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April 24, 2015

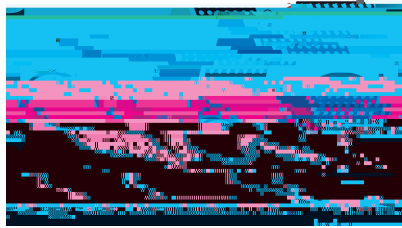
Dear Stockholders:

On behalf of the Board of Directors, I am pleased to invite you to the Annual Meeting of Stockholders of Spanish Broadcasting System, Inc. (“SBS”). The meeting will be held on Thursday, June 4, 2015, at the Pablo Raúl Alarcón Media Center, 7007 NW 77th Avenue, Miami, Florida 33166 at 2:00 p.m. Eastern Daylight Time (the “Annual Meeting”).

At the meeting, holders of our Class A and Class B common stock, will be asked to vote on the election of six members of the Board of Directors (the “Common Stock Directors”) to serve until our next annual meeting of stockholders or until their respective successors are elected and qualify.

The Board of Directors recommends a vote “FOR” the election of each of the Common Stock Directors nominated to the Board. The proposal is described in detail in the attached Notice of Annual Meeting of Stockholders and Proxy Statement, which you are encouraged to read fully. We will also consider any additional business that may be properly brought before the Annual Meeting.

Last year, holders of our Series B preferred stock elected two directors to the Board of Directors, pursuant to



The Proxy Statement is issued in connection with the solicitation of a proxy for the election of Common Stock Directors on the enclosed form by the Board of Directors of Spanish Broadcasting System, Inc., for use at its 2015 Annual Meeting of Stockholders. The Proxy Statement not only describes the items that the holders of common stock are being asked to consider and vote on at the 2015 Annual Meeting, but also provides you with important information about SBS. Financial and other important information concerning our company is also contained in our 2014 Annual Report on Form 10-K (the "Annual Report") for the year ended December 31, 2014.

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By Order of the Board of Directors,



Joseph A. García
*Sr. Executive Vice President, Chief Financial Officer,
Chief Administrative Officer and Secretary*

PROXY STATEMENT

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General

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The Board of Directors (the "Board") of Spanish Broadcasting System, Inc., a Delaware corporation ("SBS" or the "Company"), is soliciting proxies for the election of Common Stock Directors (as defined below), at the annual meeting of stockholders to be held on Thursday, June 4, 2015, at our principal executive offices, the Pablo Raúl Alarcón Media Center, 7007 NW 77th Avenue, Miami, Florida 33166, at 2:00 p.m. Eastern Daylight Time (the "Annual Meeting"). We are furnishing you with a Proxy Statement because you own shares of our common stock and/or preferred stock that entitle you to vote at the Annual Meeting. By use of a proxy, you can vote on the Proposal (as discussed below), whether or not you attend the Annual Meeting. We intend to begin mailing the attached notice of the Annual Meeting, this Proxy Statement with an accompanying proxy card and our Annual Report to our stockholders, on or about April 24, 2015. The Proxy Statement describes the matter we would like you to vote on and provides information on this matter so you can make an informed decision. All references in this Proxy Statement to "we," "our," or "us" refer to SBS. On June 6, 2014, holders of our Series B preferred stock elected two directors to the Board of Directors, pursuant to the Certificate of Designations governing the rights of the Series B preferred stock (the "Preferred Stock Directors"). The Preferred Stock Directors serve at the pleasure of the Series B preferred stockholders until such time that they resign, are replaced, or otherwise vacate the directorship or until the Series B preferred stockholders are no longer entitled to elect directors. Thus, they are not required to be voted upon at the Annual Meeting.

Only stockholders are invited to attend the meeting. An admission ticket or proof of ownership of our stock, along with personal identification, must be presented in order to be admitted to the Annual Meeting. If you are a stockholder of record, you may bring the top portion of the proxy card as proof of ownership. If your shares are held in the name of a bank, broker or other holder of record, you must bring a brokerage statement or other proof of ownership with you to the Annual Meeting, or obtain an admission ticket in advance. If you do not provide photo identification or comply with the other procedures outlined above, you will not be admitted to the Annual Meeting.

The purpose of the Annual Meeting is to have the holders of Class A and Class B common stock vote on the election of six members of the Board of Directors (the "Common Stock Directors").

No matters other than those referred to above are presently scheduled to be considered at the Annual Meeting.

The Common Stock Directors on our Board unanimously recommend that the holders of Class A and Class B common stock vote your shares: "FOR" the election of the six Common Stock Directors to serve until our next annual meeting of stockholders or until their respective successors are elected and qualify.

Election of Common Stock Directors — The six nominees for election as directors at the Annual Meeting by the Class A and Class B common stock will be elected by a majority of the votes cast of the Class A and Class B common stock at the Annual Meeting. This means that the director nominee with a majority of the votes for a particular slot is elected for that slot. Votes withheld from one or more director nominees will have the practical effect of voting against such director nominee because the affirmative vote of a majority of the Class A and Class B common stock present at the Annual Meeting and entitled to vote for the election of directors is required.

stockholder of record, you may not vote these shares in person at the meeting. Your broker, bank, trustee, or nominee is obligated to provide you with a voting instruction card for you to use. You will receive a form from your broker, bank, trustee or other nominee seeking instructions as to how your shares should be voted. We urge you to complete the form and instruct your broker, bank, trustee or other nominee to vote on your behalf.

At the close of business on the Record Date, there were 4,166,991 shares of Class A common stock outstanding and entitled to vote and 2,340,353 shares of Class B common stock outstanding and entitled to vote. Stockholders are entitled to one vote for each share of Class A common stock they hold and ten votes for each share of Class B common stock they hold. Shares of Class A common stock and Class B common stock may not be voted cumulatively. The Class A common stock and the Class B common stock are entitled to 4,166,991 and 23,403,530 votes, respectively.

