October 25 2018

Received & Inspected

Amy Meredith/Powell Meredith Communications Co. 7784 Peacock Ln Frisco TX 75035 469 279 5531

Albert Shuldinger Audio Division of the Federal Communications Commission Washington DC 20054

Michelle Carey Head of the Media Divisions Federal Communications Commission Washington, DC 20054 OCT 30 2018

Tolling request for Powell Meredith Communications Company, FRN number 0006018212, Wickenburg AZ facility ID- 143311, Gulfport MS 142760 and South Padre, TX 143311.

This is placed to clear up confusion that has occurred over these 3 permits as part of a tolling request. A request was placed in June of 2017 and denied and another one in September of 2017 was also denied and then a third request was placed in Feb 1 2018 and then an amendment to add more detail on Feb 5 2018, that one was approved but later revoked. The first tolling request in June 2017 is in the CBDS database but the second in Sept 2017 is not in the database. On the Feb 1st request, the third request, it did not show up just the Feb 5 2018 supplemental showed up that didn't include all of the lawsuits. I've attempted to have the audio division update the CBDS file and it has not updated.

This is very important because the CBDS has not been updated with all the requests especially the two in Feb of 2018 because they contain import lawsuit attachments and this will be needed to show that they were received and taken in to consideration in a future court hearing. I am filing a freedom of info request to see if they have cleared the mail room at this time, although I was told earlier by the audio division that they had the tolling requests. Currently I am processing a FOIA request to get stamped in copies of the requests and then I can re send them to the audio division in attempt to get them in the database.

This 'case involves **13** different bankruptcy and court proceedings- These 3 permits are rolled in to four lawsuits and a Bankruptcy estate with several motions to turn over. These proceedings include 8 permits altogether but all these lawsuits include all three permits and two of these lawsuits **only** include these 3 lawsuits.

In March of 2018 tolling was granted on the three permits and then revoked in October and I was accused of filing false information. All information I tendered in the request came from the court sites of pacer.gov for the Federal suits and bankruptcies and from the UTB.org for the state lawsuits in Utah. Nothing was altered and was downloaded directly online. Please feel free to double check the documents online . This case is part of a bankruptcy where there are several creditors to this proceeding so I have no way of telling what the other creditors have sent to the audio division and to

what member. In one of the court proceedings I found out way after the fact that the lawyer for one of the parties remained in contact with the audio division and I was never informed and it adversely affected the due process and fairness of this case.

1. *Morgan Skinner, John Barlow, Community Translator Network and Rockwell Media Services VS Amy Meredith Scott Powell and Powell Meredith communications-* Filed in April of 2014. This case went to hearings, interrogatories and depositions and then went to a request for summary judgment where Judge Jeffrey Wilcox set this case for trial. This case is still pending (see lawsuit and request for summary judgment). In the request for Summary Judgment it is asking the courts to assign all 8 permits to CTN and that PMCC can not communicate with the FCC over this. This has since been denied but it took 5 plus months to get to that point. The Summary Judgment was filed in June of 2015 and decided in November of 2015.

This lawsuit is asking for the Utah State court to take possession of the 8 FM translators including these three and place them in to court custody to be processed through the courts. The exact language used is that they are asking for one contract to be upheld that would make PMCC finish the transfer of all 8 permits. The 5 had already been illegally transferred out of the account and that was established in later court cases, that those were stolen. We tried to work with this deal when Barlow asked for a summary judgment in which he lost and the case was set for trial. Before the case could go to trial John Barlow declared corporate bankruptcy chapter 11 reorganization on CTN.

In this lawsuit it involves 8 FM Translators in a contract that John Barlow tendered to the courts, this is different than the contract that the first 5 stations was approved on. There is a second contract that I did not place through the system and my ex Scott Powell claims he did not process this contract either and John Barlow and Morgan Skinner both put out sworn affidavits claiming they did not either. IP web logs show it came from the same address that processed and transferred the stations, is the same address that filed 4 amendments.

In the request for Summary Judgment it is more specific that PMCC would be required to transfer the three permits that are part of this request to CTN and in the Prayer for Relief, Barlow asks the courts to get involved in the transfer. We tried to work something out but Barlow demanded all the permits and money and we could not transfer permit that was just an application at that time and knew we would face permit trafficking violations if we had.

The 8 permits in the contract attached to this lawsuit are- Ruidoso, NM, Needles, CA, Roseburg, CA, Wickenburg, AZ, South Padre, TX, Logan UT, Cheyenne, WY and Gulfport, MS. Three of these are part of this tolling request and that is Wickenburg, Gulfport and Soth Padre TX.

Logan UT and Cheyenne WY were part of the five that were transferred illegally to the CTN account, later on these landed in the CTN debtor in possession estate that was converted to a chapter 7 and then these are the only two that were legally sold through the courts. The Logan and Cheyenne were sold through the court appointed trustee who filed a 363 F filing with the courts and it went up for public notice with the courts and all protests were cleared. Four protest were filed with the courts and that was by John Barlow, Morgan Skinner, Gene Witnieski and Ray Carpenter.

