

FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C. 20554

MAR 23 2004

OFFICE OF
MANAGING DIRECTOR

Terry Keith Hammond
President and General Manager
MonsterFM.com/KBKH
Post Office Box 688
Shamrock, TX 79079

Re: Station KBKH-FM, Shamrock, Texas
FY 2003 Regulatory Fee
Fee Control No. 00000RROG-04-032

Dear Mr. Hammond:

This letter responds to your request dated January 9, 2004, submitted on behalf of Station KBKH-FM, Shamrock, Texas, for a waiver of the \$475.00 fiscal year (FY) 2003 regulatory fee on the grounds of financial hardship.

In a previous letter dated November 20, 2003 (*Letter Decision*), we informed you that your waiver request had to be supported by a "compelling case of financial hardship." You were afforded 30 days to submit appropriate documentation in accordance with our instructions.

In establishing a regulatory fee program, the Commission recognized that in certain instances payment of a regulatory fee may impose an undue financial hardship upon a licensee. The Commission therefore decided to grant waivers or reductions of its regulatory fees in those instances where a "petitioner presents a compelling case of financial hardship." *See Implementation of Section 9 of the Communications Act*, 9 FCC Rcd 5333, 5346 (1994), *recon. granted*, 10 FCC Rcd 12759 (1995). In reviewing a showing of financial hardship, the Commission relies upon a licensee's cash flow, as opposed to the entity's profits, and considers whether the station lacks sufficient funds to pay the regulatory fee and maintain service to the public. Thus, even if a station loses money, any funds paid to principals, deductions for depreciation or similar items are considered funds available to pay the fees.

In response to our *Letter Decision*, you submitted Station KBKH-FM's financial data, including a balance sheet as of January 1, 2004, cash flow information from January 1, 2003 through January 1, 2004, and profit and loss information from January 1, 2003 through January 1, 2004. Our review of this showing reflects that the station experienced a net loss of \$21,542.63 during that time period. Even if we deduct the \$50.00 a week that you state that you pay yourself as the sole owner and proprietor of the station, we find that Station KBKH-FM suffered a financial loss between January 1, 2003 and January 1, 2004 that was only partially offset by the wages that you paid to yourself. We therefore grant your request for a waiver of the \$475.00 regulatory fee for FY 2003. If Station KBKH-FM continues to experience financial hardship, you may request waivers of the fees for succeeding years only if supported by appropriate documentation.

Mr. Terry Keith Hammond

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If you have any questions concerning this letter, please contact the Revenue and Receivables Operations Group at (202) 418-1995.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark A. Reger". The signature is fluid and cursive, with a large initial "M" and "R".

Mark A. Reger
Chief Financial Officer

00000 R 206-04-032

MonsterFM.com/KBKH

P O Box 688
Shamrock, Texas 79079
(806) 256-1221 (M-F)
(806) 256-1223 (S)
kbkh@kbkh.com

*Tom
Waiver Request
1/16/04
CP*

January 9, 2004

FCC/MELLON JAN 13 2004

FCC, Regulatory Fees
P.O. Box 358835
Pittsburgh, PA. 15251-5835
Attn. FCC Module Supervisor

Dear Sir,

I, Terry Keith Hammond, as licensee of radio station KBKH (Facility ID 81640) most respectfully request a waiver of our annual regulatory fees in the amount of \$475.00. As grounds for this request, I would submit that our business has been under a maliciously contrived "political attack" by the Shamrock (Texas) Economic Development Corporation during the past 20 months and our average gross monthly billing has been at or about \$800 per month since August of 2002. (Please see the attached documentation). The station's local utility bills (telephone, electrical power, garbage pickup, water, etc.) exceed the amount generated by our current level of advertising sales to such an extreme amount that I, as owner and the only worker at the station, am only allotting myself \$50 per week as a salary and am only drawing this amount in order to feed my wife and two children. Even that small (\$50) "draw" is often not available to me.

By way of background: The former station management, while operating under an LMA agreement with the former licensee, had borrowed monies totaling \$135,000.00 with Shamrock Economic Development Corporation as guarantor. When former management defaulted and left town, I had approached both the former licensee (regarding the license) as well as Shamrock Economic Development Corporation (regarding the real properties). The former licensee was receptive, an LMA agreement was signed and placed in effect (thereby allowing us to continue the operation of the station, pending the transfer of the license) and a proper transfer of the license was initiated and subsequently approved. Meanwhile, Shamrock Economic Development Corporation became involved with an attorney and a radio station broker who advised them to "foreclose on that station and sell it off at top dollar instead of settling for only the loan payoff amount". Therefore, Shamrock economic Development Corporation attempted an armed "takeover" of the station on July 29, 2002 and forced us to move to an alternate location due to their legitimately held lien against the building in which the station was previously housed. At this point, all negotiations for the purchase of the real properties formerly associated with the station ceased due to my inability to effectively negotiate with a gun barrel.

