

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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Federal Communications Commission
Office of Secretary

In the Matter of)
)
RFD Communications, Inc.)
DBS Set Aside Qualifications)
)

Docket No. _____

To: Office of the Secretary
Attn: Chief, Media Bureau

STAMP & RETURN

PETITION FOR DECLARATORY RULING

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SUMMARY

By this Petition, Farm Journal, Inc. seeks a Commission declaration confirming that RFD Communications, Inc. (“RFD-TV”) fails to satisfy the eligibility requirements of an educational programming supplier for purposes of the direct broadcast satellite (“DBS”) reservation, or “set aside,” of channel capacity for educational and/or informational content. As directed by Congress, the FCC restricted the use of the set aside channel capacity to public and nonprofit entities with educational missions. This Petition demonstrates, however, that RFD-TV’s programming includes blatant and pervasive commercial advertisements, such that the programming completely disqualifies RFD-TV as a qualified programmer of any reserved DBS channel capacity.

RFD-TV’s programming is rife with outright commercial advertisements that promote for-profit products and services. The advertisements violate every basic tenet of permissible donor acknowledgements, including the bans on comparative or qualitative descriptions, calls to action, pricing information, and inducements to buy. As a result, RFD-TV routinely and directly violates the bedrock statutory restriction that DBS noncommercial educational set aside programming not include commercial advertisements.

Accordingly, the Commission should declare that RFD-TV does not qualify as a national educational programming supplier for DBS set aside purposes. The sooner the Commission acts, the sooner the public will receive the full benefit of the DBS set aside requirements through the replacement of RFD-TV’s pervasively commercial programming with *bona fide* noncommercial educational programming from a qualified national educational programmer.

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continuous production and syndication since 1982, and “U.S. Farm Report. . . Town & Country Living,” which has been in continuous production and syndication since 1975.

RFD’s history actually goes back to around 1988, when RFD-TV’s founder and president launched a *24/7 for profit*, C-Band satellite delivered television programming service targeting rural America and the agricultural community. That venture was also known as “RFD-TV.” The first incarnation of RFD-TV went bankrupt in a year or so. In 2000, EchoStar, as part of its satisfaction of its “DBS set aside” requirement, offered to RFD-TV to carry a similar noncommercial service. Thereafter, both EchoStar and Directv launched RFD-TV on one of their “set aside” channels earlier this decade. Nevertheless, as described herein, RFD-TV actually operates in much the same manner as the prior for-profit commercial programming service. As such, RFD-TV lacks the qualifications required of DBS noncommercial set aside programmers and therefore must be declared ineligible to receive such preferential treatment.

In the Cable Television Consumer Protection and Competition Act of 1992 (“1992 Cable Act”), Congress directed the FCC to impose certain public interest obligations on DBS providers, including a set aside of channel capacity for noncommercial programming.¹ The Commission’s rules therefore require DBS providers to set aside four percent of their channel capacity exclusively for noncommercial programming of an educational or informational nature.² The Commission has approached the definition of acceptable noncommercial educational and

¹ Communications Act of 1934, 47 U.S.C.A. § 335(a) (2005). *See Implementation of Section 25 of the Cable Television Consumer Protection and Competition Act of 1992, Direct Broadcast Satellite Public Interest Obligations*, Report and Order, 13 FCC Rcd 23254 (1998) (“*First Report and Order*”), on recon., 19 FCC Rcd 5854 (2003), *vacated in limited part*, 19 FCC Rcd 5647 (2004) (replacing political broadcasting requirements and guidelines concerning commercialization of children’s programming). As part of the set aside requirement, Congress mandated that DBS providers offer access to educational programmers at reasonable prices, terms, and conditions. 47 U.S.C. § 335(b)(3).

² 47 C.F.R. § 25.701(f)(1).

informational programming in this context by examining and defining the type of programmers qualified to supply such content.³

The 1992 Cable Act limits set aside channels to “national educational programming suppliers.”⁴ The Commission has concluded that the term “national educational programming supplier,” as defined in Section 335(b)(5)(B) of the Communications Act of 1934, as amended (“Communications Act”), “includes only noncommercial educational entities with an *educational mission*. The term should not be interpreted as including ‘commercial’ entities organized for profit-making purposes.”⁵

The FCC’s Rules specify five classes of nonprofit entities that qualify as a national educational programming supplier for DBS set aside purposes:⁶

1. noncommercial educational broadcast television stations, as defined in Section 397(6) of the Communications Act;
2. public telecommunications entities as defined in Section 397(12) of the Communications Act;
3. accredited nonprofit educational institutions or governmental organizations engaged in the formal education of enrolled students;
4. nonprofit educational organizations that provide educational and instructional television material to educational institutions; and
5. other noncommercial entities with an educational purpose.

³ *First Report and Order* at 23287, et seq.

⁴ 47 U.S.C. § 335(b)(3).

⁵ *First Report and Order* at 23290 (emphasis added).

⁶ See 47 C.F.R. § 25.701(f)(2). In addition to the five classes of qualified noncommercial, public, non-profit, and educational entities outlined in the rules, a for-profit entity may apply to the FCC for a case-by-case determination of DBS set aside eligibility, by demonstrating that it (a) is organized for a noncommercial purpose and has an educational mission; or (b) is a consolidator of programming from programmers who are themselves eligible programming suppliers. *First Report and Order* at 23291. To date, the FCC has not granted any for-profit entity’s application for DBS set aside eligibility.

With respect to the final class of qualified entities, the Commission has explained that the “tax code definition of non-profit will apply to qualify an entity as an eligible national educational programming supplier” and that an “entity with an *educational mission* that is organized under the tax code as a nonprofit corporation will be eligible.”⁷ RFD-TV does not satisfy any of these criteria.

I. RFD-TV is Not a Qualified Programming Supplier under the DBS Set Aside Rules.

RFD-TV does not qualify under any of the applicable categories of educational programming suppliers. First, RFD-TV is not a noncommercial educational broadcast station, given that RFD-TV is not an FCC-licensed television station at all, noncommercial educational or otherwise. Second, RFD-TV is not a public telecommunications entity, which the Communications Act defines as “a public broadcast station or a noncommercial telecommunications entity” that “disseminates public telecommunications services to the public.”⁸ RFD-TV fails short of the initial prong of the definition in that it is neither a public broadcast station, nor a noncommercial telecommunications entity, the latter of which the Communications Act requires to have “been organized primarily for the purpose of disseminating audio or visual noncommercial educational and cultural programs.”⁹ As described below in Section II, RFD-TV’s programming is by no means noncommercial educational, as defined by FCC regulations, and RFD-TV’s operations appear to be inconsistent with that required of an entity organized as a tax-exempt, nonprofit organization with a primary noncommercial or educational purpose. Likewise, RFD-TV fails to meet the second prong of the definition of a public telecommunications entity because it cannot be said to disseminate “public

⁷ *First Report and Order* at 23290-23291 (emphasis added).

⁸ 47 U.S.C. § 397(12).

⁹ 47 U.S.C. § 397(7)(B).

telecommunications services,” which are defined by the Act as “noncommercial educational and cultural radio and television programs, and related noncommercial instructional or informational material.”¹⁰ Again, as Section II below explains in great detail, RFD-TV provides a variety of programming content, but it can hardly be considered *noncommercial* programming, as it includes commercials.

Third, RFD-TV is not an accredited educational institution. Fourth, RFD-TV is not an educational organization that provides educational and instructional television programming to educational institutions.

Finally, RFD-TV does not appear to operate as a tax-exempt organization with an educational mission. Concurrent with this Petition, Farm Journal is filing a complaint with the Internal Revenue Service (“IRS”) alleging that the operations of RFD-TV are inconsistent with tax-exempt status under Section 501(c)(3) of the Internal Revenue Code (the “IRS Complaint”). *See Attachment I hereto.* The IRS Complaint alleges that RFD-TV operates as a for-profit company by airing traditional commercial television advertisements and long-form paid programming; by selling commercial broadcasting at commercial rates; and by otherwise conducting its business as a for-profit company. Like the IRS, the Commission must take note of RFD-TV’s substantial profits and its direct competition with a commercial firm. Moreover, the fact that RFD-TV reports no revenues from contributions, but apparently sizeable revenues from its commercial television business, further evidence the commercial nature of RFD-TV’s operations. In short, RFD-TV does not appear to operate in a manner consistent with that of a tax-exempt organization.

¹⁰ 47 U.S.C. § 397(14).

II. RFD-TV's Programming Disqualifies RFD-TV from the DBS Set Aside.

The Communications Act, in Section 335(b)(1), requires that DBS utilize the set aside channels “exclusively for noncommercial programming of an educational or informational nature.” Although the FCC did not elaborate further on the definition of “educational and informational” programming in the *First Report and Order*, it nonetheless made clear that entities meeting the definition of qualified programmers would necessarily be “bona fide nonprofit programmers and educational institutions” with an educational mission.¹¹

Not surprisingly, the Commission concluded that its definition of “national educational programmer supplier” is “designed to ensure that only qualified noncommercial entities are included,” further noting that such programming simply “cannot include advertisements.”¹² The FCC referred to Section 399B of the Communications Act for the definition of “advertisement.”¹³ Section 399B states, in pertinent part:

§ 399B. Offering of certain services, facilities, or products by public broadcast station

- (a) For purposes of this section, the term “advertisement” means any message or other programming material which is broadcast or otherwise transmitted in exchange for any remuneration, and which is intended - (1) to promote any service, facility, or product offered by any person who is engaged in such offering for profit; (2) to express the views of any person with respect to any matter of public importance or interest; or (3) to support or oppose any candidate for political office.¹⁴

The FCC has refined the distinction between illegal advertisements versus permissible enhanced donor acknowledgements (also known as underwriting announcements) for noncommercial licensees over the past twenty-plus years, but in each case, the FCC made

¹¹ *First Report and Order* at 23293.

¹² *Id.* at 23293-23294.

¹³ *Id.*

¹⁴ 47 U.S.C. §399b, which was added by Public Law 97-35, 95 Stat. 731, Aug. 13, 1981; 47 FR 36179, Aug. 19, 1982.

abundantly clear that promoting the goods and services of a for-profit entity by a noncommercial licensee violates Section 399B.¹⁵

RFD-TV's programming runs afoul of these bedrock restrictions on the content of reserved capacity channels. In particular, RFD-TV airs outright commercial advertisements in direct violation of the FCC's regulations governing noncommercial licensees (and in some cases what amount to program-length infomercials) throughout each day. Indeed, RFD-TV not only acts like, but is, a commercial entity. As such, RFD-TV's programming is not noncommercial; RFD-TV cannot be considered an educational programmer; and RFD-TV does not qualify to use DBS capacity set aside by Congress and the FCC for educational programming.

A. RFD-TV's Programming Contains Blatant and Pervasive Commercial Advertisements.

As shown in the video program clips set forth in the enclosed compact disc (labeled Exhibit 3 to the attached IRS Complaint), RFD-TV's "noncommercial" programming is rife with blatant commercial advertisements that promote for-profit products and services. Most of these commercials aired between August 31, 2005 and September 9, 2005; the last two aired on November 5, 2005. These video program clips include the following announcements:¹⁶

¹⁵ Commission Policy Concerning The Noncommercial Nature Of Educational Broadcasting Stations, 7 FCC Rcd 827 (April 11, 1986); Commission Policy Concerning the Noncommercial Nature of Educational Broadcasting Stations, 97 FCC 2d 255 (1984) ("1984 Order"); Commission Policy Concerning the Noncommercial Nature of Educational Broadcasting Stations. 90 FCC 2d 895 (1982) ("1982 Order"); Second Report and Order, 86 FCC 2d 141 (1981); First Report and Order and Notice of Proposed Rule Making, 69 FCC 2d 200 (1978); Hispanic Broadcast System, Inc., Licensee of Noncommercial Educational Station WQQZ(FM), Clermont, Florida, DA 05-349 (rel. Feb. 9, 2005).

¹⁶ Information in parentheses describes the visual component accompanying the audio.

(1) Program: Gaither Homecoming Hour. **Product:** "He Touched Me, the Gospel of Elvis Presley 2-volume video cassette set, plus 2-CD or 2-audio cassette set." **Duration:** 2 min, 10 sec. **Frequency:** This advertisement ran three times during the program.

Transcript: Elvis, the king of rock and roll. Now for the first time ever we see him in a whole new light. (Elvis wearing blue jumpsuit singing He Touched Me-- from late 60's early 70's) He touched me -- the gospel music of Elvis Presley (Elvis in 50's in white suit jacket singing Swing Down Sweet Chariot). This unique 2 volume video keepsake captures intimate interviews and powerful performances that reveal a side of Elvis that only his close friends & family have know until now. (shows Elvis wearing purple jump suit with gold scarf with JD Summers and group after concert singing Rock My Soul and Tell me Why) If you call now to order this amazing video set you'll also receive an exclusive 2 cassette or 2 CD collectors edition of 40 gospel favorites sung as only Elvis could sing them. (Shows Elvis wearing red suit jacket during late 60's singing Won't You Tell Me When Will I Go to the Lord) All 40 songs have been digitally re-mixed and re-mastered so you can experience each masterpiece with more clarity than ever before. (shows Elvis in various scenes from different concerts and shows wearing leather jacket and pants, white suite, 50's black and white tweed jacket and red suit singing Hand in the Hand of the Man who Calmed the Seas) A video keepsake featuring this inside look at Elvis' gospel roots is a priceless edition to any music collection, and it can be yours along with a bonus cassette or CD 2-pack collectors edition for only \$69.95 plus shipping and handling. To order have your credit card ready and call the number on the screen or send your check or money order to Elvis Offer, PO Box 119 Alexandria, IN 46001. Remember Elvis as never before. (shows video, Visa/Mastercard/Discover and phone number)

(2) Program: *Horsecity Dot Com*. **Product:** "Impact Gel Saddle Pad." **Duration:** 30 sec.

Transcript: (shows someone hitting impact gel saddle pad with a hammer and not crushing M&M's) You can protect your horse's back like this -- and like this. (shows man putting gel saddle pad on horse) The impact gel saddle pad by Horse Tracks is a revolutionary product that uses state of the art technology to put a significant level of comfort between you, your saddle and your horse. Used by AQHA world champions and trail riders alike, the impact gel pad is one saddle pad that proves its worth with every ride. You can find a dealer near you on our website impactgel.com. (shows phone number and website address)

(3) Program: *Horsecity Dot Com*. **Product:** "Winnie's Cookies." **Duration:** 30 sec.

Transcript: (shows container of Winnie's Cookies) Winnie's Cookies has a sample waiting for you. (shows woman feeding horse cookies) Trainers, clinicians and horse owners agree that one of the reasons their horses look good and perform so well (shows horses running around) is because of Winnie's Cookies. (shows woman talking about cookies) Winnie's Cookies work. Not only are they organic and they've got, you know, all the essential things in them, but the horses absolutely love them. (shows horse eating cookies) Winnie's Cookies is so sure that you and your horse will love their product they want to send you a sample. Our phone number for your Winnie's sample cookies packet is 866-946-6437. (shows phone number and website) Winnie's Cookies works like a supplement tastes like a treat.

(4) Program: *Horsecity Dot Com*. **Product:** "Bug Check." **Duration:** 33 sec.

Transcript: (shows man talking with someone riding horse in background) Pleasure, Performance, or pasture puppies pet, we all want what's best for our horses. Our mission at the Natural Horse Vet is to provide natural alternatives. Alternatives that work. (shows picture of bottle of Bug Check) Bug Check, no more sprays, no more chemicals. Just a small amount each day on the feed will significantly reduce the fly and mosquito population plus it is healthy -- not potentially harmful. (shows man rubbing dog's neck) It's our goal to provide the most effective natural alternatives for you your horse and even your pet. So visit your veterinarian, visit your tack store or visit us on line for our special offers. (shows phone number and website)

(5) Program: *Horsecity Dot Com*. **Product:** "Horsecity.com website." **Duration:** 30 sec.