The Needles, CA, Ruidoso, NM and Roseberg, OR were sold during a bankruptcy proceeding but not approved by the courts. A 363 F hearing has never been held on these three stations and the money was never turned over to the court system. Although they are reported as consummated in the FCC accounts it doesn't appear that they were paid for or paid to the courts. PMCC and the courts have no way of

telling how much they sold for or really to who because records are conflicting at this point in time. What money may have hit the bank account was removed anyway. My guess is that the courts will revoke these sales especially since the money is gone and since these three permits that are subject to tolling can no linger be sold to cover expenses such as the Trustee and court fees and the accounting firm that was hired.

2. *Community Translator Network declares bankruptcy reorganization Dec 2015*- John Barlow the owner and lawyer for CTN files bankruptcy Chapter 11 in Judge Thurman's court in Salt Lake City UT and declares all 8 permits in the bankruptcy estate (see attachment on ex parte motion for turn over).

Barlow claims in a bankruptcy hearing that he worked with Michael Wagner of the audio division and claims he received an email and letter from the audio division claiming that these three PMCC were to be dismissed for non payment of various fees associated with the PMCC account. Barlow claimed in a sworn testimony that the stations were not dismissed and were reinstated due to the bankruptcy protection under the automatic stay order. Therefore the audio division has always seen these as part of the bankruptcy estate (see court transcription).

This information and evidence from Barlow that the FCC granted these permits in to a bankruptcy estate under the automatic stay order was taken in to consideration and used to make rulings that were made in to statements of fact in court because they came from a court officer, John Barlow. This evidence was presented by John C Barlow, was used to make decisions in the case that dealt with the three permits that are part of this tolling as well as other decisions. Therefore unless Barlow is blatantly perjuring himself, the audio division is well aware of the bankruptcy and the fact that these three are under the Automatic Stay Order. If this is not true there has been a major miscarriage of justice and perjury inside the Utah Federal bankruptcy courts by John C Barlow and the courts and the Utah Bar needs to be immediately notified and that hasn't happened.

3. April 2016- Barlow files an adversarial suit against PMCC, *Community Translator Network VS Powell Meredith* Communications Co (see lawsuit) and inside this lawsuit is a *Motion to turn over permits*(see filing), and a *motion for sanctions* based on PMCC building the stations in violation of the court order(see filing).

In the adversarial lawsuit which was filed because PMCC filed a claim against the estate, CTN asks for three additional permits stating that the FCC does not view them as belonging to PMCC. In the motion to turn over, it involves the three permits that are part of this tolling request. The sanctions were filed against me Amy Meredith for violations of the automatic stay order for attempting to build one of the stations. I agreed to stop the construction.

Motion against claims- In this motion John Barlow is asking for damages against PMCC for making arrangement's to build one of the stations and claims that by me hiring an engineering and buying equipment and working out a tower lease on one of the stations that it has caused him damages. He claims this also caused him emotional damage (**see motions against claim**). If this motion had not been brought then the Gulfport MS would have been on air and I would been leasing it out and making money off it two years ago but I could not because technically it belonged to the estates and the court and John Barlow made that very clear. He changed his position later but it was too late.

4. June 2017- **Court conversion of CTN to Chapter 7**-The court converts this case to a Chapter 7 liquidation phase under fraud and other reasons- Judge Thurman determined that this case should go to a wipe out status.

Several months earlier, US Trustee John Morgan asked for the conversion and PMCC was in agreement. In the discussions leading to that decision PMCC agreed to turn over the permits(via FCC transfer) to the estate and that was used in making this decision.

Later on we believe that Barlow and Skinner willfully interfered with the FCC which affected the tolling on these stations to interfere with the courts decision. Which has led to another recent lawsuit against Barlow for willful injury of the estate. PMCC and the court Trustee have no way of gaging what tolling requests the audio division is looking at because two are missing from the CBDS and we don't know what John Barlow and Morgan Skinner have filed against these.

5. July 2017-Community Translator Network VS The US Trustee et al.-John Barlow on behalf of CTN files an appeal to the conversion, in the meantime he continues to sell stations and make amendments on the stations. Barlow loses the appeal in the 10th district court of appeals in Salt Lake City UT under Judge Jill Parrish in Feb of 2018. Barlow fails to file an appeal. Judge Jill Parrish then makes a statement ousting John Barlow from CTN. Just when we thought Barlow was gone, he re appeared in a Texas lawsuit.

6. *Dec 2017 Barlow Vs Powell Meredith-* Federal lawsuit filed in Abilene TX- John C Barlow under the guise of Community Education Foundations sues Powell Meredith Comm for injunction relief and asks for an order to force PMCC to give him the three stations that are part of this tolling request to him personally. After Barlow placed these three stations in to a bankruptcy estate and managed to get himself ousted then he changes his tune and decides that they should not go to the court appointed trustee after all and should of course go to him as a third party beneficiary.

