WESTWOOD ONE INC /DE/
Form S-1/A
October 30, 2009
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As filed with the Securities and Exchange Commission on October 30, 2009

Registration No. 333-160152

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 3

TO

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

WESTWOOD ONE, INC.

(Exact name of registrant as specified in its charter)

Delaware	**7900**	**95-3980449**
(State or Other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

40 West 57th Street, 5th Floor

New York, New York 10019

(212) 641-2000

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

David Hillman, Esq.

Chief Administrative Officer; EVP, Business Affairs;

General Counsel and Secretary

Westwood One, Inc.

40 West 57th Street, 5th Floor

New York, New York 10019

(212) 641-2000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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(310) 557-2900	**(213) 683-6000**

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

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

Large accelerated filer ¨	Accelerated filer x
Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Proposed Maximum Aggregate Offering Price (1)(2)**	**Amount of Registration Fee**
Common Stock, par value $0.01 per share	$50,000,000	$2,790(3)

(1) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act.

(2) Includes offering price for the shares that the underwriters have the option to purchase to cover over-allotments, if any.

(3) Previously paid.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission acting pursuant to said section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED OCTOBER 30, 2009

PRELIMINARY PROSPECTUS

Shares

Common Stock

$ per share

Westwood One, Inc. is selling shares of our common stock and the selling stockholders named in this prospectus are selling shares of our common stock. We and the selling stockholders named in this prospectus have granted the underwriters a 30-day option to purchase up to an additional shares of our common stock to cover over-allotments, if any. We will not receive any of the proceeds from the sale of shares by the selling stockholders.

Our common stock is currently traded on the OTC Bulletin Board under the symbol WWOZ.OB. The last reported sale price on , 2009 was $ per share. We have applied to list our common stock on the NASDAQ Global Market under the symbol WWON.

INVESTING IN OUR COMMON STOCK INVOLVES RISKS. SEE RISK FACTORS BEGINNING ON PAGE 16.

	Per Share	Total
Public offering price	$	$
Underwriting discounts	$	$
Proceeds, before expenses, to us	$	$
Proceeds, before expenses, to selling stockholders	$	$

Delivery of the shares of common stock will be made on or about , 2009.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

UBS Investment Bank

Thomas Weisel Partners LLC

Roth Capital Partners

Moelis & Company

The date of this prospectus is , 2009.

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This prospectus is part of a registration statement on Form S-1 that we filed with the Securities and Exchange Commission (SEC). You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized anyone to provide you with information different from that contained in this prospectus. We are offering to sell shares of common stock and seeking offers to buy shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the common stock.

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Unless otherwise stated in this prospectus, references to the Company, we, our, ours, registrant and us refer to Westwood One, Inc. and it consolidated subsidiaries, except where it is clear that such terms mean only Westwood One, Inc.

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Prospectus summary

This summary highlights information contained elsewhere in this prospectus and does not contain all of the information you should consider before buying shares of our common stock. Before deciding to invest in shares of our common stock, you should read the entire prospectus carefully, including our consolidated financial statements and the related notes and the information set forth under the headings Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations, in each case included elsewhere in this prospectus.

OUR COMPANY

We produce and provide traffic, news, weather, sports, talk, music, special events and other programming. Our content is distributed to radio and television stations and digital platforms and reaches over 190 million people. We are one of the largest domestic outsourced providers of traffic reporting services and one of the nation s largest radio networks, delivering content to approximately 5,000 radio and 170 television stations in the US. We exchange our content with radio and television stations for commercial airtime, which we then sell to local, regional and national advertisers. By aggregating and packaging commercial airtime across radio and television stations nationwide, we are able to offer our advertising customers a cost-effective way to reach a broad audience and target their audience on a demographic and geographic basis as demonstrated by the chart comparing CPMs among different media types that appears in the section entitled Business Industry Overview.

We are organized into two business segments: Metro and Network.

Our Metro business produces and distributes traffic and other local information reports (such as news, sports and weather) to approximately 2,200 radio and television stations, which include stations in over 80 of the top 100 Metro Service Area (MSA) markets in the US. Our Metro business generates revenue from the sale of commercial advertising inventory to advertisers (typically 10 and 15 second spots in radio embedded within our information reports and 30 second spots in television). We provide broadcasters a cost-effective alternative to gathering and delivering their own traffic and local information reports and offer advertisers a more efficient, broad reaching alternative to purchasing advertising directly from individual radio and television stations.

