CUMULUS MEDIA INC
Form PREM14A
September 10, 2007

Table of Contents

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

SCHEDULE 14A
(RULE 14a-101)
SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant þ

Filed by a Party other than the Registrant o

Check the appropriate box:

þ Preliminary Proxy Statement
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
o Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to §240.14a-12

CUMULUS MEDIA INC.
(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

o No fee required.
þ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

Class A Common Stock, par value $0.01 per share, Class B Common Stock par value $0.01 per share and Class C Common Stock, par value $0.01 per share

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

The filing fee was determined based upon the sum of (a) the product of the per share merger consideration of $11.75 and 43,289,712 (which represents the total number of shares of the registrant s common stock outstanding, less 5,106,383 shares to be delivered by certain of our stockholders to the acquiring entity immediately prior to the effective time of the merger and canceled with no merger consideration being paid thereon), plus (b) $9,293,926 expected to be paid in connection with the cancellation of outstanding options, and (c) $13,101,250 expected to be paid in connection with certain to-be-issued shares of the registrant s common stock (such sum, the Total Consideration). In all cases the shares have been valued at $11.75 per share. In accordance with Section 14(g) of the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder, the filing fee was determined by multiplying 0.00003070 by the Total Consideration.

(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):

N/A

(4) Proposed maximum aggregate value of transaction:

$471,049,292

(5) Total fee paid:

$14,461

o 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:

Table of Contents

CUMULUS MEDIA INC.
14 Piedmont Center
Suite 1400
Atlanta, Georgia 30305
(404) 949-0700

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
To Be Held On [ ], 2007

To the Stockholders of Cumulus Media Inc.:

A special meeting of the stockholders of Cumulus Media Inc., a Delaware corporation (the Company), will be held on [ ], 2007, at [ ] a.m. local time, at 14 Piedmont Center, Atlanta, Georgia, 30305, for the following purposes:

1. To consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of July 23, 2007, among the Company, Cloud Acquisition Corporation, a Delaware corporation, and Cloud Merger Corporation, a Delaware corporation and a wholly owned subsidiary of Cloud Acquisition Corporation, as may be amended from time to time.

2. To approve an adjournment of the special meeting, if necessary, in order to solicit additional proxies if there are insufficient votes at the time of the meeting to adopt the Agreement and Plan of Merger.

3. To act upon such other business as may properly come before the special meeting and any and all adjourned or postponed sessions thereof.

The record date for the special meeting is [ ], 2007. Accordingly, only stockholders of record of our Class A Common Stock or our Class C Common Stock at the close of business on that date are entitled to notice of and to vote at the special meeting or, unless a new record date is established, any adjournment or postponement thereof. A list of our stockholders will be available at our principal executive offices at 14 Piedmont Center, Suite 1400, Atlanta, Georgia, 30305 during ordinary business hours for ten days prior to the special meeting.

We urge you to read the accompanying proxy statement carefully as it sets forth details of the proposed merger and other important information related to the merger.

Your vote is important, regardless of the number of shares of our common stock you own. The adoption of the merger agreement requires the affirmative vote of a majority of the aggregate voting power of the issued and outstanding shares of our Class A Common Stock and Class C Common Stock, voting together as a single class. The adjournment proposal requires the affirmative vote of a majority of the aggregate voting power of the issued and outstanding shares of our Class A Common Stock and Class C Common Stock, voting as a single class, present or represented by proxy at the special meeting and entitled to vote on the matter. Even if you plan to attend the special meeting in person, we request that you complete, sign, date and return the enclosed proxy prior to the special meeting and thus ensure that your shares will be represented at the special meeting if you are unable to attend. If you fail to return your proxy card, your shares will not be counted for purposes of determining whether a quorum is present at the meeting and will have the same effect as a vote against the adoption of the merger agreement, but will not affect the outcome of the vote regarding the adjournment proposal.

If you attend, please note that you may be asked to present valid picture identification. Street name holders who wish to attend must bring a copy of a brokerage statement reflecting stock ownership as of the record date.

WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN, AS PROMPTLY AS POSSIBLE, THE ENCLOSED PROXY IN THE ACCOMPANYING REPLY ENVELOPE. STOCKHOLDERS WHO ATTEND THE MEETING MAY REVOKE THEIR PROXIES AND VOTE IN PERSON.

By Order of the Board of Directors,

Richard S. Denning
Vice President, Secretary and General Counsel

Atlanta, Georgia
[ ], 2007

Table of Contents

CUMULUS MEDIA INC.
14 Piedmont Center
Suite 1400
Atlanta, Georgia 30305
(404) 949-0700
[ ], 2007

PROXY STATEMENT

SUMMARY

This Summary, together with Questions and Answers About the Special Meeting and the Merger, summarizes the material information in this proxy statement. You should carefully read this entire proxy statement and the other documents to which this proxy statement refers you for a more complete understanding of the matters being considered at the special meeting. In addition, this proxy statement incorporates by reference important business and financial information about us. You may obtain the information incorporated by reference into this proxy statement without charge by following the instructions in Where You Can Find More Information beginning on page 61 of this proxy statement.