Senior Judge Sam Cummins dismisses the case with prejudice and Res Juricata is enacted where Barlow can not get these stations and can not re file or appeal the decision. PMCC filed an update with the FCC to let them know that these lawsuits had been dismissed in July of 2018, seven months after they were filed. PMCC should at least receive 7 more months tolling due to this lawsuit(**See Texas** lawsuit).

Five of these eight were granted in to the PMCC account on Jan 9 2014 and the judge declared at that point in time that they were owned by PMCC not CTN. Barlow disputes this and claims to the courts that the FCC did not recognize PMCC as ever owning any of the 8 permits. This is what took so long in the courts to get through and until that was resolved I could not build or sell these or I would face protests and hostile attacks by Barlow with the audio division of the FCC.

PMCC tried to file a dismissal of the sale of the first five FM permits and this was actually Barlow's idea because after Skinner transferred them he decided he wanted to split them, a few weeks later he changed his mind again and had my dismissal letter pulled at the audio division (**see dismissal attachment**).

With this letter it appears my dismissal letter was removed. This letter is dated Feb 20 2014 and in the letter it mentions a Nov 10 2013 contract and Barlow claims I signed that. Later on he claimed in 2 sworn affidavits that he didn't design this contract or sign it and accused me of designing that contract

and forging his name and filing it through my FRN account to swindle him. The November 2013 contract was placed as an amendment through the FRN account on Feb 22 2014 but not by me and Barlow and Skinner also deny placing it but it is the document which approved the sale. The November contract contains 5 stations and the October contract contains all 8 stations.

The November contract with 5 stations is the agreement that the FCC approved the transfer on after rejecting the October agreement. The November agreement only has 5 stations in the chart and the agreements that Barlow wants to courts to uphold is a different one signed in October that has all 8 stations. The October agreement is the only one that Barlow testified was legit and said I created the others which included the Nov agreement plus 3 others.

PMCC did not know of this letter until court and Scott Powell came forward with the document. Once again Barlow is communicating with Michael Wagner of the FCC about the ownership of these stations. I was never made aware of any of these conversations that Wagner had with Barlow on the PMCC stations until way later in time, in court. Same goes for the three remaining permits, Barlow presented in court that he was communicating with the audio division of the status of the stations and that one had been dismissed and two were about to be dismissed and that is why he had to place CTN in to bankruptcy was to preserve these three permits. He was very specific that Michael Wagner reinstated these in conjunction with the Automatic Stay Order.

The ownership of the three permits as part of this tolling that were part of the original 8 are in the same boat. Even though John Barlow claims that he is the rightful owner and that the FCC had granted them in to his bankruptcy estate they still remained in the PMCC name. Later on I agreed to turn them over without a fight was taken in to account when the US Trustees office decided to take over and oust Barlow. The reason that they had not been turned over is because under the law the court appointed trustee had to wait for the ruling on the appellate court and he testified to that in the Show Cause Hearing in April of 2018. Once the Appeals court had made their ruling we were starting discussions on how to transfer and handle the 3 permits with the estate when PMCC was hit with two lawsuits in Texas involving an injunction of the three permits.

I now would like to know what additional documents any have been filed by Barlow and or Skinner or other creditors that has affected this tolling request. There is no specifics on the Oct 4 2018 letter that removed the tolling. The audio division doesn't say what lawsuit they feel doesn't deal with the three permits, because the State lawsuit in Utah does, as well as the motions and suits in bankruptcy courts as well as the Texas lawsuits. The permits are also recognized in the bankruptcy estate and that is why the court appointed Trustee went in front of the bankruptcy judge in a Show Cause Hearing in April of 2018.

7. *Skinner Vs Powell Meredith*- Filed December 2017- Filed personally by Morgan Skinner who is the third party processor who tendered a forged power of attorney to Konrad Hurling on July 2 2013 to gain access to the PMCC account to remove 8 FM translators form a fair and equitable auction process and to process them for his own personal profit and gain.

Since this time two more victims of this processing company have come forward, these include Perry Holmes of KTIM LP and Wastecon management as well as Gus Bowman of D and G media who had 105.1 FM in Twin Falls processed and re sold without his knowledge. Mr Bowman did not know his station was processed or re sold until I sent him the information, he had been planning to go to auction.

Mr Holmes was lucky to get the transfer to Skinner of KTIM canceled. Bowman and I weren't so lucky.

Morgan Skinner who also owns Rockwell Media Services, which is a well known third party processing company, which is a company in his words process other companies permits that may have forgotten about their permits, gone out of business or are too ignorant of FCC law to complete the process in their own.