Transcript: (shows Horsecity.com logo and website info) Horsecity.com -- the premiere equestrian destination on the internet today. Offering you more than just news you can use, we've got trucks, we've got horse trailers, plus we've got every equine discipline and breed found on the pleasure trail or in the show ring listed for sale in our classified. It's all just a quick click away. Buying or selling, horsecity classifieds offer results that bring users back time and time again. With over fifteen million dollars of horses and related items on line now, you're sure to find what you're searching for. Log on now horsecity.com. Keeping the horse world connected. (shows phone number and website)

(6) Program: *Horsecity Dot Com. Product: "Cover-All." Duration: 30 sec.*

Transcript: (shows people riding horses then Darrell Olsen standing inside his Cover-All barn) Hi, my name is Darrell Olsen and I love horses. One of the reasons we bought our Cover-All was because we wanted to train year round. And its cooler in the summer time and a lot warmer in the winter time and here it's big and, and wide open, it's nice that nothing's in the way. I've had a metal clad building and I've had the Cover-All. And the horses seem to react a lot better with the coverall. Of all the buildings I've had, and been in, this is the perfect building for horse and rider. (shows phone number and website)

(7) Program: *Horsecity Dot Com. Product: "Necessity." Duration: 30 sec.*

Transcript: (shows copy of magazine of Valley Vet Supply) Valley Vet Supply. Your one stop shop for all things equine and the rest of your farm too. One of their premier products is Necessity. Champions from all walks of the equine sports field choose Necessity. (shows bottle of Necessity) Twenty-one vitamins, trace minerals and amino acids plus glucosamine and MSM. Whether you're riding a local trail or winning at the national finals rodeo Necessity is the choice of champions. (shows someone riding horse) We're online at valleyvet.com and our phone number is 1-800-356-1005. (shows phone number and website)

(8) Program: *Horsecity Dot Com. Product: "Hoofjack." Duration: 30 sec.*

Transcript: (Shows man cleaning horse's foot) Hoofjack by Equine Innovations is a hoof support system designed with the comfort of the horse and the user in mind. (shows Hoofjack) From the equine enthusiast to the professional farrier, Hoofjack's innovative design makes hoof maintenance easier, more comfortable. Hoofjack is suitable on all horse sizes from the miniature to the draft. (shows horse's foot on Hoofjack) With the many attachments, Hoofjack is versatile enough for equine dentistry and minor surgical procedures. Instructional video available on line at hoofjack.com. (shows phone number and website)

(9) Program: *Horsecity Dot Com. Product: "Tizwhiz Feeds." Duration: 30 sec.*

Transcript: (shows bag of horse food being opened) There are so many choices on the market when it comes to feeding your horse. That's why complex feeding questions deserve solid answers and that's the foundation on which Tizwhiz feeds have stood for over 50 years. (shows bucket being filled with horse food) From feeding a new foal to helping to your high dollar performance horse get that extra boost, Tizwhiz feeds are rooted in years of research and are backed by some of the nation's most trusted horse owners. (shows horse eating out of someone's hand) Tizwhiz feeds for serious horse owners who take a professional approach to caring for their horses. (shows bags of Tizwhiz and phone number)
(shows field with fence) (shows phone number and website)

(10) Program: *Horsecity Dot Com. Product: "Gardner Fence Systems." Duration: 30 sec.*

Transcript: Gardner Fence Systems offers premium maintenance free vinyl horse fences for all fencing applications. Horse owners agree (man standing with mountains in background and fence) it'll add value to your property, it'll add safety to your horses, and it'll be something you'll be very proud of for many, many years. (shows US map) Picking up the supplies for your next horse fencing project is much easier with so many locations across the country. You can also take advantage of the on-line fence calculator to get an instant quote. (shows farm with fence) Gardner Fence Systems - safe, maintenance free horse fence for the horse industry. (shows phone number and website)

(11) Program: *Horsecity Dot Com. Product: "Weaver Leather Brand Tack & Equipment." Duration: 30 sec.*

Transcript: (shows people riding horses) In the performance arena or on the trail, if you're searching for the best looking highest quality tack, (shows tack shop store) look no farther than Weaver Leather Brand Tack and Equipment. Whether your ultimate rush comes from racing the clock or the solitary peace of a wooded trail, you'll find the style and substance you've been looking for at your local Weaver dealer. (shows man shopping in Weaver shop) The hottest colors, the most exciting new styles and durability you can always count on. One look and you'll see the difference. Weaver Leather Products are available at your local tack store. You can find a dealer at 1-800-Weaver1. (shows phone number and website)

(12) Program: *Big Joe Show. Product: "Big Joe TV Polkafest 4 CD set." Duration: 1 min, 26 sec. Frequency: This advertisement ran three times during the program.*

Transcript: Polka Paul from Omaha Nebraska and Big Joe is the best in the West. (shows people dancing with a man talking in a mic). Yes, yes, yes its available to you now. (shows people talking and the picture of the CD in

front) The four CD set that we made of four of the Medina polka festivities we have a few left over. That's right, a minimum number is left over and you can get your 4 CD set for only \$39.95, that's 72 polka's and waltz's. (shows CD and price) You'll want to order yours today. (shows CD and address) That's right, sit down and send in your check or your money order to Polka Cassettes of Nebraska, PO Box 3643, Omaha, NE zip it up 68103 or (shows CD and phone numbers & internet address) you can order on our toll free line that's 1-800-257-6552 that spells out 1-800-25-Polka or get on the internet that's www.polkacatalog.com. Order yours today. (Shows Big Joe talking) Nebraska Polka and we'll be right back after these chosen words. Take it away. (shows people dancing and CD in front) (shows phone number and website)

(13) Program: *Big Joe Show.* **Product:** "A Salute to the American Farmer & Rancher CD or cassette." **Duration:** 1 min, 12 sec. **Frequency:** This advertisement ran two times during the program.

Transcript: Fun, fun fun, it's exciting. Order it today. A salute to the American Farmer and Rancher. Only \$18.00 includes shipping and handling. (shows CD) 22 great polkas and waltz's such as the Old John Deere Polka, also the John Deere Waltz, for the rancher, Horsie Keep Your Tail Up, at the farm, why of course its Apple, Peaches, Pumpkin Pie. One hour six minutes long. CD or cassette. Either one only \$18.00. Order yours today by mail (shows CD and address) to Polka Cassettes of Nebraska, Post Office Box 3643, Omaha, NE zip it up 68103 or (shows CD and phone number and internet address) order by phone toll free 1-800-257-6552, 1-800-25-Polka easy enough, order on the internet, www.polkacatalog.com. (shows website)

(14) Program: *RV Today.* **Product:** (Program and advertiser lead-in). **Duration:** 40 sec.

Transcript: (shows golfer and RV driving down road) Golf at Pebble Beach as we tee-off on this exciting edition of RV Today. RV Today is brought to you by Goodyear. (shows scenery with Goodyear logo in front) RV'ing made easy on the wings of Goodyear. By Good Sam VIP, (shows scenery with Good Sam VIP logo in front) America's RV insurance specialist for over 25 years, and by the SUV of RV's, (shows scenery with Lance Camper logo in front) Lance Camper, America's favorite truck camper. Coming up, we finish our Tioga make-over project. (shows two men inside RV talking) (shows phone number and website)

(15) Program: *RV Today.* **Product:** "Goodyear G670 RV tires." **Duration:** 30 sec.

Transcript: (shows RV driving through trees) The great outdoors calls your name, but don't leave home without a set of Goodyear G670 RV tires, the choice for your home away from home. (shows RV and tires) The G670 RV made specifically for the RV'er. Visit Goodyear's website or a Goodyear retailer today. Learn about its quiet smooth ride, the G670 RV, the tire that makes RV part of its name, quiet yet durable. When the road comes calling on the wings of Goodyear. (shows website)

(16) Program: *RV Today.* **Product:** "Jayco RV." **Duration:** 30 sec.

Transcript: (Shows couple in a RV. Man showing little girl how to fix fishing line and says Gotta hook the string in the loop. Man knocks at door, woman says "baked an apple pie." Man at door says you guys are going to have to leave – we open at 9:00 - people are making themselves at home in an RV in a store parking lot) With over 80 floor plans and hundreds of dealers, it's easy to find your Jayco – leaving it – that can be hard. Jayco, America's most livable RVs.

(17) Program: *RV Today.* **Product:** "Blue Ox RV supplies." **Duration:** 30 sec.

Transcript: (shows safe door with Blue Ox logo on it – when opened, family appears in RV waving) Blue Ox has it all. A family of products for every RV. Sway Pro – the most user friendly hitch (shows hitch) you can find. Tru center when you need steering control (shows steering control) Blue Ox has it. Sport carriers (shows sport carriers on back of RV) when your ride needs a ride. Think Blue Ox from tow bars (shows tow bar on back of RV) to brakes, Blue Ox has it all. And for the ultimate in customer care, you can count on us to meet your needs (shows RVers picnicking) 24 hours a day, seven days a week. Blue Ox. Count on it.

(18) Program: *RV Today.* **Product:** "Lance Camper." **Duration:** 30 sec.

Transcript: I'm a Lance Camper, I'm a partner to a pickup truck. We can go places no other RV dare. I'll be your cabin by a mountain stream, (shows truck with camper by stream) we'll take your boat, (shows truck and camper pulling boat) (shows truck and camper with horse trainer) your horses or your other toys. I'll be a second home. (shows truck and camper driving around) We'll go everywhere. I'm a Lance Camper, of course. I'm America's favorite truck camper. (shows phone number and website)

(19) Program: *RV Today*. **Product:** "Born Free Motor Coach." **Duration:** 30 sec.

Transcript: (shows RV driving down road) The Born Free Motor Coach is the premiere touring vehicle. Its aerodynamic styling make it the most drivable coach in our industry. Safety is our mission as we surround you with a 2" tubular steel roll bar cage. We're known for our state of the art fiberglass, probably the best cabinet shop in the industry. If you're looking for drivability, safety and 21st Century styling, Born Free is the best. Sold factory direct – one price pricing. (shows phone number)

(20) Program: *RV Today*. **Product:** "Good Sam Insurance." **Duration:** 60 sec.

Transcript: (shows man talking with a puzzle behind him) When you need insurance for your car, our auto insurers may be a good fit, but trying to fit your RV into traditional auto insurance could leave you without the coverage you need. With the Good Sam vehicle plan (shows man talking with RV in background), RV's are not just a good fit they're a perfect fit. For years the Good Sam Club has made RV'ing safer, more enjoyable and saved its members money on specialized insurance for RVs. Like full replacement cost coverage should you ever have a total loss, personal effects coverage for contents and attachments, suspension of coverage when your RV is not in use, and specialized coverage for full-timers. (show couple talking) We switched to Good Sam VIP because they're RV people specializing in RV insurance. Good Sam VIP not only fills your RV specialized insurance needs, but by switching you may save over \$300, and should you have a claim, you could save thousands which all adds up to unbeatable values. Call now and get a free tool kit with a free VIP rate comparison. Call 1-800-236-4022. (shows phone number and website)

(21) Program: *RV Today*. **Product:** (Program and advertiser lead-in). **Duration:** 20 sec.

Transcript: (shows scenic background with logos of companies) RV Today is brought to you by Newmar Corporation. Experience affordable quality in a new Cypress 5th wheel. By Goodyear, RV'ing made easy on the wings of Goodyear, and by Jayco, America's most livable RV.

(22) Program: *RV Today*. **Product:** "American Crystal Sugar." **Duration:** 30 sec.

Transcript: (Shows man and woman) – [Woman says:] -- Is this all of it? [Man says:] -- \$2300 in just two weeks. Can we go fishing now? Woman says – Your \$2300 plus my \$2400 makes \$4700. Come work at American Crystal Sugar during the beet harvest and have your RV campsites paid while you earn up to \$2000 or more in just two weeks and world class hunting and fishing is just around the corner. (couple in RV – man says, What'll it be tonight Gladys, walleye or trout). (shows phone number and website)

(23) Program: *RV Today*. **Product:** "Cypress 5th Wheel." **Duration:** 30 sec.

Transcript: (shows couple looking at trees and then an RV) Experienced RV'ers recognize and appreciate the unsurpassed quality of Newmar craftsmanship. (shows outdoor scenes) Discover it for yourself in the all new affordable Cypress 5th wheel featuring Newmar's distinctive design and innovative features. Explore new growth with Newmar quality. It's our way of life and your key to the best RV'ing can be. To learn more, visit a Newmar dealer or go to Newmarcorp.com. (shows website)

(24) Program: *RV Today*. **Product:** "Dometic RV products." **Duration:** 30 sec.

Transcript: (various pictures of people with RV's) At Dometic, we understand the importance of keeping life simple, comfortable, convenient. That's why we build products that are central to enjoying the RV lifestyle. Our spacious refrigerators, china toilets, efficient air conditioners and array of awnings, help keep RV'ers nourished, protected, clean and refreshed and ready for the next adventure. Dometic, it's your sign of comfort on the road. (shows website)

(25) Program: *Living the Country Life*. **Product:** "Morton Buildings." **Duration:** 60 sec.

Transcript: (shows a Morton Buildings sign and office building) At Morton Buildings we know that everyone has unique building dreams. In order to help your dreams come true, we offer a wide range of options. (shows a series of Morton Buildings in different styles and sizes) Whether you're looking for something basic, elaborate or something in between, we can make your vision a reality. (shows Morton Building representative discussing plans with a man and a woman) We also coordinate with you from concept to completion. At Morton Buildings, we're your one stop building shop. (a woman shares her positive comments) The first thing I say is well it's a Morton building and it's the best, and you can look around and I, go ahead look at all the brochures, calling other people, get bids but you're not going to get anything better, for the horse, for the money, for, for every reason and I'm always

recommending Morton and I would do it again. To view our gallery of buildings and to find out more about who we are and what we do, please visit our website at mortonbuildings.com. (shows phone number and website)

(26) Program: *Living the Country Life*. **Product:** “Mantis ‘Swift Split’ Log Splitter.” **Duration:** 60 sec.

Transcript: (shows a man and a woman relaxing in front of a fireplace) For cozy nights by the fire or to warm your home all winter, nothing heats better than wood. But if you’re tired of splitting wood by hand (shows man splitting wood by hand) or renting large machines (shows man pushing a large wood splitting machine), why not let the Swift Split do it for you. (shows two people using the product) The Swift Split by Mantis is easy to store and easy to use and it’s electric. Just plug it in and you’re ready to split. Its solid steel design and five-ton hydraulic force can cut through the toughest logs up to 12 inches thick. (shows women using the splitter in garages) And because it’s electric, the Swift Split runs quietly and cleanly and can even be used indoors for small jobs or during bad weather. All you do is load your log, push both buttons and watch it go. (shows man and woman demonstrating the splitter) Split as much or as little as you need when you need it. We’re so confident you’ll love the swift split, that we’re offering a one year money back guarantee. We call it the Mantis Promise and it’s the only one of its kind. The Swift Split, the easy splitter from Mantis. (shows phone number and website)

These twenty-six excerpts demonstrate – conclusively – that RFD-TV uses its “noncommercial” DBS set aside channel to air commercial advertisements in direct violation of Section 325 of the Communications Act and the Commission’s rules. The advertisements promote the goods and services of for-profit entities.¹⁷ Moreover, the advertisements violate every basic tenet of permissible donor acknowledgements, including the bans on comparative or qualitative descriptions, calls to action, pricing information, and inducements to buy. In addition, some of RFD-TV’s advertisements run for such long lengths of time (as much as two minutes and ten seconds) that the spots cannot help but violate the ban on promoting for-profit goods and services.¹⁸

¹⁷ Furthermore, even assuming for the sake of argument that the RFD-TV itself did not receive remuneration directly from the advertisers, that fact is of no consequence. Section 399B does not require that the consideration involved be supplied directly by the sponsor or underwriter itself. See *In re Window to the World Communications, Inc. (WTTW(TV))*, DA 97-2535 (MMB Rel. Dec. 3, 1997), *forfeiture reduced*, 15 FCC Rcd 10025 (EB 2000); *Jones College, Licensee of Noncommercial Educational Station WKTZ-FM, Jacksonville, Florida*, 18 FCC Rcd 24971 (MMB Rel. Dec. 1, 2003).

¹⁸ See Board of Education of New York (WNYE-TV), 7 FCC Rcd 6864 (MMB 1992); Technology Information Foundation, Ltd., Licensee of Low Power Noncommercial Educational Station WLFK-LP, Eau Claire, Wisconsin, DA 04-3555, (rel. Nov. 9, 2004) (“Although the Commission has not imposed quantitative guidelines on the length of underwriting announcements, it has noted that the longer they are, the more promotional they tend to be.”).

B. RFD-TV's Programming Includes Program Length Infomercials.

Finally, RFD-TV essentially airs program-length commercials for live auctions of livestock, apparently in exchange for payments. The auctions take place live "on air" to permit viewers to bid on and purchase the livestock shown on the screen. On September 1, 2005, RFD-TV aired a livestock auction seemingly produced by and for Superior Livestock Auctions, Inc. over the course of approximately 150 minutes. The enclosed CD includes the first five minutes of that auction, and Exhibit 4 to the attached IRS Complaint provides a transcript of the video clip. While relatively short, this introductory segment alone demonstrates that the livestock auction constitutes outright paid commercial programming that belongs on a commercial channel. In fact, the opening two sentences make clear the infomercial's inherently commercial nature:

I'd just like to say thank you to everybody that came today and also to the viewing audience on RFD-TV that there'll be some buyers there, we want to thank you for joining us also. We stand behind these cattle 100% and if there's any problems, if you buy one, it's our problem, not yours.¹⁹

Such programming has no place on a DBS channel "set aside" for "noncommercial educational" use. Unfortunately, the September 1st auction was hardly an isolated affair. RFD-TV frequently airs live auctions from Superior Livestock Auction and apparently at least one other company. While some auctions occur over only a few hours, some are day-long events that displace RFD-TV's "regularly scheduled" programming. To take just two recent examples, the programming schedule from RFD-TV's web-site that is reprinted in **Exhibit 2** to the IRS Complaint indicates that RFD-TV broadcast a live video auction on Thursday November 17, 2005, from 8:00 a.m. until 7:00 p.m. and another live video auction on Friday, November 18,

¹⁹ See Exhibit A.

2005, from 8:00 a.m. until 3:30 p.m. In other words, the majority of daytime hours in just these two days were comprised of livestock auctions.

The auctions unquestionably are a commercial activity because they are provided primarily to generate revenue for RFD-TV and as a means for auction companies and RFD-TV viewers to conduct business. The broadcast of the auctions, which occur several days a week and last several hours each, therefore appear to be directly contrary to RFD's status as a tax-exempt, noncommercial entity.

