Transactions include the following:

- Verge spun-off of its digital business on July 29, 2011.
- We will reclassify the Company s existing common stock on a share-for-share basis into a new class of common stock to be designated as Class A Common Stock, par value $0.01 per share.
- We will authorize a new class of common stock to be designated as Class B Common Stock, par value $0.01 per share, of which 34.4 million shares are expected to be issued to Verge s stockholders upon the closing of the Merger.
- We will designate two new series of preferred stock of the Company, Series A Preferred Stock and Series B Preferred Stock, which are senior to the common stock. Upon the closing of the Merger, based on the respective net debt amounts of Verge and the Company as of June 30, 2011, we expect to issue shares of Series A Preferred Stock to stockholders of Verge having an aggregate liquidation preference of $15,060, and to declare and pay a special cash dividend of $2,422 to the Company s existing stockholders.
- We anticipate refinancing all of the outstanding debt of Verge and the Company with first and second lien term loans described under *Other Agreements Debt Commitment Letters* and by issuing new PIK Notes and/or Series B Preferred Stock in exchange for senior debt of the Company held by Gores and debt of a subsidiary of Verge held by Oaktree and Black Canyon, as described under *Interest of Certain Persons in Matters to be Acted Upon Letter Agreement* and *PIK Notes*.

Because stockholders of Verge will obtain a controlling interest in the Company as a result of the Merger, we have applied acquisition accounting to the assets and liabilities of the Company, which requires an allocation of the purchase price to the net assets acquired, based on estimated fair values as of the date of the acquisition. As the accounting acquirer, the Verge business continues at its historical or carryover basis. The table below summarizes the preliminary allocation of the purchase price to the assets and liabilities of the Company, as the accounting acquiree, as if the Merger closed on June 30, 2011.

Consideration Transferred		
Westwood One, Inc. closing price per share on July 29, 2011	$	5.68
Fair Value of 22,594 shares of Westwood One	$	128,334
Fair Value of Series A Preferred Stock Issued (See Note 3(i) below)		15,060
	$	143,394

Preliminary Purchase Price Allocation		
Current Assets	$	65,421
Intangible Assets		64,534
Property, Plant and Equipment, Net		23,711
Other Assets		6,216
Current Liabilities		(58,617)
Long-Term Debt		(45,479)
Deferred Income Taxes		(31,159)
Other Liabilities		(20,844)
Fair Value of Net Assets Acquired		3,783
Goodwill		139,611
Total Estimated Purchase Price	$	143,394

The acquisition method of accounting is based on authoritative guidance for business combinations and uses the fair value concepts defined in authoritative guidance. We prepared the unaudited pro forma condensed combined financial information using the acquisition method of accounting, under these existing U.S. GAAP standards, which are subject to change and interpretation.

The authoritative guidance for business combinations requires, among other things, that most assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date. In addition, the guidance establishes that the consideration transferred be measured at the closing date of the acquisition at the then-current market price. As part of the purchase price includes shares to be issued for consideration in the mergers, this particular requirement will likely result in a per share equity component that is different from the amount assumed in these unaudited pro forma condensed combined financial information.

The authoritative guidance for fair value defines the term fair value, sets forth the valuation requirements for any asset or liability measured at fair value, expands related disclosure requirements and specifies a hierarchy of valuation techniques based on the nature of inputs used to develop the fair value measures. Fair value is defined in the guidance as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This is an exit price concept for the valuation of the asset or liability. In addition, market participants are assumed to be buyers and sellers in the principal (or the most advantageous) market for the asset or liability. Fair value measurements for an asset assume the highest and best use by these market participants. As a result of these standards, we may be required to record assets which we do not intend to use or sell (defensive assets) and/or to value assets at fair value measurements that do not reflect Verge s intended use of those assets. Many of these fair value measurements can be highly subjective and it is also possible that other professionals, applying reasonable judgment to the same facts and circumstances, could develop and support a range of alternative estimated amounts.