Skinner acting as pro se, sued Powell Meredith as a third party beneficiary on a forged power of attorney, one that he had admitted was forged in Utah but was holding valid in Texas and was using this instrument to try to get an injunction against the three remaining permits. He lost in a big way and the judge even told him that appealing would be futile. Senior Judge dismissed this lawsuit on fraud and forgery, among other reasons, the same with the Barlow Texas lawsuit. This is the same instrument that the FCC accepted as valid and I lost all my stations starting with this forgery. Forgery is a crime in all 50 states and in mist societies it is frowned upon and in Texas the judge made that very clear(**See Texas lawsuits**).

Along this process I have been extremely careful to NOT violate the law and have followed the courts and Trustees rulings all the way. I am the only one NOT being sued by the Trustee and the courts and the only one not having criminal problems and I hope to keep in that status.

I need for the audio division to understand that I did not process these, they were processed by one of these third party processing companies by illegally accessing my account FRN account and putting me in a very bad position. Then someone filed a transfer of five of these to one of their parent companies, even though it came form my account, its been proven in court that I did not file this or agree to this. Although Morgan Skinner has denied this and John Barlow has as well, records from the US Treasury dept show that Morgan Skinner paid for the transfers and the same IP address that paid for these also filed the amendments and filed the transfers. This all led to a bankruptcy proceeding to allegedly preserve the three remaining permits that were part of this lawsuit which has now led to multiple lawsuits for bankruptcy fraud and a criminal investigation.

All this will show the harassment inside and outside of the courts that I have had to endure so two people could traffic some of my permits for a profit. This all could be avoided with closed and secured FRN accounts. The way to close them would be through finger print or iris identity cards.

Show Cause hearing in Salt Lake City Ut Bankruptcy court- In April of 2018 Court appointed Trustee Michael Thomson brought an action against John C Barlow and Morgan Skinner over a violation of the automatic stay order for attempting to get a court order against the three permits that are part of this tolling and also according to Thomson are part of the bankruptcy proceedings.

John Barlow and Morgan Skinner claim a change of heart and no longer believe or want these three stations inside the bankruptcy estate. The judge dismissed the hearing after Barlow and Skinner agree to remove the injunction relief part of the lawsuit. The judge asks Barlow if he plans to stop suing for the three permits, now and forever more and he won't answer but the Trustee adds that they will end up back in the same court once again. This is strong evidence that the stations belong in the bankruptcy estate which places them under an automatic stay order which prevents me from selling them or controlling them. Certainly if I had control over this I would have sold them earlier when the prices were high but I didn't feel like committing bankruptcy fraud.

During the Show Cause Hearing Michael Thomson made some a very strong point in court about a ruling that Judge Thurman made in Dec of 2016 and this ruling was made that showed that PMCC was the owner of all 8 permits and that they were inside the bankruptcy estate, not just 5 of them were to be inside the estate. The ruling was made that PMCC was to sell the stations and receive 60 percent of the re sale and that Barlow and Skinner were to receive the remaining 40 % once the 2,500 down payment for each station was made totaling 20,000.00. If the judge only recognized 5 of them in the estate then he would have said 12,500.00 down(See Show cause hearing).

8. **Thompson Vs Barlow Et al**- Court appointed Trustee sues John C Barlow for the return of stolen money and property and unreported property of the estate. This is another adversarial proceeding of the CTN bankruptcy estate. Due to paper reduction I did not include these lawsuits because they don't necessarily deal with the 3 permits in this deal but the property overall but to mention them as they pertain to this issues over all.

9. **Thompson Vs Rockwell Media-** Court appointed trustee sues Rockwell media for missing property and money

10. **Thomson Vs Skinner**- Court appointed Trustee Thomson sues Morgan Skinner for the missing money and the return of stolen property which is permits.

11. **Thomson VS Hoffman Schultz**- Court appointed Trustee Thomson sues Hoffmann Schultz for receiving unapproved funds in connection of all 8 permits.

12. **John Barlow personal bankruptcy-** In July of 2018 John C Barlow declares personal bankruptcy and asks to wipe out all debts from the bankruptcy courts

13. **Thomson Vs Barlow** inside the personal bankruptcy – This lawsuit is an adversarial suit inside the personal bankruptcy of John C Barlow. Inside this lawsuit, court appointed Trustee Michael Thomson is suing John Barlow for willful injury, theft, fraud and larceny. This is injunction with the PMCC and CTN permits and the FCC and bankruptcy action of John Barlow.

In summary there is one pending State lawsuit asking for these three permits, as well as a pending Adversarial lawsuit inside the Utah bankruptcy courts, there were two lawsuit inside Texas Federal courts asking for these three permits and they still remain in the court bankruptcy estate and are under the protection of the Automatic stay order which prevents me from controlling these permits.

At this point I have notified the courts of the tolling dismissal but I do not know what the audio division is basing their decision on because not all of the requests containing all the lawsuits have shown up in the CBDS database and its important so I can get the information for a future court hearing. In this hearing we will have to ask the judge for permission to build these and I am not certain that will happen either.

