7007 NW 77th Avenue
Miami, Florida 33166

May 1, 2017

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 15, 2017, at the Pablo Raúl Alarcón Media Center, 7007 NW 77th Avenue, Miami, Florida 33166 at 11:30 AM, 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.

At our 2014 Annual Meeting of Stockholders, holders of our Series B prefen252(Sual)-251(o)-253(m6Fa4ch)-253(fR7lers)-259(

7007 NW 77th Avenue
Miami, Florida 33166

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

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PROXY STATEMENT

General

Holders of common stock who abstain will be considered present at the Annual Meeting for quorum purposes, but their votes will not be counted as affirmative votes. Abstaining, therefore, will have the practical effect of voting against the Proposal because the affirmative vote of a majority of the shares present at the Annual Meeting and entitled to vote with respect to these matters is required to approve such proposal. A "broker non-vote" occurs when a bank, broker, or other holder of record holding shares for a beneficial owner does not vote on the Proposal because that holder does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner. "Broker non-votes" are counted for the purpose of determining whether a quorum exists. There is no cumulative voting for the election of directors.

Stockholders Entitled to Vote and Voting Methods

Stockholders of Record

All stockholders of record of our Class A common stock, par value $0.0001 per share (the "Class A common stock") and Class B common stock, par value $0.0001 per share (the "Class B common stock"), at the close of business on April 18, 2017 (the "Record Date"), are entitled to receive notice and to vote at the Annual Meeting on each matter properly brought before the meeting.

If your shares are registered directly in your name with our Transfer Agent, Broadridge Corporate Issuer Solutions, Inc., you are considered the stockholder of record of those shares and these proxy materials are being sent directly to you by us. If you are a stockholder of record of common stock, you have the right to grant your voting proxy directly to us or to vote in person at the meeting on each matter properly brought before the nominee is obligated to provide you with a voting instruction card for you to use. You will receive a form from

stockholders are members of the same family. This rule benefits both you and SBS. We believe it eliminates irritating duplicate mailings that stockholders living at the same address receive, and it reduces our printing and mailing costs. This rule applies to any annual reports, proxy statements, proxy statements combined with a prospectus, or information statements. Each stockholder will continue to receive a separate proxy card or voting instruction card.

If your household has multiple stockholders of record and your household receives a single set of proxy materials this year and you prefer to receive your own copy of the proxy materials now or in future years, please request a duplicate set by calling 1-800-579-1639, visiting [illegible], sending an e-mail to [illegible], or writing to Spanish Broadcasting System, Inc., Pablo Raúl Alarcón Media Center, 7007 NW 77th Avenue, Miami, Florida 33166), ATTN: Proxy Materials/Investor Relations.

If a broker or other nominee holds your shares, you may continue to receive some duplicate mailings. Certain brokers will eliminate duplicate account mailings by allowing stockholders to consent expressly to such elimination or to consent implicitly by not requesting continuation of duplicate mailings. Since not all brokers and nominees may offer stockholders the opportunity this year to eliminate duplicate mailings, you may need to contact your broker or nominee directly to discontinue duplicate mailings to your household.

Electronic Delivery of Future Proxy Materials

Stockholders may also sign up to receive future proxy materials, including our annual reports, E-Proxy Notices, and other stockholder communications electronically instead of by mail. This will reduce our printing and postage costs, eliminate bulky paper documents from your personal files and conserve natural resources. In order to receive the communications electronically, you must have an e-mail account, access to the Internet through an Internet service provider and a web browser that supports secure connections. Visit [illegible] regarding electronic delivery enrollment and follow the instructions therein.

List of Stockholders

The names of stockholders of record entitled to vote at the Annual Meeting will be available at the Annual Meeting and for ten (10) days prior to the meeting for any purpose germane to the meeting, between the hours of 9:30 a.m. and 4:30 p.m. (Eastern Daylight Time), at our principal executive offices at the Pablo Raúl Alarcón Media Center, 7007 NW 77th Avenue, Miami, Florida 33166 by contacting the Secretary of the Company.

Cost of Proxy Solicitation

CORPORATE GOVERNANCE

The Board of Directors

Our business and affairs are managed under the direction of the Board. The Board meets on a regularly scheduled basis during the year to review significant developments affecting us and to act on matters requiring its approval. The Board also holds special meetings as required from time to time when important matters arise between scheduled meetings that require action by the Board. During 2016, the Board consisted of Raúl Alarcón, Joseph A. García, Manuel E. Machado, Jason L. Shrinsky, José A. Villamil, Mitchell A. Yelen (the Common Stock Directors), Alan B. Miller and Gary B. Stone (the Preferred Stock Directors). For purposes of serving on committees of the Board, Messrs. Machado, Shrinsky, Villamil and Yelen were deemed to be “independent” for 2016 under Rule 5605(a)(2) of the National Association of Securities Dealers Automatic Quotation System’s (“NASDAQ”) Listing Rules.