For all these reasons, RFD-TV's programming does not qualify as "noncommercial" for DBS set aside purposes. The past and continued airing of RFD-TV's programming on a channel set aside by Congress for noncommercial educational use has made a mockery of Section 325 of the Communications Act. The Commission should act immediately to ensure that the DBS set aside channels at issue are used exclusively for the noncommercial and educational programming as Congress directed by granting this Petition forthwith.

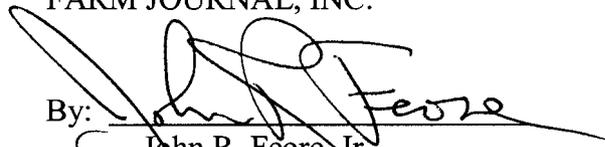
III. Conclusion

In implementing the congressional mandate to set aside DBS channel capacity for “national educational programming suppliers, the Commission faithfully construed the statutory language and intent of Congress in limiting eligibility for set aside channels to “noncommercial educational entities with an *educational mission*.” This Petition presents the Commission with the question of whether a commercial entity organized and operating for profit-making purposes can and should be permitted to occupy set aside channels on Directv and EchoStar.

We submit that the public interest requires the Commission to declare RFD-TV ineligible to use a DBS set aside channel. In doing so, the Commission will permit the public to reap the full benefit of *bona fide* noncommercial educational programming service on the DBS set aside channels as Congress intended – and directed.

Respectfully submitted,

FARM JOURNAL, INC.

By: 
John R. Feore, Jr.
Margaret L. Miller
Kevin P. Latek

Its Counsel

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November 28, 2005

ATTACHMENT 1

IRS COMPLAINT

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November 28, 2005

VIA UPS

Ms. Teresa Ciolek
Internal Revenue Service
Exempt Organizations Examination Division
SE:T:EO:E
1100 Commerce Street MC:4910:DAL
Dallas, Texas 75242

Re: RFD Communications, Inc. (EIN 75-2906765)

**Complaint Regarding Operations Inconsistent
With Tax-Exempt Status Under I.R.C. § 501(c)(3)**

Dear Ms. Ciolek:

This Complaint (the "Complaint") is submitted on behalf of Farm Journal, Inc. ("Farm Journal") to inform the IRS of certain operations of RFD Communications, Inc. (EIN 75-2906765) ("RFD") that Farm Journal believes are inconsistent with RFD's status as a charitable organization under I.R.C. § 501(c)(3) and that should lead the IRS to revoke RFD's tax-exempt status.

Attached for your reference as **Exhibit 1** is a copy of a separate pleading (the "FCC Petition") that we are concurrently submitting to the Federal Communications Commission ("FCC") about RFD. The FCC Petition demonstrates that the television programming provided by RFD for Direct Broadcast Satellite ("DBS") carriage contains blatant commercial advertisements and, therefore, violates the Congressional and FCC eligibility requirements for carriage on the direct broadcast satellite (such as Directv and EchoStar) channels that Congress specifically reserved for use for noncommercial programming of an educational or information nature (the "DBS set aside").

It is manifestly against public policy for RFD to enjoy the benefit of tax-exempt status under § 501(c)(3) while operating a television channel on Directv and EchoStar in clear violation of the laws governing the DBS set-aside program.

Farm Journal is a for-profit company that produces, distributes and sells advertising on two national television programs that target rural America and the agricultural community. Farm Journal believes that it is subject to unfair competition from RFD, because RFD is receiving substantial benefits from its tax-exempt status, yet it appears to be operating in the

Ms. Ciolek
November 28, 2005
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same manner as a for-profit broadcasting company by (i) providing paid advertising and commercial broadcasting at commercial rates, and (ii) otherwise conducting its business as a for-profit company.

In addition, it appears that (a) RFD has engaged in private inurement and/or excess benefit transactions; and (b) RFD is the direct successor to a for-profit company launched by RFD's president, Patrick Gottsch. We also note that RFD's Forms 990 indicate that RFD will fail the public support test and become a private foundation in 2006, which will impact any self-dealing transactions in the future.

The information presented herein is based on our understanding of all relevant and available facts as of this time. Farm Journal researched these facts based on, among other things, RFD's programming, RFD's tax filings, published news articles, and communications with those closely familiar with RFD's business. There may be other sources of information that would shed additional light on the issues raised herein. We urge the IRS to investigate RFD's activities in detail, including further exploring the facts presented in this letter and ascertaining any additional relevant facts that may bear on Farm Journal's belief that RFD's operations fail to comply with the operational test under I.R.C. § 501(c)(3) and the regulations thereunder.

Background

RFD is a tax-exempt organization under I.R.C. § 501(c)(3). RFD's web address is www.RFDTV.com. Its 2003 Form 990 lists the following address:

22424 Wright Plaza
Elkhorn, Nebraska 68022

This is also the address listed for its President, Patrick Gottsch. RFD's sales and administrative activities are performed at this office in Elkhorn, Nebraska. RFD produces its programming in the Northstar Studios in Nashville, Tennessee.

RFD's primary activity is the operation of a 24-hour television channel RFD-TV. RFD-TV is broadcast through Direct-To-Home ("DTH") systems on DirecTV Channel 379 and Dish (EchoStar) Channel 9409, and on several cable systems. The DTH systems charge RFD a below-market rate to carry RFD-TV as required by the FCC for noncommercial educational programming on the "DBS set aside" channels. (As noted above, we are enclosing a copy of our FCC Petition which discusses these FCC set-aside requirements in more detail and explains that RFD-TV fails to satisfy the FCC requirements.)

RFD-TV's programming is directed at a rural audience and the agricultural community. Farm Journal competes directly with RFD-TV, because Farm Journal produces, syndicates, and sells advertising on its own two rural lifestyle and agricultural news programs to television stations all across the country. Farm Journal's two programs are "AgDay," which has been in continuous production and syndication since 1982, and "U.S. Farm Report . . . Town & Country Living" ("U.S. Farm Report"), which has been in continuous production and syndication since

1975. The agricultural community comprises a large audience. However, the agricultural broadcasting market is highly competitive and has a very limited pool of large advertisers.

RFD-TV's Commercial Programming and Advertising

In the 1992 Cable Act, Congress added a new Section 335(b) to the Communications Act of 1934, as amended, to set aside a certain amount of channel capacity on DBS systems for “national educational programming suppliers” to provide “exclusively . . . noncommercial programming of an educational or informational nature” at terms and rates for carriage that are substantially less onerous than market terms. 47 U.S.C. § 335(b). In implementing this statutory provision, the FCC concluded that the term “national educational programming supplier” “includes only noncommercial educational entities with an *educational mission*. The term should not be interpreted as including ‘commercial’ entities organized for profit-making purposes.” *Implementation of Section 25 of the Cable Television Consumer Protection and Competition Act of 1992, Direct Broadcast Satellite Public Interest Obligations*, Report and Order, 13 FCC Rcd 23254, 23290 (1998) (“*First Report and Order*”) (emphasis added), *on recon.*, 19 FCC Rcd 5854 (2003), *vacated in limited part*, 19 FCC Rcd 5647 (2004) (replacing political broadcasting requirements and guidelines concerning commercialization of children’s programming). Furthermore, the FCC determined that the DBS “set aside” channel capacity could be used only by qualified noncommercial entities whose programming simply “cannot include advertisements.” *Id.* at 23293-23294. To define “advertisement,” the FCC invoked Section 399B of the Communications Act, which provides the operative definition of “advertisement” for noncommercial educational television stations (also known as public television stations). *Id.* (citing 47 U.S.C. § 399B). Consequently, whether RFD qualifies as a “noncommercial educational entit[y] with an educational mission” for purposes of the DBS set aside turns on whether RFD satisfies the same FCC – and the same IRS – requirements to which noncommercial (public) television stations must adhere.

In several revenue rulings, the IRS has held that organizations that produce educational programming can qualify as charitable organizations under I.R.C. § 501(c)(3) by providing such programming in compliance with the FCC requirements. Rev. Rul. 76-443, 1976-2 C.B. 149; Rev. Rul. 76-4, 1976-1 C.B. 145; *see also* Rev. Rul. 66-220, 1966-2 C.B. 209 (public radio station held FCC license to provide noncommercial educational broadcasting). In those rulings, the IRS concluded that “[t]he absence of commercial advertising is a key factor in determining the noncommercial nature of the programming activity.” Rev. Rul. 76-443; Rev. Rul. 76-4. The IRS has allowed such organizations to collect “small fees . . . to help defray the organization’s production costs of the programs” when the fees were “substantially less than those charged by commercial program production companies.” Rev. Rul. 76-4; *see also* Rev. Rul. 76-443 (organization collected a “nominal fee”). In addition, the IRS has held that a tax-exempt organization’s commercial programming and sale of commercial advertising (i) constitutes an unrelated trade or business activity subject to the unrelated business income tax and (ii) can be provided only for an insubstantial amount of air time. Rev. Rul. 78-385, 1978-2 C.B. 174; *see also* Rev. Rul. 68-563, 1968-2 C.B. 212 (public radio station did “not sell time for commercial broadcasts or advertising”).

RFD-TV's programming schedule is set forth on its website. A copy of a recent programming schedule is attached as **Exhibit 2**. The schedule shows that RFD's programming is directed to a rural audience and the agricultural community, which places it in direct competition with Farm Journal's programming. A large portion of the RFD-TV programming is supported by traditional commercial television advertisements (discussed below). In addition, certain programming such as the Superior Livestock Auction (also discussed below) constitutes commercial programming and advertising.

We have enclosed a CD, as **Exhibit 3**, containing a representative sample of video clips from RFD-TV showing extensive commercial advertising and programming on RFD-TV. We also have included a transcript of the commercial advertisements on the CD as **Exhibit 4**. The CD contains video clips from the following:

1. Traditional Commercial Television Advertisements

The enclosed CD shows 24 traditional commercial television advertisements that appear during RFD-TV's regular programming. The samples provided are all from programming recorded during the period August 31, 2005, to September 7, 2005. Many of these advertisements were broadcast multiple times during this period. The commercials on the CD plainly are advertisements for the sale of products and services for for-profit companies that far exceed the parameters of acceptable acknowledgements of sponsors. Among the products advertised in the commercials on the attached CD are the following:

Advertisement 1	Elvis Presley CDs
Advertisement 2	saddle pads
Advertisement 3	horse vitamins
Advertisement 4	horse feed additive to repel bugs
Advertisement 5	trucks, trailers, horses and related items
Advertisement 6	a type of farm building
Advertisement 7	horse vitamins
Advertisement 8	an implement to hold a horse's hoof for trimming and shoeing
Advertisement 9	horse feed
Advertisement 10	horse fence
Advertisement 11	saddles and other leather products
Advertisement 12	polka CDs
Advertisement 13	polka CD
Advertisement 14	specialty tires, recreational vehicle insurance, truck campers
Advertisement 15	specialty tires
Advertisement 16	recreational vehicles
Advertisement 17	recreational vehicle supplies
Advertisement 18	truck camper
Advertisement 19	recreational vehicle

Advertisement 20	recreational vehicle insurance
Advertisement 21	specialty tires, recreational vehicle
Advertisement 22	advertisement for employee position at sugar company
Advertisement 23	recreational vehicle
Advertisement 24	recreational vehicle appliances and supplies

These commercials are representative of the type of commercials found throughout RFD-TV's programming, and they continue today. On November 5, 2005, for example, RFD-TV premiered a new thirty-minute program entitled "Living the Country Life." As also reflected in the CD, this presentation includes numerous commercials that plainly are advertisements for the sale of products by for-profit companies. Among the products advertised in the commercials on the attached CD are the following:

Advertisement 25	building designer/supplier
Advertisement 26	log-splitter

These are merely examples of the traditional commercial television advertisements that are broadcast on RFD-TV. A thorough review of RFD-TV's programming reveals that such commercial advertisements air pervasively.

The revenue from these commercial advertisements, which we believe is very substantial, is not identified on RFD's Form 990 (except for a token amount listed on Part VII, line 93). Accordingly, the IRS should investigate the extent of RFD's commercial advertising and ascertain the amount of RFD's advertising revenue.

2. *Superior Livestock Auction*

The Superior Livestock Auction is, as the name implies, a livestock auction, but in this case conducted live on television. A more detailed description of the live television auction process is provided by an explanation on RFD's website, attached as **Exhibit 5**. According to a Superior Livestock Auction Press Release, dated November 21, 2005, attached as **Exhibit 6**, Superior Livestock Auction is the nation's leader in marketing load-lots of cattle via satellite and the Internet, and RFD-TV is the only television channel on which the Superior Livestock Auctions are aired. The magnitude of the business transacted in these auctions is illustrated by the attached press release which states that cattle producers from 23 states consigned over 28,000 head of livestock to the auction held on November 18, 2005, on RFD-TV.

RFD-TV frequently airs live auctions from Superior Livestock Auction. While some auctions occur over only a few hours, some are day-long events that displace RFD-TV's "regularly scheduled" programming. To take just two recent examples, the programming schedule from RFD-TV's website that is reprinted in **Exhibit 2** indicates that RFD-TV broadcast a live video auction on Thursday, November 17, 2005, from 8:00 a.m. until 7:00 p.m. and another live video auction on Friday, November 18, 2005, from 8:00 a.m. until 3:30 p.m. In other words, the majority of daytime hours in just these two

days were comprised of livestock auctions. The video clip on the enclosed CD (**Exhibit 3**) is a representative five minute segment from a previous auction; a transcript of that clip is included in **Exhibit 7**.

The auctions unquestionably are a commercial activity because they are provided primarily to generate revenue for RFD and as a means for Superior Livestock and RFD-TV viewers to transact business. The broadcast of the auctions, which occur several days a week and last several hours each, therefore appear to be directly contrary to RFD's status as a tax-exempt organization.

We suggest that the IRS ascertain the amount of RFD's revenues from this activity. The revenues are not identified on RFD's 2003 Form 990, which is attached as **Exhibit 8**. Nevertheless, we understand that these revenues constitute a large source of support for RFD and are substantial in relation to RFD's total revenue. In conducting its examination of the dealings between RFD and Superior Livestock Auction, the IRS should consider the fact that Mr. Gottsch was director of sales for Superior Livestock Auction from 1992 to 1996. See Patrick Gottsch, Satellite Rural Forum Presenter Bios, attached as **Exhibit 9**.

In addition to reviewing the Superior Livestock Auction, the IRS should review the RFD-TV program schedule and otherwise investigate the possibility that RFD-TV conducts and receives revenue from other commercial auctions that are inconsistent with RFD's tax-exempt status. For example, the program schedule attached as **Exhibit 2** refers to a Quarter Horse Sale on Saturday, November 19, 2005, from 11:30 a.m. until 4:00 p.m.

The unrelated business income from RFD's commercial advertising and commercial programming is not identified in RFD's Form 990. On the 2003 Form 990, the unrelated business income is most likely included in "program service revenue" of \$833,264 appearing on Part I, line 2 of the Form 990, and in the negative expense amounts (which of course are revenues) of \$188,846 and \$476,000 appearing in Part II, line 43 of the Form 990. In addition to ascertaining the portions of these revenue amounts that constitute unrelated business income, the IRS should identify any other unrelated business income that RFD may have offset against expenses in its Form 990.

Conducting Business as a For-Profit Company

In addition to the commercial programming and advertising discussed above, Farm Journal believes RFD is operating in a manner inconsistent with its tax-exempt status by conducting business in the same manner as a for-profit company. As the Seventh Circuit stated in *Living Faith, Inc. v. Commissioner*, 950 F.2d 365, 372 (7th Cir. 1991), "[t]he particular manner in which the organization's activities are conducted, the commercial hue of those activities, competition with commercial firms and the existence and amount of annual or accumulated profits, are all relevant evidence in determining whether an organization has a substantial nonexempt purpose." In this regard, the IRS should consider the following:

1. *Competition with Commercial Firms*

As noted above, Farm Journal is submitting this Complaint because it finds itself in direct competition with RFD. The programming provided by Farm Journal and RFD-TV shows that both companies are providing similar programming to appeal to the same viewing audience and the same limited pool of substantial commercial advertisers.

One recent example of the competitive nature of their operations concerns Farm Journal's commercial advertiser-supported agri-news program "U.S. Farm Report" and a competing agri-news program recently launched on RFD-TV. In the past, the "U.S. Farm Report" was hosted by two high-profile hosts, Orion Samuelson and Max Armstrong. See press release dated April 15, 2005, attached as **Exhibit 10**. Prior to April 2005, when Farm Journal acquired "U.S. Farm Report," RFD-TV aired the program as part of its regularly scheduled programming. When Farm Journal acquired "U.S. Farm Report" in April 2005, and as a condition of the transaction, Farm Journal required the seller to terminate the program's distribution on RFD-TV in light of the fact that the program's commercial nature was inconsistent with RFD-TV's § 501(c)(3) status and with Congress' clear limitation of the "DBS set aside" for noncommercial programming from noncommercial programming suppliers.