References to Cumulus, we, our or us in this proxy statement refer to Cumulus Media Inc. and its subsidiaries unless otherwise indicated by context.

The Parties to the Merger (see page 1).

Cumulus Media Inc., a Delaware corporation, is the second-largest radio company in the United States based on the number of stations owned or operated.

Cloud Acquisition Corporation, a Delaware corporation, referred to in this proxy statement as Parent, was formed solely for the purpose of effecting the merger of Merger Sub (as defined below) with and into Cumulus, referred to in this proxy statement as the merger, and the transactions related to the merger. Parent is owned by Cloud Holding Company, LLC, a Delaware limited liability company, referred to in this proxy statement as Holdings. Holdings, in turn, is owned by an investor group consisting of Lewis W. Dickey Jr., who also serves as our Chairman, President and Chief Executive Officer, his brother John W. Dickey, who also serves as our Executive Vice President and Co-Chief Operating Officer, certain other members of their family and MLGPE Fund US Alternative, L.P., referred to in this proxy statement as the sponsor, a Delaware partnership and an affiliate of Merrill Lynch Global Private Equity, referred to in this proxy statement as MLGPE. In this proxy statement, we refer to Lew Dickey and John Dickey and the other members of their family participating in the merger as the Dickeys, and we refer to the Dickeys and the sponsor, collectively, as the investor group.

Cloud Merger Corporation, a Delaware corporation and a direct wholly owned subsidiary of Parent, referred to in this proxy statement as Merger Sub, was formed solely for the purpose of effecting the merger.

The Merger. You are being asked to vote to adopt a merger agreement providing for our acquisition by Parent. Pursuant to the merger agreement, Merger Sub will merge with and into us. All the outstanding shares of common stock, other than certain shares owned by the Dickeys and by persons who properly exercise appraisal rights under Delaware law will be canceled and converted into the right to receive the merger consideration. We will be the surviving corporation in the merger and will continue to do business as Cumulus following the merger. As a result of the merger, we will be a wholly owned subsidiary of Parent and cease to be an

independent, publicly traded company. See Special Factors Effects of the Merger on Cumulus and The Merger Agreement beginning on pages 21 and 37.

Merger Consideration. If the merger is completed, you will be entitled to receive $11.75 in cash, without interest and less any applicable withholding taxes, for each share of our common stock (consisting of Class A Common Stock, Class B Common Stock and Class C Common Stock) that you

Table of Contents

own. Certain additional consideration per share may be payable if the merger is not completed on or before July 23, 2008. See The Merger Agreement Merger Consideration beginning on page 38.

Treatment of Outstanding Options and Restricted Shares. Upon completion of the merger, each outstanding option to acquire our common stock shall be entitled to receive in exchange for such option a cash payment equal to the number of shares of our common stock underlying such option multiplied by the amount (if any) by which $11.75 (or $11.75 plus certain additional consideration if the merger is not completed on or before July 23, 2008) exceeds the option exercise price, without interest and less any applicable withholding taxes. In addition, unless otherwise agreed between a holder and Parent, each outstanding share of restricted stock that is subject to vesting or other lapse restrictions will vest and become free of restriction and will be canceled and converted into the right to receive $11.75 (or $11.75 plus certain additional consideration if the merger is not completed on or before July 23, 2008), without interest and less any applicable withholding taxes. We are required to use our reasonable best efforts to obtain any required consents from holders of outstanding options and take any other actions necessary to give effect to the foregoing and to cause all options, including those with option exercise prices that are less than $11.75 per share, to terminate as of the effective date of the merger. See The Merger Agreement Treatment of Options and Other Awards beginning on page 38.

Conditions to the Merger (see page 43). The completion of the merger is subject to the satisfaction or waiver of a number of conditions, including the following:

- the merger agreement must have been adopted by the affirmative vote of a majority of the aggregate voting power of the issued and outstanding shares of our Class A Common Stock and Class C Common Stock, voting as a single class;

- no restraining order, injunction, or similar order or legal restraint or prohibition that enjoins or otherwise prohibits the completion of the merger shall be in effect;

- the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, referred to in this proxy statement as the HSR Act, must have expired or been terminated;

- the parties respective representations and warranties in the merger agreement must be true and correct as of the closing date in the manner described under the caption The Merger Agreement Conditions to the Merger beginning on page 43;

- the parties must have performed in all material respects all obligations that each is required to perform under the merger agreement;