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The assumptions and related pro forma adjustments described below have been developed based on assumptions and adjustments, including assumptions relating to the consideration paid and the allocation thereof to the assets acquired and liabilities assumed from the Company based on preliminary estimates of fair value. The final purchase price and the allocation thereof will differ from that reflected in the pro forma financial statements after final valuation procedures are performed and amounts are finalized following the completion of the acquisition.

The unaudited pro forma condensed combined financial statements are provided for illustrative purposes only and do not purport to represent what the actual consolidated results of operations or the consolidated financial position of the Company would have been had the mergers occurred on the dates assumed, nor are they necessarily indicative of future consolidated results of operations or financial position.

Note 2 Verge As Adjusted

On July 29, 2011, Verge spun off its digital business to its stockholders. The Verge historical financial statements as of and for the six months ended June 30, 2011, and for the year ended December 31, 2010, have been adjusted to reflect the spin-off of Verge s digital business and to condense certain captions to conform to the presentation used in the pro forma financial information. For more information, see *Verge Management s Discussion and Analysis of Financial Condition and Results of Operations Digital Spin-Off.*

Note 3 Unaudited Pro Forma Adjustments Balance Sheet

The following is a description of the adjustments to the Pro Forma Condensed Combined Balance Sheet as of June 30, 2011:

a) Represents an increase in cash and cash equivalents (i) of $28,435 to reflect net cash from the refinancing which the Company intends to use to pay transaction costs related to the Merger and for general corporate purposes and (ii) due to reclassification of an advance to the Company of $660 related to Verge s purchase of our 24/7 formats in July 2011.

b) Represents a net increase in intangible assets, net of $39,934 based upon the estimated fair value of the Company s net assets at July 30, 2011.

c) Represents a net increase in goodwill of $113,815 based upon the estimated fair value of the Company s net assets at July 30, 2011.

d) Represents a net increase in other assets of $3,768 consisting of $5,825 of capitalized commitment fees on the first and second lien term loans to be incurred upon closing of the Merger and the undrawn revolver, net of the reversal of $2,057 of capitalized financing costs in respect of Verge s outstanding debt that is being refinanced with the proceeds of the first and second lien term loans.

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e) Represents a net increase in long-term debt of $52,837, a reduction in the current portion of long-term debt of $13,923, and a reduction of debt due to Gores of $10,479, in each case related to the refinancing of the outstanding debt of Verge and the Company with the proceeds of first and second lien term loans that are subject to commitment letters described under *Other Agreements Debt Commitments Letters* and through the exchange of existing debt of Verge and the Company held by certain of their affiliates for subordinated PIK Notes and/or Series B Preferred Stock of the Company, as described under *Interests of Certain Persons in matters to be Acted Upon Letter Agreement.* Upon the closing of the Merger, the outstanding debt of the combined company (net of original issue discount) will be approximately $266,075 consisting of a $175,000 first lien term loan, a $65,000 second lien term loan and $30,000 of PIK Notes.

f) Represents a net increase in accrued expenses and other liabilities of $18,646 consisting of (i) an increase of $13,500 for an accrual for costs related to the Merger, (ii) an increase of $5,825 of capitalized commitment fees as described in Note 3(d) above, (iii) an increase of $2,422 for an accrual of the special cash dividend to the Company s existing stockholders and (iv) a decrease of $3,101 to deferred revenue. The decrease in deferred revenue primarily relates to a fair value adjustment due to our anticipation of settling contractual commitments for less than historical book value.

g) Represents an increase in deferred tax liabilities of $16,784 related to the net step-up in fair value of the Company s intangible assets and deferred revenue based on the estimated fair values of the Company s net assets at July 30, 2011, and applying an assumed tax rate of 39%.

h) Represents an increase in other liabilities due to a reclassification of liabilities related to the disposition of our Metro Traffic Business. This reclassification is necessary because Verge, as the accounting acquirer, would not reflect these liabilities as discontinued operations in its historical financial statements.