Our Network business nationally syndicates proprietary and licensed content to radio stations, enabling them to meet their programming needs on a cost-effective basis. The programming includes national news and sports content, such as CBS Radio News, CNN Radio News and NBC Radio News and major sporting events, including the National Football League (including the Super Bowl), NCAA football and basketball games (including the Men s Basketball Tournament, *ie*, March Madness) and the 2010 Winter Olympic Games. Our Network business features popular shows that we produce with personalities including Dennis Miller, Charles Osgood, Fred Thompson and Billy Bush. We also feature special events such as live concert broadcasts, countdown shows (including MTV and Country Music Television branded programs), music and interview programs. Our Network business generates revenue from the sale of 30 and 60 second commercial airtime, often embedded in our programming, that we bundle and sell to national advertisers who want to reach a large audience across numerous radio stations.

We believe that our market position in both the Metro and Network businesses and our recent turnaround strategies and revenue enhancement initiatives afford us with a number of revenue growth opportunities. We are developing additional potential revenue streams by leveraging our existing resources and accessing new distribution channels for our extensive content. In addition, we believe there is an opportunity to pursue acquisitions, partnerships and joint ventures to consolidate our existing business with competitors and expand into new markets. We routinely evaluate and analyze such opportunities, but we have no current binding plans or arrangements with respect to any such opportunities. We have an option, exercisable through December 1, 2009, to acquire TrafficLand, a provider of traffic video collected from local and state Departments of Transportation. Entering into any transactions with respect to such opportunities would be subject to completion of due diligence, finalization of key business and financial terms (including price) and negotiation of final definitive documentation as well as a number of other factors and conditions including, without limitation, the approval of our board of directors and any required third party consents (including any required lenders consent). We cannot predict how quickly the terms of any such transaction could be finalized, if at all. Accordingly, there can be no assurance that definitive documentation for any such transaction would be executed or even if executed, that any such transaction will be consummated. In connection with evaluating potential strategic acquisition and investment transactions, we have, and may in the future, incur significant expenses for the evaluation and due diligence investigation of these potential transactions.

OUR STRENGTHS

We believe our strengths include:

Ø *Large Independent Provider of Content.* We are one of the largest domestic outsourced providers of traffic reporting services and one of the nation s largest radio networks, producing and distributing traffic, news, weather, sports, talk, music, special events and other programming. As an independent provider of content, without any stations under our ownership, we are able to transact with all station groups. We deliver content to approximately 5,000 radio and 170 television stations in the US.

Ø *Developer of Original Content*. We create and develop content for radio and television stations. The programming includes several nationally known personalities including Dennis Miller, Charles Osgood, Fred Thompson and Billy Bush. We also provide stations with targeted programming, including national news, major sporting events and local news and traffic programming that they can generally not afford to develop on their own.

Ø *Multichannel Distributor of Content*. As a producer of original content, we have the ability to utilize multiple media channels by leveraging our existing production capabilities and vast library of content to generate additional revenue without incurring significant costs. For example, much of the same content we distribute to our radio station customers is available to consumers online via podcasting or live streaming, which enables us to generate additional revenue from the sale of advertising embedded in such streams or podcasts.

Ø *Significant Operating Leverage.* Our business model has a relatively fixed cost base leading to significant operating leverage. We have made progress and are working to further reduce our fixed costs which we believe will enhance our profitability if revenue increases in the future due to an economic recovery or organic growth factors.

Ø *Experienced Management Team*. We have brought together a new, experienced management team with extensive strategic, operating and financial expertise. Our management team has an average of 16 years of industry experience. Our relationship with The Gores Group provides us with additional operational, financial and strategic support. We believe this management team has the ability to respond to economic and industry trends and cycles while maximizing revenue growth from the sale of commercial airtime.

