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FCC Mail Room

TO: The FCC, Federal Communications Commission, 445 12th St., S.W.  
Washington, D.C. 20554  
FROM: John Sakowicz, Mendocino County Public Broadcasting, Board Director  
and Treasurer, and Program Host and Producer of "All About Money", KZYX and  
KZYZ  
SUBJECT: Informal Objection, or Petition to Suspend/Deny, Contingent Upon a  
Change in Management, for the Renewal of Licenses for KZYX and KZYZ  
DATE: JANUARY 27, 2014

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INTRODUCTION

I am writing to file an Informal Objection for the renewal of the licenses for KZYX and KZYZ, (88.1, 90.7, 91.5 FM) Mendocino County Public Broadcasting. If the deadline has not passed, I would like my complaint to be regarded as a Petition to Suspend/Deny contingent upon a change of management.

The station's call sign: KZYX and KZYZ  
The station's facility ID number: 41157  
The license renewal application file number: BRED20130724AAG

I have "standing" in the matter of the FCC license renewal. First, I am a publicly elected member of the Board of Directors at Mendocino County Public Broadcasting. In 2013, I was elected to the Board by a 10:1 margin. Furthermore, I am also Board Treasurer.

I am also the host and producer of a popular show on business and finance on KZYX&Z, "All About Money". I've been on-the-air for the last six years. My guests have included members of Congress, C-level executives, Pulitzer Prize recipients, retired senior military and intelligence officers, professor, authors, leading progressives and activists, and leading think tank researchers and advocates in economics, social policy, political strategy, law, military, technology, and culture.

I even had former FCC Commissioner, Nicholas Johnson, as a guest on my radio show.

The link to the current Board of Directors is found at:  
<http://www.kzyx.org/index.php/station-business/board-members>

The link to my last show is found at: <http://www.kzyx.org/index.php/talk-shows/politics-and-public-affairs/all-about-the-money/entry/robert-m-gates-war-is-a-business-and-business-is-good>

By any criteria, I have standing in objecting to the renewal of KZYX&Z's FCC licenses.

I am filing this complaint for the reasons stated below:

## 1.) THE PUBLIC FILE

The station's current General Manager and Executive Director, John Coate, does not share key information, i.e. FCC license renewal updates, reasons why Board meetings have been canceled, reasons why job openings at the station are not posted, and draw-downs on the station's line of credit and other bank borrowings.

As Board Treasurer, I have made repeated requests for financials. Concerning bank borrowings, the immediate-past General Manager, Belinda Rawlins, almost bankrupted the station six years ago when she maxed-out the station's line of credit at the Savings Bank of Mendocino County without fully disclosing her actions to the Board. When the bank refused to lend Ms. Rawlins any more money, she quit her job and moved to Boston.

Again, I have to reiterate I am Board Treasurer at Mendocino County Public Radio. I also want to emphasize that I know the duties and responsibilities of Board member and Treasurer. I am currently serving my second term as trustee of Mendocino County's \$400 million public pension system. I was unanimously appointed by the Mendocino County Board of Supervisors to the pension system's board, and I have been trained as a trustee at Stanford Law School. I have received further training at UC Berkeley's Haas School of Business, Executive Education Center. I am also a bonded fiduciary at our county's pension system. I further worked on Wall Street for many years, sit on other boards and commissions, and I have an MA and BA from the Johns Hopkins University.

I know my job as treasurer. I know my job as fiduciary. By not disclosing important information about the station's finances, the station's current General Manager and Executive Director, John Coate, has, I believe, violated the FCC's requirements for full disclosure to The Public File.

Concerning our audits that are posted to the Public File by Mr. Coate, these are only audits for the last fiscal year. They give a financial picture looking backwards, much like looking in the rear view mirror of your car. There is no picture of the station's current finances. No current quarterly financials are posted to the Public File, nor have they been provided to me, Board Treasurer, at my request.

Again, please keep in mind that the station can max out its line of credit at the bank in any given three-month period of time. In other words, the station can be bankrupted in any three-month period, hence the need for quarterly financials, if not monthly financials.

Also, station management refuses to disclose their salaries, despite numerous requests by the public.