Our Class A common stock was listed on NASDAQ during 2016 but was delisted in January of 2017. Although we are no longer subject to the NASDAQ listing rules, we have continued to use those rules to determine whether our directors are “independent”.

The Board held a total of five meetings during the year ended December 31, 2016. Each incumbent director who was a director of SBS during 2016 attended 75% or more of the aggregate number of meetings of the Board and the meetings of all committees of the Board on which he served during the period of time in which he served.

Our Board has a separately-designated standing Audit Committee established in accordance with Section 3(a)58(A) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and a Compensation Committee. These committees are composed solely of independent directors. The functions and membership of each committee of the Board are set forth below. Our Board does not have a standing nominating committee.

Board Leadership Structure

Raúl Alarcón serves as our Chairman of the Board, President and CEO. Our Board believes that combining the role of Chairman of the Board and CEO furthers the development and execution of the Company’s strategy, facilitates information flow between management and the Board and promotes efficiency given the size of the Company and its operations. Our Board believes that Mr. Alarcón’s service as both Chairman of the Board and CEO is in our and our stockholders’ best interests. In addition, Mr. Alarcón has extensive experience in the broadcasting industry and possesses detailed and in-depth knowledge of the issues, opportunities and challenges that we face. Our Board believes that he is, therefore, best positioned to develop agendas that ensure that our Board’s time and attention are focused on the most critical matters.

Mr. Alarcón is not an independent director. We do not have a lead independent director. We believe the governance structure we have is customary for public companies in which the lead stockholder continues to 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.

Risk Oversight

Our Board as a whole has responsibility for risk oversight. Our Board meets regularly to discuss the 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

- 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 [illegible] under the tab entitled "[illegible]."

Compensation Committee

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. As described above, we are no longer subject to the NASDAQ listing rules, but we continue to use them to determine director independence qualifications. 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"). Mr. Villamil serves as the Chairman of the Compensation Committee. The Compensation Committee held six meetings during 2016. 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 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;
- approves employment agreements and severance arrangements for our senior executives (other than the CEO), as appropriate;
- interprets and supervises the administration of our stock and long-term incentive compensation programs; and
- exercises all authority of the Board under our equity-based plans.

The Compensation Committee may delegate all or a portion of its duties and responsibilities to a subcommittee. It did not delegate any of its responsibilities in 2016.

A full description of the Compensation Committee's primary responsibilities is contained in its written charter, which is publicly available on our website at [illegible] under the tab entitled "[illegible]."

The Role of Executive Officers in Determining Executive Compensation

Our CEO develops recommendations regarding executive compensation, including proposals relative to compensation for individual executive officers, using internal and external resources. These resources include such things as external data as well as data, reports and recommendations from internal staff. Recommendations from our CEO include and consider all aspects of the compensation program — philosophy, design, compliance

BOARD OF DIRECTORS

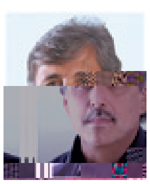
The Board of Directors currently consists of eight members, six Common Stock Directors and two Preferred Stock Directors. Each of the Common Stock Directors is standing for reelection to hold office until the next Annual Meeting of Stockholders. Each nominee elected as a Common Stock Director will continue in office until his successor has been elected and qualified, or until his earlier death, resignation, or retirement. The Board has designated as Common Stock Director nominees: Raúl Alarcón, Joseph A. García, Manuel E. Machado, Jason L. Shrinsky, José A. Villamil and Mitchell A. Yelen, each of whom currently serves as a member of the Board. 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.

Other than the proposal described in this Proxy Statement, the Board is not aware of any other matters to be presented for a vote at the Annual Meeting. If you grant a proxy by telephone, Internet, or by signing and returning your proxy card, either of the persons named as proxy holders — Raúl Alarcón, our Chairman, President and CEO, or Joseph A. García, our Senior Executive Vice President, CFO, Chief Administrative Officer (“CAO”) and Secretary — will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting. If any of our nominees are unavailable as a candidate for director, the above-named proxy holders will vote your proxy for another candidate or candidates as may be nominated by the Board.