Messrs. Samuelson and Armstrong, who have separate and pre-existing business dealings with Mr. Gottsch, did not stay with the program after Farm Journal acquired it. Nevertheless, not long after the acquisition, Messrs. Samuelson and Armstrong entered into an agreement with RFD-TV to launch a new weekly, one-hour agri-news program called "This Week in AgriBusiness." See article from Agrimarketing.com on October 28, 2005, attached as **Exhibit 11**. This program competes directly with Farm Journal's "U.S. Farm Report."

2. *Existence of Profits*

In the revenue rulings discussed above with respect to the tax-exempt status of organizations that produce educational programming, the IRS stated that it would allow some fees to be charged to recover a portion of operating costs when those fees were substantially less than the fees charged by commercial stations. Rev. Rul. 76-4. In contrast, RFD-TV charges commercial rates to its sponsors (advertisers), just as any other commercial television network. Indeed, based upon information and belief, RFD's standard rate card for advertisements on the programs "Today's Ag," "Machinery of the Past or Classic Tractor Fever" and "RFD-TV Evening News" is consistent with rates that Farm Journal regularly charges for advertising in its agriculture-based programming in both manner (that is, on a cost-per-thousand-viewer basis) and amount (that is, the total rate for a sponsorship or advertisement).

Moreover, rather than merely recovering a portion of its programming costs, RFD's revenues produce an extraordinarily large profit. RFD's 2003 Form 990 lists net income of \$680,856 on total revenue of \$833,264, resulting in an 82% profit rate. In

contrast, the court in *B.S.W., Inc. v. Commissioner*, 70 T.C. 352, 359 (1978), found that a gross profit rate of 10.8% indicated that the B.S.W. Group was operated in a for-profit manner.

3. *Sources of Revenue*

RFD's 2003 Form 990 shows that RFD had no contribution revenue. Instead, all of its revenue was derived from its broadcast business. This indicates that it is operated like a for-profit company. See *B.S.W. Group*, 70 T.C. at 359 ("Petitioner has not solicited, nor has it received, voluntary contributions from the public. Its only source of income is fees for services . . .").

Taken together, the above-listed facts indicate that RFD operates as a for-profit company rather than as a charitable organization. In fact, RFD appears to hold itself out to the public as a for-profit company. In today's business environment, a company's website often presents the image of the company that will be viewed by the public. RFD (correctly) uses the web address www.RFDTV.com rather than a ".org" address, which would only be appropriate for a nonprofit organization. Tellingly, it is very difficult, if not impossible, to find on the www.RFDTV.com website any reference to RFD as a nonprofit organization, nor does the website solicit charitable contributions for RFD.

Private Inurement and Excess Benefit Transactions

RFD was founded by, and is controlled by, its President, Patrick Gottsch, who was formerly the director of sales at Superior Livestock Auction. With regard to Mr. Gottsch's compensation, RFD's 2003 Form 990 lists his compensation as zero, even though it states that he works 60 hours per week for the organization. Farm Journal requests that the IRS investigate whether Mr. Gottsch is compensated through other organizations for his efforts without RFD disclosing such indirect compensation to Mr. Gottsch in accordance with the Form 990 instructions. In this regard, the Form 990 lists \$200,660 of "Distribution" expense and \$91,812 for "Independent Contractors, Other" on Part II, line 43, and Schedule A lists \$120,470 of compensation paid to contractors.

We also note that the attachment to Form 990, Part II, line 43 lists \$317,500 as "Land Option Expiration." We request that the IRS investigate to whom this highly unusual payment was made and for what purpose.

The IRS should also consider whether the interest rates of up to 9% on loans from directors, described in the attachment to Form 990, are excessive. In addition, the IRS should investigate the reason that RFD was unwilling to answer the questions in Part X of its Form 990 regarding "Personal Benefit Contracts."

RFD Is the Successor to a For-Profit Company

RFD's history actually goes back to around 1988. In the very early days of satellite delivered television, many rural homes received some of their television programming from a large C-Band satellite dish. In about 1988, Mr. Gottsch launched a 24/7 channel called RFD-TV as a for-profit business. The programming included many of the same types of television programming carried on RFD-TV now, including livestock auctions. As noted above, Mr. Gottsch later joined Superior Livestock Auctions as that company's Director of Sales. *See Exhibit 9* (resume submitted by RFD-TV to the FCC). This first incarnation of RFD-TV went bankrupt in a year or so. *See* December 30, 1994, article from Omaha World-Herald attached as **Exhibit 12**.

Mr. Gottsch developed a business plan to re-launch RFD-TV commercially, using the new and growing base of small dish, Direct-to-Home systems. He discussed the business plan to launch RFD-TV as far back as 1998 to executives with both Tribune Entertainment and Qualitron Media. One apparent impediment to the launch of RFD-TV as a for-profit business was the relatively large fees required by the Direct-to-Home satellite companies to carry a new programming service.

In 2000, EchoStar offered RFD a substantially reduced fee DBS set aside channel. Specifically, as part of EchoStar's satisfaction of its "DBS set aside" requirement, EchoStar offered RFD a channel on which to provide noncommercial programming consistent with the requirements of Congress and the FCC. Mr. Gottsch subsequently obtained § 501(c)(3) status for RFD to satisfy one of the eligibility criterion promulgated by the FCC for "DBS set aside" programmers. Apparently relying in good faith on RFD's tax-exempt status and RFD's representations as to RFD-TV's noncommercial programming, EchoStar launched RFD-TV on one of its nationwide "DBS set aside" channels at a (FCC-required) very low price. Apparently relying on these same factors, Directv also launched RFD-TV on one of its "DBS set aside channels" at the reduced rate. Nevertheless, as described herein, Mr. Gottsch appears to be operating RFD in much the same manner as his prior for-profit commercial programming service, and as he envisioned in 1998.

We have not been able to obtain a copy of RFD's application for tax-exempt status from the IRS due to its conversion of the applications from fiche documents to digital format. We request that the IRS examine whether, and to what extent, RFD provided the above information in response to the question on Form 1023 that asks whether the organization is the successor to another company. The fact that RFD-TV was previously operated as a for-profit business provides important insight regarding the purposes and character of the present RFD-TV operations.

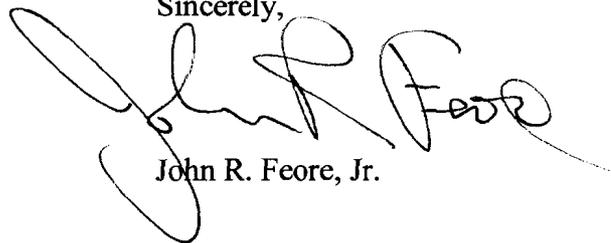
* * *

Ms. Ciolek
November 28, 2005
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For the reasons described above and because it is against public policy to allow RFD to enjoy tax-exempt status when it operates in clear violation of the DBS set aside requirements, we request that the IRS examine the qualification of RFD as a charitable organization under I.R.C. § 501(c)(3). In the course of such examination, the IRS should note that according to the support schedule in RFD's 2003 Form 990, RFD will become a private foundation in 2006. Accordingly, the IRS should be particularly alert to any self-dealing arrangements or other transactions that are prohibited under rules applicable to private foundations.

If we can provide additional information or otherwise assist in this matter, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Feore, Jr.", written in a cursive style. The signature is positioned above the printed name.

John R. Feore, Jr.

EXHIBIT 1
FCC PETITION

EXHIBIT 2

RFD PROGRAM SCHEDULE



Program schedule for the next 7 days



Eastern

Central

Mountain

Pacific

<<Select your timezone!

[Print Version]

Entries in red denote first airing.

	Thursday	Friday	Saturday	Sunday	Monday	Tuesday	Wednesday	
12:00 AM	Parelli Nateral Horsemanship	Horseman's Edge	Ken McNabb	Richard Shrake	Carolina Explorer	Heartland Highways	Reno's Bluegrass Festival	
12:30 AM	HorseCity.com TV	Palm Partnership Training	Craig Cameron	Charles Wilhelm	Today's Ag	Forge & Anvil	Gospel Sampler	
1:00 AM	Training Mules and Donkeys	Richard Shrake	Extreme Cowboy Race	Dressage Connection	Ken McNabb	Midwest Country	Virginia Farming	
1:30 AM	Richard Winters Horsemanship	Charles Wilhelm	In Fisherman	Best of Downunder Horsemanship	Craig Cameron		Michigan Magazine	
2:00 AM	RV Today	Best of Making It Grow	Farmweek	America's Heros	Training Mules And Donkeys	Trains and Locomotives	Machines of the Past	
2:30 AM	Quilt in a day	Dakota Life	Dutch Oven Cooking		Best of Downunder Horsemanship		Farm Bureau Today	
3:00 AM	Big Joe Polka	Gaither Gospel Hour	Jimmy Sturr Show	Anvil & Forge	Ms Lucy's Classic Cajun Cooking	The Roping Show	National Tractor Pullers	
3:30 AM			Porter Wagoner Show	Ms Lucy's Cajun Cooking	TCR Classics	Best of America by Horseback	American Rancher	
4:00 AM	Louisiana Agriculture	Classic Tractor Specials	California Country	Dressage Unlimited	Big Joe Polka Show	USDA Survey Forum "Live" Repeat	Ag PhD	
4:30 AM	Georgia Farm Monitor		Texas Country Reporter	Extreme Cowboy Race			Prairie Farm Report	
5:00 AM	20X Rodeo High	Wilburn Brothers Show	Branson Jam	Classic Tractor Specials	Louisiana Agriculture	Nashville on the Road	Cattle Show	
5:30 AM		Pop Goes The Country	Heart To Heart		Georgia Farm Monitor	Cumberland Highlanders	Horse Sense	
6:00 AM	Bluegrass & Backroads	Horse Babies	Rural Heritage	Nashville on the Road	20x Rodeo High	Heartland Highways	Reno's Bluegrass Festival	
6:30 AM	The Train Show	Carolina Explorer	Best of Downunder Horsemanship	Honey Hole Magazine		Forge & Anvil	Gospel Sampler	
7:00 AM	TCR Classics	Great Layouts	John Lyons	Dennis Reis Universal Horsemanship	Great Layouts	Midwest Country	Virginia Farming	
7:30 AM	Ms. Lucy's Cajun Cooking	Oklahoma Horizon			The Train Show		Michigan Magazine	
8:00 AM	Superior Livestock Auction Preview	Superior Livestock Auction Preview	Oklahoma Horizon	Palm Partnership Training	Richard Shrake	Dennis Reis Universal Horsemanship	Clinton Anderson Downunder Horsemanship	
8:30 AM			Honey Hole Magazine	Horseman's Edge	Charles Wilhelm			
9:00 AM	Superior Livestock Auction		Trains & Locomotives	In Fisherman	Ken McNabb	John Lyons	Campfire Cafe	
9:30 AM			Farmweek	Craig Cameron	Chris Cox			
10:00 AM			RV Today	Jimmy Sturr Show	Farmweek	Trains And Locomotives	Machines of the Past	
10:30 AM			Quilt in a Day	Porter Wagoner Show	Oklahoma Horizon		Farm Bureau Today	
11:00 AM			Michigan Magazine	California Country	Showcase Jubilee	The Roping Show	National Tractor Pullers	
11:30 AM			Odle Quarter Horse Sale Preview	Texas Country Reporter			Best of America by Horseback	American Rancher
12:00 PM					Rural Heritage	Wilburn Brother's Show	USDAY Survey Forum "LIVE"	Ag PhD

12:30 PM				Anvil and Forge	Heart To Heart	Repeat	Prairie Farm Report	
1:00 PM				Best of America by Horseback	Gaither Gospel Hour	Nashville on the Road	The Cattle Show	
1:30 PM				Richard Winters Horsemanship		Cumberland Highlanders	Horse Sense	
2:00 PM			Odle Quarter Horse Sale "LIVE"	Horse Babies	Heartland Highways	Reno's Bluegrass Festival	Bluegrass & Backroads	
2:30 PM				The Roping Show	Forge & Anvil	Gospel Sampler	The Train Show	
3:00 PM				Carolina Explorer	Midwest Country	Virginia Farming	TCR Classics	
3:30 PM	Superior Livestock Auction "LIVE" Day 2	American Rancher		Louisiana Agriculture		Michigan Magazine	Ms. Lucy's Cajun Cooking	
4:00 PM		Ken McNabb		National Tractor Pullers	The Best of Making It Grow	Dennis Reis Universal Horsemanship	Clinton Anderson Downunder Horsemanship	Parelli Natural Horsemanship
4:30 PM		Craig Cameron		American Rancher	Dakota Life			HorseCity.com TV
5:00 PM		Extreme Cowboy Race	Ag PhD			Campfire Cafe	Training Mules and Donkeys	
5:30 PM		In Fisherman	Prairie Farm Report	Showcase Jubilee	John Lyons	Chris Cox	Richard Winters Horsemanship	
6:00 PM		Farmweek	Heartland Highways			Machines of the Past	RV Today	
6:30 PM		Dutch Oven Cooking	Georgia Farm Monitor	20X Rodeo High	Trains And Locomotives	Farm Bureau Today	Quilt in a Day	
7:00 PM		Gaither Gospel Hour	Jimmy Sturr Show	Gaither Gospel Hour	Downunder Horsemanship	The Roping Show	National Tractor Pullers	Big Joe Polka Show
7:30 PM			Porter Wagner Show			Best of America by Horseback	American Rancher	
8:00 PM		Classic Tractor	California Country	Reno's Bluegrass Festival	Campfire Cafe	USDA Survey Forum "LIVE"	Ag PhD	Louisiana Agriculture
8:30 PM	Texas Country Reporter		Pop Goes The Country	Chris Cox	Prairie Farm		Georgia Farm Monitor	
9:00 PM	Wilburn Brothers Show	Branson Jam	Midwest Country	Classic Tractor Specials	Nashville on the Road	Cattle Show	20x Rodeo High	
9:30 PM	Pop Goes The Country	Heart To Heart			Cumberland Highlanders	Horse Sense		
10:00 PM	Horse Babies	Rural Heritage	Big Joe Polka Show	Today's Ag	Dennis Reis	Clinton Anderson Downunder Horsemanship	Parelli Natural Horsemanship	
10:30 PM	Carolina Explorer	Best Of Downunder Horsemanship		Ah PhD			HorseCity.com TV	
11:00 PM	Great Layouts	Dressage Connection	Wilburn Brothers Show	The Cattle Show	John Lyons	Campfire Cafe	Training Mules and Donkeys	
11:30 PM	Oklahoma Horizon	American Rancher	Gospel Sampler	Horse Sense		Chris Cox	Richard Winters Horsemanship	

EXHIBIT 3

**VIDEO CLIPS ON CD
OF TRADITIONAL COMMERCIAL
TELEVISION ADVERTISEMENTS
AND SUPERIOR LIVESTOCK AUCTION**

(CD ENCLOSED)

EXHIBIT 4

**TRANSCRIPT OF VIDEO CLIPS ON CD
OF TRADITIONAL COMMERCIAL
TELEVISION ADVERTISEMENTS**

EXHIBIT 4

Transcript of Video Clips on CD

TRADITIONAL COMMERCIAL TELEVISION ADVERTISEMENTS¹

(1) Program: *Gaither Homecoming Hour. Product:* "He Touched Me, the Gospel of Elvis Presley 2-volume video cassette set, plus 2-CD or 2-audio cassette set." **Duration:** 2 min, 10 sec. **Frequency:** This advertisement ran three (3) times during the program.

Transcript: Elvis, the king of rock and roll. Now for the first time ever we see him in a whole new light. (Elvis wearing blue jumpsuit singing He Touched Me-- from late 60's early 70's) He touched me -- the gospel music of Elvis Presley (Elvis in 50's in white suit jacket singing Swing Down Sweet Chariot). This unique 2 volume video keepsake captures intimate interviews and powerful performances that reveal a side of Elvis that only his close friends & family have know until now. (shows Elvis wearing purple jump suit with gold scarf with JD Summers and group after concert singing Rock My Soul and Tell me Why) If you call now to order this amazing video set you'll also receive an exclusive 2 cassette or 2 CD collectors edition of 40 gospel favorites sung as only Elvis could sing them. (Shows Elvis wearing red suit jacket during late 60's singing Won't You Tell Me When Will I Go to the Lord) All 40 songs have been digitally re-mixed and re-mastered so you can experience each masterpiece with more clarity than ever before. (shows Elvis in various scenes from different concerts and shows wearing leather jacket and pants, white suite, 50's black and white tweed jacket and red suit singing) Hand in the hand of the man who calmed the seas) A video keepsake featuring this inside look at Elvis' gospel roots is a priceless edition to any music collection, and it can be yours along with a bonus cassette or CD 2-pack collectors edition for only \$69.95 plus shipping and handling. To order have your credit card ready and call the number on the screen or send your check or money order to Elvis Offer, PO Box 119 Alexandria, IN 46001. Remember Elvis as never before. (shows video, Visa/Mastercard/Discover and phone number)

(2) Program: *Horsecity Dot Com. Product:* "Impact Gel Saddle Pad." **Duration:** 30 sec.

Transcript: (shows someone hitting impact gel saddle pad with a hammer and not crushing M&M's) You can protect your horse's back like this -- and like this. (shows guy putting gel saddle pad on horse) The impact gel saddle pad by Horse Tracks is a revolutionary product that uses state of the art technology to put a significant level of comfort between you, your saddle and your horse. Used by AQHA world champions and trail riders alike, the impact gel pad is one saddle pad that proves its worth with every ride. You can find a dealer near you on our website impactgel.com. (shows phone number and website address)

(3) Program: *Horsecity Dot Com. Product:* "Winnie's Cookies." **Duration:** 30 sec.