- the Securities and Exchange Commission, referred to in this proxy statement as the SEC, must have (1) approved the application of each investment advisory or broker-dealer affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, referred to in this proxy statement as MLPF&S (which is an affiliate of the sponsor) pursuant to Section 9(c) of the Investment Company Act regarding our exemption (and that of any person that may become affiliated with us following the completion of the merger) from any of the prohibitions set forth in Section 9(a) of the Investment Company Act and (2) granted waivers of disqualifications under Regulation A, Rule 505 of Regulation D, and Regulation E promulgated under the Securities Act of 1933, referred to in this proxy statement as the Securities Act, with respect to MLPF&S and its affiliates, in each case as applicable as a result of the final judgment and order of permanent injunction that was ordered against us in the U.S. District Court for Northern District of Illinois Eastern Division, dated December 9, 2003;

no self-regulatory organization in which any broker-dealer affiliated with MLPF&S is a member shall have objected to such broker-dealer becoming affiliated or associated with us;

the parties must have received the consent of the Federal Communications Commission, referred to in this proxy statement as the FCC, to the transfer of control or assignment of all our FCC licenses, permits, approvals and other authorization.

Table of Contents

Although obtaining financing is not a condition of the merger, the failure to obtain sufficient financing on terms that are acceptable to the investor group could result in the failure to complete the merger.

Restrictions on Solicitations of Other Offers (see page 44).

The merger agreement provides that, from the date of the merger agreement until 11:59 p.m., New York time, on September 6, 2007 (such time and date referred to in this proxy statement as the no-shop date), we were permitted to initiate, solicit and encourage alternative acquisition proposals, each referred to in this proxy statement as a company acquisition proposal, and enter into and maintain discussions or negotiations with respect to any such company acquisition proposal. We did not receive any company acquisition proposals during this period.

The merger agreement provides that from and after the no-shop date, subject to certain exceptions, we generally are not permitted to:

initiate, solicit or knowingly encourage the submission of any inquiries, proposals or offers or any other efforts or attempts that constitute or may reasonably be expected to lead to any or engage in any company acquisition proposal or engage in any discussions or negotiations with respect to, or otherwise cooperate with or assist or participate in, or knowingly facilitate any such inquiries, proposals, discussions or negotiations; or

approve or recommend, or publicly propose to approve or recommend, a company acquisition proposal or enter into any agreement providing for or relating to a company acquisition proposal, or enter into any agreement or agreement in principle requiring us to abandon, terminate or fail to consummate the transactions contemplated by the merger agreement or breach our obligations under the merger agreement or propose or agree to do any of the foregoing.

Notwithstanding these restrictions, under certain circumstances, our board (acting through its special committee of independent directors) may respond to a bona fide unsolicited written proposal for an alternative acquisition, or may terminate the merger agreement and enter into an acquisition agreement with respect to a superior proposal, so long as we comply with certain terms of the merger agreement described under The Merger Agreement Recommendation Withdrawal/ Termination in Connection with a Superior Proposal, including, negotiating with Parent in good faith to make adjustments to the merger agreement prior to termination so that such company acquisition proposal ceases to constitute a superior proposal, and under certain circumstances, paying a termination fee (see page 46).

Termination of the Merger Agreement (see page 46). The merger agreement may be terminated:

by mutual written consent of the parties;

by either party, if:

the merger is not consummated on or before 5:00 p.m., New York time, on what is referred to in this proxy statement as the end date, which is either July 23, 2008 or, if all conditions other than those related to the HSR Act or obtaining FCC consent are waived or satisfied on or prior to such termination date and either we or Parent elect to extend such termination date, January 23, 2009;

there is any final and nonappealable injunction or similar legal restraint or order that permanently enjoins or otherwise prohibits the completion of the merger; or

our stockholders fail to adopt the merger agreement at the special meeting;

by Parent, if:

we have breached any of our representations, warranties, covenants or agreements under the merger agreement, which would give rise to the failure of certain conditions to closing and where that breach is incapable of being cured, or is not cured, by the end date; or

our board or any committee of our board withdraws or adversely modifies its recommendation that our stockholders adopt the merger agreement; we fail to include our board s recommendation that

our stockholders adopt the merger agreement in our proxy statement in connection with the merger; our board or committee of our board approves or recommends to our stockholders any company acquisition proposal other than the merger contemplated by the merger agreement; or, under certain circumstances, our board fails to reaffirm its recommendation that the stockholders adopt the merger agreement or fails to recommend against acceptance of a tender offer that would constitute a company acquisition proposal;

by us, if:

Parent or Merger Sub have breached or failed to perform any of their representations, warranties, covenants or agreements under the merger agreement, which would give rise to the failure of certain conditions to closing and where that breach is incapable of being cured, or is not cured, by the end date;

prior to obtaining stockholder approval, we terminate the merger agreement in order to enter into an agreement with respect to a superior proposal and, concurrently, we pay to Parent a specified termination fee; or

if all conditions to the obligations of Parent and Merger Sub to consummate the merger (other than delivery of officer s certificates) have been satisfied and Parent fails to consummate the merger by the end date.