## 2.) CORPORATE GOVERNANCE

There are many issues of poor corporate governance at Mendocino County Public Broadcasting. The integrity of Board elections greatly concerns me. In the past, General Manager and Executive Director, John Coate, interfered with the elections process by recruiting some people to run for the Board — with his endorsement — while strongly discouraging other people from running for the Board. In other words, Mr. Coate handpicks his own Board. I was told twice by Mr. Coate not to run for the Board, before finally deciding to run in 2013. You may surmise Mr Coate handpicks his Board of Directors. However, the Board is charged with oversight over Mr. Coate. Therein lies the conflict of interest.

Also concerning governance, in 2013, the Board voted to change its meeting schedule from meeting on a monthly basis to meeting on a quarterly basis. I supported monthly meetings. Yet, even on the quarterly schedule, our scheduled meeting for January, 2014 was arbitrarily canceled. Our last meeting was on October 7, 2013.

Amendments and deletions of the Board's By-Laws are another concern.

Former Board Director, Doug McKenty, who I believe will also be joining me in writing to the FCC, has complained about the Board's By-Laws which have been changed or discarded without public notice or approval. This is unacceptable. It further consolidates power in Mr. Coate.

Another By-Law, 6.07 (2) flies in the face of the concept of a publicly-elected Board. It states: "A Director may be removed from the Board by vote of two-thirds (2/3) of the Directors then in office." In other words, taking my own election as an example, although I was elected to the Board by a 10:1 margin by the station's 2,300 members who voted, it would take only six Directors to remove me from the Board, and they could remove me for no cause or without even stating a cause. This is outright contempt for the will of the public.

Finally, it should be noted that Mr. Coate unilaterally added both the title of Executive Director and its powers, to his former title and powers of General Manager. This expansion of Mr. Coate's powers means that he does not have to consult the Board on most decisions regarding the operations of the station.

Taken in its totality, the FCC can see how Mr. Coate has changed the station from being a truly public/noncommercial radio station to being a private clubhouse for him and his friends. It would not be an overstatement to say that Mr. Coate has commandeered the station.

### 3.) PUBLIC INTEREST OBLIGATIONS/LOCALISM

Many members of the public have been deeply troubled by the arbitrary cancellations of a formerly very popular show on KZYX, "Open Lines," which was the public's only opportunity for unrestricted public comment.

Canceling "Open Lines" is an important First Amendment issue at KZYX&Z. Members of the public could formerly comment on any subject for three minutes without censorship or restriction.

Despite what Mr. Coate may say, the "Open Lines" show was held to a double standard for the utterance of a single profanity by a caller. Other shows at the station are given a "free pass" on profanities. I could cite two recent examples at your request. The real reason I believe "Open Lines" was canceled is because callers were becoming increasingly critical of station management. The show's equally popular host, Doug McKenty, a former Board Director, was also suspended by Coate, apparently for not silencing disaffected listeners.

Hence, in the opinion of many in the public, canceling "'Open Lines" was an unambiguous form of censorship by Mr. Coate.

Finally, many programming decisions are made without public input. Worse, some decisions have been punitive. (I fully expected reprisals by station management for exercising my First Amendment rights by writing this complaint and speaking out to the FCC.)

Concerning bad programming decisions made without any public input, I'll cite a few examples. The Ukiah Daily Journal's editor, KC Meadows, once had a show on KZYX.&Z It was a popular show. Ms. Meadows knows more about Mendocino County than just about anyone. She loves our county and its people. But she was summarily dismissed by management at KZYX&Z for reasons that are still not clear.

Another popular host, Ells Cooperrider, was also fired. Ms. Cooperrider has a national reputation in the fight against GMOs. Again, it is not clear why she was fired. It took years for Ms. Cooperrider's appeal to be resolved. She finally returned to the air, but only after a long fight. Shows by other popular hosts, notably Beth Bosk, editor of the New Settler Interviews, were also yanked. Meanwhile, folks who should have been given the opportunity to host shows — like national, raw cannabis juicing expert, William Courtney, MD — were never given shows. Dr. Courtney had to go to neighboring Humboldt County's KMUD to host his show, even though he lives in Mendocino County.

Perhaps worst of all, popular KZYX&Z reporter, Christina Aanestad, was fired without cause. Ms. Aanestad had been groomed by the long-time KZYX&Z news director, Annie Esposito, to be Ms. Esposito's successor when she retired. Ms. Aanestad's California-wide reputation as an outstanding independent investigative journalist is well-deserved. Her work has aired on KQED's "The California Report," Free Speech Radio News, Public Radio Exchange, and other media outlets. Ms. Aanestad is a regular reporter and substitute news anchor at KMUD. Her "Stories from Ecuador" about the degradation of sacred lands from oil drilling, gold mining, and hydroelectric dams have put Ms. Aanestad in the league of first-rate independent investigative reporters. Ms. Aanestad's firing by General Manager and Executive Director, John Coate, for reasons that are still unclear, is a disgrace.