Transcript: (shows container of Winnie's Cookies) Winnie's Cookies has a sample waiting for you. (shows lady feeding horse cookies) Trainers, clinicians and horse owners agree that one of the reasons their horses look good and perform so well (shows horses running around) is because of Winnie's Cookies. (shows lady talking about cookies) Winnie's Cookies work. Not only are they organic and they've got, you know, all the essential things in them, but the horses absolutely love them. (shows horse eating cookies) Winnie's Cookies is so sure that you and your horse will love their product they want to send you a sample. Our phone number for your Winnie's sample cookies packet is 866-946-6437. (shows phone number and website) Winnie's Cookies works like a supplement tastes like a treat.

(4) Program: *Horsecity Dot Com. Product:* "Bug Check." **Duration:** 33 sec.

Transcript: (shows man talking with someone riding horse in background) Pleasure, Performance, or pasture puppies pet, we all want what's best for our horses. Our mission at the Natural Horse Vet it to provide natural alternatives. Alternatives that work. (shows picture of bottle of Bug Check) Bug Check, no more sprays, no more chemicals. Just a small amount each day on the feed will significantly reduce the fly and mosquito population plus it is healthy -- not potentially harmful. (shows man rubbing dog's neck) It's our goal to provide the most effective natural alternatives for you your horse and even your pet. So visit your veterinarian, visit your tack store or visit us on line for our special offers. (shows phone number and website)

¹ Material shown in parentheses describes the visual component accompanying the audio.

(5) Program: *Horsecity Dot Com. Product: "Horsecity.com website." Duration: 30 sec.*

Transcript: (shows Horsecity.com logo and website info) Horsecity.com – the premiere equestrian destination on the internet today. Offering you more than just news you can use, we've got trucks, we've got horse trailers, plus we've got every equine discipline and breed found on the pleasure trail or in the show ring listed for sale in our classified. It's all just a quick click away. Buying or selling, horsecity classifieds offer results that bring users back time and time again. With over \$15M of horses and related items on line now. you're sure to find what you're searching for. Log on now horsecity.com. Keeping the horse world connected. (shows phone number and website)

(6) Program: *Horsecity Dot Com. Product: "Cover-All." Duration: 30 sec.*

Transcript: (shows people riding horses then Darrell Olsen standing inside his Cover-All barn) Hi, my name is Darrell Olsen and I love horses. One of the reasons we bought our Cover-All was because we wanted to train year round. And its cooler in the summer time and a lot warmer in the winter time and here it's big and, and wide open, it's nice that nothing's in the way. I've had a metal clad building and I've had the Cover-All. And the horses seem to react a lot better with the coverall. Of all the buildings I've had, and been in, this is the perfect building for horse and rider. (shows phone number and website)

(7) Program: *Horsecity Dot Com. Product: "Necessity." Duration: 30 sec.*

Transcript: (shows copy of magazine of Valley Vet Supply) Valley Vet Supply. Your one stop shop for all things equine and the rest of your farm too. One of their premier products is Necessity. Champions from all walks of the equine sports field choose Necessity. (shows bottle of Necessity) Twenty-one vitamins, trace minerals and amino acids plus glucosamine and MSM. Whether you're riding a local trail or winning at the national finals rodeo Necessity is the choice of champions. (shows someone riding horse) We're online at valleyvet.com and our phone number is 1-800-356-1005. (shows phone number and website)

(8) Program: *Horsecity Dot Com. Product: "Hoofjack." Duration: 30 sec.*

Transcript: (Shows guy cleaning horse's foot) Hoofjack by Equine Innovations is a hoof support system designed with the comfort of the horse and the user in mind. (shows Hoofjack) From the equine enthusiast to the professional farrier, Hoofjack's innovative design makes hoof maintenance easier, more comfortable, Hoofjack is suitable on all horse sizes from the miniature to the draft. (shows horse's foot on Hoofjack) With the many attachments, Hoofjack is versatile enough for equine dentistry and minor surgical procedures. Instructional video available on line at hoofjack.com. (shows phone number and website)

(9) Program: *Horsecity Dot Com. Product: "Tizwhiz Feeds." Duration: 30 sec.*

Transcript: (shows bag of horse food being opened) There are so many choices on the market when it comes to feeding your horse. That's why complex feeding questions deserve solid answers and that's the foundation on which Tizwhiz feeds have stood for over 50 years. (shows bucket being filled with horse food) From feeding a new foal to helping to your high dollar performance horse get that extra boost, Tizwhiz feeds are rooted in years of research and are backed by some of the nation's most trusted horse owners. (shows horse eating out of someone's hand) Tizwhiz feeds for serious horse owners who take a professional approach to caring for their horses. (shows bags of Tizwhiz and phone number) (shows field with fence) (shows phone number and website)

(10) Program: *Horsecity Dot Com. Product: "Gardner Fence Systems." Duration: 30 sec.*

Transcript: Gardner Fence Systems offers premium maintenance free vinyl horse fences for all fencing applications. Horse owners agree (man standing with mountains in background and fence) it'll add value to your property, it'll add safety to your horses, and it'll be something you'll be very proud of for many, many years. (shows US map) Picking up the supplies for your next horse fencing project is much easier with so many locations across the country. You can also take advantage of the on-line fence calculator to get an instant quote. (shows farm with fence) Gardner Fence Systems - safe, maintenance free horse fence for the horse industry. (shows phone number and website)

(11) Program: *Horsecity Dot Com.* **Product:** "Weaver Leather Brand Tack & Equipment." **Duration:** 30 sec.

Transcript: (shows people riding horses) In the performance arena or on the trail, if you're searching for the best looking highest quality tack, (shows tack shop store) look no farther than Weaver Leather Brand Tack and Equipment. Whether your ultimate rush comes from racing the clock or the solitary peace of a wooded trail, you'll find the style and substance you've been looking for at your local Weaver dealer. (shows guy shopping in Weaver shop) The hottest colors, the most exciting new styles and durability you can always count on. One look and you'll see the difference. Weaver Leather Products are available at your local tack store. You can find a dealer at 1-800-Weaver1. (shows phone number and website)

(12) Program: *Big Joe Show.* **Product:** "Big Joe TV Polkafest 4 CD set." **Duration:** 1 min, 26 sec.

Frequency: This advertisement ran three (3) times during the program.

Transcript: Polka Paul from Omaha Nebraska and Big Joe is the best in the West. (shows people dancing with a man talking in a mic). Yes, yes, yes its available to you now. (shows people taking and the picture of the CD in front) The four CD set that we made of 4 of the Medina polka festivities we have a few left over. That's right a minimum number is left over and you can get your 4 CD set for only \$39.95, that's 72 polka's and waltz's. (shows cd and price) You'll want to order yours today. (shows CD and address) That's right, sit down and send in your check or your money order to Polka Cassettes of Nebraska, PO Box 3643, Omaha, NE zip it up 68103 or (shows CD and phone numbers & internet address) you can order on our toll free line that's 1-800-257-6552 that spells out 1-800-25-Polka or get on the internet that's www.polkacatalog.com. Order yours today. (Shows Big Joe talking) Nebraska Polka and we'll be right back after these chosen words. Take it away. (shows people dancing and CD in front) (shows phone number and website)

(13) Program: *Big Joe Show.* **Product:** "A Salute to the American Farmer & Rancher CD or cassette."

Duration: 1 min, 12 sec. **Frequency:** This advertisement ran two (2) times during the program.

Transcript: Fun, fun fun, it's exciting. Order it today. A salute to the American Farmer and Rancher. Only \$18.00 includes shipping and handling. (shows CD) 22 great polkas and waltz's such as the Old John Deere Polka, also the John Deere Waltz, for the rancher, Horsie Keep Your Tail Up, at the farm, why of course its Apple, Peaches, Pumpkin Pie. One hour six minutes long. CD or cassette. Either one only \$18.00 order yours today by mail. (shows CD and address) to Polka Cassettes of Nebraska, Post Office Box 3643, Omaha, NE zip it up 68103 or (shows CD and phone number and internet address) order by phone toll free 1-800-257-6552, 1-800-25-Polka easy enough, order on the internet, www.polkacatalog.com. (shows website)

(14) Program: *RV Today.* **Product:** (Program and advertiser lead-in). **Duration:** 40 sec.

Transcript: (shows golfer and RV driving down road) Golf at Pebble Beach as we tee-off on this exciting edition of RV Today. RV Today is brought to you by Goodyear. (shows scenery with Goodyear logo in front) RVing made easy on the wings of Goodyear. By Good Sam VIP, (shows scenery with Good Sam VIP logo in front) America's RV insurance specialist for over 25 years, and by the SUV of RV's, (shows scenery with Lance Camper logo in front) Lance Camper, America's favorite truck camper. Coming up, we finish our Tioga make over project. (shows two guys inside RV talking) (shows phone number and website)

(15) Program: *RV Today.* **Product:** "Goodyear G670 RV tires." **Duration:** 30 sec.

Transcript: (shows RV driving through trees) The great outdoors calls your name, but don't leave home without a set of Goodyear G670 RV tires, the choice for your home away from home. (shows RV and tires) The G670 RV made specifically for the RV'er. Visit Goodyear's website or a Goodyear retailer today. Learn about its quiet smooth ride, the G670 RV, the tire that makes RV part of its name, quiet yet durable. When the road comes calling on the wings of Goodyear. (shows website)

(16) Program: *RV Today*. **Product:** "Jayco RV." **Duration:** 30 sec.

Transcript: (Shows couple in a RV. Man showing little girl how to fix fishing line and says Gotta hook the string in the loop. Man knocks at door, woman says baked an apple pie. Man at door says you guys are going to have to leave – we open at 9:00 - people are making themselves at home in an RV in a store parking lot) With over 80 floor plans and hundreds of dealers, it's easy to find your Jayco – leaving it – that can be hard. Jayco, America's most livable RVs.

(17) Program: *RV Today*. **Product:** "Blue Ox RV supplies." **Duration:** 30 sec.

Transcript: (shows safe door with Blue Ox logo on it – when opened, family appears in RV waving) Blue Ox has it all. A family of products for every RV. Sway Pro – the most user friendly hitch (shows hitch) you can find. Tru center when you need steering control (shows steering control) Blue Ox has it. Sport carriers (shows sport carriers on back of RV) when your ride needs a ride. Think Blue Ox from tow bars (shows tow bar on back of RV) to brakes, Blue Ox has it all. And for the ultimate in customer care, you can count on us to meet your needs (shows RVers picnicking) 24 hours a day, seven days a week. Blue Ox, count on it.

(18) Program: *RV Today*. **Product:** "Lance Camper." **Duration:** 30 sec.

Transcript: I'm a Lance Camper, I'm a partner to a pickup truck. We can go places no other RV dare. I'll be your cabin by a mountain stream, (shows truck with camper by stream) we'll take your boat, (shows truck and camper pulling boat) (shows truck and camper with horse trailer) your horses or your other toys. I'll be a second home. (shows truck and camper driving around) We'll go everywhere. I'm a Lance Camper, of course. I'm America's favorite truck camper. (shows phone number and website)

(19) Program: *RV Today*. **Product:** "Born Free Motor Coach." **Duration:** 30 sec.

Transcript: (shows RV driving down road) The Born Free Motor Coach is the premiere touring vehicle. Its aerodynamic styling make it the most drivable coach in our industry. Safety is our mission as we surround you with a 2" tubular steel roll bar cage. We're known for our state of the art fiberglass, probably the best cabinet shop in the industry. If you're looking for drivability, safety and 21st Century styling, Born Free is the best. Sold factory direct – one price pricing. (shows phone number)

(20) Program: *RV Today*. **Product:** "Good Sam Insurance." **Duration:** 60 sec.

Transcript: (shows man talking with a puzzle behind him) When you need insurance for your car, our auto insurers may be a good fit, but trying to fit your RV into traditional auto insurance could leave you without the coverage you need. With the Good Sam vehicle plan (shows man talking with RV in background), RVs are not just a good fit they're a perfect fit. For years the Good Sam Club has made RVing safer, more enjoyable and saved its members money on specialized insurance for RVs. Like full replacement cost coverage should you ever have a total loss, personal effects coverage for contents and attachments, suspension of coverage when your RV is not in use, and specialized coverage for full-timers. (show couple talking) We switched to Good Sam VIP because they're RV people specializing in RV insurance. Good Sam VIP not only fills your RV specialized insurance needs, but by switching you may save over \$300, and should you have a claim, you could save thousands which all adds up to unbeatable values. Call now and get a free tool kit with a free VIP rate comparison. Call 1-800-236-4022. (shows phone number and website)

(21) Program: *RV Today*. **Product:** (Program and advertiser lead-in). **Duration:** 20 sec.

Transcript: (shows scenic background with logos of companies) RV Today is brought to you by Newmar Corporation. Experience affordable quality in a new Cypress 5th wheel. By Goodyear, RVing made easy on the wings of Goodyear, and by Jayco, America's most livable RV.

(22) Program: *RV Today*. **Product:** "American Crystal Sugar." **Duration:** 30 sec.

Transcript: (Shows man and woman) – Woman says -- Is this all of it? Man says -- \$2300 in just two weeks. Can we go fishing now? Woman says – Your \$2300 plus my \$2400 makes \$4700. Come work at American Crystal Sugar during the beet harvest and have your RV campsites paid while you earn up to \$2000 or more in just two weeks and world class hunting and fishing is just around the corner. (couple in RV – man says, What'll it be tonight Gladys, walleye or trout). (shows phone number and website)

(23) Program: *RV Today*. **Product:** "Cypress 5th Wheel." **Duration:** 30 sec.

Transcript: shows couple looking at trees and then an RV) Experienced RVer's recognize and appreciate the unsurpassed quality of Newmar craftsmanship. (shows outdoor scenes) Discover it for yourself in the all new affordable Cypress 5th wheel featuring Newmar's distinctive design and innovative features.

Explore new growth with Newmar quality. It's our way of life and your key to the best RVing can be. To learn more, visit a Newmar dealer or go to Newmarcorp.com. (shows website)

(24) Program: *RV Today*. **Product:** "Dometic RV products." **Duration:** 30 sec.

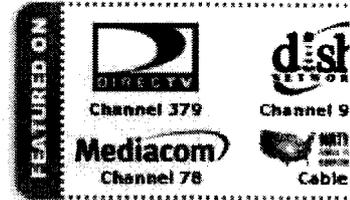
Transcript: (various pictures of people with RV's) At Dometic, we understand the importance of keeping life simple, comfortable, convenient. That's why we build products that are central to enjoying the RV lifestyle. Our spacious refrigerators, china toilets, efficient air conditioners and array of awnings, help keep RVers nourished, protected, clean and refreshed and ready for the next adventure. Dometic, it's your sign of comfort on the road. (shows website)

EXHIBIT 5

**RFD WEBSITE EXPLANATION OF
SUPERIOR LIVESTOCK AUCTION**



FINALLY
A 24-HOUR
TELEVISION NETWORK
FOR RURAL AMERICA



About Us	Sponsors	Viewer Survey	Demographics	Press Releases	Links	Tour RFD-TV
Home	Program Schedule	Week's Content	Shows	Events	Contact Us	Auctions
Order Magazine	Merchandise	Order A Video	Associations	DIRECTV	DISH Network	Cable

How Does A Video Livestock Auction Work?

Have you ever watched a Superior Livestock video auction on RFD-TV and wondered what they mean when they talk about a "slide," what is "shrink," or what the graphics on the screen mean? Maybe you were curious about how you sell cattle on a Superior auction, or how you could buy cattle or horses on one of the "live" auctions. We thought the best way to answer many of these questions would be to go through a step-by-step process of how cattle producers consign cattle to a Superior auction, and what must be done if an individual or company wanted to buy livestock on one of these auctions.



Regular SLA Auction Overview

Superior Livestock only sells cattle in truck load lots (48,000 lbs of cattle), so its services cannot be used by every cattleman. The number of cattle the buyer is bidding on is the number of cattle in the lot. A buyer cannot just buy one or two head, he or she must take all of them. For those producers who have enough cattle to sell in load lots, the process begins when a producer contacts one of the over 400 Superior representatives located throughout the United States. The name of the closest representative can be obtained on Superior's web site or by calling one of the Superior offices. The representative goes to the producer's farm or ranch and completes a consignment contract. This "fill in the blank" contract describes the cattle as to number of head to be sold, the projected weight at time of delivery (base weight), breed type, delivery date, weighing conditions, vaccination program, etc. The cattle are filmed by the representative at that time. A consignment fee of \$2.00/head is paid by the producer for calves or yearling cattle, and \$5/head for bred stock. This consignment contract is forwarded to Superior's Brush, Colorado office where the information is entered into a database. After all of the contracts have been received, the sale order for the next auction is established and the auction catalog is printed and mailed to all qualified buyers. This information is also available for each auction on the Superior Livestock web site. The catalog is mailed early enough so that the buyers have time to select the lots they are interested in, and visit with the Superior representative that has described the cattle, if needed.