Termination Fees (see page 47). If the merger agreement is terminated, depending on the circumstances:

we may be obligated to pay Parent a termination fee of either $15 million or $7.5 million;

we may be obligated to pay expenses of Parent, up to $7.5 million;

Parent may be obligated to pay us a termination fee of either $15 million or $7.5 million; or

Parent may be obligated to pay our expenses, up to $7.5 million.

An affiliate of the sponsor has agreed to guarantee the obligation of Parent to pay a termination fee to us, if any. See The Merger Agreement Termination Fees beginning on page 47.

The Special Meeting. See Questions and Answers About the Special Meeting and the Merger beginning on page viii and The Special Meeting beginning on page 2.

The Special Committee and its Recommendation. Our board formed a special committee for the purpose of reviewing, evaluating and, as appropriate, negotiating a possible transaction relating to our sale. The special committee is comprised of the four independent and disinterested members of our board of directors: Ralph B. Everett, Holcombe T. Green, Jr., Eric P. Robison and Robert H. Sheridan, III (Chairman). The special committee unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable, fair to and in the best interests of our stockholders (other than the investor group and its affiliates). The special committee unanimously recommended to our board that the merger agreement and the transactions contemplated thereby, including the merger, be approved by our full board and that our board recommend adoption of the merger agreement by our stockholders. For a discussion of the material factors considered by the special committee and the board in reaching its conclusions, and the reasons why the board and the special committee determined that the merger is fair, see Special Factors Reasons for the Merger; Recommendation of the Special Committee and of Our Board of Directors beginning on page 10.

Board Recommendation. Our board, acting upon the unanimous recommendation of the special committee, approved the merger agreement and the transactions contemplated thereby, including the merger, and recommends that stockholders vote FOR the adoption of the merger agreement, and FOR any adjournment of the special meeting, if necessary, to solicit additional proxies. See Special Factors Reasons for the Merger; Recommendation of the Special Committee and of Our Board of Directors beginning on page 10.

Table of Contents

Opinion of the Special Committee s Financial Advisor. In connection with the merger, the special committee s financial advisor, Credit Suisse Securities (USA) LLC, referred to in this proxy statement as Credit Suisse, delivered a written opinion, dated July 23, 2007, to the special committee as to the fairness, from a financial point of view and as of the date of such opinion, of the merger consideration to be received by holders of our Class A Common Stock (other than excluded holders and their respective affiliates). For purposes of Credit Suisse s opinion, the term excluded holders refers to holders of our Class A Common Stock that have entered or may enter into agreements with Parent or its affiliates to receive, in lieu of the merger consideration or otherwise in connection with the completion of the merger, equity securities of Parent or its affiliates. The full text of Credit Suisse s written opinion is attached to this proxy statement as Annex B. Holders of our Class A Common Stock are encouraged to read this opinion carefully in its entirety for a description of the procedures followed, assumptions made, matters considered and limitations on the scope of review undertaken. **Credit Suisse s opinion was provided to the special committee for its information in connection with its evaluation of the merger consideration from a financial point of view, does not address any other aspect of the proposed merger and does not constitute a recommendation to any stockholder as to how such stockholder should vote or act with respect to any matters relating to the merger.** For a more complete description of the opinion, see Special Factors Opinion of the Special Committee s Financial Advisor beginning on page 15.

Share Ownership of Directors and Executive Officers. As of [ ], 2007, the record date for the special meeting, our directors and executive officers (other than Lew Dickey and John Dickey) held and are entitled to vote, in the aggregate, [ ] shares of our Class A Common Stock representing approximately [ ]% of the outstanding voting power of our common stock. These directors and executive officers have informed us that they currently intend to vote all of their shares of our Class A Common Stock FOR the adoption of the merger agreement and FOR the adjournment proposal, if necessary. In addition, the Dickeys have entered into an agreement with Cumulus and Parent to vote the shares of Class A Common Stock and Class C Common Stock they beneficially own as of the record date, representing approximately [ ]% of the outstanding voting power of our common stock, to adopt the merger agreement. See The Special Meeting Voting Rights; Quorum; Vote Required for Approval beginning on page 2.