All shares of common stock that have been properly voted and not revoked will be voted at the Annual Meeting. Voting instructions for the common stock are included on your proxy card. If you properly submit your proxy by telephone, the Internet or by mail in time for it to be voted at the Annual Meeting, one of the individuals named as your proxy, each of whom is one of our officers, will vote your shares as you have directed.

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Our Board of Directors has no knowledge of any matters that will be presented for consideration at the Annual Meeting other than those described herein. The named proxies will also have discretionary authority to vote upon any adjournment or postponement of the Annual Meeting, including for the purpose of soliciting additional proxies.

If you are a holder of common stock, and even if you plan to attend the Annual Meeting, we recommend that you vote your shares in advance as described below so that your vote will be counted if you later decide not to attend the Annual Meeting. Please refer to the summary instructions below and those included on your proxy card or, for shares held in street name, the voting instruction card included by your broker or nominee.

A "quorum" of stockholders is necessary to hold the Annual Meeting. The presence, in person or represented by proxy, of the holders of a majority of the aggregate votes entitled to be cast by the Class A common stock and Class B common stock, voting together as a single class, will constitute a quorum for the Proposal at the Annual Meeting. If a quorum is not present, the stockholders entitled to vote who are present in person or by proxy at the Annual Meeting have the power to adjourn the Annual Meeting from time to time until a quorum is present or represented. Unless the adjournment is for more than thirty days or unless a new record date is set for the adjourned meeting, no notice of the adjourned meeting must be given other than by announcement at the Annual Meeting. At an adjourned meeting at which a quorum is present, any business may be transacted that could have been transacted at the original Annual Meeting.

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You should rely only on the information contained in this Proxy Statement when casting your votes. We have not authorized anyone to give any information or to make any representations in connection with this proxy solicitation other than those contained in this Proxy Statement. You should not rely on any information or representation not contained in this Proxy Statement as having been authorized by us. You should not infer that there has not been a change in the facts set forth in this Proxy Statement or in our affairs since the date of this

Proxy Statement. This Proxy Statement does not constitute a solicitation by anyone in any jurisdiction in which the solicitation is not authorized or in which the person making the solicitation is not qualified to do so or to anyone to whom it is unlawful to make a solicitation.

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You may change your proxy instructions at any time prior to the vote at the Annual Meeting. For shares held directly in your name, you may enter a new vote by using the Internet or the telephone, by mailing a new proxy card bearing a later date (which will automatically revoke your earlier voting instructions) or by voting in person at the Annual Meeting. For shares held beneficially by you in “street name,” you may change your vote by submitting new voting instructions to your broker or nominee, or by any other method instructed by your broker or nominee.

Subject to such revocation, all proxies duly executed and received prior to, or during the Annual Meeting, will be voted in accordance with the specification on the proxy card (for registered holders) or on the voting instructions submitted to such holder’s broker or nominee (for beneficial owners). If no specification is made, proxies will be voted as described in the “Counting the Vote” section for each of the proposals listed on the proxy card. As to other matters, if any, to be voted upon at the Annual Meeting, the persons designated as proxies, who were selected by the Board, will take such actions as they, in their discretion, may deem advisable.

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Our Transfer Agent is Broadridge Corporate Issuer Solutions, Inc. All communications concerning stockholders of record accounts, including address changes, name changes, common stock transfer requirements, and similar issues can be handled by contacting Broadridge Corporate Issuer Solutions, Inc. at (877) 830-4936, or in writing to Broadridge Corporate Issuer Solutions, Inc. P.O. Box 1342, Brentwood, NY 11717 telephone: (877) 830-4936, fax: (215) 553-5402.

retain a majority voting interest, and we regard Mr. Alarcón’s leadership role on the Board as positive for the Company in that it fosters stability and encourages consensus-building between Board initiatives and stockholder support.

Although our Board believes that the combination of the Chairman of the Board and CEO roles is appropriate in the current circumstances, our Board has not established this approach as policy, and will routinely review its determination as circumstances dictate and from time to time.

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Our Board as a whole has responsibility for risk oversight. Our Board meets regularly to discuss the strategic direction and the issues and opportunities facing our company in light of trends and developments in the broadcasting industry and general business environment. Throughout the year, our Board provides guidance to management regarding our strategy and helps to refine our operating plans to implement our strategy. The involvement of the Board in setting our business strategy is critical to the determination of the types and appropriate levels of risk undertaken by the Company. Our Board is responsible for risk oversight as part of its fiduciary duties to the stockholders and the Company, and our Board administers its risk oversight function as a whole and through its committees. For example, the Audit Committee is charged with the task of overseeing the Company’s risk management process on behalf of the Board. The Audit Committee periodically meets with the Company’s senior management to review the Company’s major financial risk exposures and the steps management has taken to monitor and control such exposures. In addition, the Compensation Committee considers the risks that may be affected by the Company’s executive compensation programs. While the full Board, and its committees, oversee the Company’s risk management, the Company’s management is responsible for the implementation of the Company’s risk management guidelines and policies and the Company’s day-to-day risk management process. Finally, the Board believes that the combined Chairman and CEO leadership structure of the Board allows for quick and definitive assessment of issues that should be brought to the Board’s attention.

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The Audit Committee currently consists of Manuel E. Machado, Jason L. Shrinsky, José A. Villamil, and Mitchell A. Yelen, each of whom has been determined to be “independent” under Rule 5605(a)(2) of the Nasdaq Listing Rules and the SEC’s director independence standards for Audit Committee members.