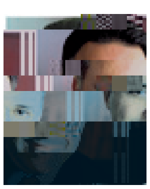
COMMON STOCK DIRECTOR NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS

The following table sets forth information concerning the six nominees for director elected by the holders of Class A and Class B common stock as of the date of this Proxy Statement. Each of our Common Stock Directors serves until his successor is elected and qualified.

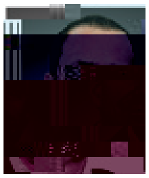
Name	Age	Position with SBS
Incumbent Nominees for Director		
Raúl Alarcón	60	Chairman of the Board of Directors, CEO and President
Joseph A. García	72	Senior Executive Vice President, CFO, CAO, Secretary and Director
Manuel E. Machado	49	Director
Jason L. Shrinsky	79	Director
José A. Villamil	70	Director
Mitchell A. Yelen	69	Director



Raúl Alarcón joined us in 1983 as an account executive and has been our President and a director since October 1985 and our CEO since June 1994. On November 2, 1999, Mr. Alarcón became our Chairman of the Board and continues as our CEO and President. Currently, Mr. Alarcón is responsible for our long-range strategic planning and operational matters and is instrumental in the acquisition and related financing of each of our stations. Mr. Alarcón is the son of the late Pablo Raúl Alarcón, Sr. We nominated Mr. Alarcón as a director because we believe he provides a historical perspective to our long operating history, having joined us in 1983 and has extensive experience in Spanish-language media broadcasting.



Joseph A. García has been our CFO since 1984, Executive Vice President since 1996 to 2008, and Secretary since November 2, 1999. On June 3, 2008, Mr. García was elected to the Board and on August 4, 2008, became our Chief Administrative Officer and Senior Executive Vice President. Mr. García is responsible for our financial affairs, operational and administrative matters, investor relations, and has been instrumental in the acquisition and related financing of our stations. Before joining us in 1984, Mr. García spent thirteen years in 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.



Manuel E. Machado became one of our directors on June 3, 2010. Since January 2016, Mr. Machado has served as Co-Chairman of C-Com Group, Inc., a Miami-based full service advertising, communications, public relations, digital and social media agency with a wide

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
Preferred Stock Directors		
Alan B. Miller	79	Director
Gary B. Stone	65	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 directors and senior management of dozens of large and complex business entities and financial institutions until he retired at the end of 2005. Since then he has served as the

EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS

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

SUMMARY COMPENSATION TABLE

The following table discloses compensation for the years ended December 31, 2016 and December 31,

Employment Agreements

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.

Raúl Alarcón

The compensation of Mr. Alarcón, our Chairman of the Board, CEO and President, in 2016 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.

. Pursuant to the Alarcón Employment Agreement, Mr. Alarcón's annual base salary of not less than $1,750,000.

. 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. For 2016, Mr. Alarcón received a total of $450,000 in retention bonus payments.

. 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 2016, Mr. Alarcón would have been entitled to receive a bonus in the amount of $750,000. Mr. Alarcón decided to waive his right to receive the bonus.

. Mr. Alarcón is entitled to receive executive health insurance benefits provided to all of our 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 travel allowance, life insurance, reimbursement for personal tax, accounting expenses, telecommunications services and the use of a company car and a driver. All company executives are entitled to reimbursement for reasonable related business expenses.

. The Company issued Mr. Alarcón options to purchase 70,000 shares of the Company's Class A common stock in 2016 at an exercise price of $3.09 per share.

. Mr. Alarcón is not entitled to severance benefits 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.

Joseph A. García

The compensation of Mr. García, our Senior Executive Vice President, CFO, CAO and Secretary, in 2016 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

Outstanding Equity Awards At Year-End 2016

The following table summarizes equity awards outstanding as of December 31, 2016 for each of our named executive officers that have outstanding options. The closing price of our Class A common stock on December 30, 2016 was $ 3.10.

	Option Awards				Stock Awards	
Name (b)	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price ($)	Option Expiration Date (a)	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)
Raúl Alarcón	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	—	—
	35,000	35,000	$ 3.09	2/23/2026	—	—
Joseph A. García	12,500	—	$ 4.50	9/3/2018	—	—
	25,000	25,000	$ 3.09	2/23/2026	—	—

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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, 2016, 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.