At this point in time I would like for all the lawsuits in this request to be entered as evidence that these stations are involved in a legitimate legal proceeding in multiple courts of equity.

Regards, Amy Meredith

John Christian Barlow 12438 321 N Mall Drive R290 Saint George UT 84790 435-634-1200 jcb@johnchristianbarlow.com for Plaintiffs

IN THE FIFTH DISTRICT COURT IN AND FOR THE STATE OF UTAH, WASHINGTON COUNTY				
E MORGAN SKINNER JR, an Individual; ROCKWELL MEDIA SERVICES, LLC, a Utah Company; JOHN CHRISTIAN BARLOW, an Individual; COMMUNITY TRANSLATOR NETWORK, LLC, a Utah Company. Plaintiffs v. AMY MEREDITH, an individual; SCOTT POWELL, an individual; POWELL-MEREDITH COMMUNICATION COMPANY, a Texas company with forfeited existence. Defendants	COMPLAINT Case No: 140500250 Judge: JEFFREY C WILCOX			

I. INTRODUCTION

In July of 2013, a Service Agreement (the "Service Agreement") was entered into by E. Morgan Skinner Jr. (Skinner") of Rockwell Media Service, LLC, a Utah company in good standing ("Rockwell") and between Amy Meredith, an Individual ("Meredith") and Scott Powell, an Individual ("Powell") of Powell-Meredith Communication Company, a Texas company with forfeited existence ("PMCC"). The Service Agreement is an exclusive technical, legal and marketing services agreement in which Rockwell performed or had performed technical, legal, and marketing services for the eight (8) FM Broadcast Station Translator Construction Permits (CP's). Meredith now claims that this contract is void because she did not sign it but that her name was signed by Powell.

In October of 2012, an Assignment Contract (the "Assignment Contract") was entered into where in Community Translator Network, LLC, a Utah company in good standing ("CTN"), John Christian Barlow as Trustee, ("Barlow") would acquire from PMCC eight (8) FM Translator Construction Permits ("CPs") from PMCC where they would be held during the marketing phase of the Service Agreement. Meredith does not claim that the Assignment Contract is void or defective in any way; however she has blatantly breached this contract.

After significant funds were invested for development of the FM Translator CP's so that they could be transferred as required by FCC regulations, and during the process of FCC approval of the transfers of the CP's, Meredith attempted to renegotiate the Assignment Contract to circumvent Powell so that she could retain more of the expected proceeds. When that attempt failed, and when five (5) of the eight (8) CP's were transferred to CTN, Meredith, Powell, and PMCC determined that they would do whatever they could to retain the CP's, sell the CP's and keep all of the proceeds for themselves.

Skinner, Rockwell, Barlow, and CTN now bring this action against Meredith, Powell and PMCC for breach, anticipatory breach, slander, liable, and defamation.

II. PARTIES

- 1. E. Morgan Skinner Jr. is a resident of Utah, Washington County. Skinner is the Manager of Rockwell.
- 2. Rockwell Media Service, LLC, is a Utah company in good standing.
- 3. John Christian Barlow is the Trustee of CTN.
- 4. Community Translator Network, LLC, is a Utah company in good standing.
- 5. Amy Meredith is a resident of Texas.

- 6. Scott Powell is a resident of Pennsylvania.
- 7. Powell-Meredith Communication Company is a Texas company with forfeited existence.

III. JURISDICTION AND VENUE

- 8. The Court has jurisdiction of this action pursuant to Utah Code Section 78B-6-401.
- 9. Venue is proper in this action pursuant to Utah Code Section 78B-3-307, and 78B-3-205.

IV. FACTS

A. The July Service Agreement

- 10. A valid Service Agreement was entered into by PMCC, Meredith, Powell and Rockwell on the first day of July, 2013. See <u>Exhibit 1</u>, the July Contract. Meredith and Powell signed the contract in their personal and business capacities.
- 11. <u>Saturday. June 29, 2013</u>: Rockwell provides Powell an outline of the proposed service agreement in an e-mail. Powell reports that he will discuss it with Amy Meredith, his exwife, who lives in Texas. See <u>Exhibit 3</u> Proposed Service Agreement and Email.
- 12. Powell agrees to be the sole point of contact.
- 13. The terms of the Service Agreement state basically that Rockwell would provide technical services, legal services, pay FCC processing fees, and provide marketing services in exchange for a 40/60 split of the net proceeds of the sale of eight (8) CP's. Rockwell was to receive 40% and PMCC was to receive 60% after technical, legal, and FCC fees were deducted not to exceed Two-Thousand Five-Hundred Dollars (\$2,500.00). The eight (8) CP's were MX'd (they had technical conflicts prohibiting grant as singletons). Skinner is to pay the anticipated amount of Two-Thousand Five-Hundred Dollars for the out of pocket expenses for the technical, legal work, and FCC processing fees that was required on each CP before they would be marketable and, upon grant by

the FCC the permits would be transferred to an independent company (CTN) where the authorizations would be held during the marketing and sale phase. The proceeds would be held in trust until an accounting was done and the proceeds would then be disbursed. See Exhibits 1 and 2.