- reviews our financial reporting process and disclosure and internal controls and procedures, including major issues regarding accounting principles and financial statement presentation, and critical accounting policies to be used in the consolidated financial statements;
- reviews and discusses with management and the Independent Registered Public Accounting Firm the Company's internal controls;
- appoints, retains, oversees, and approves the fees paid to the Independent Registered Public Accounting Firm;
- reviews with the Independent Registered Public Accounting Firm the scope of the annual audit, including fees and staffing, and approves all audit and permitted non-audit services provided by the Independent Registered Public Accounting Firm;
- reviews findings and recommendations of the Independent Registered Public Accounting Firm and management's response to the recommendations of the Independent Registered Public Accounting Firm;
- discusses policies with respect to risk assessment and risk management, our major risk exposures, and the steps management has taken to monitor and mitigate such exposures; and
- reviews compliance with the Company's Code of Business Conduct and Ethics ("Code of Ethics") and whistleblower policies.

A full description of the Audit Committee's primary responsibilities is contained in its written charter, which is publicly available on our website at www.spanishbroadcasting.com under the tab entitled "Investor Information/Audit Committee Charter."

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The Compensation Committee currently consists of Messrs. Machado, Shrinsky, Villamil and Yelen, each of whom has been determined to be independent as defined under Rule 5605(a)(2) of the Nasdaq Listing Rules, and the additional independence requirements for Compensation Committee members set forth in Rule 5605(d)(2) of the Nasdaq Listing Rules. Mr. Villamil serves as the Chairman of the Compensation Committee. The Compensation Committee held five meetings during 2014. The members of the Compensation Committee, consisting of independent directors of the Board, regularly meet in executive session by themselves and, from time to time, with the named executive officers.

The Board has determined that all Compensation Committee members are "independent" under the Nasdaq Listing Rules listing standards. The Board has also determined that each Compensation Committee member qualifies as a "Non-Employee Director" under Rule 16b-3 of the Exchange Act and that each member, qualifies as an "outside director" under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code").

The Compensation Committee reviews our compensation practices and policies, annually reviews performance and approves the compensation for the CEO and other senior executives, and reviews and discusses with management the compensation disclosures prepared in accordance with the SEC's disclosure rules for executive compensation. In addition, the Compensation Committee:

- reviews and makes recommendations to management with respect to our overall compensation programs and policies;
- approves the adoption, amendment, and termination of incentive compensation and deferred compensation programs for our employees;
- approves employment agreements and severance arrangements for the CEO, as appropriate;

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clear notation indicating that the enclosed letter is a “*Stockholder-Board Communication*.” Any such communication must identify the author as a stockholder, must include the stockholder’s full legal name, address, valid telephone number, the number of shares beneficially owned by the stockholder and, if applicable, the name of any specific intended recipient. We will forward any such communication to the full Board or to any individual director or directors to whom the communication is directed following its clearance through normal review and appropriate security procedures.

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We have a Code of Business Conduct and Ethics (the “Code of Ethics”), which is within the meaning of Code of Ethics under Item 406(b) of Regulation S-K. All of our directors, officers and employees, including our CEO and CFO, are required to abide by our Code of Ethics to ensure that our business is conducted in a consistently legal and ethical manner.

The purpose of the Code of Ethics is to deter wrongdoing and to promote (i) honest and ethical conduct, including the ethical handling of conflicts of interest; (ii) full, fair, accurate, timely and understandable disclosures in reports and documents filed by us with, or submitted to, the SEC or otherwise publicly communicated by us; (iii) compliance with applicable governmental laws, rules and regulations; (iv) the prompt internal reporting of violations to the Code of Ethics to appropriate persons identified therein and (v) accountability for adherence to the Code of Ethics. Employees are required to report any conduct that they believe in good faith to be an actual or apparent violation of the Code of Ethics.

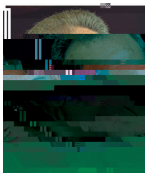
This Code of Ethics is publicly available on our website at www.spanishbroadcasting.com under the tab entitled “*Investor Information/Code of Conduct*.” If we make substantive amendments to the Code of Ethics or grant any waiver from its provisions to our principal executive, financial or accounting officers, or persons performing similar functions, including any implicit waiver, we will disclose tr dira1plice(of)-2.86t,pe accurateog our waible on ou

The Board of Directors currently consists of eight members, six Common Stock Directors and two Preferred

international financial planning positions with Philip Morris Companies, Inc. and with Revlon, Inc., where he was manager of financial planning for Revlon — Latin America. Mr. García holds an MBA from St. John’s University and is a recipient of the outstanding achievement award from the University. We nominated Mr. García because we believe he provides knowledge and experience in operational and financial matters and a historical perspective on our long operating history, having joined us in 1984.