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OUR STRATEGY

Our goal is to grow the revenue and profitability of our business. Key elements of our strategy to achieve this goal include:

- *Complete operational turnaround.* We have recently begun and believe we will continue to increase our operational efficiency with the assistance of The Gores Group. We announced on March 16, 2009, certain re-engineering and cost-cutting initiatives, as described below in Turnaround Strategies and Revenue Enhancement Initiatives , that are collectively anticipated to result in total annual savings of approximately $55 to $63 million. In the third quarter of 2008, we announced a plan to restructure the traffic operations of the Metro Traffic business (commonly referred to by us as the Metro re-engineering) and to implement other cost reductions. The reengineering entailed reducing the number of our Metro Traffic operational hubs from 60 to 13 regional centers and produced meaningful reductions in labor expense, aviation expense, station compensation, program commissions and rent. We have also implemented additional cost reduction initiatives in the first half of 2009, including reductions in Network programming costs, labor expense, station compensation and other operating costs, to help improve our operating and financial performance and help establish a foundation for potential long-term growth. We have recognized $25.0 million of savings from both the Metro re-engineering and additional cost reduction initiatives undertaken by us through the end of the second fiscal quarter of 2009. We anticipate that the total annual savings in 2009 (from the start of the Metro re-engineering and other cost reductions in the third quarter of 2008) will be in the $53.0 million to $61.0 million range and additional savings in 2010 will be approximately $2.0 million, as additional phases of the Metro re-engineering and cost-reduction programs are implemented. These anticipated savings are comprised of labor savings, lower programming costs and reductions in aviation expense, station compensation and savings from consolidation of office leases. Many of the initiatives were instituted as of June 30, 2009. Not included in the foregoing are amounts related to the compensation reduction and furlough actions (aggregating 10 days of pay per each participating full-time employee) that we announced on September 29, 2009, which actions shall result in additional cost savings in 2009.

These savings will be offset to a limited degree by investments in our sales force, technology and digital capabilities and certain strategic partnerships such as TrafficLand, a provider of traffic video collected from local and state Departments of Transportation.

- *Expand our Sales Force.* We have recently begun and plan to continue to build-out and leverage our extensive local and national sales force to generate increased revenue from the sale of commercial airtime. In our Network business, we are adding category management specialists in high-potential segments of the advertising market. In our Metro business, we have added new sales people at various locations across the country to deepen our local market coverage. We are also adding select sales people in our Metro business to expand the distribution of our local content. Additionally, in our Network business we recently began to offer copy-splitting advertising services which enable our advertising clients to reach more than one desired geographic area at the same time.

- *Pursue strategic opportunities.* We evaluate acquisitions, partnerships and joint ventures on an ongoing basis and intend to pursue acquisitions of and partnerships or joint ventures with businesses in our industry and related industries that can assist us in achieving our growth strategy. We focus on opportunities with content and services businesses serving the radio, television and digital markets. We approach strategic opportunities in a disciplined manner and, with the assistance of The Gores Group, intend to focus on opportunities that strengthen our competitive position.

- *Produce cost-effective, original programming.* We will continue to leverage our national scale to provide radio and television stations with programming and services that they may not be able to cost-effectively produce on their own, most notably on the Network side, where rights fees for sporting events and fees for prominent talent personalities are significant and have generally continued to increase over time (except in certain cases in 2009 where we have been able to negotiate lower fees, in part because of a weaker economy). As a syndicator of programming to approximately 5,000 radio stations and 170 television stations nationwide, we are able to pay such programming costs for a broad array of content, while one station, in most cases, could not. We distribute our programming on a barter basis in exchange for commercial airtime in lieu of cash, which allows stations to preserve capital.

Ø *Expand our distribution channels*. We plan to continue expanding our product offerings across radio, television, online and other platforms through initiatives such as on-camera graphics and mobile video. Our Metro business is also expanding into the digital and wireless categories as a provider of traffic information on mobile and personal navigation devices. As part of this strategy, our Metro business recently entered into a License and Services Agreement with TrafficLand. The agreement provides our Metro business with the exclusive right to enter into affiliation agreements with third party broadcasters wanting access to TrafficLand s live video traffic feeds, which (i) provides us with simultaneous access to 4,700 traffic cameras and (ii) enables us to enhance our product offerings to stations that carry our programming and data feeds. We have an option, exercisable through December 1, 2009, to acquire TrafficLand. We have also partnered with AirSage, a provider of digital traffic data, to enhance our real-time road condition and data reports and with TrafficCast, a traffic science company, to collaborate on licensing of integrated data for others. We believe these initiatives will allow us to significantly expand our digital content offerings.