i) Represents the Company s estimate of the fair value of the 15,060 shares of Series A Preferred Stock that would have been issued to Verge s stockholders had the Merger been consummated on June 30, 2011, based on a liquidation preference of $1,000 per share. The Company estimated the fair value of the preferred stock to be equal to liquidation value of $15,100 as such consideration was negotiated between the Company and Verge in compensation of net operating losses of Verge that will not expire upon the Merger in the amount of 8,000 shares of Series A preferred stock and an adjustment of 7,100 shares of Series A preferred stock estimated as of June 30, 2011. The adjustment for the 7,100 shares reflects an adjustment to the 8,000 shares of Series A Preferred Stock provided in the Merger Agreement based upon the respective amounts of net indebtedness of the Company and Verge as of June 30, 2011 as compared to target net indebtedness amounts in the Merger Agreement of $47,901 and $199,933 for the Company and Verge, respectively. Such number of shares is subject to further adjustment at the closing of the Merger based upon the respective amounts of net indebtedness of the Company and Verge on the business day immediately prior to closing as compared to such targets. If such adjustment results in a negative value, the Company shall not deliver the shares of Series A Preferred Stock and the exchange ratio shall be adjusted such that Verge stockholders shall receive a reduced number of shares of Class B Common Stock in the Merger based upon the amount of such additional net indebtedness, divided by the greater of (i) the average trading price of the Company s common stock for the 60 consecutive trading days immediately preceding the closing of the Merger, and (ii) $5.50.

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j) Represents the reclassification of the Company s existing common stock on a share-for-share basis into Class A Common Stock, par value of $0.01 per share, the issuance of 34.4 million shares of Class B Common Stock, par value of $0.01 per share, to Verge s stockholders, and the cancellation of Verge s outstanding common stock upon closing of the Merger.

k) Represents a net increase in additional paid-in capital of $18,105 consisting of (i) an elimination of our historical additional paid in capital of $100,242 consistent with the acquisition method of accounting to reflect Verge as the accounting acquirer, (ii) an increase of $127,764 to reflect the issuance of the Class B Common Stock to Verge s stockholders upon closing of the Merger, which is calculated by multiplying the number of shares of Class B Common Stock to be issued to Verge s stockholders (i.e., 34.4 million) by $5.68, the closing price of the Company s common stock on July 29, 2011, the last trading day before announcement of the Merger, and subtracting therefrom the par value of Class A Common Stock and Class B Common Stock of $570, (iii) a decrease of $2,422 related to the payment of a special cash dividend to the Company s existing stockholders as described in Note 3(m) below, and (iv) a decrease of $6,995 related to the portion of the $13,500 accrual for deal costs related to Verge.

l) Represents the elimination of the Company s historical accumulated deficit consistent with the acquisition method of accounting to reflect Verge as the accounting acquirer.

m) Represents the special cash dividend to the Company s existing stockholders required to be declared per the Merger Agreement equal to the excess, if any, of (a) $47,901, over (b) the aggregate net indebtedness of the Company on the business day preceding the close of the Merger. As of June 30, 2011, the Company s net indebtedness totaled $45,479; accordingly, a dividend of $2,422 would be declared payable. Such dividend has not been included in the pro forma statement of operations as it is non-recurring and attributable to the transaction.

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Note 4 Unaudited Pro Forma Adjustments Income Statement

The following is a description of the adjustments to the Pro Forma Statements of Operations for the six months ended June 30, 2011 and for the year ended December 31, 2010:

a) Historically, our transactions with Verge have consisted primarily of royalties paid to us by Verge for the use of our 24/7 formats. We have recorded an adjustment in the pro forma statement of operations to reflect the elimination of the following items as intercompany transactions:

	Six Months Ended June 30, 2011
Revenue	$ 1,320
Operating costs	$ 1,320

	Year Ended December 31, 2010
Revenue	$ 2,530
Operating costs	$ 2,530

b) Represents the elimination of management fees that Excelsior paid to Triton Media of $425 and $850 for the six months ended June 30, 2011 and the year ended December 31, 2010, respectively, which were recorded in the historical financial statements of Verge and per the Merger Agreement will no longer be payable to Triton Media upon closing of the Merger.