Mr. Machado became one of our directors on June 3, 2010. Mr. Machado has been a Founder and Managing Partner of Commonground/MGS, a minority-owned holding company formed in October 2014 for eight leading agencies in the areas of consumer marketing, advertising, communications, public engagement and communications for the public sector, public relations, and production services. Prior to the formation of Commonground/MGS, Mr. Machado served as the Chief Executive Officer and Co-Chairman of MGSCOMM, an integrated marketing communications agency, one of the fastest-growing marketing communications agencies in the country, since its formation in March 2003. Mr. Machado was also elected to the board of directors of Worldwide Partners, Inc. (worldwidepartners.com) on May 26, 2010. MGSCOMM and Worldwide Partners, Inc. are not affiliates of the Company. Prior to the formation of MGSCOMM in 2003, Mr. Machado developed successful communications programs for some of the world’s most renowned brands such as McDonald’s Corporation, Coors Brewing, Ford Motor Co., Bacardi, Coca Cola, MasterCard International, Ralston Purina, Proctor & Gamble, Nike, Pisco Chile and the Government of Chile. He is also the founder of The Meka Group, a marketing communications agency later known as BVK/Meka, and served as its CEO from 1994 to 2003. Mr. Machado has also held key positions in companies of worldwide recognition such as Univision Network, Burson-Marsteller and Bacardi. Mr. Machado is a Past Chairman of the Association of Hispanic Advertising Agencies (AHAA), www.ahaa.org. He has been involved with the community through several organizations, including being named Trustee of the Vizcaya Museum and Gardens, the Latin Grammy’s Host Committee, the WLRN Board of Trustees, the Voices for Children Foundation Board of Directors, the Miami-Dade County Sister Cities Program, the Mercy Foundation Ambassadors Board of Directors, the Hialeah Foundation Board of Directors, Trustee of the Greater Miami Chamber of Commerce, and Trustee of the Beacon Council. We nominated Mr. Machado because of his knowledge of media advertising and marketing communications.



Mr. Shrinsky became one of our directors on November 2, 1999. Mr. Shrinsky is a retired partner from the law firm Kaye Scholer LLP, which he joined as a partner in 1986. Mr. Shrinsky has been a lawyer counseling corporations and high net worth individuals on financings, mergers and acquisitions, other related financial transactions and regulatory procedures since 1964. Kaye Scholer LLP has served as our legal counsel for more than 20 years. We nominated Mr. Shrinsky because of his knowledge of the broadcast industry, financial transactions and regulatory procedures.



Mr. A. Villamil became one of our directors on June 30, 2004. Mr. Villamil has over 35 years of successful experience as a senior business economist, university educator and high-level policymaker for both the Federal and State of Florida governments. Mr. Villamil is the Founder and Principal of an economic consulting practice, The Washington Economics Group, Inc. (“WEG”), a Florida-based firm established in 1993 upon his return to the State from his public service in Washington, D.C., where he served as Chief Economist and U.S. Undersecretary of Commerce for Economic Affairs from 1989 to 1993. Mr. Villamil was selected in 2008 as the founding Dean of the School of Business of St. Thomas University, serving until December 31, 2013. From 1999 to 2000, he directed the Tourism, Trade and

Economic Development activities of the state in the Office of the Governor. Mr. Villamil is the immediate past Chairman of the Governor's Council of Economic Advisors of Florida. Since April 2003, Mr. Villamil has been director of Mercantil CommerceBank, N.A. and CommerceBank Holding Corp., and since November 2010, he has been director of Pan-American Life Insurance Group (PALIG). Mr. Villamil is active in professional and community affairs. He is currently Chairman of the Economic Roundtable of the Beacon Council — Miami-Dade County's official economic development organization.



- A. became one of our directors on September 28, 2007. Mr. Yelen is currently

PREFERRED STOCK DIRECTORS CURRENTLY SERVING ON THE BOARD OF DIRECTORS

On June 6, 2014, holders of our Series B preferred stock elected two new directors to the Board of Directors, pursuant to the Certificate of Designations governing the rights of the Series B preferred stock. The Preferred Stock Directors serve at the pleasure of the Series B preferred stockholders until such time that they resign, are replaced, or otherwise vacate the directorship or until the Series B preferred stockholders are no longer entitled to elect directors.

Name	Age	Position with SBS
<i>Preferred Stock Directors</i>		
Alan B. Miller	77	Director
Gary B. Stone	63	Director

Alan B. Miller became one of our directors on June 6, 2014. Mr. Miller co-founded (in 1969) and was a Senior Partner in the Business, Finance and Restructuring practice of the law firm of Weil, Gotshal & Manges, LLP, an international law firm in which role he counseled boards of director

In addition to those directors named above who are also our executive officers, the following table sets forth information concerning non-director employees who serve as our executive officers as of the date of this Proxy Statement. Our executive officers serve at the discretion of the Board of Directors.

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Albert Rodriguez	50	Chief Operating Officer	

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The following table discloses compensation for the years ended December 31, 2014 and December 31, 2013, as applicable, received by our (i) President and CEO, Raúl Alarcón, (ii) Senior Executive Vice President, CFO, CAO and Secretary, Joseph A. García, and (iii) our Chief Operating Officer, Albert Rodriguez. These individuals are also referred to in this Proxy Statement as our “named executive officers” or “NEOs.”

<u>t</u>	<u>Y</u>	<u>(\$)</u>	<u>(\$)</u>	<u>t</u> <u>(\$)()</u>	<u>t</u> <u>(\$)()</u>	<u>t</u> <u>t</u>	<u>t</u> <u>(\$)</u>
Raúl Alarcón	2014	1,580,766	1,616,668(b)	—	—	308,675(c)	3,506,109
<i>Chief Executive Officer, President and Chairman of the Board of the Directors</i>	2013	1,250,000	262,560(b)	—	36,477	235,228(c)	1,784,265
Joseph A. García	2014	525,000	—	—	—	45,629(d)	570,629
<i>Senior Executive Vice President, Chief Financial Officer, Chief Administrative Officer and Secretary</i>	2013	522,981	—	—	—	46,193(d)	569,174
Albert Rodriguez	2014	300,000	—	—	—	23,538(f)	323,538
<i>Chief Operating Officer</i>	2013	300,000	100,000(e)	—	—	23,659(f)	423,659