Interests of Our Directors and Executive Officers in the Merger. Assuming the merger is completed before February 1, 2008, the maximum total cash payments our directors (other than Lew Dickey) may receive in respect of their beneficially owned common stock and other compensation plans, including options, upon the completion of the merger are as follows: Ralph Everett $392,550**,** Holcombe Green $160,550, Eric Robison $293,615 and Robert Sheridan $94,000. The maximum total cash payments our executive officers may receive in respect of their beneficially owned common stock and other compensation plans, including options and restricted shares, upon the completion of the merger (and in the case of Lew Dickey and John Dickey, after contribution of certain of their shares of our common stock to Parent as described below) are as follows: Lew Dickey $16,978,750, Jonathan G. Pinch $1,918,233, Martin R. Gausvik $4,076,120 and John Dickey $5,925,765. In addition, the Dickeys have agreed to contribute an aggregate of 4,461,512 shares of our Class A Common Stock and 644,871 shares of our Class C Common Stock to Parent in exchange for equity interests in Holdings, in lieu of receiving the $11.75 per share price that our other stockholders will receive for their shares. After completion of the merger, we expect that Lew Dickey will continue to serve as our Chairman, President and Chief Executive Officer and John Dickey will continue to serve as our Executive Vice President and Co-Chief Operating Officer. In addition, it is anticipated that our other executive officers will hold positions that are substantially similar to their current positions. We expect that Lew Dickey and John Dickey and our other executive officers will also enter into new employment agreements with Holdings or Cumulus. These and other interests of our executive officers and directors, some of which may be different than those of our stockholders generally, are more fully described, together with a more detailed description of the total cash

payments our directors and executive officers will receive in connection with the merger, under Special Factors Interests of Our Directors and Executive Officers in the Merger beginning on page 27.

Table of Contents

Sources of Financing. The merger agreement does not contain any condition relating to the receipt of financing by Parent. Parent estimates that the total amount of funds necessary to consummate the merger and related transactions, including the new financing arrangements, the refinancing of certain existing indebtedness and the payment of customary fees and expenses in connection with the proposed merger and financing arrangements, will be approximately $1.3 billion, which is expected to be funded by new credit facilities and equity financing. Funding of the equity and debt financing is subject to the satisfaction of the conditions set forth in the commitment letters pursuant to which the financing will be provided. See Special Factors Financing of the Merger beginning on page 23. The following arrangements are in place to provide the necessary financing for the merger, including the payment of related transaction costs, charges, fees and expenses:

Equity Financing. Parent has received commitments from the Dickeys to reinvest 5,106,383 shares of our common stock, which based on the merger consideration per share of our common stock, have an aggregate value of $60 million, and a cash equity commitment from the sponsor for $286 million, representing an aggregate equity commitment of $346 million.

Debt Financing. Parent has received a debt commitment letter from two affiliates of the sponsor, Merrill Lynch Capital Corporation, referred to in this proxy statement as MLCC, and MLPF&S, to provide up to $1.02 billion of senior secured credit facilities. Parent has the right, subject to certain conditions, to secure an alternative source of debt financing and, in that regard and at the request of Parent, we have agreed to use our reasonable best efforts to obtain the commitment of Bank of America, N.A., the administrative agent under our current credit facility, or its affiliates, to provide for incremental facilities in an amount not less than $180 million, on terms as directed by Parent for the purpose of substituting such commitment in place of the existing debt commitment.

Regulatory Approvals (see page 26). Under the HSR Act, and the rules promulgated thereunder by the Federal Trade Commission, referred to in this proxy statement as the FTC, the merger may not be completed until notification and report forms have been filed with the FTC and the Antitrust Division of the Department of Justice, referred to in this proxy statement as the DOJ, and the applicable waiting period has expired or been terminated.

In addition, under the Communications Act of 1934, referred to in this proxy statement as the Communications Act, we and Parent may not complete the merger unless we have first obtained the approval of the FCC to transfer control of our FCC licenses to Parent or its affiliates. FCC approval is sought through the filing of applications with the FCC, which are subject to public comment and objections from third parties. Pursuant to the merger agreement, the parties must, by September 25, 2007, file all applications necessary to obtain such FCC approval. The timing or outcome of the FCC approval process cannot be predicted.

Furthermore, we and Parent are not obligated to complete the merger unless certain regulatory conditions relating to MLPF&S have been satisfied or waived by the sponsor.