OUR INDUSTRY

Radio broadcasting and advertising

According to the Federal Communications Commission (FCC), there were 11,213 commercial radio stations serving listeners in the United States as of December 31, 2008. The Radio Advertising Bureau (RAB) reported on its website, based on information provided by Miller, Kaplan, Arase & Co., that the market for US radio advertising in 2008 was $19.5 billion. We compete in the local ($13.6 billion), national ($2.9 billion) and network ($1.2 billion) radio advertising segments which comprise the majority of the total industry.

AM/FM radio is one of the most popular forms of media in terms of audience consumption. According to Arbitron s Spring 2007 study, the average time spent listening to the radio by persons 12 years and older (12+) in the US is 19 hours per week. Similarly, network radio listenership remains strong among key demographics. According to Arbitron s 2008 Network Radio Today report, network radio reaches nearly 75% of the 12+ US population each week and performs well within the key 18-24, 18-49 and 25-54 year old demographics, reaching 73%, 74% and 74%, respectively. Furthermore, the report also shows that more than 60% of adult consumers over the age of 18 listen to network radio out of the home, or approximately 143 million adults each week.

Radio offers a cost efficient way of reaching diverse audience groups in large numbers. Radio advertising can be purchased by advertisers on a local, regional or national basis. Local and regional purchases allow an advertiser to choose a geographic market for the broadcast of commercial messages. Advertising purchased from a national radio network allows an advertiser to target its commercial messages to a specific demographic within a large national audience. Radio advertising has historically been cyclical as spending on advertising can grow or decline depending on the state of the economy.

Television broadcasting and advertising

According to the Television Bureau of Advertising s April 2009 report, total broadcast television advertising revenue in 2008 was $46.4 billion. Network television is the largest segment within broadcast

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television representing revenue of $25.4 billion in 2008. We compete in the local ($16.5 billion) and syndication ($4.4 billion) television advertising segments.

During the 2008-09 broadcast season, television was viewed in 114.5 million, or 98.9%, of all US households according to The Nielsen Company s August 2008 report. Television remains the most popular form of media in terms of audience consumption with the average household (*ie*, all persons living in the house collectively) watching 8 hours and 18 minutes of television each day during the 2007-08 television season according to The Nielsen Company s November 2008 report.

Television s broad reach and visual impact makes it a powerful and attractive medium for advertisers. Television spots are generally 30 to 60 seconds in length and are purchased by advertisers on a local, regional or national basis. Similar to the radio broadcasting industry, local and regional purchases allow an advertiser to choose a geographic market for the broadcast of commercial messages. Advertising purchased from a national television network allows an advertiser to target its commercial messages to a specific demographic within a large national audience.

TURNAROUND STRATEGIES AND REVENUE ENHANCEMENT INITIATIVES

Since September 2008, we have implemented a significant number of key turnaround strategies and revenue enhancement initiatives, including:

Ø Re-Engineering of Traffic Operations

- Regionalize 60 operating centers to 13 hubs

- Reduce reliance on aircraft and implement new video and speed and flow technology

Ø Cost Reduction Programs

- Reduce salary/headcount

- Reduce programming costs and eliminate unprofitable programming

- Negotiate reductions in compensation paid to radio stations that provide us with commercial airtime to more effectively match compensation to revenue and profitability

Ø Revenue Initiatives

- Increase our sales force to expand our market presence across regions and products

- Grow revenue and profitability from advertising through optimization of sales mix, inventory utilization and pricing

- Deliver expanded product offerings such as copy-splitting, 15 second spots and pre-recorded advertisements

- Add new programming such as The Fred Thompson Show and programming pursuant to recent deals with The Weather Channel and Sports USA

Ø Management Reorganization

- Engage new, experienced management team to provide greater leadership

- Reorganize corporate structure to increase accountability

RESTRUCTURING

At December 31, 2008, our principal sources of liquidity were our cash and cash equivalents of $6.4 million and borrowings under our Credit Agreement dated as of March 3, 2004 (the Old Credit