- (a) Represents the aggregate grant date fair value computed in accordance with FASB Topic ASC 718 (“ASC 718”). See Note 10(c) to the Notes to Consolidated Financial Statements, included in Part IV, Item 15 of our 2014 Annual Report on Form 10-K, for a discussion of the assumptions used to value equity-based compensation.
- (b) Pursuant to his new employment agreement, Mr. Alarcón is entitled to an annual performance bonus of up to \$750,000 if certain performance criteria are met; no performance bonus was awarded in 2014. Mr. Alarcón was awarded a retention bonus of \$1,616,668 in 2014, \$566,668 of which was paid out in 2014 and \$1,050,000 of which will be paid out in monthly installments of \$50,000, until June 2016. For 2013, Mr. Alarcón received a contractual bonus of 262,560.
- (c) Per Mr. Alarcón’s employment agreement, he is entitled to the use of an automobile and driver, personal tax services, telecommunication services, health insurance benefits and a separate life insurance policy. In 2014, we incurred expenses related to his automobile allowance and driver of \$74,996, telecommunication services of \$56,400, health insurance premiums of \$24,040, tax services of \$650, and life insurance premium of \$76,589, respectively. In 2013, we incurred expenses related to his automobile allowance and driver of \$58,860, telecommunication services of \$53,398, health insurance premiums of \$24,402, tax services of \$9,010, and life insurance premium of \$21,095, respectively. Mr. Alarcón uses his personal boat on behalf of the Company to entertain Company clients and to hold meetings to conduct Company business. The Company employs staff in lieu of paying chartering fees for business use of the boat. The compensation of such staff member totaled \$76,000 in 2014 and \$68,463 in 2013. Normally, the Company does not reimburse Mr. Alarcón for fuel, maintenance charges or docking fees when Mr. Alarcón uses his boat to entertain clients or hold meetings to conduct Company business.
- (d) Per Mr. García’s employment agreement, he is entitled to a monthly automobile allowance, health insurance benefits and telecommunication services. In 2014, we incurred expenses related to his automobile allowance of \$20,400, telecommunications services of \$911, and health insurance premiums of \$24,318, respectively. In 2013, we incurred expenses related to his automobile allowance of \$20,400, telecommunications services of \$1,109, and health insurance premiums of \$24,684, respectively.
- (e) For 2013, Mr. Rodriguez received a discretionary performance bonus of \$100,000.
- (f) Mr. Rodriguez is entitled to a monthly automobile allowance and certain health insurance benefits. In 2014, we incurred expenses related to his automobile allowance of \$15,600 and health insurance premiums of \$7,938, respectively. In 2013, we incurred expenses related to his automobile allowance of \$15,600 and health insurance premiums of \$8,059, respectively.

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To further assist our stockholders in understanding the elements of compensation disclosed in the Summary Compensation Table, the material terms of our agreements with our named executive officers are described below.

The Compensation Committee seeks to ensure that our executive compensation aligns with our corporate strategies, business objectives and the long-term interests of our stockholders and helps attract, retain and motivate the key personnel it needs to conduct its business. Compensation levels are intended to fairly compensate the Company's named executive officers. We use base salary to provide each named executive officer a fixed amount of money during the year with the expectation that he will perform his job to the best of his ability and in the best interests of the Company. We also award discretionary performance and contractual bonuses to our executives when they are earned or warranted. We provide executive officers with limited personal benefits and perquisites that are intended to enhance the attraction and overall retention value of the compensation program. The Compensation Committee believes that severance benefits help retain qualified executives and are an important component of a competitive compensation program.

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The compensation of Mr. Alarcón, our Chairman of the Board, CEO and President, in 2014 was primarily determined by the employment agreement we entered into with him on June 5, 2014 (the "Alarcón Employment Agreement"). The Alarcón Employment Agreement replaced and superseded an employment agreement between the Company and Mr. Alarcón that was entered into on October 25, 1999. The Alarcón Employment Agreement is deemed to be effective as of May 1, 2014 and continues through December 31, 2018. The Alarcón Employment Agreement automatically renews for one successive three-year term until December 31, 2021 unless either party notifies the other that it will not renew the Alarcón Employment Agreement. After December 31, 2021, the Alarcón Employment Agreement automatically renews for successive one-year terms unless sooner terminated pursuant to the terms of the Alarcón Employment Agreement.

Base Salary. For the first four months of 2014, Mr. Alarcón's base salary was based on an annual base salary of \$1,250,000 under his prior employment agreement. Beginning on May 1, 2014 the current base salary of \$1,750,000 went into effect pursuant to the Alarcón Employment Agreement.

Retention Bonus. Pursuant to the Alarcón Employment Agreement, Mr. Alarcón was awarded a retention bonus equal to \$1,616,668, of which \$216,668 was paid upon execution of the Alarcón Employment Agreement and \$50,000 per month is payable for 28 months. During 2014, Mr. Alarcón received a total of \$566,668 in retention bonus payments.

Annual Bonus. Mr. Alarcón can also earn an annual performance bonus of up to \$750,000 if the performance criteria for the year is achieved or exceeded. Additionally, the Compensation Committee may exercise its discretion and award a bonus either in addition to the performance bonus or in the event that no performance bonus is earned. For 2014, Mr. Alarcón did not receive an annual bonus, pursuant to the contractual bonus provision in his employment agreement.

Benefits; Perquisites. Mr. Alarcón is entitled to receive executive health insurance benefits provided to all of our senior executives, such as life and long-term disability insurance for himself and health insurance for himself and his family. In addition, Mr. Alarcón is entitled to certain perquisites, such as reimbursement for all reasonable expenses incurred by him in the discharge of his duties, including but not limited to expenses for entertainment and travel, life insurance, reimbursement for personal tax, accounting services, and certain legal expenses, and the use of a company car and a driver and reimbursement for insurance, maintenance and fuel expenses.