Material U.S. Federal Income Tax Consequences. If you are a person or entity subject to taxation in the United States, the merger will be a taxable transaction for U.S. federal income tax purposes. Your receipt of cash in exchange for your shares of our common stock pursuant to the merger generally will cause you to recognize a gain or loss measured by the difference, if any, between the cash you receive pursuant to the merger (determined before the deduction of any applicable withholding taxes) and your adjusted tax basis in your shares of our common stock. If you are a non-U.S. holder, the merger generally will not be a taxable transaction to you for U.S. federal income tax purposes unless you have certain connections to the United

States. Under U.S. federal income tax law, all holders will be subject to information reporting on cash received pursuant to the merger unless an exemption applies. Backup withholding may also apply with respect to cash you receive pursuant to the merger, unless you provide proof of an applicable exemption or a correct taxpayer identification number and otherwise comply with the applicable requirements of the backup withholding rules. You should consult your own tax advisor for a full understanding of how the merger will affect your federal, state and local or foreign taxes and, if applicable, the tax consequences of the receipt of cash in connection with the cancellation

Table of Contents

of your options to purchase shares of our common stock or your shares of restricted stock, including the transactions described in this proxy statement relating to our other equity compensation and benefit plans. See Special Factors Material U.S. Federal Income Tax Consequences of the Merger to Our Stockholders beginning on page 35.

Appraisal Rights. Under Delaware law, holders of our common stock who do not vote in favor of adopting the merger agreement will have the right to seek appraisal of the fair value of their shares as determined by the Delaware Court of Chancery if the merger is completed, but only if they comply with all requirements of Delaware law, which are summarized in this proxy statement. See The Special Meeting Appraisal Rights and Appraisal Rights beginning on pages 4 and 50, respectively, and the text of the Delaware appraisal rights statute reproduced in its entirety as Annex C. This appraisal amount could be more than, the same as or less than the amount a stockholder would be entitled to receive under the terms of the merger agreement. Any holder of our common stock intending to exercise such holder s appraisal rights, among other things, must submit a written demand for an appraisal to us prior to the vote on the adoption of the merger agreement and must not vote or otherwise submit a proxy in favor of adoption of the merger agreement. Your failure to follow exactly the procedures specified under Delaware law will result in the loss of your appraisal rights. See The Special Meeting Appraisal Rights and Appraisal Rights beginning on pages 4 and 50, respectively, and the text of the Delaware appraisal rights statute reproduced in its entirety as Annex C.

Litigation Related to the Merger (see page 37). We are aware of three purported class action lawsuits related to the merger. The complaints in each of these lawsuits allege, among other things, that the merger is the product of an unfair process, that the consideration to be paid to our stockholders pursuant to the merger is inadequate, and that the defendants breached their fiduciary duties to our stockholders. The complaints further allege that we and the sponsor (and Parent and Merger Sub) aided and abetted the actions of our directors in breaching such fiduciary duties. The complaints seek, among other relief, an injunction preventing completion of the merger. We believe these lawsuits are without merit and plan to defend them vigorously.

Market Price of our Common Stock (see page 56). The closing sale price of our Class A Common Stock on the NASDAQ Global Select Market, referred to in this proxy statement as the NASDAQ, on July 20, 2007, the last trading day prior to announcement of the merger, was $8.37 per share. The $11.75 per share to be paid for each share of our Class A Common Stock pursuant to the merger represents a premium of approximately 40.4% to such closing trading price on July 20, 2007.

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER

The following questions and answers are intended to address briefly some commonly asked questions regarding the merger, the merger agreement and the special meeting. These questions and answers do not address all questions that may be important to you as a Cumulus stockholder. Please refer to the Summary and the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the documents referred to or incorporated by reference in this proxy statement, which you should read carefully.

Q. When and where is the special meeting?

A. The special meeting of our stockholders will be held on [ ], 2007, at [ ] a.m. local time, at our executive offices located at 14 Piedmont Center, Atlanta, Georgia 30305.

Q. What matters will be voted on at the special meeting?

A. You will be asked to consider and vote on the following proposals:

to adopt the merger agreement;

to approve the adjournment of the special meeting, if necessary, in order to solicit additional proxies if there are insufficient votes at the time of the meeting to adopt the merger agreement; and

to act upon other business that may properly come before the special meeting or any adjournment or postponement thereof.

Q. How does our board recommend that I vote on the proposals?

A. Our board recommends that you vote:

FOR the proposal to adopt the merger agreement; and

FOR the adjournment proposal.

Q. Who is entitled to vote at the special meeting?

A. Only stockholders of record holding our Class A Common Stock and Class C Common Stock at the close of business on the record date, [ ], 2007, are entitled to vote. Holders of our Class A Common Stock are entitled to one vote for each share of Class A Common Stock held and holders of our Class C Common Stock are entitled to ten votes for each share of Class C Common Stock held. As of the record date, there were [ ] shares of our Class A Common Stock outstanding and 644,871 shares of our Class C Common Stock outstanding. Approximately [ ] holders of record held such shares.

If you attend, please note that you may be asked to present valid picture identification. Street name holders who wish to attend must bring a copy of a brokerage statement reflecting stock ownership as of the record date.

Q. What vote is required for our stockholders to adopt the merger agreement? How do our directors and officers intend to vote? How do other stockholders intend to vote?