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Agreement). As previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2008 (the 2008 10-K) and as discussed elsewhere in this prospectus, on February 27, 2009, our outstanding indebtedness under our Old Credit Agreement, which totaled approximately $41.0 million, matured and became due and payable in its entirety. Additionally, we had not made our most recent interest payment due to holders of our then outstanding senior notes (the Old Notes) on November 30, 2008. The non-payment of such amounts constituted an event of default under the Old Credit Agreement and the Old Notes, respectively. Based upon facts and circumstances that existed as of December 31, 2008, we previously disclosed in our 2008 10-K that there was a substantial doubt about our ability to continue as a going concern. We previously disclosed that, as of March 30, 2009, we were unable to meet our outstanding debt obligations, which raised substantial doubt about our ability to continue as a going concern and our sources of liquidity were anticipated to be inadequate to fund immediate and ongoing operating requirements.

In order to address these concerns, on April 23, 2009, we completed a refinancing of substantially all of our outstanding long-term indebtedness (approximately $241.0 million in principal amount) and a recapitalization of our equity (the Restructuring). As part of the Restructuring, our then existing debtholders released all of their existing obligations in exchange for (1) $117.5 million of 15% Senior Notes maturing July 15, 2012 (the Senior Notes), (2) 34,962 shares of Series B Preferred Stock (as defined below), and (3) a one-time cash payment of $25.0 million. We also entered into a new senior credit facility (the Senior Credit Facility) pursuant to which we have a $15.0 million revolving line of credit and a $20.0 million unsecured non-amortizing term loan which currently bear interest at 7.0% per annum based on the currently applicable LIBOR rate plus a 4.5% margin. As of the date of this prospectus, we have borrowed the entire amount under the term loan and we have borrowed $5.0 million under the revolving line of credit. The Senior Notes bear interest at 15.0% per annum, payable 10.0% in cash and 5.0% pay-in-kind (PIK interest). The PIK interest will be added to principal quarterly, but will not be payable until the Senior Notes become due. As a result of the Restructuring, the annual interest payments on our debt increased from approximately $12.0 million to $19.0 million (which amount includes interest payable on the $20.0 million term loan entered into on April 23, 2009), $6.0 million of which will be PIK interest and not payable in cash until the Senior Notes become due. To date, we have also made one deferral of $4.0 million in payments due to CBS Radio under the CBS Master Agreement (see Business CBS).

In addition, Gores Radio Holdings, LLC (1) agreed to purchase, at a discount, approximately $22.6 million principal amount of our then existing debt held by debt holders who did not wish to participate in the Senior Notes, (2) agreed to guarantee the Senior Credit Facility and payments due to the NFL in an amount of up to $10.0 million for the license and broadcast rights to certain NFL games and NFL-related programming and (3) invested $25.0 million in the Company for 25,000 shares of 8.0% Series B Convertible Preferred Stock (the Series B Preferred Stock). In connection with Gores providing the guarantees and purchasing the debt from non-participating holders, the 75,000 shares of 7.5% Series A Convertible Preferred Stock (the Series A Preferred Stock and collectively with the Series B Preferred Stock, the Preferred Stock) held by Gores immediately prior to the Restructuring, which then had a liquidation preference of approximately $79.0 million, were exchanged for 75,000 shares of 7.5% Series A-1 Convertible Preferred Stock (the Series A-1 Preferred Stock) with a per share conversion price which provided Gores with an approximately 54.6% interest in the Company after the Restructuring.

Taking into account Gores Series B Preferred Stock, Series A-1 Preferred Stock and common stock, upon the consummation of the Restructuring, Gores ownership in the Company increased from approximately 36.8% to 75.1%. Accordingly, the Restructuring, when considering the ownership held by Gores as well as the ownership held by our then existing debt holders, constituted a change of control transaction that requires the Company to follow the purchase method of accounting, as described by

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Statement of Financial Accounting Standards (SFAS) 141R, Business Combinations (SFAS 141R). We have considered the ownership held by Gores and our then existing debt holders as a collaborative group in accordance with Emerging Issues Task Force D-97, Push Down Accounting . As a result, we will follow the acquisition method of accounting, as described by Statement of Financial Accounting Standards (SFAS) 141R, Business Combinations and will apply the SEC rules and guidance regarding push down accounting treatment effective April 23, 2009.