Another thing that troubles me is that for a public station, KZYX&Z does a pitiful job in covering local news. Over the last few years, "Community News" which airs Monday – Friday, on KZYX&Z, was cut from 60 minutes, down to 30 minutes, and finally to 5 minutes. The station claimed they didn't have the money for a news department, yet staff received raises following Ms. Aanestad's demise. Salaries were increased so that all employees of KZYX&Z could be reclassified as "exempt" employees. Also, General Manager and Executive Director, John Coate, was given a 10 per cent raise in 2013.

After much public outcry, "Community News" was recently expanded to 10 minutes, and a fledgling Community Advisory Board was formed. The Community Advisory Board, it should be noted, has no authority or powers.

#### 4.) EEO COMPLIANCE AND DIVERSITY

In December, 2013, Mr. Coate hired his friend Michael Kisslinger , and Sheri Quinn, the friend of Board member, Holly Madrigal. These jobs were neither posted nor advertised by KZYX&Z.

In 2011, Mr. Coate hired news reporter, Paul Lambert, without posting nor advertising the position. Another employee, David Brooksher, was hired without posting or advertising the job. (Mr. Brooksher, for whom I can vouch, may have also been fired without cause.)

These are all clear examples of EEO violations.

Meanwhile, as stated on the FCC's own website, the FCC is committed to EEO compliance and diversity.

I have been told that the FCC's EEO program for broadcasters has three prongs.

Prong 1 requires that the broadcaster adopt an outreach program to notify all significant groups within its community of job openings at the station. The FCC is looking for an outreach program that reaches beyond the “old boy’s network,” to recruit new people from diverse segments of the community to work at broadcast stations. In the past, many of the EEO fines that were issued focused on this first prong of the program – fining stations that either did not reach out to community groups about openings for most of its jobs, or where the outreach was insufficiently broad. The FCC issues fines to stations that rely solely on in-house recruiting or online sources which, alone were deemed insufficient.

Prong 2 of the FCC’s EEO program – the obligation to notify groups about job openings when those groups ask that they be notified — is equally important. Prong 2 of the EEO program requires that broadcasters let their communities know about their EEO outreach programs through occasional on-air announcements or other means. As part of that notification, the broadcaster must let the public know that groups within its service area can ask that they be included on notifications of job openings. Once they ask to be included on the list of groups to get notices of job openings, the groups need to be notified of the job openings at the station – for as long as they want to continue to receive these notices. In these cases, the broadcasters had received requests that certain groups be notified about job openings, apparently told the FCC in prior filings that these groups had requested notification, then dropped the ball in the time period in which EEO audits of the station groups were conducted and failed to continue to provide that notice. These decisions should serve as a warning to all broadcasters that they must provide notice of the existence of their EEO programs to their communities, and remember to notify the groups that actually request notification of the openings that arise at their stations.

Prong 3 requires that broadcasters conduct “non-vacancy specific outreach” – essentially supplemental efforts to educate their communities about the duties of various broadcast jobs and the qualifications that applicants should develop to qualify for those jobs. In addition, these supplemental efforts educate the public about how people can find out about job openings when they arise. These efforts are to be conducted even when an employment unit has no openings – just to educate the community about broadcast job opportunities.

KZYX&Z has failed in all these respects.

## 5.) TOWER AND OTHER EQUIPMENT ISSUES

The integrity and reliability of towers and other equipment at KZYX&Z is an on-going issue.

Just last week, the signal for 91.5 FM was down for more than 24 hours due to problems with the transmitter on Laughlin Peak here in Mendocino County. Quoting from Mr. Coate's own blog: "Sometime early Saturday morning KZYZ, 91.5, suddenly went off the air. The problem was large: one of the critical components of the transmitter itself, the "exciter," failed and took the signal down with it."

The above is but one example of failing infrastructure at KZYX&Z. I could cite another few dozen incidents that contributed to the signal being down during the last six years I have been associated with KZYX&Z. This failure of the broadcast signal is unacceptable. As a footnote, I also wonder if the station's EAS equipment is operational at all times.