- 14. Because the eight (8) FM Translator Applications were MX'd expression of interest applications only, not Construction Permits, they were not transferable or, or assignable.
- 15. The value of the eight (8) FM Translator applications in their MX'd condition was less than \$2,500.00 each.
- 16. <u>Sunday</u>, June 30, 2013 Powell receipt of the Service Agreement and that Meredith is reading it over. <u>See Exhibit #4</u>
- 17. Monday, July 1, 2013: Powell confirms they want to proceed. See Exhibit 5.
- Monday, July 1. 2013: The Service Agreement is sent for signature. Powell confirms receipt and acceptance. <u>See Exhibit 6.</u>
- 19. <u>Monday, July 1, 2013</u>: Skinner, <u>acting in good faith</u> moves forward and begins work on the process of bringing the CP's into a transferable status. Skinner requests the CDBS and FRN account numbers and passwords for PMCC with the FCC. An FRN account is required to do business with the Federal Communications Commission ("FCC"). A party must register through the FCC's COmmission REgistration System (CORES) which assigns the FRN to uniquely identify each party in transactions with the FCC. The FCC Media Bureau (MB) Consolidated Database System (CDBS) is an electronic filing system for Broadcast Station Application Forms. This system provides the ability to fill out MB application forms on-line and file them electronically. The CDBS electronic filing system consists of an account registration function and a forms filing function. During the CDBS account creation, the applicant's Account ID number will be generated

and the user-specified password is saved. Account data can be updated at any time by the Applicant/Licensee and require information about a Contact Representative.

- 20. <u>Tuesday, July 2, 2013</u>: Meredith provides the PMCC CDBS account (3880) and FRN account (0006018212) numbers with what is believed to be the passwords to match. <u>See Exhibit 7</u>. The passwords do not match and FCC help was required to reset the passwords because of the length of time the accounts had been inactive. After resolving the password issues, Rockwell reports to Powell the accounts and passwords have been resolved. <u>See Exhibit 8, and 8.1.</u>
- 21. <u>Tuesday, July 2, 2013</u>: Rockwell notifies Powell that PMCC is on **Red Light Status** at the FCC with its assigned FCC Registration Number ("FRN") (0006018212) associated with the 2003 FM Translator Auction 83 short-form applications. Red Light Status reflects delinquent fees at the FCC which prohibits any FRN associated application from being processed. <u>See Exhibit 9.</u>
- 22. Powell reports that Meredith will pay the delinquent FCC fees so that the project can move forward. See Exhibit 9.
- 23. Wednesday, July 3, 2013: Rockwell begins the required engineering studies to determine how to resolve the MX'd short-form application conflicts and prepare PMCC Minor Modification (long-form) applications. See Exhibit 10.
- 24. <u>Wednesday, July 31, 2013</u>: Rockwell provides an update pursuant to the Service Agreement to both Powell and Meredith reporting the FCC's Media Bureau has announced the deadline for filing 2003 FM Translator Auction 83 minor modification (long-form) applications replacing short-form expression of interest applications that were filed timely and not in-conflict (MX'd) with other Auction 83 applicants' amended short-form applications. Rockwell reports a subsequent conflict has occurred in the

application for Gulfport, MS in which the two MX'd applicants have filed long-form applications on the same FM Channel in their long-form applications as proposed engineering solutions to the original channel in the MX Group. <u>See Exhibit 11.</u>

- 25. <u>Wednesday</u>. July 31, 2013: Meredith communicates she has engineering for the PMCC Shawnee, OK singleton application and she plans to ask the FCC to re-instate the PMCC short-form application. Rockwell responds that it has already requested the FCC reinstate the short-form and was told by the Deputy Chief of the FM Translator Branch that no re-instatement is possible as PMCC missed the filing deadline for the long-form application. <u>See Exhibit 12</u>.
- 26. <u>Friday. August 2, 2013</u>: Powell requests the Consolidated Data Base System ("CDBS") and FRN passwords reset by the FCC for Meredith to use in other FCC filings. Meredith reports that most of the back fees are paid through the treasury department. Rockwell provides the re-set passwords. <u>See Exhibit 13.</u>
- 27. <u>Friday, August 16, 2013</u>: Powell confirms plan to transfer the FM Translator construction permits to Community Translator Network, LLC with John Christian Barlow, Esq. as Trustee, upon FCC grant. <u>See Exhibit 14</u>
- 28. CTN is formed so that upon grant by the FCC, the CP's could be transferred and held.
- 29. <u>Thursday, January 9, 2014</u>: Rockwell provides Powell with an update on the FCC grant of five (5) FM Translator Construction Permits and a status report on the remaining three (3) translator applications pending further FCC action following amendments that were filed timely. See Exhibit 15
- <u>Sunday, January 12, 2013</u>: Powell notifies Rockwell that Meredith has potential buyer for the FM Translators at Needles, CA (Facility No. 142491) and Cheyenne, WY (Facility No. 143430). <u>See Exhibit 16.</u>