RECENT EVENTS

On October 14, 2009, we entered into separate agreements with the holders of our Senior Notes and Wells Fargo Foothill to amend the terms of our Securities Purchase Agreement (governing the Senior Notes) and Senior Credit Facility, respectively, to waive compliance with our debt leverage covenants which were to be measured on December 31, 2009 on a trailing four-quarter basis. As part of the Securities Purchase Agreement amendment, we have agreed to pay down our Senior Notes by using the gross proceeds of the offering and additional cash on hand, if necessary by: (i) $15.0 million if the gross proceeds of the offering are less than $40.0 million and (ii) $20.0 million (or more at our sole discretion) if the gross proceeds of the offering are equal to or greater than $40.0 million. If neither an offering of capital stock nor the proposed sale-leaseback of our Culver City properties occurs on or prior to March 31, 2010, we have agreed to pay down $3.5 million of our Senior Notes. Any such prepayments would be deemed optional prepayments under the Securities Purchase Agreement and made within 5 business days of the date the offering is consummated (in the case of clauses (i) or (ii) above) or April 7, 2010 in the event no offering or sale-leaseback was consummated.

The amendments also included consents by holders of the Senior Notes and Wells Fargo Foothill regarding the Culver City sale-leaseback described in the section entitled Business Properties below and in the case of the amendment to the Senior Credit Facility, an increase in the letters of credit sub-limit from $1.5 to 2.0 million.

On August 3, 2009, we held a special meeting of our stockholders to consider and vote upon, among other proposals, amending our Restated Certificate of Incorporation to increase the number of authorized shares of our common stock from 300 million to 5 billion and to amend the Certificate of Incorporation to effect a 200 for 1 reverse stock split of our outstanding common stock (the Charter Amendments).
On August 3, 2009, the stockholders approved the Charter Amendments, which resulted in the automatic conversion of all shares of preferred stock into common stock and the cancellation of warrants to purchase 10 million shares of common stock issued to Gores as part of their investment in our Series A Preferred Stock. There are no longer any issued and outstanding warrants to purchase our common stock or any shares of our capital stock that have any preference over the common stock with respect to voting, liquidation, dividends or otherwise. Under the Charter Amendments, each of the newly authorized shares of common stock has the same rights and privileges as previously authorized common stock. Adoption of the Charter Amendments did not affect the rights of the holders of our currently outstanding common stock nor did it change the par value of the common stock.

On July 9, 2009, Gores converted 3,500 shares of Series A-1 Convertible Preferred Stock into 103,512,913 shares of common stock (without taking into account the reverse stock split). Pursuant to the terms of our Certificate of Incorporation, the 291,722 outstanding shares of our Class B common stock were automatically converted into 291,722 shares of common stock (without taking into account the reverse stock split) because as a result of such conversion by Gores the voting power of the Class B common stock, as a group, fell below ten percent (10%) of the aggregate voting power of issued and outstanding shares of common stock and Class B common stock.

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In connection with the Restructuring and the issuance of the Preferred Stock, we determined that the Preferred Stock contained a beneficial conversion feature (BCF) of approximately $76.9 million that was partially contingent as described below. BCFs are generally recognized by allocating to shareholders equity that portion of the net proceeds from the sale of a convertible security equal to the intrinsic value of the BCF. Intrinsic value is calculated as the spread, as of the date we agreed to issue our Preferred Stock (the commitment date), between the conversion price of our Preferred Stock and the fair value of our common stock multiplied by the number of shares of common stock into which the Preferred Stock is convertible. In our case, because only a portion of the shares into which the Preferred Stock was convertible were authorized on the commitment date, a portion of the BCF was not immediately recognized because it was contingent on our stockholders approving an increase in the authorized shares. The portion of the BCF attributable to already authorized shares (approximately $10.9 million) was recognized at issuance on April 23, 2009 (issuance BCF) while the majority of the BCF (approximately $66 million) was contingent (contingent BCF) upon the authorization of 3,769,344,490 additional common shares. Because such shares were authorized on August 3, 2009, the contingent BCF was recognized on such date in the third quarter and, due to the immediate conversion of the Preferred Stock into common stock on such date, resulted in a deemed dividend of $65.9 million that will be included in our third quarter 2009 earnings per share.