Potential Payments Upon Termination or Change of Control

Name (a)	Severance (Salary) ($)	Severance (Bonus) ($)	Value of Stock Acceleration ($)	Value of Option Acceleration ($)	Other Benefits ($)	Total ($)
Joseph A. García						
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
Albert Rodriguez						
Without Cause	98,077(e)	—	—	—	—	98,077

(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, 2016.

(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) 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, as per Company policy.

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, 2016, the actual amounts due to the NEOs upon a triggering event will depend upon the actual circumstances and the employment agreements.

[illegible]

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.

[illegible]

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.

Equity Compensation Plan Information

The following table sets forth, as of December 31, 2016, the number of securities outstanding under our equity compensation plans, the weighted-average exercise price of such securities and the number of securities available for grant under these plans:

Equity Compensation Plan Information

As of December 31, 2016

Plan Category	Number of Shares to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding Column(a))
Equity Compensation Plans Approved by Stockholders:			
2006 Omnibus Equity Compensation Plan (1)	295,000	$ 3.62	—
1999 Stock Option Plan (2)	32,500	$10.41	—
Non-Employee Directors Stock Option Plan (2)	5,000	$25.80	—
Equity Compensation Plans not approved by Stockholders:	—	—	—
Non-Qualified Employee Inducement Award	75,000	$ 2.99	
Total	**407,500**		**—**

(1) The 2006 Omnibus Equity Compensation Plan expired on July 17, 2016. Although the plan has expired, the expiration of each option granted occurs 10 years after the stock option grant date.

(2) Each of the 1999 Stock Option Plan and the Non-Employee Directors Stock Option Plan terminated on September 26, 2009. Although the plans have terminated, the expiration of each option granted occurs 10 years after the stock option grant date.

We adopted a separate option plan for our non-employee directors, but this plan terminated on September 26, 2009. The terms of this plan provided that the Board had the discretion to grant stock options to any non-employee director. An aggregate of 30,000 shares of Class A common stock were reserved for issuance 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. Several 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.

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. The Omnibus Plan expired on July 17, 2016.

Stockholder approval of the Omnibus Plan allowed (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 NASDAQ listing requirements.

The Omnibus Plan provided that grants may have been 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 were eligible to participate. The Compensation Committee approved those individuals who participated in the Omnibus Plan.

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 authorize LiaSionvestw1.2TDprovide7S-253.1(Prize)-260(Liai-2.4TD[(uoecer)-260(that)8M49(and)-251((iiil252(tr

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Class A and Class B Common Stockholders

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 18, 2017, 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 18, 2017, 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 18, 2017 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.

	Class A Shares		Class B Shares			
Name and Address (1)(2)	**Number of Shares**	**Percent of Class A Shares**	**Number of Shares**	**Percent of Class B Shares**	**Percent of Total Economic Interest**	**Percent of Total Voting Power**
Raúl Alarcón (3)	919,910	18.2%	2,340,003	100.0%	44.0%	85.4%
Joseph A. García (4)	77,500	1.6%	—	*	1.1%	*
Manuel E. Machado (5)	35,000	*	—	*	*	*
Alan B. Miller	—	*	—	*	*	*
Alberto Rodriguez	—	*	—	*	*	*
Jason L. Shrinsky (6)	30,000	*	—	*	*	*
Gary B. Stone	—	*	—	*	*	*
José A. Villamil (7)	30,000	*	—	*	*	*
Mitchell A. Yelen (8)	38,000	*	—	*	*	*
All executive officers and directors as a group (9)	1,130,410	21.5%	2,340,003	100.0%	45.7%	85.6%
Third Avenue Management (10)	639,603	13.0%	—	*	8.8%	2.3%
PlusTick Management LLC (11)	371,608	7.5%	—	*	5.1%	1.3%
Meruelo Investment Partners LLC (12)	343,123	7.0%	—	*	4.7%	1.2%

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section16(a) of the Exchange Act requires our directors and executive officers and persons who own more than 10% of a registered class of our equity securities (collectively, “Reporting Persons”) to file reports of ownership and changes in ownership of our securities with the SEC. Reporting Persons are required by the SEC to furnish us with copies of all Section 16(a) forms they file.

Based on the review of copies of such reports furnished to us and written representations that no other reports were required, we believe that, during 2016, the Reporting Persons timely complied with all Section 16(a) filing requirements applicable to them

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Audit and Audit-Related Fees, Tax Fees and All Other Fees

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, 2016, the review of the consolidated financial statements included in our quarterly reports on Form10-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.