The film of the cattle is sent to Superior's Fort Worth, TX offices for editing. Superior's experienced film editors edit the field tape down to 2 1/2 minutes of the best footage. After all tapes are edited, a one-hour preview is prepared and broadcast prior to the auction. This allows the buyers to get a brief view of the cattle prior bidding on the cattle to compare to the information listed in the sale catalog or printed from the Internet.

Let's Start The Auction

Once the auction begins, the Superior representative is in contact with the seller as that seller's cattle are being sold. After the auctioneer has obtained the highest price possible and sells the cattle, the seller has the right to accept or reject the bid. If a seller does not think that the cattle sold high enough they can "no sale" or "pass out" (P.O.) the cattle. This must be done before the next lot is sold, which the auctioneer announces.

During the auction a basic description of each lot is shown on the screen as the cattle sell. The lot number, number of head, sex, estimated weight at delivery, location and delivery date is shown. The price being asked is shown in the upper left of the television screen. When calves or yearlings are being sold, the price shown is per hundred pounds. When bred heifers or cows are being sold, the price shown is per head. If there is a change from the catalog in the head count, base weight or delivery date that change will flash red on the screen, and the auctioneer will announce these changes.

Following the auction a copy of the sale contract, along with a part-payment, is mailed to the seller. The buyer also receives a copy of the sales contract and pays a part-payment to Superior.

The two most frequently asked questions are: what is "slide" and what is "shrink". As you have noticed, the heavier the cattle are, the less they bring on a per pound basis. Since the "base weight" is just an estimate of what the cattle will weigh on the day of delivery, the slide is the method by which the price per hundred weight can be lowered if the cattle weigh more than projected at delivery. If the slide is 4 cents, then the hundred weight price will be reduced 4 cents for each pound the cattle average over the base weight. (Example: Cattle sell for \$100/cwt with a base weight of 700 lbs and a 4 cent slide. On the day of delivery they average 710 lbs or 10 lbs into the slide. Ten pounds x 4 cents = 40 cents. One hundred dollars minus 40 cents = \$99.60, so the new price on the cattle is \$99.60 per hundred weight.)

The "shrink" is an established standard within the cattle industry to adjust for the stomach content in the animals when weighing. Since the buyer doesn't want to pay for that, the actual weight of the cattle is adjusted by the amount of the "shrink". (Example: A load of cattle are weighed with a 2% shrink. The "pay weight" will be 98% of the actual weight of the cattle.) All cattle sold on Superior are sold F.O.B. the seller's farm or ranch, so the buyer will send his trucks to get the cattle. The Superior representative will coordinate with the buyer and seller to set up the delivery date and inform the buyer where to have his trucks and at what time.

On the day of delivery the Superior representative will sort the cattle to comply with the description in the contract, weigh the cattle and issue a check drawn on Superior's bonded custodial account to the seller. The seller is charged a 2% sales commission for marketing his calves or yearlings through Superior. If bred stock is marketed the commission is 3%. The commission is deducted from the proceeds check at delivery. The buyer will wire the amount owed for the cattle to Superior after the cattle arrive at his ranch or feedlot. The only other cost to the buyer is the freight. If an individual wishes to purchase cattle on Superior, he or she must first register as a buyer before the day of the sale. They will furnish their name, address, phone numbers and a banking reference to Superior. The financial capabilities of the prospective buyer is verified with the financial institution before a buyer's number is issued to the individual.

When a buyer wishes to bid on cattle, he or she will dial the private telephone bid line at the auction prior to that lot being offered. They will furnish their name and buyer's number to the Superior representative they are talking to at the auction and that person will bid to the auctioneer at the direction of the buyer. An estimated time for the sale of each lot is listed for each auction on the Superior Livestock web site, by clicking Time Schedule under Video Auctions.

Purebred Cattle Auctions

Many purebred cattle breeders have seen the advantage of broadcasting their bull and female production auctions via satellite. The increased exposure and new buyers have resulted in more successful auctions for the breeders. Many of these breeders are featured in The American Rancher television series on RFD-TV, which gives viewers the opportunity to get a real behind-the-scenes look at that operation, the history of that ranch and its stock, and the families that are carrying on the great tradition of that ranch.

These purebred auctions are a little different from the regular Superior auctions in that Superior does not actually conduct the auction, the breeder does. Superior is printed in each issue of RFD-TV The Magazine and also listed on the Superior Livestock web site, under "Superior Productions". Individuals may register as a buyer by contacting the breeder or calling Superior.

Production Horse Auctions

In recent years, several registered Quarter Horse breeders have utilized the capabilities of Superior Livestock Auction and RFD-TV to broadcast their production auctions "live" from their ranch or sale barn. These are not consignment auctions, but instead are horses that were bred and raised by the breeder.

As with the purebred cattle auctions, an individual may register as a buyer by either contacting the breeder or Superior Livestock.

At the present time Superior does not conduct consignment horse auctions where an individual with one or two horses can consign them to an auction.

We hope this has answered many of the questions regarding how the Superior auction you see on RFD-TV works. If you want more information about buying or selling livestock on Superior you can call 817-624-3800, or log on to www.superiorlivestock.com.

[Click here for the Superior Livestock Schedule.](#)

Superior Livestock Auction

131 East Exchange Ave. Suite 121

Fort Worth, TX 76106

817-624-3800

info@superiorlivestock.com

www.superiorlivestock.com

Superior Livestock Auction, Inc.

PO Box 38, Brush, CO 80723

800-422-2117 - Fort Worth, Texas office

800-523-6610 - Brush Business Office

 SCHEDULE

On Now Superior Livestock Auction
"LIVE" Day 2

Up Next Gaither Gospel Hour

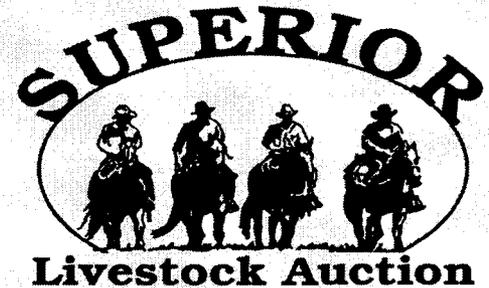
Followed By Classic Tractor

EXHIBIT 6

PRESS RELEASE, NOVEMBER 21, 2005
“SUPERIOR LIVESTOCK AUCTION MARKET REPORT”

PRESS RELEASE

131 E. Exchange Ave., Ste. 121
Fort Worth, TX 76106
(817)626-9975
(800)422-2117



“Superior Livestock Auction Market Report .”

For Immediate Release

Fort Worth, TX (11-21-05) –

Cattle producers from 23 states consigned over 28,000 head of stockers, feeders and bred stock to Superior Livestock’s regularly scheduled satellite video auction. The auction was broadcast live from Superior’s Ft. Worth, TX studio and offices on November 18, 2005.

Demand was steady and trade active on all classes, yearling steers and heifers were steady to \$1 lower on the heavy cattle. Calves were steady to strong with the light calves \$3 to \$5 higher.

Superior Livestock Auctions are broadcast on RFD-TV which can be accessed through DishNetwork (Channel 9409) and DirectTV (Channel 379) satellite services. Buyers interested in consigning or bidding on cattle should contact Superior Livestock Auction at 1-800-422-2117.

Tune in to RFD-TV on December 2nd for Superior Livestock Auction’s next auction. A preview of the offering starts at 7a.m. CST followed by the auction at 8a.m.

#####

Superior Livestock Auction is the nations' leader in marketing load-lots of cattle via Satellite and the Internet. Committed to innovation and utilizing the best technology available, Superior markets almost 2-million head of cattle annually. With 400 Superior representatives located throughout the United States, Superior provides a complete national marketing network serving both buyers and sellers. For a closer look at Superior Livestock Auction, visit our website www.superiorlivestock.com. We are also open to opportunities in which we can provide you with interviews or story ideas based on our releases. Please contact us if you would like our assistance.

Annie Phillips Newton
Director of Communication & Public Relations
aphillipsnewton@superiorlivestock.com

**Market Report
Superior Livestock Auction
November 18, 2005**

Ft. Worth, TX: Cattle producers from 23 states consigned over 28,000 head of stockers, feeders and bred stock to Superior Livestock's regularly scheduled satellite video auction. The auction was broadcast live from Superior's Ft. Worth, TX studio and offices on November 18, 2005.

Demand was steady and trade active on all classes, yearling steers and heifers were steady to \$1 lower on the heavy cattle. Calves were steady to strong with the light calves \$3 to \$5 higher.

Calves

Ferrell Cattle Co., Inc., Oshkosh, NE, VAC 45 weaned, 460 lb Angus & Angus cross steers, \$164.75, Dec del.

MacKenzie Ranch, Jordan Valley, OR, Certified Natural, VAC 45 weaned Angus Hereford cross steers, 460 lbs, \$156.00, Dec del.

Rodney Dicks & Sons, Lake City, FL, 590 lb Angus & Brangus cross weaned str, \$119.00, Jan del.

FARR-WAGG/Rocking F Ranch, Ocala, FL, weaned Eng & Eng Brahman cross str, 640 lbs, \$112.50, hfrs, 640 lbs, \$106.50, Dec del.

Kimble Ranch, Hydro, OK, VAC PreCon, 450 lb Eng & Eng Exotic cross weaned str, \$150.50, Dec del.

Vaquillas Trading Co., Hondo, TX, VAC PreCon, 425 lb various breeds with ¼ or less Brahman influence weaned str, \$146.50, Nov del.

Turner Ranch, Crockett, TX, VAC 45, 525 lb Brangus & Char cross weaned str, \$125.50, Dec del.

Bar M Bar, Independence, KS, 550 lb Eng & Eng Exotic cross weaned str with less than 1/8 Brahman influence, \$135.00, Nov del.

Mayer Ranch, Alta Vista, KS, VAC PreCon, 575 lb Eng & Eng Exotic cross weaned str, 100% blk hided, \$137.50, Nov del.

Ed Wesner, Reydon, OK, 630 lb weaned Angus str, \$127.00, Dec del.

Odle Livestock, Brush, CO, VAC 45 weaned, 720 lb Angus & Angus cross str, \$120.25, Nov del.

Willow Creek Cattle Co., Brewster, NE, 600 lb VAC 45 Beckton & Leachman sired weaned strs, \$133.00, Dec del.

Olsen Ranch, Vinita, OK, 500 lb Eng & Eng Exotic cross and a few Brangus hfrs, \$121.75, Dec del.

Seibert Cattle Co., Paulden, AZ, 500 lb Angus & Angus cross weaned hfrs with less than 1/8 Brahman influence, \$126.50, Dec del.

Hugh B. McKeen, Glenwood, NM, Certified Natural, 470 lb Eng & Eng Exotic cross weaned hfrs, \$126.00, Nov del.

Yearlings

Kelley Ranch, Vinita, OK, 650 lb Eng & Eng Exotic cross strs with less than ¼ Brahman influence, \$119.25, Dec del.

W. Bryan Hargett, Kingston, NC, 650 lb VAC PreCon Eng & Eng cross strs, \$118.75, Nov del.

Barron Kidd, Waxahachie, TX, 720 lb Angus & Brangus cross strs, \$116.75, Dec del.

Clint Decker, Milburn, OK, 725 lb Eng & Eng cross strs, \$116.35, Nov del.

Maynard Taylor, Bronson, KS, 775 lb reg Angus cross strs, \$116.00, 700 lb hfrs, \$111.00, Dec del.

Russell Maxwell, Sikeston, MO, VAC PreCon, 780 lb Eng & Eng cross strs, \$113.35, Nov del.

La Escalera Ranch Partnership, Ft. Stockton, TX, 750 lb Angus & Brangus cross strs, \$115.60, Dec del.

Hendricks Farms, Buffalo, MO, 825 lbs Eng & Eng Exotic cross strs, \$113.00, Nov del.

Kendall Martens, Copeland, KS, 640 lb VAC PreCon Eng & Eng cross, 100% Blk hided hfrs, \$121.00, Jan del.

Denton Ranch, Inc., Minneola, KS, 765 lb Eng & Eng Exotic cross hfrs, \$113.25, Nov del.

Gale Frank, Copeland, KS, 775 lb Angus & Angus cross hfrs, \$109.35, March del.

Brandon Hickey, Granite, OK, Certified Natural, 850 lb Exotic cross hfrs, \$103.50, May del.

Diamond E Ranch, Waco, TX, 875 lb Brangus & Brangus type replacement hfrs, \$100.75, Nov del.

Decker Ranch, Wister, OK, 950 lb Brangus, Angus cross hfrs, \$99.50, Dec del.

EXHIBIT 7

**TRANSCRIPT OF VIDEO CLIPS ON CD
OF SUPERIOR LIVESTOCK AUCTION**

Fall Sale Screen, continued

.....
Static screen, displaying, “Donnell Cattle Company –
Fall Female Production Sale
Live from the Young County Arena
Graham, TX
Thursday – September 1, 2005
12:00 pm CT
Offering 100 Outstanding Females”
Also displays the Superior logo and phone number

.....
Static screen, displaying photo of a man in a Stetson
hat and “Jim Birdwell
Auctioneer”

.....
Video loop of three 5-10 second clips featuring
“DDC Regal Platinum 3J4,” a black angus bull,
walking around a fenced pasture, with a “Lot 1” text
label in the upper-left, a Donnell Cattle Company
logo in the upper-right, and a “Lot 1-3A is next, then
1-3B” message in the lower-left part of the screen

.....
earlier, you just won't have to worry about any things
flying out or any sawdust kind of getting in your hair.
It's a great comfortable setting here.

.....
It's always a pleasure to work with Jim Birdwell.
He's going to conduct the auction and Jim, I think
we've got everybody here, we're gonna turn the
auction over to you and get underway.

.....
Jim Birdwell: Alright Larry, thank you very much.
It's certainly my pleasure to be here at Donnell Cattle
Company. It's a little unusual. Usually we have a
Fall bull sale and a Spring bull sale which we'll have
again this year and we're usually selling bulls, we're
usually selling the offspring of many of these females
that we're offering you here today. This is a rare
opportunity for you. Not often do you get the chance
to buy females from Donnell Cattle Company but he
is offering you the very best that he has right here
today. You sit right in here, you pick the ones out
that work for your program

.....
and certainly you won't go wrong with buying the
genetics that we have here to offer you today. I
usually say open the gate, let the first one in. But
what I say today is, Joe, put that first slide up on that
screen and we're gonna kick off with the Lot No. 1
bull so if you turn there in your catalog, Lot No. 1
will be your first one in.

.....
Larry Cotton: Well here he is, Jim, here's DCC
Regal Platinum 3J4, the great son of, of course, 112
out of the female we talked about earlier, the
Hostetler donor, the 692 back to 8375 the ideal 180,
we're selling two-thirds possession, full interest, you,
the bull is also under contract and leased with
Accelerated Genetics and you'll work with them.
Tommy has the contract if you have any questions on
that, see the contract or talk with Tommy and he'll be
able to help you out. There are also 1200 straws of
semen that are under Tommy's ownership that go
along with the bull. That 1200
Video of the Lot No. 1 bull, continued

straws of semen are not for sale. You can certainly use them at your discretion, but it's a great, great opportunity. Here's a bull as you can see in the catalog who has all the records. Those of you here that've seen the bull- he's really long bodied bull, lots of top, as good as you can see, he gets out and walks, he covers the ground. The best thing about him is Tommy's used him, he's proven he's a bull that has got the best genetics in America and of course you can see the weights on him, he weighs 1380. And look at the IMF, 162 on the ratio with a pretty high contemporary group with a rib eye of 105. Jim Birdwell, we've got a great bull standing right here before us in the screen. We're gonna to sell two-thirds interest in Regal Platinum 3J4.

Jim Birdwell: Oh, you bet and what a great bull to kick off with. [Auctioneer conducts a rapid bidding monologue] ALL RIGHT HERE WE GO, THE AUCTION'S ON, GIMME TEN THOUSAND ON IT . . . ELEVEN, ELEVEN NOW . . . TWELVE . . . NOW THIRTEEN . . . FOURTEEN . . . FIFTEEN, FIFTEEN THOUSAND DOLLARS . . . I GOT FIFTEEN, GIMME SIXTEEN . . . HIGH FIFTEEN GIVE ME FIVE NOW FIFTEEN FIVE . . . I GOT FIFTEEN RIGHT OVER HERE . . . NOW SIXTEEN DO IT AGAIN GIMME SIXTEEN . . . AND NOW SEVENTEEN . . . EIGHTEEN NOW TWENTY TWENTY'S ON IT . . . I GOT TWENTY THOUSAND NOW . . . [Larry Cotton interrupts the auctioneer] . . . Yes, Larry?

.....
End of video clip

Larry Cotton: Well, you know, we get, the bull, he's right. . . .

.....
End of audio content

[THE AUCTIONEERS TYPICALLY CONCLUDE EACH AUCTION LOT BY CLEARLY ANNOUNCING:

“SOLD!”