ESTIMATED THIRD QUARTER PERFORMANCE

We estimate that for the third quarter ended September 30, 2009, our revenue will be approximately $78 million, our operating loss will be approximately $63 million, our depreciation and amortization will be approximately $8 million, our stock-based compensation expense will be approximately $1.5 million, our goodwill impairment will be approximately $54 million and our restructuring/special charges will be approximately $1.5 million.

The foregoing amounts are estimates that are subject to adjustment in connection with our customary quarterly review processes. The inclusion of these estimates should not be regarded as an indication that we consider these estimates to be a reliable prediction of actual results. We cannot provide any assurance that the assumptions we made in preparing these estimates will prove accurate.

These estimates constitute forward-looking statements that are subject to significant risks and contingencies as described in more detail below in the section below entitled Cautionary note regarding forward-looking statements and could cause actual results to differ materially from the estimates expressed above.

The preliminary financial data for the third quarter included above has been prepared by, and is the responsibility of, our management. PricewaterhouseCoopers LLP has not audited, reviewed, compiled or performed any procedures with respect to the accompanying preliminary financial data and, accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.

GOODWILL IMPAIRMENT

As a result of our Restructuring, we recorded new values for certain intangible assets and goodwill as of April 24, 2009, which values were calculated using the income approach and were based on our then most current forecast. The assumptions underlying our forecasted values were derived from the Company s then best estimates including the industry s general forecast of the advertising market which assumed an improvement in the economy and in advertising market conditions in the later half of 2009. In 2009, the television upfronts (where advertisers purchase commercial airtime for the upcoming television season several months before the season begins), which in prior years concluded in the second quarter, were extended through August to complete the upfront advertising sales. During this period, advertisers were slow to commit to buying commercial airtime for the third quarter of 2009. We believed that the conclusion of the television upfronts would help bring more clarity to both purchasers and sellers of advertising; however, once such upfronts concluded in August, it became increasingly evident from our quarterly bookings, backlog and pipeline data that the downturn in the economy was continuing and affecting advertising budgets and orders. The decrease in advertising budgets and orders is evidenced by our revenue decreasing to approximately $78 million in the third quarter of 2009 from $96.3 million in the third quarter of 2008, which represents a decrease of approximately 19%. These conditions, namely the weak third quarter and the likely continuation of the current economic conditions into the fourth quarter and the immediate future, caused us to reduce our forecasted results for the remainder of 2009 and 2010. We believe these new forecasted results constituted a triggering event under FASB ASC 350 and therefore we conducted a goodwill impairment analysis. The new forecast will more likely than not reduce the fair value of one or more of our reporting units below its carrying value. Accordingly, we performed a Step 1 analysis in accordance with FASB ASC 350 by comparing our recalculated fair value based on our new forecast to our current carrying value. Our initial results indicate an impairment in our Metro Traffic segment. We are currently performing a more detailed Step 2 analysis to compare the implied fair value of goodwill for Metro Traffic with the carrying value of its goodwill. We currently estimate the goodwill impairment to be approximately $54 million. No assurance can be provided as to the ultimate charge which will be recorded in the third quarter of 2009.

THE GORES GROUP

The Gores Group owns approximately 75.1% of our common stock. Founded in 1987, Gores is a private equity firm focused on investing in businesses which can benefit from the firm s operating and turnaround expertise. The firm s current private equity fund has committed equity capital of $1.3 billion.

RISKS ASSOCIATED WITH OUR BUSINESS

Our business is subject to numerous risks and uncertainties, as more fully described under Risk Factors beginning on page 16, which you should carefully consider before deciding whether to invest in our common stock.

CORPORATE INFORMATION

We are a Delaware corporation. Our principal executive office is located at 40 West 57th Street, 5th Floor, New York, NY 10019. Our telephone number is (212) 641-2000 and our website address is www.westwoodone.com. The information contained on, or that can be accessed through, our website is not a part of this prospectus.