A. An affirmative vote of a majority of the aggregate voting power of the issued and outstanding shares of our Class A Common Stock and Class C Common Stock, voting as a single class, is required to adopt the merger agreement. Our directors and executive officers (other than Lew Dickey and John Dickey) have informed us that they currently intend to vote all of their shares of our Class A Common Stock for the adoption of the merger agreement. In addition, the Dickeys (including Lew Dickey and John Dickey) and two affiliates of Bank of America Corporation, referred to in this proxy statement as BOA, have agreed to vote all shares of our common stock they beneficially own, representing approximately [ ]% and [ ]%, respectively, of the outstanding voting power of our common stock as of the record date, to adopt the merger agreement. Furthermore, one of the affiliates of BOA, whose consent is required in order for us to complete the merger, has provided its express written consent to the merger.

Table of Contents

Q. What vote is required for our stockholders to approve the proposal to adjourn the special meeting, if necessary, to solicit additional proxies?

A. The proposal to adjourn the special meeting, if necessary, to solicit additional proxies requires the affirmative vote of a majority of the aggregate voting power of our issued and outstanding Class A Common Stock and Class C Common Stock, voting as a single class, present or represented by proxy at the meeting and entitled to vote on the matter.

Q. Who is soliciting my vote?

A. We will bear the cost of the solicitation of proxies. We will solicit proxies initially by mail. Further solicitation may be made by our directors, officers and employees personally, by telephone, facsimile, e-mail or otherwise, but they will not be compensated specifically for these services. We may solicit proxies through the use of a third-party proxy solicitor. If we do, we estimate the cost will be approximately $9,000. Upon request, we will reimburse brokers, dealers, banks or similar entities acting as nominees for their reasonable expenses incurred in forwarding copies of the proxy materials to the beneficial owners of the shares of common stock they hold of record.

Q. What do I need to do now?

A. Even if you plan to attend the special meeting, after carefully reading and considering the information contained in this proxy statement, if you hold your shares in your own name as the stockholder of record, please complete, sign, date and return the enclosed proxy card. You can also attend the special meeting and vote in person. **Do NOT enclose or return your stock certificate(s) with your proxy.** If you hold your shares in street name through a broker, bank or other nominee, then you received this proxy statement from the nominee, along with the nominee s proxy card which includes voting instructions and instructions on how to change your vote.

Q. How do I vote? How can I revoke my vote?

A. A proxy card for you to use in voting accompanies this proxy statement. Subject to the following sentence, all properly executed proxies that are received prior to, or at, the special meeting and not revoked will be voted in the manner specified. If you execute and return a proxy card, and do not specify otherwise, the shares represented by your proxy will be voted **FOR** the adoption of the merger agreement and **FOR** the proposal to adjourn the special meeting. If you have given a proxy pursuant to this solicitation, you may nonetheless revoke it by:

attending the meeting and voting in person (attendance at the meeting will not, by itself, constitute a revocation of your proxy);

if you hold your shares in your name as the stockholder of record, delivering a written statement revoking the proxy to Richard S. Denning, Corporate Secretary, at our principal executive offices, 14 Piedmont Center, Atlanta, Georgia 30305;

if you have instructed a broker, bank or other nominee to vote your shares, by following the directions received from your broker, bank or other nominee to change those instructions; or

delivering a duly executed proxy bearing a later date.

Q.

If my shares are held in street name by my broker, bank or other nominee, will my broker, bank or other nominee vote my shares for me?

A. Your broker, bank or other nominee will only be permitted to vote your shares if you instruct your broker, bank or other nominee how to vote. You should follow the procedures provided by your broker, bank or other nominee regarding the voting of your shares. If you do not instruct your broker, bank or other nominee to vote your shares, your shares will not be voted and the effect will be the same as a vote against the adoption of the merger agreement and will not have an effect on the proposal to adjourn the special meeting.

Q. What do I do if I receive more than one proxy or set of voting instructions?

A. If you also hold shares in street name, directly as a record holder or otherwise through our stock purchase plans, you may receive more than one proxy or set of voting instructions relating to the special

Table of Contents

meeting. **These should each be voted or returned separately as described elsewhere in this proxy statement in order to ensure that all of your shares are voted.**

Q. How are votes counted?

A. For the proposal to adopt the merger agreement, you may vote FOR, AGAINST or ABSTAIN. Abstentions will not be counted as votes cast or shares voting on the proposal to adopt the merger agreement, but will count for the purpose of determining whether a quorum is present. If you abstain, it will have the same effect as if you vote against the adoption of the merger agreement. In addition, if your shares are held in the name of a broker, bank or other nominee, your broker, bank or other nominee will not be entitled to vote your shares in the absence of specific instructions. These broker non-votes will be counted for purposes of determining a quorum, but will have the same effect as a vote against the adoption of the merger agreement.