	Year Ended December 31, 2016	Year Ended December 31, 2015
	($ in thousands)	($ in thousands)
Annual audit fees (1)	$574	$424
Audit related fees (2)	17	17
Tax fees	—	—
All other fees	14	15
Total fees for services	$605	$456

- 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 for the fiscal year ending December 31, 2017. The Company expects a representative of Crowe to be present at the Annual Meeting, to be available to respond to appropriate questions and to make a statement if they desire to do so.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

In accordance with our Audit Committee charter, our Audit Committee is responsible for reviewing and approving the terms and conditions of all related party transactions. Our Audit Committee also reviews and approves our Audit Committee Report included in the Proxy Statement. In determining whether to approve or ratify a related party transaction, the Audit Committee takes into account, among other factors it deems appropriate, whether the transaction is on terms no less favorable to us than terms generally available from an unrelated person under the same or similar circumstances, and the extent of the related person's interest in the transaction. An Audit Committee member cannot participate in any approval or ratification of a related party transaction in which such member is a related person, other than to provide all material information regarding the transaction to the Audit Committee.

Eric García, the son of Joseph A. García, our Chief Financial Officer, is employed by us as Radio Revenue Chief of our Radio division and is the General Manager of our New York market. Total compensation earned during the fiscal years 2016 and 2015 was $437,765 and $281,261 respectively.

In connection with the issuance of our Series C convertible preferred stock, we entered into to a stockholder agreement, dated October 5, 2004, among SBS, Raúl Alarcón and CBS Radio Media Corporation (formerly known as Infinity Media Corporation) ("CBS Radio"). CBS Radio is an indirect wholly-owned subsidiary of CBS Corporation. The stockholder agreement remains in effect for so long as CBS Radio or a permitted transferee continues to hold at least 570,000 shares of Class A common stock (or the corresponding amount of Series C convertible preferred stock). Mr. Alarcon acquired all of CBS Radio's rights under the CBS Shareholder Agreement in August, 2016. Pursuant to the stockholder agreement, Mr. Alarcón has a right of first negotiation with respect to the sale or transfer of any radio stations we control in the New York City or Miami markets. We are obligated to notify Mr. Alarcón of any such intended transfer and to negotiate with them in good faith for ten business days. Mr. Alarcón has preemptive rights to purchase its pro rata share of any new equity issuances from time to time by SBS. Without the consent of Mr. Alarcón, we may not amend Section 5.4 of our certificate of incorporation (which sets forth limitations on the transfer of our Class B Common Stock), adopt any "poison pill," or take any other action that would limit the ability of Mr. Alarcón to acquire or dispose of equity securitiesBS.

PROPOSAL 1

ELECTION OF COMMON STOCK DIRECTORS

At the Annual Meeting, holders of Class A and Class B common stock will be asked to elect Raúl Alarcón, Joseph A. García, Manuel E. Machado, Jason L. Shrinsky, José A. Villamil, and Mitchell A. Yelen, each of whom currently serves as a member of the Board, to the Board of Directors until his successor has been elected and qualified, or until his earlier death, resignation, or retirement.

If you submit your proxy via the Internet, by telephone or by mail, your shares will be voted for the election of the six nominees for Common Stock Director recommended by the Board of Directors, unless you mark the proxy in such a manner as to withhold authority to vote. The named proxies will vote all shares represented by proxy for the nominees for these vacancies, except to the extent authority to do so is withheld. Stockholders may withhold authority from the named proxies to vote for the entire slate of directors as nominated or may withhold the authority to vote for any individual nominee by marking the box under the "WITHOLD ALL" or "FOR ALL EXCEPT" column, respectively, adjacent to the name(s) of the appropriate director(s) via the Internet or on the attached proxy card, or by indicating by telephone that authority is withheld. Withholding authority to vote for one or more of the nominees will result in those nominees receiving fewer votes. If any nominee for any reason is or becomes unable or unwilling to serve, all shares represented by proxy will be voted at the Annual Meeting by the named proxies for the person, if any, as shall be designated by the Board of Directors to replace the nominee. Please see "Stockholders Entitled to Vote at the Annual Meeting — Shares Held with a Broker, Bank, Trustee or Other Nominee" for information on how your shares will be voted in the absence of your instructions if you hold shares through a bank, broker or other nominee. Each nominee has agreed to serve as a director if elected, and the Board of Directors has no reason to believe that any nominee will be unavailable to serve as a director.

Vote Required

To be elected as a director at the Annual Meeting, each candidate for election must receive a majority of the votes cast by the stockholders present in person or represented by proxy at the Annual Meeting.