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The offering

Common stock offered by Westwood One	shares
Common stock offered by the selling stockholders	shares
Common stock to be outstanding after this offering	shares, or shares if the underwriters exercise their over-allotment option in full
Over-allotment option	shares
Use of proceeds	Our net proceeds from this offering, after deducting underwriting discounts and estimated offering expenses will be approximately $, assuming a public offering price of $ per share, which was the last reported sale price of our common stock on , 2009. As described in more detail elsewhere in this prospectus under the heading Use of Proceeds , we will use between $15.0 to $20.0 million of the proceeds to repay a portion of our outstanding indebtedness. We anticipate that we will use the remaining net proceeds of this offering for general corporate purposes and working capital, which may include: pursuit of possible acquisitions of complementary businesses or other assets such as TrafficLand (if we choose to exercise our purchase option, as described elsewhere in this prospectus) and funding our growth initiatives.

We will not receive any proceeds from the sale of shares by the selling stockholders. See Use of Proceeds.

Anticipated NASDAQ Global Market Symbol	WWON

The number of shares of our common stock to be outstanding upon completion of this offering is based on 20,312,229 shares of our common stock outstanding as of June 30, 2009 (after giving effect to the assumptions on the following page), and excludes:

- Ø 31,705 shares of common stock issuable upon exercise of options outstanding as of June 30, 2009 at a weighted average exercise price of $7.16 per share,;
- Ø 27,709 shares of common stock reserved as of June 30, 2009 for future issuance under our 1999 Stock Incentive Plan, and an additional 12,291 shares of common stock reserved for issuance after June 30, 2009; and
- Ø 3,996 shares of common stock reserved as of June 30, 2009 for future issuance under our 2005 Equity Compensation Plan, and an additional 42,004 shares of common stock reserved for issuance after June 30, 2009.

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Unless otherwise indicated, this prospectus (except in the historical consolidated financial statements included elsewhere in this prospectus):

- reflects and assumes the conversion of all shares of our Series A-1 Preferred Stock (3,500 shares of which were converted on July 9, 2009 and the remainder of which automatically converted on August 3, 2009) and Series B Preferred Stock (which automatically converted on August 3, 2009) into an aggregate of 19,798,483 shares of common stock;
- reflects and assumes the automatic conversion of all outstanding shares of Class B stock into an aggregate of 1,459 shares of common stock that occurred on July 9, 2009;
- reflects a 200 for 1 reverse stock split of our common stock that occurred on August 3, 2009; and
- assumes no exercise by the underwriters of their option to purchase up to an additional shares from us and the selling stockholders to cover over-allotments.

If the underwriters exercise their over-allotment option in full, shares of our common stock will be outstanding after this offering.

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Summary consolidated and other financial data

The following tables summarize our consolidated financial and other data. The consolidated statements of operations data for the fiscal years ended December 31, 2006, 2007 and 2008 and the consolidated balance sheet data as of December 31, 2007 and 2008 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The consolidated statement of operations data for the fiscal years ended December 31, 2004 and 2005 and the consolidated balance sheet data as of December 31, 2004, 2005 and 2006 have been derived from our audited financial statements not included in this prospectus. The consolidated statement of operations data for the periods comprising the six months ended June 30, 2008 and 2009, and the consolidated balance sheet data as of June 30, 2009, have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. The unaudited consolidated financial statements have been prepared on a basis consistent with our audited financial statements and include, in the opinion of management, all adjustments that management considers necessary for the fair statement of the financial information set forth in those financial statements. The following financial data should be read in conjunction with, and is qualified by reference to, our consolidated financial statements and related notes and schedule included elsewhere in this prospectus and the information under Management s Discussion and Analysis of Financial Condition and Results of Operations. Our historical results are not necessarily indicative of the results to be expected in any future period.

						Predecessor Company		Successor Company
	Year ended December 31,					For the six months ended June 30,	For the period January 1, 2009 to April 23,	For the period April 24, 2009 to June 30,
	2004(1)	2005(1)	2006	2007	2008	2008	2009	2009(4)
Consolidated statements of operations data:	(in thousands, except per share data)							
Revenue	$ 562,246	$ 557,830	$ 512,085	$ 451,384	$ 404,416	$ 206,998	$ 111,474	$ 58,044
Operating Costs	379,097	378,998	395,196	350,440	360,492	179,640	111,580	52,116
Depreciation and Amortization	18,429	20,826 &nbs						