A COMPLETE EXCERPT OF A SUPERIOR LIVESTOCK AUCTION WILL BE MADE AVAILABLE UPON REQUEST. SIMILAR AUCTIONS ARE HELD PERIODICALLY ON RFD-TV. FOR A COMPLETE SCHEDULE OF AIRTIMES, SEE WWW.RFD-TV.COM OR WWW.SUPERIORLIVESTOCK.COM

EXHIBIT 8

RFD'S IRS FORM 990 FOR 2003

Return of Organization Exempt From Income Tax

2003

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2003 calendar year, or tax year beginning 2003, and ending 20

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return
 Amended return
 Application pending

C Name of organization: REF COMMUNICATIONS INC.
 Number and street (or P.O. box if mail is not delivered to street address): 22424 WRIGHT PLAZA
 City or town, state or country, and ZIP + 4: ELKHORN NE 68022

D Employer identification number: 75-2906765

E Telephone number: 408 259 7085

F Accounting method: Cash Accrual
 Other (specify) ▶

G Website: ▶ www.REFTV.COM

H and **I** are not applicable to section 527 organizations.
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates ▶
H(c) Are all affiliates included? Yes No (If "No," attach a list. See instructions.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number ▶

J Organization type (check only one) ▶ 501(c)(3) (insert no.) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 833264

M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions.)

		Revenue		Expenses		Net Assets	
1	Contributions, gifts, grants, and similar amounts received:						
a	Direct public support	1a					
b	Indirect public support	1b					
c	Government contributions (grants)	1c					
d	Total (add lines 1a through 1c) (cash \$ _____ noncash \$ _____)	1d					
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2					833264
3	Membership dues and assessments	3					
4	Interest on savings and temporary cash investments	4					
5	Dividends and interest from securities	5					
6a	Gross rents	6a					
b	Less: rental expenses	6b					
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c					
7	Other investment income (describe ▶ _____)	7					
8a	Gross amount from sales of assets other than inventory	(A) Securities	8a	(B) Other			
b	Less: cost or other basis and sales expenses	8b					
c	Gain or (loss) (attach schedule)	8c					
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d					
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>						
a	Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a					
b	Less: direct expenses other than fundraising expenses	9b					
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c					
10a	Gross sales of inventory, less returns and allowances	10a					
b	Less: cost of goods sold	10b					
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c					
11	Other revenue (from Part VII, line 103)	11					
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12					833264
13	Program service (from line 44, column (A))	13					123455
14	Management and general (from line 44, column (C))	14					28953
15	Fundraising (from line 44, column (B))	15					
16	Payments to affiliates (attach schedule)	16					
17	Total expenses (add lines 13 and 14, column (A))	17					152408
18	Excess or (deficit) (subtract line 17 from line 12)	18					680856
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19					<1,005,292>
20	Other changes in net assets or fund balances (attach explanation)	20					
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21					(324426)

SCANNED DEC 10 2004

RECEIVED
 NOV 11 2004
 IRS
URGENT

21 P

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (See page 22 of the instructions)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc				
26	Other salaries and wages				
27	Pension plan contributions				
28	Other employee benefits				
29	Payroll taxes				
30	Professional fundraising fees				
31	Accounting fees				
32	Legal fees	17021		17021	
33	Supplies	943	943		
34	Telephone	3929	3929		
35	Postage and shipping	43404	43404		
36	Occupancy	(2500)	(33150)	8050	
37	Equipment rental and maintenance				
38	Printing and publications	114196	114196		
39	Travel	41531	41531		
40	Conferences, conventions, and meetings	11436	11436		
41	Interest	3882		3882	
42	Depreciation, depletion, etc (attach schedule)	(3760)	(3760)		
43	Other expenses not covered above (itemize): a				
	b PROGRAM PRODUCTION	(188846)	(188846)		
	c SATELLITE + NET OPS	(476000)	(476000)		
	d DISTRIBUTION	200660	200660		
	e OTHER	409312	409312		
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 73-75.	152408	123455	28953	

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____;
 (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See page 25 of the instructions.)

What is the organization's primary exempt purpose? <i>Provide News, Information + Educational Programs to Rural America</i>	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others)
a <i>RFI INCREASED THE DISTRIBUTION OF ITS NETWORK TO APPROXIMATELY 13 MILLION HOMES THROUGH CARRIAGE AS A PUBLIC INTEREST CHANNEL ON DISH NETWORK + DIRECTV AND ON RURAL CABLE</i> (Grants and allocations \$ _____)	200,660
b <i>RFI LAUNCHED A BIMONTHLY PROGRAM GUIDE WITH PROGRAM SCHEDULES + FEATURE ARTICLES ABOUT THE EDUCATIONAL + INFORMATIONAL PROGRAMS. DISTRIBUTION TO 1200 HOMES</i> (Grants and allocations \$ _____)	43,404 114,196
c <i>EXTENDED EDUCATIONAL AND INFORMATIONAL PROGRAMMING INCLUDING LIVE CALL IN YOUTHCALL PROGRAMS WITH THE FFA, NCBA, AMERICAN TRAIN BUREAU, TELEVISION</i> (Grants and allocations \$ _____)	(234,935)
d _____ (Grants and allocations \$ _____)	
e Other program services (attach schedule) (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	123,455

Part IV Balance Sheets (See page 25 of the instructions.)

		(A) Beginning of year	(B) End of year
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only			
Assets	45 Cash—non-interest-bearing	64,977	35,973
	46 Savings and temporary cash investments		
	47a Accounts receivable		
	b Less: allowance for doubtful accounts	-0-	2813
	48a Pledges receivable		
	b Less: allowance for doubtful accounts		
	49 Grants receivable		
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		
	51a Other notes and loans receivable (attach schedule)		
	b Less: allowance for doubtful accounts		
	52 Inventories for sale or use		
	53 Prepaid expenses and deferred charges	Deposits 171,225	267,325
	54 Investments—securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	
	55a Investments—land, buildings, and equipment: basis	8578	
	b Less: accumulated depreciation (attach schedule)	1644	19,345
56 Investments—other (attach schedule)			
57a Land, buildings, and equipment: basis			
b Less: accumulated depreciation (attach schedule)			
58 Other assets (describe <input type="checkbox"/> SECURITY DEPOSITS)	10372	10372	
59 Total assets (add lines 45 through 58) (must equal line 74)	207,419	323,346	
Liabilities	60 Accounts payable and accrued expenses	1096064	586084
	61 Grants payable		
	62 Deferred revenue		
	63 Loans from officers, directors, trustees, and key employees (attach schedule)	116637	61688
	64a Tax-exempt bond liabilities (attach schedule)		
	b Mortgages and other notes payable (attach schedule)		
	65 Other liabilities (describe <input type="checkbox"/>)		
66 Total liabilities (add lines 60 through 65)	1,212,701	647,772	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.		
	67 Unrestricted		
	68 Temporarily restricted		
	69 Permanently restricted		
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74.		
	70 Capital stock, trust principal, or current funds		
	71 Paid-in or capital surplus, or land, building, and equipment fund		
	72 Retained earnings, endowment, accumulated income, or other funds	(1005282)	(324426)
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	(1005282)	(324426)	
74 Total liabilities and net assets / fund balances (add lines 66 and 73)	207419	323346	

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See page 27 of the instructions.)

N/A

a Total revenue, gains, and other support per audited financial statements . . . ▶ a

b Amounts included on line a but not on line 12, Form 990:

(1) Net unrealized gains on investments \$ _____

(2) Donated services and use of facilities \$ _____

(3) Recoveries of prior year grants \$ _____

(4) Other (specify): _____ \$ _____

Add amounts on lines (1) through (4) ▶ b

c Line a minus line b ▶ c

d Amounts included on line 12, Form 990 but not on line a:

(1) Investment expenses not included on line 6b, Form 990 \$ _____

(2) Other (specify): _____ \$ _____

Add amounts on lines (1) and (2) ▶ d

e Total revenue per line 12, Form 990 (line c plus line d) ▶ e

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

N/A

a Total expenses and losses per audited financial statements . . . ▶ a

b Amounts included on line a but not on line 17, Form 990:

(1) Donated services and use of facilities \$ _____

(2) Prior year adjustments reported on line 20, Form 990 . . . \$ _____

(3) Losses reported on line 20, Form 990 . . . \$ _____

(4) Other (specify): _____ \$ _____

Add amounts on lines (1) through (4) ▶ b

c Line a minus line b ▶ c

d Amounts included on line 17, Form 990 but not on line a:

(1) Investment expenses not included on line 6b, Form 990 . . . \$ _____

(2) Other (specify): _____ \$ _____

Add amounts on lines (1) and (2) ▶ d

e Total expenses per line 17, Form 990 (line c plus line d) ▶ e

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see page 27 of the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
PATRICK GOTTSCH 22424 WRIGHT PLAZA BLK HORN, NE 68022	PRESIDENT/DIRECTOR 60 HOURS/WK	-0-	-0-	-0-
JOHN GEEK 722 SOUTH DENTON TAP ROAD SUITE 230 COPPELL, TEXAS 75019	DIRECTOR LESS THAN 1 HOUR/WK	-0-	-0-	-0-
RAY BURGESS 2040 LOOP 336 WEST SUITE 125 CONROE, TEXAS 77305	SECRETARY/DIRECTOR LESS THAN 1 HOUR/WK	-0-	-0-	-0-

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? Yes No
If "Yes," attach schedule—see page 28 of the instructions.

Part VII Other Information (See page 28 of the instructions.)

		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity.		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
78b	If "Yes," has it filed a tax return on Form 990-T for this year?	X	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement.		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		X
	b If "Yes," enter the name of the organization _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81a	Enter direct and indirect political expenditures. See line 81 instructions. 81a -0-		
81b	Did the organization file Form 1120-POL for this year?		
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
	b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III). 82b		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
	b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?		
	b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
	c Dues, assessments, and similar amounts from members. 85c		
	d Section 162(e) lobbying and political expenditures. 85d		
	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices. 85e		
	f Taxable amount of lobbying and political expenditures (line 85d less 85e). 85f		
	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? 85g		
	h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? 85h		
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12. 86a		
	b Gross receipts, included on line 12, for public use of club facilities. 86b		
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders. 87a		
	b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them). 87b		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX.		X
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under section 4911 _____, section 4912 _____, section 4955 _____.		
	b 501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction. 89b		X
	c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958. _____		
	d Enter: Amount of tax on line 89c, above, reimbursed by the organization. _____		
90a	List the states with which a copy of this return is filed. 90a NONE		
	b Number of employees employed in the pay period that includes March 12, 2003 (See instructions.) 90b -0-		
91	The books are in care of PAUL K. GOITSCH . Telephone no. (402) 289-2035 . Located at 22424 WRIGHT PLAZA, BIRKHOFF, NE . ZIP + 4 68022 .		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year. 92		

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a PROGRAM SPONSORSHIP					637,426
b AFFILIATE FEES					5707
c PROGRAM GUIDE					152,030
d ADVERTISING	515100	4,500			
e COMMISSIONS, OTHER	515100	6,777			14,624
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					12,000
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		11,277			821,987
105 Total (add line 104, columns (B), (D), and (E))					933,264

Note: Line 105 plus line 1a, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions.)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
1	SEE ATTACHED PAGE

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
- Note:** If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

I declare under penalty of perjury that the information on this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here: Signature of officer: John A. ... Date: 11-15-04

PRESIDENT

Date: _____ Check if self-employed: Preparer's SSN or PTIN (See Gen. Inst. W): _____

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

2003

Supplementary Information—(See separate instructions.)

Department of the Treasury
Internal Revenue Service

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization: RFC COMMUNICATIONS, INC. Employer identification number: 75-2906765

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
None				
Total number of other employees paid over \$50,000 ▶				

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
PHILLIP'S PRODUCTIONS 100 E. ROYAL LANE, SUITE 114 IRVING, TEXAS 75039	PRODUCTION + PROGRAMMING	64,470
MARK RAJUAL OS 894 DAUBERMAN ROAD ELBURN, IL 60119	PRODUCTION + SPONSORSHIP	60,000
Total number of others receiving over \$50,000 for professional services ▶	- 0 -	

Part III Statements About Activities (See page 2 of the instructions.)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line I of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities		X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
e Transfer of any part of its income or assets?		X
3a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments)		X
b Do you have a section 403(b) annuity plan for your employees?		X
4 Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(iv).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ▶ _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

Part IV-A: Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)					
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	605400	73988			679,388
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
19 Net income from unrelated business activities not included in line 18	6553				6553
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	611953	73988			685941
24 Line 23 minus line 17	6553	-			6553
25 Enter 1% of line 23	6120	740			

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24. 26a

b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts 26b

c Total support for section 509(a)(1) test: Enter line 24, column (e) 26c

d Add: Amounts from column (e) for lines: 18 _____ 19 _____
22 _____ 26b _____ 26d

e Public support (line 26c minus line 26d total) 26e

f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) 26f %

27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year:

(2002) _____ (2001) _____ (2000) _____ (1999) _____

b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year:

(2002) 527,820 (2001) 54,000 (2000) _____ (1999) _____

c Add: Amounts from column (e) for lines: 15 _____ 16 _____
17 679,388 20 _____ 21 _____ 27c 679,388

d Add: Line 27a total _____ and line 27b total: 581,820 27d 581,820

e Public support (line 27c total minus line 27d total) 27e 97,568

f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) 27f 685,941

g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) 27g 14.22%

h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) 27h - %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See page 7 of the instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe. If "No," please explain. (If you need more space, attach a separate statement.)		
32 Does the organization maintain the following.		
a Records indicating the racial composition of the student body, faculty, and administrative staff?		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d Copies of all material used by the organization or on its behalf to solicit contributions?		
If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement.)		
33 Does the organization discriminate by race in any way with respect to.		
a Students' rights or privileges?		
b Admissions policies?		
c Employment of faculty or administrative staff?		
d Scholarships or other financial assistance?		
e Educational policies?		
f Use of facilities?		
g Athletic programs?		
h Other extracurricular activities?		
If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement.)		
34a Does the organization receive any financial aid or assistance from a governmental agency?		
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check **a** if the organization belongs to an affiliated group Check **b** if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred.)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount Enter the amount from the following table—		
	If the amount on line 40 is—		
	Not over \$500,000 20% of the amount on line 40		
	Over \$500,000 but not over \$1,000,000 . . . \$700,000 plus 15% of the excess over \$500,000		
	Over \$1,000,000 but not over \$1,500,000 . . . \$175,000 plus 10% of the excess over \$1,000,000	41	
	Over \$1,500,000 but not over \$17,000,000 . . . \$225,000 plus 5% of the excess over \$1,500,000		
	Over \$17,000,000 \$1,000,000		
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
 See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
45	Lobbying nontaxable amount				
46	Lobbying ceiling amount (150% of line 45(e))				
47	Total lobbying expenditures				
48	Grassroots nontaxable amount				
49	Grassroots ceiling amount (150% of line 48(e))				
50	Grassroots lobbying expenditures				

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h.)			

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

RFD Communications Inc.
Form 990
Part II Line 42 detail

RFD Communications Inc.
2003 Depreciation Expense and Fixed Assets

		December 31,	2002		December 31,
		2002	Additions	Retirements	2003
<u>Equipment</u>					
Broadcast		24,949		(24,949)	0
Truck			7,000		7,000
Computer			1,598		1,598
		<u>24,949</u>	<u>8,598</u>	<u>(24,949)</u>	<u>8,598</u>
<u>Accumulated Depreciation</u>					
	Useful Life	December 31,	2002		December 31,
		2002	Depreciation	Retirements	2003
Broadcast	5 Years	(5,604)	5,604		0
Truck	5 Years		(1,556)		(1,556)
Computer	5 Years		(88)		(88)
		<u>(5,604)</u>	<u>3,960</u>	<u>0</u>	<u>(1,644)</u>
Equipment Net		<u>19,345</u>			<u>6,954</u>

RFD Communications Inc.
Form 990
Part II

Line 43 e

Land Option Expiration
Independent Contractors, Other

317,500
91,812
409,312

RFD Communications Inc.
Form 990
Part IV - Balance Sheet
Line 63 - Loans From Officers and Directors

RFD Communications Inc.
December 31, 2003

John Gesek Loan

Borrowers Name	RFD Communications Inc.
Original Amount	\$58,000
Balance Due	\$36,480
Date of Notes	March 14, 2001 (\$3,000), June 11, 2001 (\$22,000), August 23, 2001(\$33,000)
Maturity Date	October 15, 2001
Repayment Terms	Paid from available working capital
Interest Rate	9%
Security Provided By Borrower	Personal Guarantee by Patrick Gottsch and all the assets of the company
Purpose of Loan	Working Capital

Comenca Bank Line of Credit - Guaranteed by John Gesek

Borrowers Name	RFD Communications Inc
Original Amount	\$29,000
Balance Due	\$16,902
Date of Note	January 17, 2001
Maturity Date	10 years
Repayment Terms	Monthly instalments
Interest Rate	Variable (about 8%)
Security Provided By Borrower	Personal Guarantee by Patrick Gottsch and all the assets of the company
Purpose of Loan	Working Capital

Ray Burgess Advance

Borrowers Name	RFD Communications Inc.
Original Amount	\$13,359
Balance Due	\$13,359
Date of Note	October 2001
Maturity Date	On Demand
Repayment Terms	Paid from available working capital
Interest Rate	None
Security Provided By Borrower	None
Purpose of Loan	Working Capital

Patrick Gottsch Advance

Borrowers Name	RFD Communications Inc.
Original Amount	\$95,388
Balance Due	(\$5,053)
Date of Note	May 2001
Maturity Date	On Demand
Repayment Terms	Paid from available working capital
Interest Rate	None
Security Provided By Borrower	None
Purpose of Loan	Working Capital

RFD Communications Inc.