c) Represents an increase in depreciation and amortization of $2,864 and $6,785 for the six months ended June 30, 2011 and the year ended December 31, 2010, respectively, related to an increase in intangible assets based upon the estimated fair values of the Company s net assets at July 30, 2011.

d) Represents a net decrease in interest expense of $364 and $991 for the six months ended June 30, 2011 and the year ended December 31, 2010, respectively, giving effect to the elimination of historical interest on outstanding debt of Verge and the Company and the increase in interest expense as a result of incurrence of the first and second lien term loans upon the closing of the Merger. Pursuant to the commitment letters described under *Other Agreements Debt Commitments Letters* and the anticipated interest rates therein, the interest rates used were 6.75% and 10.50% for the first and second lien term loans, respectively.

e) Represents a net increase in income tax expense from continuing operations of $4,330 and $7,172 for the six months ended June 30, 2011 and the year ended December 31, 2010, respectively, consisting of (i) the income tax effect on the pro forma adjustments and (ii) an increase in income tax benefits as a result of additional loss from continuing operations attributable to Verge using an assumed tax rate of 39%, which is subject to change. Valuation allowances were not considered.

f) Represents dividends on Series A Preferred Stock of $910 and $1,869 for the six months ended June 30, 2011 and the year ended December 31, 2010, respectively, assuming we issue 15,060 shares of Series A Preferred Stock in the Merger having an aggregate liquidation preference of $15,060 and no shares of Series B Preferred Stock.

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Note 5 Items Not Adjusted in the Unaudited Pro Forma Financial Information

a) We have not reflected any additional interest expense for potential borrowings of up to $25,000 available under the revolving credit facility as it is anticipated that it will be undrawn at the closing of the Merger. For each $1,000 increase in borrowings, we would incur an additional $68 of interest expense assuming an interest rate of 6.75%.

b) We have not reflected any additional purchase consideration for outstanding options of the Company in the pro forma information as Verge is not obligated to issue replacement awards to the Company s option holders, Verge does not anticipate issuing replacement options and the Company s options are not expected to otherwise expire. For presentation in this pro forma information, the Company has not included any additional purchase consideration; however, the Company continues to evaluate alternative accounting options pursuant to GAAP for the determination of the final purchase price upon the close of the Merger. Any additional purchase price would likely result in additional goodwill which would not impact the pro forma statement of operations.

c) We have not reflected any adjustment to the pro forma balance sheet as of June 30, 2011 for any additional compensation that may result from existing agreements with executive officers, including termination payments, of the Company or Verge as the conditions for such additional compensation have not been met.

d) We continue to evaluate the impact, if any, that the Digital Reseller Agreement will have on the purchase accounting for the Merger and have not made any adjustment for the Digital Reseller Agreement. In such agreement, among other things, Dial Global agreed to provide, at its sole expense and on an exclusive basis (subject to certain exceptions), services to Triton customarily rendered by terrestrial network radio sales representatives in the United States in exchange for a commission.

e) We continue to evaluate the impact, if any, that the Indemnity and Contribution Agreement will have on the purchase accounting for the Merger and have not made any adjustment for the Indemnity and Contribution Agreement as no indemnity payments thereunder are probable based on current circumstances. In such agreement, Triton agreed, among other things, to indemnify the Company under certain circumstances in the event that the Company suffers any losses to the extent arising from or directly related to the Triton Digital Business. In addition, Gores agreed, among other things, to indemnify Triton under certain circumstances in the event that the Company makes any payment pursuant to the Metro Agreement or otherwise suffers any losses to the extent arising from or directly related to the Metro Traffic Business.

f) We continue to evaluate the impact, if any, that Verge s purchase from the Company of the 24/7 music formats that Verge had licensed from the Company since 2006 will have on the purchase accounting for the Merger and have not made any adjustment for this transaction.

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MARKET PRICE AND DIVIDEND INFORMATION

The Company

The Company s common stock is listed on the NASDAQ Global Market under the symbol *WWON*. The following table shows the high and low closing prices for the Company s common stock as reported by NASDAQ for the calendar quarters indicated.