#### 6.) MAIN STUDIO RULES — NO STAFF AT MAIN STUDIO

I broadcast my show "All About Money" bi-weekly, on Fridays, at 9:00 a.m. Typically, there is no staff member present at the studio at KZYX&Z when I arrive at the station at 8:30 a.m. The door to the station is open. The studio is open. There is no staff present when I go on-air at 9 a.m. Typically, there is not even staff present in the main studio at the end of my show at 10:00 a.m. During these times, any member of the public can walk into the station and broadcast hate speech, racial epithets, profanity, or lunatic rants.

My show's engineer, Leo K. Dikinis, can confirm the fact the station is often left unattended during business hours.

#### CONCLUSION

I file this letter only after careful consideration, and with great regret and sadness. It is my hope that the FCC help KZYX and KZYZ become a well-managed public radio station again, and not the poorly-managed private clubhouse it now is. My recommendation is that the FCC delay the approval of both licences, KZYX and KZYZ, contingent upon a change in management. The Board should demand the resignation of Mr. Coate, and I would hope the FCC would support the Board.

I am also enclosing a recent article, "Mendocino County's KZYX has FCC License Challenged" about my FCC filing in the Press Democrat. The AP wire picked up on the story, and you may find it in many other newspapers throughout California. You will even find the article reprinted in an FCC law blog.

Finally, many, if not all, of my complaints listed above may be confirmed by past Board Directors, including Doug McKenty, King Collins, and Els Cooperrider. A current candidate for the Board of Directors, Patricia Kovner, MD, can also confirm many details in these complaints. There is also a Facebook page, "KZYX Members for Change". It has 93 members.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John Sakowicz", with a long horizontal flourish extending to the right.

John Sakowicz,  
1201 El Dorado Road  
Ukiah, CA

95482-3680



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# Mendocino County's KZYY has FCC license challenged

By **GLENDA ANDERSON**  
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Mendocino County's public radio station has a history of internal struggles but its latest feud has taken a new, and possibly unprecedented twist.

A KZYY board member said Monday he will be filing an objection to the radio station's license renewal with the Federal Communications Commission. John Sakowicz said he's hoping the FCC will force a management shake-up at the station.

"I'm trying to save this station, not destroy it," said Sakowicz, who also serves as the board's treasurer and hosts a program "The Truth about Money," on the station.

Sakowicz published a letter Monday in an online publication urging others to complain to the FCC as well.

His move shocked and dismayed the station manager and his fellow board members.

"I find that so disturbing. I think it potentially could be very damaging," said board member and Willits Mayor Holly Madrigal.

She said she and other board members were blindsided by Sakowicz's published allegations.

KZYY General Manager John Coate said most of Sakowicz's allegations are false and he doubts the FCC would get involved in station infighting because the issues fall outside of licensing considerations.

If the station did end up losing its license, it likely would be the end of public radio in Mendocino County, he said.

Sakowicz' allegations are many. They include accusing Coate of withholding financial and meeting information, failing to advertise vacant positions and manipulating board elections. He also has taken issue with Coate's hiring of a news reporter who once worked for Voice of America, a U.S. funded broadcast aimed at international audiences.

The Voice of America "almost by admission is a CIA property," Sakowicz said.

Sakowicz also decried the firing of a reporter and a number of unpaid programmers over the years. At least two predated Coate, who became general manager about five years ago. The program manager generally handles those situations, Coate said.

More recently, a programmer had his public access show suspended because someone swore on the air.

Coate said the station is required to follow strict rules that prohibit on-air obscenities and hosts from promoting political agendas.

Station critics say that some shows have been canceled for significantly less.

Els Cooperrider is a former KZYY board member and programmer and leader of a ballot effort that banned genetically modified crops in Mendocino County.

She said she was fired as a programmer about five years ago because she wanted to split her show with another host.

She filed a grievance and was reinstated two years later by Coate. She resigned soon after that. Years before, Cooperrider had been removed as a board member over disagreements with her fellow board members.

Cooperrider lauded Sakowicz's efforts to shake up station management.

"Basically, as a programmer at KZYY, you have no rights at all," she said. Madrigal said the board hopes to improve station interactions with programmers.

She also defended the board and Coate. Together they've nearly eliminated debt attached to the station, which has a \$550,000 budget, she said. Coate keeps the board apprised of finances and other business, Madrigal said.

But Coate admits he has declined to provide Sakowicz with some station information that is not intended for public consumption.

"I would tell him things and it would show up in the (Anderson Valley Advertiser) the next day," he said.