JAN 20 2004

Subsequently, a vicious door-to-door campaign was launched (please see the attached memo that was distributed by Shamrock Economic Development Corporation) in which city employees and Shamrock Economic Development Corporation director David Rushing advised people who either were previously or potentially could begin advertising with the station to immediately cease all advertising and, instead of making payments for such advertising as were already owed to the station instead to direct those payments to the Shamrock Economic Development Corporation's director. (The gentleman systematically collected more than 90% of all revenues generated with the station license during 2002 and deposited it into a local bank account listed as "KRMN Escrow Account" but set up under his personal name as the director of Shamrock Economic Development Corporation. (KRMN is the stations' former call sign. The entire "dispute" seems to center on the Shamrock Economic Development Corporation director's claims that he is the rightful "owner" of the radio station due to the former lessee's default on the bank note that was secured by Shamrock Economic Development Corporation despite the fact that a broadcast license can not be used as collateral in such an agreement and despite the fact the former lessees were not the licensee when the loan agreement was consummated.)

I, as the station licensee, do NOT wish to "give up" and cease in my efforts at serving the public in the immediate area. I do not wish to allow such unlawful "strong-arm" tactics as the Shamrock Economic Development Corporation's failed armed takeover of our facilities to force us to give up our station license due to "lack of income" and further, I feel that, as the area's ONLY locally programmed broadcast facility that originates well over 80% of our programming in-house, it would be a detriment to the entire community for us to cease operations for any length of time. Our station has received much correspondence within the past few months alone from both travelers on Interstate-40 during a "night of numerous tornadoes" and from local citizens who credit our station with the saving of numerous lives due to my own personal conviction to bringing severe storm warnings to the public at all costs. We also do not hesitate to tackle local issues and, when allowed, we actively promote (free of charge) the opening of new businesses as well of many numerous public service announcements for both local causes as well as uncounted public safety campaigns in which our station is a part.

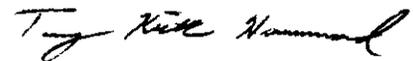
I have personally operated this station at a negative cash flow during the past 20 months with no end in sight to the hostilities of the Shamrock Economic Development Corporation and the local city government. This, more than anything else, should certainly demonstrate my commitment to "super serving" our local community. I did not take on the responsibilities of a broadcast station as a means of generating financial gain. I strive, on a day to day basis, to fulfill each and every obligation set forth in the Commission's rules and regulations to the absolute best of my abilities and pledge to continue to do so for as long as I am physically and/or mentally capable despite my current financial situation which is wholly caused by the malicious and premeditated actions of the Shamrock Economic Development Corporation's failure to reach an agreement when the opportunity was presented and by their apparent continued failure to understand that a broadcast license can not be pledged as collateral in a property

January 9, 2004

loan situation, particularly when the loan did not involve the (former) station licensee and was made with parties who only held an LMA agreement with the (former) licensee.

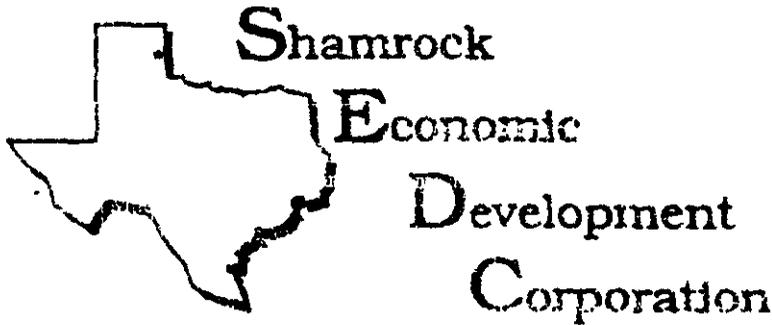
Therefore, it is with great regret that I must most respectfully request a waiver of the Annual Regulatory Fees, due to extreme financial hardship, for radio station KBKH (FCC Facility ID #81640) that are due and payable on September 24, 2003.

Sincerely,



Terry Keith Hammond

President/General Manager



207 N. Main • Shamrock, TX 79079 • (806) 256-2516 • FAX (806) 256-3739 • 1-877-IRISH TX

KEITH HAMMOND HAS BEEN CAUGHT STEALING MONEY FROM KRMN. IF YOUR BUSINESS IS NOW OR HAS BEEN ADVERTISING ON KRMN PLEASE CONTACT ME. I AM ASKING ALL SHAMROCK BUSINESSES TO IMMEDIATELY STOP ALL ADVERTISING ON THIS RADIO STATION AND TO MAKE NO PAYMENTS FOR PAST ADVERTISING TO THE STATION. ALL PAYMENTS FOR PAST ADVERTISING SHOULD BE PERSONALLY DELIVERED TO MY OFFICE AT 201 N. MAIN STREET. EDC HAS FORECLOSED ON KRMN AND WILL SOON BE SHUTTING DOWN THE STATION AND ANY MONEY YOU PAY TO THE STATION WILL NOT BE CREDITED TO YOUR ACCOUNT. ALL MONEY OWED TO KRMN IS TO BE COLLECTED BY SHAMROCK EDC.

08-01 2622
DAVID RUSHING