	High		Low	
2011				
First Quarter	$	9.85	$	6.25
Second Quarter		6.99		4.59
2010				
First Quarter	$	14.82	$	3.63
Second Quarter		17.99		7.06
Third Quarter		9.92		5.81
Fourth Quarter		11.60		7.90
2009[(1)]				
First Quarter	$	0.12	$	0.02
Second Quarter		0.12		0.05
Third Quarter (through August 4, 2009)		0.06		0.04
Third Quarter (from August 5, 2009 through September 30, 2009)[(2)]		11.00		3.25
Fourth Quarter		6.50		3.21

(1) Through March 16, 2009, our common stock traded on the New York Stock Exchange under the symbol WWON. On November 20, 2009, we listed our common stock on the NASDAQ Global Market under the symbol WWON. In the intervening period, our common stock was traded on the Over the Counter Bulletin Board under the ticker WWOZ.

(2) Reflects the 200 for 1 reverse stock split that occurred on August 3, 2009 and was reflected in stock prices on August 5, 2009.

On July 29, 2011, the business day before the public announcement of the Merger, and September 19, 2011, the last practicable trading day for which information was available before first mailing this Information Statement, the closing price of the Company s common stock, as reported by NASDAQ, was $5.68 and $3.52, respectively. No assurance can be given concerning the market price for the Company s common stock before or after the date on which the Merger will close. The market price for the Company s common stock will fluctuate between the date of this Information Statement and the date on which the Merger closes and thereafter.

As of August 31, 2011, there were approximately 191 holders of record of our common stock, several of which represent street accounts of securities brokers. We estimate that the total number of beneficial holders of our common stock exceeds 4,200.

Verge

There is no established public trading market for Verge common shares. Verge has not paid any dividends. As of July 30, 2011, Triton Media Group, LLC is the only holder of record of Verge s shares. For more information, see *Beneficial Ownership of Securities*.

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BUSINESS OF VERGE

Verge creates, develops, produces, and syndicates programming and content and provides these programs and content to more than 6,000 radio stations nationwide. The programming and content includes 24/7 formats, prep services, imaging and jingles, as well as long-form and short-form programming. Verge also provides services to more than 10,000 radio stations nationwide including measurement, advertising management and monetization, audience engagement solutions including database, music discovery, web management systems and other services. In exchange for these programs and services, Verge primarily receives air time from the radio stations clients and aggregates this air time to sell to national advertisers or receives cash. Verge has a number of independent producer clients that also provide programming and services to radio stations in exchange for air time which Verge then sells on behalf of such clients. By aggregating and packaging commercial airtime across radio stations nationwide, Verge offers its advertising customers a cost effective way to reach a broad audience, as well as to target their audience on a demographic and geographic basis.

Verge owns and operates Dial Global, which provides sales representation services to national radio production companies producing more than 100 different programs and services, in addition to providing syndicated programming and services to radio stations. Prior to the spin-off of its digital service business, Verge was also a leading provider of digital services to traditional and online radio providing streaming, measurement, advertising management and monetization and audience engagement solutions to thousands of radio stations worldwide.

In the year ended December 31, 2010, Verge had net revenues of $122.7 million and a net loss of $11.4 million.

Verge s principal executive offices are located at 220 West 42nd Street, New York, NY 10036, and its telephone number is (212) 419-2900.

Verge is a privately held company with 414 employees, the majority of which are full time.

VERGE MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations was provided to us by Verge and should be read in conjunction with Selected Historical Consolidated Financial Data of Verge, Unaudited Pro Forma Condensed Combined Financial Information and Verge s historical audited financial statements as of and for the years ended December 31, 2010 and December 31, 2009 and its unaudited financial statements as of and for the year ended December 31, 2008, and its unaudited financial statements as of and for the six months ended June 30, 2011 and June 30, 2010, included in Annex E hereto. This discussion and analysis contains forward-looking statements that are based on the beliefs of Verge s management, as well as assumptions made by, and information currently available to, its management. Actual results could differ materially from those discussed in or implied by forward-looking statements for various reasons.