Severance.

Payments upon Termination. If Mr. Alarcón's employment is terminated for Cause (as defined in the Alarcón Employment Agreement), the Company will pay his accrued base salary and all other benefits accrued through the date of termination. If Mr. Alarcón's employment is terminated due to his death or disability, the Company will pay his accrued base salary and all other benefits accrued through the date of termination and all non-vested options immediately vest.

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The compensation of Mr. García, our Senior Executive Vice President, CFO, CAO and Secretary, in 2014 was determined by the amended and restated employment agreement we entered into with him on August 4, 2008, as amended on April 19, 2011 (the "García Employment Agreement"). The initial term of the García Employment Agreement is for three years and will automatically renew for additional one-year periods, unless either party gives notice at least 60 days prior to the end of the then-current term.

Base Salary. On August 4, 2008, pursuant to the García Employment Agreement, Mr. García's annual base salary was increased to \$525,000. The base salary is subject to an annual review and may be increased from time to time as recommended by the CEO and approved by the Compensation Committee. The Compensation Committee did not increase Mr. García's base salary in 2014.

Bonus. Under the García Employment Agreement, if the threshold level of performance is achieved, Mr. García is eligible to receive an annual cash bonus upon the attainment of individual pre-established goals and the Company's performance goals, of no less than \$100,000 and no more than \$300,000 for each year completed during the term. No bonus is guaranteed for performance that fails to meet the threshold level of performance. In the event that the Company is required to prepare an accounting restatement due to material noncompliance with any financial reporting requirement under the Federal securities laws, Mr. García is required to reimburse the Company for the amount of any annual bonus or any other incentives paid to him based on the financial results that are materially restated downward. In 2014, Mr. García did not receive a discretionary performance bonus.

Securities. Mr. García received equity grants in 2008, pursuant to the García Employment Agreement. The Com52(recommendM.455(08(a)-13.ionary)29ewTin)]TJ-34ymentamount of any anny anny Nare0sitesTf2-2.295T8.325-250(Term

The following table summarizes equity awards outstanding as of December 31, 2014 for each of our named executive officers that have outstanding options. The closing price of our Class A common stock on December 31, 2014 was \$ 2.90.

	Number of Shares		Exercise Price (\$)	Expiration Date	Fair Value (\$)	
	Outstanding	Exercisable			Unexercised	Exercised
Raúl Alarcón	10,000	—	\$ 62.70	10/25/2015	—	—
	10,000	—	\$ 47.90	10/27/2016	—	—
	10,000	—	\$ 26.20	10/27/2017	—	—
	10,000	—	\$ 2.00	10/27/2018	—	—
	10,000	—	\$ 7.30	10/27/2019	—	—
	10,000	—	\$ 7.70	10/27/2020	—	—
	10,000	—	\$ 1.03	10/27/2021	—	—
	10,000	—	\$ 3.54	10/27/2022	—	—
	10,000	—	\$ 4.05	10/27/2023	—	—
Joseph A. García	2,500	—	\$107.90	3/7/2015	—	—
	12,500	—	\$ 4.50	9/3/2018	—	—

- (a) The expiration date of each option occurs 10 years after the stock option grant date. If an NEO is terminated, the stock options will expire based on the plan's terms.
- (b) The table lists only those named executive officers that have outstanding equity awards. Mr. Rodriguez does not have any equity awards outstanding.

We do not have a practice of providing retirement benefits, including any supplemental executive retirement plans, to our NEOs. Messrs. Alarcón and García have entered into employment agreements with us in which these agreements each contain certain post-termination compensation, such as severance payments or change-in-control provisions. In addition, we retain the discretion to utilize the offer of severance and/or change-in-control protection as an incentive in hiring our NEOs.

Pension Benefits

We do not provide pension arrangements or post-retirement health coverage for our executives or employees. Our executive officers are eligible to participate in our 401(k) contributory defined contribution plan.

Nonqualified Deferred Compensation

We do not provide any nonqualified defined contribution or other deferred compensation plans.

Potential Payments upon Termination or Change in Control

In accordance with the rules of the SEC, the following table presents our estimate of amounts payable to the NEOs, under our 1999 Stock Option Plan, Omnibus Plan and their employment agreements, assuming that each of the indicated triggering events discussed in the table below occurred on December 31, 2014, and the equity awards under the 1999 Stock Option Plan and Omnibus Plan were neither assumed by a successor corporation nor replaced with a cash retention program.

The following table describes and quantifies the benefits and compensation to which the NEOs would have been entitled to under their employment agreements and other existing plans and arrangements if their employment had terminated on December 31, 2014, based on their compensation and services on that date. The amounts shown on the table do not include payments and benefits available generally to salaried employees upon termination of employment, such as accrued vacation pay, distribution from the 401(k) plan, or any death, disability or health benefits available under broad-based employee plans. Post-termination benefits vary by executive and type of termination.

t	t	t	t	f	t	t	t	f	t	t	f	t	f	t	f	t	
()		()		()		()		()		()		()		()		()	
(\$)		(\$)		(\$)		(\$)		(\$)		(\$)		(\$)		(\$)		(\$)	
Death or Disability		1,050,000		(b)		—		—		—		—		—		1,050,000	
Prior to a Change of Control: Without Cause/With Good Reason/Non-Renewal by Company		1,050,000		(c)		—		—		—		—		24,318		(d) 1,074,318	
Without Cause		86,538		(e)		—		—		—		—		—		86,538	

- (a) Under Mr. Raúl Alarcón’s new employment agreement, he would not be entitled to any severance payments were his employment terminated as of December 31, 2014.
- (b) Represents two times the aggregate base salary payments which the executive would have received during a one-year period.
- (c) Represents the aggregate base salary payments of the greater of the remainder of the term or 24 months, which the executive would have received if such termination had not occurred, provided we receive a release in a form acceptable to us.
- (d) Represents the aggregate value of the continuation of executive health insurance benefits for up to 12 months after such date of termination.
- (e) As of December 31, 2014, Mr. Rodriguez’s employment was “at-will.” In the event that the employment is terminated without cause, in exchange for a release in a form acceptable to us, Mr. Rodriguez shall receive one week severance of his then annual base salary for every year served.