For the proposal to adjourn the special meeting, if necessary, to solicit additional proxies, you may vote FOR, AGAINST or ABSTAIN. Abstentions and broker non-votes will count for the purpose of determining whether a quorum is present. If you abstain, it will have the same effect as if you vote against the adjournment of the special meeting. In addition, if your shares are held in the name of a broker, bank or other nominee, your broker, bank or other nominee will not be entitled to vote your shares in the absence of specific instructions. These broker non-votes will be counted for purposes of determining a quorum, but will have no effect on the proposal to adjourn the special meeting.

If you sign your proxy card without indicating your vote, your shares will be voted FOR the adoption of the merger agreement and FOR the adjournment of the special meeting, if necessary, to solicit additional proxies, and in accordance with the recommendations of our board on any other matters properly brought before the special meeting for a vote.

Q. Who will count the votes?

A. Our transfer agent, Computershare, will count the votes properly cast in person or represented by proxy at the special meeting.

Q. When is the merger expected to be completed?

A. We are working toward completing the merger as quickly as possible, and we anticipate that it will be completed in early 2008. In order to complete the merger, we must obtain stockholder approval and the other closing conditions to the merger agreement must be satisfied or waived (as permitted by law).

Q. Should I send in my stock certificates now?

A. No. After the merger is completed, you will be sent a letter of transmittal with detailed written instructions for exchanging your common stock certificates for the merger consideration. If your shares are held in street name by your broker, bank or other nominee you will receive instructions from your broker, bank or other nominee as to how to effect the surrender of your street name shares in exchange for the merger consideration. **Please do not send your certificates in now.**

Q. How can I obtain additional information about Cumulus?

A. We will provide a copy of our annual report on Form 10-K for the year ended December 31, 2006, excluding certain of its exhibits, and other filings, including our quarterly reports on Form 10-Q, previously filed with the

SEC, without charge to any stockholder who makes a written or oral request to Cumulus Media Inc., 14 Piedmont Center, Suite 1400, Atlanta, Georgia 30305; (404) 949-0700. Our annual report on Form 10-K and other SEC filings also may be accessed on the Internet at www.sec.gov or our website at www.cumulus.com.

The information provided on our website is not part of this proxy statement, and therefore is not incorporated by reference. For a more detailed description of the information available, please refer to Where You Can Find More Information beginning on page 61.

Q. Who can help answer my questions?

A. If you have additional questions about the merger after reading this proxy statement, please call [ ].

Table of Contents

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement, and the documents to which we refer you in this proxy statement, contain forward-looking statements based on estimates and assumptions. Forward-looking statements include information concerning our possible or assumed future results of operations, the expected completion and timing of the merger and other information relating to the merger. There are forward-looking statements throughout this proxy statement, including, without limitation, under the headings Summary, Special Factors, Important Information About Cumulus Projected Financial Information and in statements containing the words believes, plans, expects, anticipates, intends, es or other similar expressions. You should be aware that forward-looking statements involve known and unknown risks and uncertainties. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that the actual results or developments we anticipate will be realized, or even if realized, that they will have the expected effects on our business or operations. These forward-looking statements speak only as of the date on which the statements were made and we undertake no obligation to publicly update or revise any forward-looking statements made in this proxy statement or elsewhere as a result of new information, future events or otherwise, except as required by law. In addition to other factors and matters contained or incorporated in this document, we believe the following factors could cause actual results to differ materially from those discussed in the forward-looking statements:

- the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement;
- the outcome of any legal proceedings that have been or may be instituted against us and others relating to the merger agreement;
- the inability to complete the merger due to the failure to obtain stockholder approval or the failure to satisfy other conditions to completion of the merger;
- the failure to obtain the necessary debt financing arrangements set forth in commitment letters received in connection with the merger;
- the failure of the merger to close for any other reason;
- risks that the proposed transaction disrupts current plans and operations and the potential difficulties in employee retention as a result of the merger;
- the effect of the announcement of the merger on our customer relationships, operating results and business generally;

and other risks detailed in our current filings with the SEC, including our most recent filings on Form 10-Q and Form 10-K. See Where You Can Find More Information beginning on page 61. Many of the factors that will determine our future results are beyond our ability to control or predict. In light of the significant uncertainties inherent in the forward-looking statements contained herein, readers should not place undue reliance on forward-looking statements, which reflect management s views only as of the date hereof. We cannot guarantee any future results, levels of activity, performance or achievements. The statements made in this proxy statement represent our views as of the date of this proxy statement, and it should not be assumed that the statements made herein remain accurate as of any future date. Moreover, we assume no obligation to update forward-looking statements or update the reasons that actual results could differ materially from those anticipated in forward-looking statements, except as required by law.

Table of Contents

TABLE OF CONTENTS