Overview

Verge derives substantially all of its revenue from the sale of 30 second and 60 second commercial airtime to advertisers. Verge s advertisers that target national audiences generally find that a cost effective way to reach their target consumers is to purchase 30 or 60 second advertisements, which are principally broadcast in its news, talk, sports, music and entertainment related programming and content.

Verge s revenues are influenced by a variety of factors, including but not limited to: (1) economic conditions and the relative strength or weakness in the United States economy; (2) advertiser spending patterns, the timing of the broadcasting of its programming, principally the seasonal nature of sports programming and the perceived quality and cost-effectiveness of its programming by advertisers and affiliates; (3) advertiser demand on a local/regional or national basis for radio related advertising products; (4) increases or decreases in its portfolio of program offerings and the audiences of its programs, including changes in the demographic composition of its audience base; and (5) competitive and alternative programs and advertising mediums.

Commercial airtime is sold and managed on an order-by-order basis. Verge takes the following factors, among others, into account when pricing commercial airtime: (1) the dollar value, length and breadth of the order; (2) the desired reach and audience demographic; (3) the quantity of commercial airtime available for the desired demographic requested by the advertiser for sale at the time their order is negotiated; and (4) the proximity of the date of the order placement to the desired broadcast date of the commercial airtime.

Verge s net revenues consist of gross billings, net of the fees that advertising agencies receive from the advertisements broadcast on our airtime, and fees to the producers of and stations that own the programming during which the advertisements are broadcast, as well as certain other fees. Net revenues from radio advertising are recognized when the advertising has aired. Revenue generated from charging fees to radio stations and networks for music libraries, audio production elements, and jingle production services are recognized upon delivery, or on a straight-line basis over the term of the contract, depending on the terms of the respective contracts.

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Verge s cost of revenues primarily consist of (1) employee compensation; and (2) the costs of distributing programming and services.

Verge s significant operating expenses are: (1) compensation expenses associated with its offices and facilities and personnel, including its corporate headquarters; (2) rental of premises for office facilities and studios; and (3) and research. Depreciation and amortization is not included within operating expenses and is shown as a separate line item in Verge s financial statements.

In those instances where Verge functions as the principal in the transaction, the revenue and associated operating expenses are presented on a gross basis. In those instances where it functions as an agent or sales representative, Verge s effective commission is included in revenue. Although no individual relationship is significant, the relative mix of such arrangements is significant when evaluating operating margin and/or increases and decreases in operating expenses.

On July 29, 2011, Verge bought from the Company all of the 24/7 music formats that Verge had licensed from the Company since 2006. Following this purchase, Verge continues to recognize all revenue and incur all expenses associated with these formats. However, Verge will no longer pay a licensing fee to the Company associated with these formats, which in the past has been approximately $2.5 million per year.

During the periods described below, Verge has engaged in significant acquisitions and investments, including the acquisitions of Mass2One Media, LLC, Spacial Audio Solutions, LLC, Enticent, Inc., StreamTheWorld, Inc., which we refer to as *STW,* and Jones Media Network, Inc., which we refer to as *JMN.* Also during these periods, Verge acquired the Radio Voodoo assets of Voodoovox, Inc. As a result, the comparability of results during the periods discussed below will be less useful than if no such investments or acquisitions were made.

Digital Spin-off

On July 29, 2011, Verge spun-off its digital service business to its stockholders. Giving effect to the reclassification of certain items to be consistent with the Company s historical financial statement presentation, the digital service business accounted for approximately 32.4%, 26.7% and 13.4% of Verge s net revenue for the six months ended June 30, 2011, the year ended December 31, 2010 and the year ended December 31, 2009, respectively. In addition:

for the six months ended June 30, 2011, the digital service business accounted for approximately 34.8% of operating expenses, 32.4% of depreciation and amortization expense, 0.0% of interest expense, 32.9% of the income tax benefit and 12.8% of the net loss in Verge;

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- for the year ended December 31, 2010, the digital service business accounted for approximately 33.5% of operating expenses, 29.8% of depreciation and amortization expense, 0.0% of interest expense, 32.9% of the income tax expense and 17.4% of the net loss in Verge;
- for the year ended December 31, 2009, it accounted for approximately 30.7% of operating expenses, 22.5% of depreciation and amortization expense, 0.2% of interest expense, 31.4% of the income tax expense and 86.2% of the net loss in Verge;

in each case giving effect to the reclassification of certain items to be consistent with the Company s historical financial statements.