While we believe that the amounts shown above and the assumptions upon which they are based provide reasonable estimates of the amounts that would have been due to the NEOs in the event that any of the circumstances described above had occurred on December 31, 2014, the actual amounts due to the NEOs upon a triggering event will depend upon the actual circumstances and the employment agreements.

Change of Control Triggering Event

A change of control for purposes of Mr. García’s employment agreement is a change of control as defined under the Omnibus Plan. Pursuant to the Omnibus Plan, a change of control means a change in the ownership of the voting power or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company within the meaning of Section 409A of the Internal Revenue Code.

Non-Competition Provision

Mr. García has agreed that during his employment term and for a period of twelve months thereafter, he would not engage in certain competitive activities with us, including solicitation of employees or customers and interference with the relationship between us and any such person. In addition, he has also agreed to maintain the confidentiality of certain proprietary information during the term of his employment and thereafter.

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The following table sets forth, as of December 31, 2014, the number of securities outstanding under our

under this option plan. The plan was administered by the Board. Although the plan has terminated, the expiration of each option granted occurs 10 years after the stock option grant date. Two non-employee directors currently have options outstanding that were granted under this plan.

Under the plan, any non-exercisable options will immediately vest and become exercisable upon a change in control of the Company. If a non-employee director ceases to be a member of the Board due to death, retirement or disability, all his unvested options will terminate immediately and all his exercisable options on such date will remain exercisable based on the plan terms. If a non-employee director's service as a director is terminated for any reason other than the preceding, all his unvested options will terminate immediately and all his exercisable options on such date will remain exercisable for thirty days.

2006 Omnibus Equity Compensation Plan

On July 18, 2006, our stockholders approved the Omnibus Plan. The Board previously approved the Omnibus Plan at a meeting held on May 3, 2006, which was subject to stockholder approval. An aggregate of 350,000 shares of Class A common stock have been reserved for issuance under this plan.

Stockholder approval of the Omnibus Plan allows (i) the compensation attributable to grants under the Omnibus Plan to meet an exception to the \$1,000,000 deduction limit under Section 162(m) of the Code, (ii) incentive stock options issued under the Omnibus Plan to meet the requirements of the Code, and (iii) the Omnibus Plan to meet the Nasdaq Stock Market listing requirements.

The Omnibus Plan provides that grants may be made to participants of any of the following: (i) incentive stock options, (ii) nonqualified stock options, (iii) stock appreciation rights ("SARs"), (iv) stock units, (v) stock awards, (vi) dividend equivalents, and (vii) other stock-based awards. All employees, members of the Board, and all non-employee directors are eligible to participate. The Compensation Committee approves those individuals who will participate in the Omnibus Plan.

Limitations on Directors' and Officers' Liability

Our third amended and restated certificate of incorporation has a provision which limits the liability of directors to us to the maximum extent permitted by Delaware law. The third amended and restated certificate of incorporation specifies that our directors will not be personally liable for monetary damages for a breach of fiduciary duty as a director. This limitation does not apply to actions by a director or officer that do not meet the standards of conduct which make it permissible under the Delaware General Corporation Law for SBS to indemnify directors or officers.

Our amended and restated by-laws provide for indemnification of directors and officers (and others) in the manner, under the circumstances and to the fullest extent permitted by the Delaware General Corporation Law, which generally authorizes indemnification as to all expenses incurred or imposed as a result of actions, suits or proceedings if the indemnified parties acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of SBS. The directors elected by the common stockholders have entered into an indemnification agreement with us that provides for indemnification to the fullest extent provided by law. We believe that these provisions are necessary or useful to attract and retain qualified persons as directors and officers. We currently have directors' and officers' liability insurance that provides for coverage of up to \$40.0 million.

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The following table sets forth information concerning the beneficial ownership of our Class A common stock and our Class B common stock as of April 10, 2015, by:

- each person known by us to beneficially own more than 5% of any class of our common stock;
- each director;
- each named executive officer named in the Summary Compensation Table (the “NEOs”); and
- all executive officers and directors as a group.

Unless indicated below, each stockholder listed had sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws, if applicable. As of April 10, 2015, there were 4,166,991 shares of Class A common stock and 2,340,353 shares of Class B common stock outstanding. In addition, as of April 10, 2015 there were 380,000 shares of Series C convertible preferred stock, par value \$.01 per share (“Series C preferred stock”), which are convertible into 760,000 shares of Class A common stock and vote on an as-converted basis with the common stock. Accordingly, in the percentage calculations in the table below, we treat the 760,000 shares of Class A common stock (into which the Series C preferred stock is convertible) as outstanding.