- 31. <u>Tuesday</u>, January 14, 2014: Rockwell provides Powell with a copy of the FCC Public Notice of the Construction Permit grants to PMCC and a copy of the Assignment Agreement to CTN filed with the FCC. Powell approves the filing. <u>See Exhibit 17</u>
- 32. <u>Tuesday, January 14, 2014</u>: Meredith makes accusations of electronic forgery and claims that her signature on the Service Agreement is a forgery and proposes to have the Assignment Application dismissed. <u>See Exhibit 18.</u>
- 33. <u>Wednesday</u>, January 15, 2014, in an email correspondence Meredith confirms (1) knowledge of the July contract; (2) she gave the CDBS and FRN passwords to Skinner;
 (3) and knowledge of consideration. <u>See Exhibit 19</u>.
- <u>Wednesday</u>, January 15, 2014: Meredith sends an email trying to renegotiate the terms of the October agreement. <u>See Exhibit 20</u>.
- 35. Friday, January 17, 2014: Meredith acknowledges that she is aware of the October Assignment agreement and that she did sign the agreement. Meredith continues her allegations and now claims she was never aware of half of the work performed by Rockwell and reiterates that Powell has no equitable interest in the PMCC construction permits. See Exhibit 21.
- 36. <u>Tuesday</u>, January 21, 2014: Meredith again acknowledges that she is aware of the transfer of the eight CP's. Meredith states that she is concerned that the FCC will dismiss all eight applications. <u>See Exhibit 22</u>.
- Wednesday, January 29, 2014: Meredith states she has changed the passwords of the CDBS and FRN accounts but will give them to the engineer. See Exhibit 23.
- <u>Tuesday, April 15, 2014</u>: Meredith breaches the contract by stating that she is asking the FCC to withdraw the applications. <u>See Exhibit 24</u>,.

39. <u>Tuesday, April 15, 2014</u>: Meredith sends the FCC a "Petition to Deny" the Ruidoso NM facility. <u>See Exhibit 25.</u> letter from Meredith to the FCC requesting a denial of the transfer of the Ruidoso CP.

B. The Assignment Agreement

- 40. A valid contract was entered into by PMCC, Meredith, and CTN on the twenty-first day of October, 2013. <u>See Exhibit 2</u>, the October Contract.
- 41. The terms of the contract are that CTN would pay PMCC Two-Thousand Five-Hundred Dollars (\$2,500.00) per CP. The Two-Thousand Five-Hundred Dollars was in fact prepaid by Rockwell as the anticipated required amount necessary for the technical services, legal services and and FCC processing fees. <u>See Exhibit 2.</u>
- 42. <u>On March 21, 2014</u>, the FCC consented to the Assignment of five (5) of the eight (8)CP's that were to be transferred to CTN. <u>See Exhibit 26.</u>
- C. Breach
- 43. <u>Tuesday, April 15, 2014</u>: Meredith and PMCC breached their contracts with Rockwell and CTN filing a Petition to Deny to the FCC of the Assignment application granted on March 21, 2014. <u>See Exhibit 24</u>, Petition to Deny from Meredith to the FCC.
- 44. Powell does nothing to prevent the breach of contract by Meredith and PMCC.
- 45. Powell's lack of action reflects his complicity with the breach by Meredith, and PMCC.

D. Anticipatory Breach

46. Based on Meredith, Powell's, and PMCC's actions Skinner, Rockwell, Barlow, and CTN anticipate that they will continue to breach the contracts.

E. Harm

47. On or about <u>April 16, 2014</u>, Meredith caused harm to Skinner, Rockwell, Barlow, and CTN when Meredith caused a potential sale of an FM Translator to fail. In an email from

Richard Hayes, legal representative of the proposed buyer, he states that any potential sale will not proceed because of the statements from Meredith claiming that the FM Translator CP at Ruidoso NM was fraudulently transferred. <u>See Exhibit 27</u>, email from Richard Hayes.