As of June 30, 2011, total assets of the digital service business were approximately $141 million, or 40.9% of Verge s total consolidated assets, of which approximately 85% consisted of intangible assets and goodwill.

The table below presents the Verge historical financial statements as of and for the six months ended June 30, 2011 and for the years ended December 31, 2010 and December 31, 2009, as adjusted to reflect the spin-off of Verge s digital business and to reclassify certain items to be consistent with the Company s historical financial statement presentation.

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Balance Sheet (Adjusted for Digital Spin-off)
As of June 30, 2011
(in thousands)

	Verge	Digital Spin-off	Reclassifications	Verge as Adjusted
ASSETS				
Current assets:				
Cash and cash equivalents	$ 8,766	$ (5,715)	$	$ 3,051
Accounts receivable	53,548	(8,141)		45,407
Prepaid and other assets	4,764	(1,551)		3,213
Total current assets	67,078	(15,407)		51,671
Property and equipment, net	8,171	(2,095)		6,076
Investment	561	0	(561)	
Intangible assets, net	111,293	(28,670)		82,623
Goodwill	150,990	(91,738)		59,252
Restricted investment	538		(538)	
Other assets	4,317	(3,131)	3,156	4,342
Deferred financing costs	2,057		(2,057)	
TOTAL ASSETS	$ 345,005	$ (141,041)	$	$ 203,964
LIABILITIES AND STOCKHOLDERS EQUITY				
Current liabilities:				
Accounts payable	$ 7,463	$ (998)	$ 20,955	$ 27,420
Producer payable	18,525	2,430	(20,955)	
Accrued expenses and other liabilities	7,360	(3,713)	339	3,986
Long-term debt, current portion	13,961	(38)		13,923
Capital lease obligations, current	400	(383)	(17)	
Deferred revenue	531	(209)	(322)	
Total current liabilities	48,240	(2,911)		45,329
Long-term debt	178,240	(2)		178,238
Capital lease obligations, long-term	26	(26)		
Deferred tax liabilities	11,429	(4,141)		7,288
Other liabilities	1,127	(7)		1,120
TOTAL LIABILITIES	239,062	(7,087)		231,975
STOCKHOLDERS EQUITY				
Common stock	5			5
Additional paid-in capital	163,285	(163,285)		
Accumulated deficit	(57,347)	29,331		(28,016)

TOTAL STOCKHOLDERS EQUITY		105,943		(133,954)			(28,011)
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	$	345,005	$	(141,041)	$	$	203,964

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Statement of Operations (Adjusted for Digital Spin-off)
Six Months Ended June 30, 2011
(in thousands)

	Verge	Digital Spin-off	Reclassifications	Verge as Adjusted
Revenue	$ 57,957	$ (18,761)	$	$ 39,196
Cost of revenues	23,544	(6,822)	(16,722)	
Operating expenses	24,402	(9,874)	16,722	31,250
Depreciation and amortization	9,925	(3,213)		6,712
Income from continuing operations	86	1,148		1,234
Interest expense	10,771	(1)		10,770
Gain from remeasurement of investment				
Loss on equity investment				
Other expense				
Loss from continuing operations before income tax	(10,685)	1,149		(9,536)
Income tax (benefit) expense	1,076	(354)		722
Loss from continuing operations	$ (11,761)	$ 1,503	$	$ (10,258)

Statement of Operations (Adjusted for Digital Spin-off)
Year Ended December 31, 2010
(in thousands)

	Verge	Digital Spin-off	Reclassifications	Verge as Adjusted
Revenue	$ 122,746			