Form 990

Part VIII

Line No.

- 93a Program Sponsorship
Sponsorship of programs allows RFD to provide information and educational programs to farmers and ranchers nationally that is otherwise not available. This includes live call in programs for the American Farm Bureau Federation, NCBA, and the FFA , the rebroadcast on a national basis of regional programs from state farm bureaus, as well as the US Farm Report, live cattle auctions, a broad range of equine educational and training programs. and regional farm and horse expositions.
- 93b Affiliate Fees
Distribution agreements with cable operators allows RFD to distribute its television network to viewers of the cable system
- 93c Program Guide
The program guide allows RFD to provide rural viewers with information about the programs and the viewing times. It is either the main source or only source of this information for many viewers.
- 93e Other
Other includes production of videos that are purchase by viewers so that they can have a copy of program to view at their convenience.
- 93 g Fees from government agencies
RFD supports the outreach programs of a number of US government agencies that direct their efforts to constituents in rural America through the use of television.

- If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box
- Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time - Must file Original and One Copy.		
Type or print	Name of Exempt Organization RFD COMMUNICATIONS INC.	Employer identification number 75-2906765
File by the extended due date for filing the return. See instructions	Number, street, and room or suite no. If a P.O. box, see instructions. 4101 INTERNATIONAL PARKWAY	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions CARRELLTON, TX 75007	

Check type of return to be filed (File a separate application for each return):

<input checked="" type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust)	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 5227	<input type="checkbox"/> Form 8870
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 4720	<input type="checkbox"/> Form 6069	

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until NOVEMBER 15, 2004

5 For calendar year 2003, or other tax year beginning _____ and ending _____

6 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

7 State in detail why you need the extension
THE ORGANIZATION HAS BEEN UNABLE TO GATHER THE NECESSARY INFORMATION REQUIRED TO FILE A COMPLETE AND ACCURATE RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions \$ _____

b If this application is for Form 990 PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ _____

c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ N/A

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature [Signature] Title CPA Date 8/13/04

Notice to Applicant - To Be Completed by the IRS

- We have approved this application. Please attach this form to the organization's return.
- We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- We have not approved this application. After considering the reasons stated in item 7, we cannot grant you a request for an extension of time to file. We are not granting the 10-day grace period.
- We cannot consider this application because it was filed after the due date of the return for which an extension was requested.
- Other _____

EXTENSION APPROVED
SEP 07 2004

Director _____ By: _____

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3-month extension different than the one entered above.

Type or print	Name SWEET & ASSOCIATES, P.C.
	Number and street (include suite, room, or apt no) Or a P.O. box number 2407 SOUTH 130 CIRCLE
	City or town, province or state, and country (including postal or ZIP code) OMAHA, NE 68144-2528

FIELD DIRECTOR SUBMISSION PROCESSING, OGDEN

EXHIBIT 9

**PATRICK GOTTSCH
SATELLITE RURAL FORUM
PRESENTER BIO**



Consumer & Governmental Affairs Bureau

[FCC](#) > [CGB](#) > [Rural Forum](#) > Patrick Gottsch

[FCC site map](#)

Patrick Gottsch

Satellite Rural Forum Presenter Bios

Born June 3, 1953 - Elkhorn, Nebraska

Grew up on family's farm and cattle feeding operation.

Attended Sam Houston State University 1971-74.

Commodity Broker on Chicago Mercantile Exchange from 1978-82.

Started one of the Midwest's largest C-band dish dealerships, E.T. Installations, working with Birdview Satellite Corporation, from 1984-88.

Developed C-band rural, television programming from 1988-91.

Director of Sales for Superior Livestock Auction, the first satellite-delivered video cattle auction, 1992-96.

Formed RFD Communications, Inc. to launch a DBS television service to serve rural America and agriculture. Launched RFD-TV in December/2000 on DISH Network. Distribution expanded to DIRECTV in March/2002, Mediacom Cable September/2002, and the NCTC in January/2003.

Currently serves as President of RFD Communications, Inc. (RFD-TV)

Father of 2 daughters - Raquel (19), and Gatsby (16). Continues to live near his family's farm, where his brother continues to raise corn & soybeans.

last reviewed/updated on 01/29/04

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For comments or questions pertaining to CGB web pages, please e-mail rgoldbla@fcc.gov

Federal Communications Commission
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Washington, DC 20554
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EXHIBIT 10

PRESS RELEASE, APRIL 15, 2005

“FARM JOURNAL MEDIA ACQUIRES *U.S. FARM REPORT*”



For more information contact:

Brian Conrady
Phone: 574-631-1302
Email: bconrady@fiem.com
www.aqweb.com

For Immediate Release

Farm Journal Media Acquires *U. S. Farm Report*

Philadelphia, PA – April 15, 2005 – Farm Journal Media today announces the acquisition of *U.S. Farm Report...Town and Country Living* from Tribune Entertainment Company. Launched in 1975, *U. S. Farm Report* is the nation's longest running agricultural television news program with a rich history as one of the industry's most influential shows. The 60-minute weekly format includes top stories, high-profile interviews, an ag-focused weather & markets report, plus a variety of rural lifestyle features. According to Nielsen Media Research, the show is viewed by more than 700,000 household each week. Farm Journal Electronic Media, the broadcast division of Farm Journal Media, will immediately assume advertising sales efforts. Program production will continue at Chicago-based High Yield Productions.

Tribune remains the exclusive distributor of *U.S. Farm Report* in broadcast syndication. The show's network of more than 190 stations includes Tribune's 26 owned and operated stations and WGN Super-Station, collectively delivering 97% household coverage. This extensive distribution is in addition to Farm Journal Electronic Media's daily and weekly national networks with *AgDay* and *WeekEnd MarketPlace*. According to Jeff Pence, Farm Journal Electronic Media's division President, "Part of the beauty of this acquisition is its compliment to our existing shows. We can create reach and frequency packages with this combination that are – quite frankly – second to none in agriculture." Pence added, "U. S. Farm Report has consistently outperformed the market in ad sales and they're off to another terrific start in 2005."

U.S. Farm Report is hosted by award-winning broadcast veterans Orion Samuelson and Max Armstrong. Samuelson has been with the program since its launch, earning the trust and respect of farmers all across America. Armstrong is one of America's best-known and most widely followed ag journalists. Both are instantly recognized voices on Chicago's WGN Radio. Joining *AgDay*'s Scott Kinrade and *WeekEnd MarketPlace* host Al Pell, Farm Journal Media now has a line-up of television talent unrivaled in the industry. "We're thrilled to welcome Orion and Max to Farm Journal," says Sonja Hillgren, Senior Vice President of Editorial for Farm Journal Media. "Their dedication to agriculture and contributions to broadcast journalism are renowned."

The addition of *U.S. Farm Report* further broadens and strengthens Farm Journal Media's integrated media portfolio. Combining print, broadcast, newsletters, Internet, special events and database services, Farm Journal Media already offers clients a wealth of marketing opportunities unparalleled in agribusiness. "Leading brand...great talent...rich content...broad, effective distribution...and longstanding excellence in serving American agriculture," summarized Farm Journal Media CEO, Andy Weber. "This is a premier medium in American agriculture and a perfect fit with our portfolio. We're very proud and excited to welcome U.S. Farm Report to the Farm Journal family!"

About U.S. FARM REPORT ...TOWN & COUNTRY LIVING

U.S. Farm Report...Town & Country Living has been on the air every week since its launch in 1975, making it the longest running agribusiness program in the history of syndicated television. The one-hour program covers all aspects of agriculture and agribusiness plus features about the great way of life found in rural America. The show's distribution network of more than 190 stations includes Tribune's 26 owned and operated stations and WGN Super-Station. According to Nielsen Media Research, *U.S. Farm Report* can be seen by 97% of the U.S. households. Broadcast distribution is augmented to Dish & DirecTV viewers on several prominent broadcast station channels, but will no longer be made available on RFD-TV, which operates under non-commercial public interest channel guidelines separately established by the FCC. The program is produced by High-Yield Productions in Chicago, IL.

About AGDAY Television

AgDay, launched in 1982, is television's second longest running syndicated program. The 30-minute daily program is seen nationally on over 160 stations. The early-morning program includes news, markets, weather and feature stories focused on various aspects of agriculture. According to Nielsen Media Research, the show is seen by an average 260,000 households each morning. *AgDay* is also available via video streaming at www.agday.com on *AgWeb.com*.

About WEEKEND MARKETPLACE Television

WeekEnd MarketPlace, launched in 1998, was the first television program to originate from a major trading floor. The 30-minute program is produced in cooperation with the Chicago Board of Trade, with tapings held at the exchange as well as before live audiences throughout the country. The core of the program is a roundtable discussion of top commodity market experts and traders. *WeekEnd MarketPlace*, with 52 original episodes annually, can be seen on more than 100 broadcast stations as well as via video streaming at www.weekendmarketplace.com on *AgWeb.com*.

About FARM JOURNAL MEDIA

Farm Journal Media is the nation's leading agricultural media company. Its magazines include the 128-year-old flagship FARM JOURNAL, as well as TOP PRODUCER, BEEF TODAY, DAIRY TODAY, ELITE PRODUCER and BEEF BUSINESS JOURNAL. The Company's broadcast division, Farm Journal Electronic Media, includes the *AgDay*, *U.S. Farm Report...Town & Country Living* and *WeekEnd MarketPlace* television programs along with *In the Country*, a daily syndicated news vignette. The Company's Internet portal "The Homepage of Agriculture" is *AgWeb.com*. Farm Journal Media also publishes several subscription-based publications including the *Pro Farmer* and *LandOwner* newsletters. Annual live events and conferences include the *Top Producer Seminar*, *Leading Edge Seminar*, *Farm Journal Forum*, *Dairy Elite Conference* and *Pro Farmer's Midwest Crop Tour*. The Database Strategies division provides extensive database and data management services based upon the Company's producer/industry market intelligence.

About TRIBUNE ENTERTAINMENT COMPANY

Tribune Entertainment, the Los Angeles-based entertainment division of Tribune Company, holds a diverse portfolio of programming for syndication, network and cable. Tribune Entertainment has entered into a variety of distribution, production and ad sales relationships with such major partners as DreamWorks SKG, FremantleMedia North America, Hearst Entertainment, New Line Television and Universal Domestic Television.

EXHIBIT 11

**ARTICLE IN AGRIMARKETING.COM, OCTOBER 28, 2005
“ORION SAMUELSON AND MAX ARMSTRONG
LAUNCH NEW TV PROGRAM”**



- CURRENT ISSUE
- PAST ISSUES
- EVENTS CALENDAR
- COMPANY INFORMATION
- SPECIAL FEATURES
- SUBSCRIBE
- LISTING FORMS

ORION SAMUELSON AND MAX ARMSTRONG LAUNCH NEW TV PROGRAM

Oct. 28, 2005

Orion Samuelson and Max Armstrong, two of the country's most respected and experienced farm broadcasters, announce the creation of "This Week In AgriBusiness." The weekly, one-hour television agri-news program presents timely and useful information about U.S. and global agribusiness. Additionally, "This Week In AgriBusiness" features Greg Soulje's highly regarded regional and national farm and ranch weather forecasts.

RFD-TV, a 24-hour television network for rural America, will air "This Week In AgriBusiness" beginning Saturday, November 19, 2005. RFD-TV is carried on DishNetwork channel 9409 and on DirecTV channel 379, as well as on a number of cable systems. Broadcast times are 8:00 a.m. and 5:00 p.m. on Saturdays; 8:00 p.m. on Sundays; and 8:00 a.m. on Mondays (Central Time Zone). Today, nearly 30 million homes have access to RFD-TV's rural programming. According to RFD-TV, the number is growing.

Orion Samuelson, a 45-year veteran of Chicago's WGN Radio (AM 720), said, "RFD-TV gives us the opportunity to provide farmers and ranchers beyond cable systems with a quality weekly summary of agribusiness...from the U.S. and around the world."

Max Armstrong, Samuelson's colleague and broadcast partner at WGN for nearly 30 years, also commented on the new undertaking. "We are thrilled with the opportunity to present an agribusiness show that farmers and ranchers can actually see as a part of their weekly routine. Our excellent broadcast times allow producers in every time zone to conveniently watch their show."

Over their careers Samuelson and Armstrong have a combined nearly 80 years of broadcast service to America's farmers and ranchers. Samuelson was raised on a dairy farm in Vernon County, WI. The Armstrong family farm interests are in Gibson County, IN.

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20th ANNIVERSARY

EXHIBIT 12

**ARTICLE IN OMAHA WORLD-HERALD,
DECEMBER 30, 1994
“ELKHORN FIRM SUED FOR UNPAID WORKER TAXES”**

Copyright 1994 Omaha World-Herald Company
Omaha World Herald (Nebraska)

December 30, 1994 Friday METRO EDITION

SECTION: NEWS; Pg. 13

LENGTH: 637 words

HEADLINE: Elkhorn Firm Sued for Unpaid Worker Taxes

BYLINE: JOY POWELL, WORLD-HERALD STAFF WRITER

BODY:

The federal government has sued Gottsch Feeding Corp. of Elkhorn for nearly \$ 177,000 in unpaid employee taxes.

The debt came from a now-defunct agricultural television station that cattle feeder Robert Gottsch briefly took over. The Omaha-based satellite station, RFD-TV, filed for protection under Chapter 11 bankruptcy laws in 1989 and eventually failed.

Gottsch said Thursday that he does not believe his corporation is liable for tax debts that were incurred by a former official of RFD-TV, Edward Zachery, before Gottsch took over.

"You know the government," Gottsch said. "If they can't collect it from one person, then they try to collect it from anyone they can, whether they're responsible or not." Gottsch Feeding Corp. is described in court documents as the biggest family-owned cattle feeding operation in the nation.

Robert Gottsch's nephew, Patrick Gottsch, was the original chairman and chief executive officer of RFD-TV. Zachery was president.

Court documents show that RFD-TV failed to pay federal withholding taxes in 1988 and 1989. RFD owed \$ 300,779 in unpaid taxes, plus interest and penalties.

RFD-TV filed a Chapter 11 bankruptcy petition in U.S. Bankruptcy Court in Omaha in July 1989. The company sought protection from its creditors while reorganizing.

Gottsch said his corporation took over RFD-TV for eight months but let the company go into Chapter 7 bankruptcy when it became apparent that the station could not be salvaged.

Gottsch and the government disagree on whether Gottsch Feeding Corp. bought stock in the television station. Gottsch said he had an option to buy stock but never exercised it because the station was sinking.

Gottsch's attorney, David Domina of Omaha, Thursday questioned how the government could hold Gottsch responsible for a stock option that was never exercised.

"It seems to me that it is a leap in logic to argue that because there is a (stock) warrant creating an option, that the warrant would have been inherently exercised," Domina said.

Federal prosecutors said that Robert Gottsch and Zachery on Sept. 8, 1989, approved an offer involving purchase of RFD-TV common stock by the Gottsch company.

Under the option, Gottsch Feeding agreed to repay by Nov. 1, 1989, any present or past employees or shareholders of RFD-TV Inc. money they were required to pay to the IRS relating to payroll taxes.

Court records say Gottsch Feeding took over RFD-TV and funded its operations until the bankruptcy claim was dismissed Nov. 21, 1990. The Chapter 11 reorganization was converted to Chapter 7, liquidation of assets.

Government investigators found that Zachery, as former president of the station, was liable for \$ 171,741 that was withheld from employees' paychecks for Social Security contributions and federal income taxes. The federal government has been unable to collect the money from Zachery, the complaint says.

The government contends that the stock option specified that money owed to the IRS by the station employees or shareholders would become the responsibility of Gottsch Feeding Corp. An attorney with the tax division of the Justice Department in Washington, D.C., prepared the tax-debt case against Gottsch Feeding, which was filed Tuesday in Omaha.

In a different tax case, the Nebraska Revenue Department has sued Gottsch Feeding Corp. in state court for about \$ 400,000, mostly for sales and use taxes assessed against RFD. The state contends that Gottsch Feeding Corp. is responsible for that tax debt, too.

Domina said he filed a motion for dismissal on grounds that insufficient evidence exists to find Gottsch liable for the RFD state tax debts. A hearing will be held Jan. 25 at the Nebraska Revenue Department offices in Lincoln.

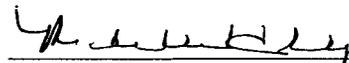
CERTIFICATE OF SERVICE

I, Michelle Holly, a secretary at Dow, Lohnes & Albertson, PLLC, do hereby certify that on this 28th day of November 2005, I caused a copy of the foregoing "Petition for Declaratory Ruling" to be served on the following via first-class U.S. Mail:

Ray A Burgess
2040 Loop 336 W.
Suite 125
Conroe, TX 77304
Registered Agent for RFD Communications, Inc.

Michael D. Nilsson, Esq.
Harris Wiltshire & Grannis, LLP
1200 18th Street, N.W.
Washington, DC 20036
Counsel for DirecTV, Inc.

James E. Dunstan, Esq.
Garvey, Schubert & Barer
Fifth Floor
1000 Potomac Street, N.W.
Washington, DC 20007
Counsel for EchoStar Communications Corporation



Michelle Holly

DOCKET NO.

06-92

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