(1) ()	f t		f t		f t t		f t t
	f	t	f	t	t	t	t
Raúl Alarcón (3)	109,910	2.2%	2,340,003	100.0%	33.3%		82.7%
Joseph A. García (4)	30,000	*	—	*	*		*
Manuel E. Machado (5)	5,000	*	—	*	*		*
Alan B. Miller	—	*	—	*	*		*
Alberto Rodriguez	—	*	—	*	*		*
Jason L. Shrinsky (6)	1,500	*	—	*	*		*
Gary B. Stone	—	*	—	*	*		*
José A. Villamil	—	*	—	*	*		*
Mitchell A. Yelen (7)	8,000	*	—	*	*		*
All executive officers and directors as a group (8)	154,410	3.1%	2,340,003	100.0%	33.8%		82.8%
CBS Corporation (9)	760,000	15.4%	—	*	10.5%		2.7%
Third Avenue Management (10)	681,587	13.8%	—	*	9.4%		2.4%
Attiva Capital Partners, LTD (11)	411,600	8.4%	—	*	5.7%		1.5%
Renaissance Technologies LLC (12)	259,720	5.3%	—	*	3.6%		*

* Indicates less than 1%.

- (1) The address of all directors and executive officers in this table, unless otherwise specified, is c/o Spanish Broadcasting System, Inc., Pablo Raúl Alarcón Media Center, 7007 NW 77th Avenue, Miami, Florida 33166.
- (2) As used in this table, “beneficial ownership” means the sole or shared power to vote or direct the voting of a

The following Audit Committee Report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other SBS filing under the Securities Act of 1933, as amended, or Securities Exchange Act of 1934, as amended, except to the extent SBS specifically incorporates this report by reference therein.

The purpose of the Audit Committee is to oversee the Company's accounting and financial reporting processes and the financial statement audits and to review the effectiveness of internal controls. The Audit Committee's responsibilities are described in a written charter adopted by the Board. Management is responsible for the Company's internal controls and the financial reporting process. The Company's independent registered public accounting firm is responsible for performing an independent audit of the Company's consolidated financial statements in accordance with the Standards of the Public Company Accounting Oversight Board

The following table sets forth the aggregate fees billed to us for professional audit services rendered by Crowe for the audit of our annual consolidated financial statements for the year ended December 31, 2014, the review of the consolidated financial statements included in our quarterly reports on Form 10-Q for such periods and fees billed for other services rendered by Crowe for such periods. Fees include amounts related to the year indicated, which may differ from amounts billed.

	Y 2014	Y 2013
	(\$ thousands)	(\$ thousands)
Annual audit fees (1)	\$385	\$367
Audit related fees (2)	15	15
Tax fees	—	—
All other fees	43	—
Total fees for services	<u>\$443</u>	<u>\$382</u>

- (1) Annual audit fees for the audit of the consolidated financial statements included in the Company's Annual Report on Form 10-K and the review of the interim condensed consolidated financial statements included in the Company's quarterly reports on Form 10-Q. This category also includes fees for statutory audits required by the Puerto Rico tax authorities, consents, review of other documents filed with the SEC, and accounting consultations.
- (2) Audit related fees are the fees for the financial statement audit of the Company's employee benefit plan.

In accordance with the Audit Committee Charter, the Audit Committee is responsible for appointing and overseeing the work of the Independent Registered Public Accounting Firm. The Audit Committee has not established or adopted pre-approval policies and procedures for the pre-approval of all audit and permissible non-audit services provided by the Independent Registered Public Accounting Firm. The Audit Committee may, however, adopt pre-approval policies and procedures in the future if it deems pre-approval policies and procedures to be appropriate for us. The Audit Committee did not rely in 2013 or 2014 upon the exception to the pre-approval requirements provided in 17 C.F.R 210.2-01(c)(7)(i)(c). The Audit Committee provided its prior approval for all audit and non-audit related services reflected in the above table. The Audit Committee reviewed the provision of all non-audit services by the Independent Registered Public Accounting Firm and concluded that the provision of these services was compatible with maintaining the Independent Registered Public Accounting Firm's independence.

Before engaging the Independent Registered Public Accounting Firm for the audit of the 2014 financial statements, the Independent Registered Public Accounting Firm submitted to the Audit Committee for approval a detailed description of services it expected to render to the Company during that year for each of the following categories of services:

- Audit services include audit work performed in the preparation of the consolidated financial statements, as well as work that generally only the Independent Registered Public Accounting Firm can reasonably be expected to provide, including comfort letters, statutory audits, and attest services and consultation regarding financial accounting and/or reporting standards.
- Audit related services are for assurance and related services that are traditionally performed by the Independent Registered Public Accounting Firm, including due diligence related to mergers and acquisitions, employee benefit plan audits, and special procedures required to meet certain regulatory requirements.

- Tax services include all services performed by the Independent Registered Public Accounting Firm's tax personnel except those services specifically related to the audit of the financial statements, and includes fees in the areas of tax compliance, tax planning, and tax advice.
- Other services are those services not captured in the other categories.

Before engagement, the Audit Committee pre-approved these services by category of service. The fees are budgeted and the Audit Committee requires the Independent Registered Public Accounting Firm to report actual fees versus the budget periodically throughout the year by category of service. During the year, circumstances may arise when it may become necessary to engage the Independent Registered Public Accounting Firm for additional services not contemplated in the original pre-approval. In those instances, the Audit Committee requires specific pre-approval before engaging the Independent Registered Public Accounting Firm.

The Audit Committee has appointed Crowe to serve as our Independent Registered Public Accounting Firm

Under the rules and regulations of the SEC, stockholder proposals intended to be presented in our proxy statement for the annual meeting of stockholders to be held in 2016 must be received by us at our principal executive offices at Pablo Raúl Alarcón Media Center, 7007 NW 77th Avenue, Miami, Florida 33166, in writing by certified mail, return receipt requested, Attention: Joseph A. García, Chief Financial Officer, no later than December 24, 2015 (120 days preceding the one year anniversary of the mailing date of this Proxy Statement). However, if the 2016 annual meeting does not occur between May 5, 2016 and July 4, 2016, the notice must be