- 48. The value of the sale was approximately Thirty-Five Thousand Dollars (\$35,000.00). See Exhibit 28, valuation of Ruidoso NM CP.
- F. Slander, Liable, Defamation
- 49. Skinner, and Rockwell, relies heavily on their perceived moral character. Skinner and Rockwell use word of mouth to obtain new clients and retain existing clients.
- 50. Meredith and PMCC have made communications of a false statement that harms the reputation of Skinner and Rockwell. Meredith has communicated to individuals and businesses that Skinner has intentionally and repeatedly attempted to defraud her when there is no evidence of such. <u>See Exhibit 24.</u>
- Meredith has made written statements and oral statements defaming Skinner, Rockwell, and CTN. <u>See Exhibit 24.</u> (e-mails and FCC Petition to Deny).
- 52. Meredith knew that the statements were false.
- 53. Meredith knew that the statements were misleading.
- 54. Meredith acted with intent when she published the false and misleading statements.
- 55. Meredith caused harm when she published the false and misleading statements.
- 56. Barlow relies heavily on his upstanding reputation.
- 57. Meredith and PMCC have made communications of a false statement that harms the reputation of Barlow. <u>See Exhibit 24.</u>
- Meredith has made written and verbal communications meant to harm the character of Barlow. <u>See Exhibit 24.</u>

- 59. Meredith knew that the statements were false.
- 60. Meredith knew that the statements were misleading.
- 61. Meredith acted with intent when she made written and verbal communications meant to harm the character of Barlow.
- G. Harm
- 62. Meredith has caused the sale of a CP to fail based on her false claim of fraud. See

Exhibit 26.

IV. CAUSES OF ACTION FIRST CAUSE OF ACTION: BREACH OF CONTRACT

- 63. All preceding paragraphs are incorporated herein.
- 64. Meredith, Powell, and PMCC formed two valid contracts with Skinner, Rockwell, Barlow, and CTN.
- 65. There is valuable consideration for the contracts.
- 66. Meredith and PMCC breached the contract when they claimed they were defrauded by Skinner, Rockwell and CTN in written and oral communications to the President of the Walton Stations-New Mexico, Inc. and their counsel. Meredith and PMCC breached the contract when they filed a Petition to Deny the Assignment of the Five (5) FM Translators to CTN asserting allegations of fraud and forgery libeling and slandering Skinner and Barlow.
- 67. Meredith, Powell, and PMCC have caused monetary harm to Skinner, Rockwell, Barlow, and CTN when they breached the contracts.

SECOND CAUSE OF ACTION: ANTICIPATORY BREACH OF CONTRACT

- 68. All preceding paragraphs are incorporated herein.
- 69. Meredith, Powell, and PMCC formed two valid contracts with Skinner, Rockwell, Barlow and CTN.
- 70. There is valuable consideration for the contracts.
- 71. Meredith, Powell, and PMCC have attempted to breach the contracts with Skinner, Rockwell, Barlow, and CTN. It is anticipated that Meredith, Powell, and PMCC will continue to breach the contracts.
- 72. The continued breach will cause substantial harm to Skinner, Rockwell, Barlow, and CTN.

THIRD CASUE OF ACTION: SLANDER, LIABLE, DEFIMATION

- 73. All preceding paragraphs are incorporated herein.
- 74. Meredith and PMCC made slanderous. Libelous and defamatory statements against Skinner, Rockwell, and Barlow.
- 75. A defamatory statement;
- 76. Meredith and PMCC made slanderous. Libelous and defamatory statements against Skinner, Rockwell, and Barlow when she published the statements to numerous other individuals and businesses.
- 77. Meredith and PMCC knew or should have known the statements she published about Skinner, Rockwell, and Barlow are false and misleading.

78. Meredith and PMCC caused injury to Skinner, Rockwell, and Barlow when she caused a potential sale to fail and when she wrote to the FCC.

V. PRAYER FOR RELIEF

A. Breach.

Skinner, Rockwell, Barlow, and CTN request this Court enter an order for a joint and several award in an amount this Court determines is compensation for the breach of contract committed by Meredith, Powell, and PMCC.

In the event this Court finds that the July Service Agreement is invalid, Skinner, Rockwell, Barlow, and CTN request that the Court uphold the October Assignment Agreement and order damages against Meredith and PMCC in an amount this Court determines is compensation for the breach of the October Assignment Agreement.

B. Anticipatory Breach

Skinner, Rockwell, Barlow, and CTN request this Court enter an order enjoining Meredith, Powell, and PMCC from committing any further breach of contract and requiring them to comply with all necessary requirements to fulfill the contract.

C. Slander, Liable, Defamation

Skinner, Rockwell, Barlow, and CTN request this court enter an order and judgment against Meredith, and PMCC in an amount this Court determines is adequate compensation for the slanderous, libelous, and defamatory actions of Meredith, and PMCC.

Skinner, Rockwell, Barlow, and CTN request this Court enter an order enjoining Meredith and PMCC from communicating with any potential buyer of the CP's or communicating with the FCC. Skinner, Rockwell, Barlow, and CTN request this Court enter an order requiring Meredith and PMCC to retract their slanderous, libelous, and defamatory statements made to any individual or entity.

Respectfully submitted this Wednesday, April 30, 2014.

Alla John Christian Barlow

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MR. RIFE: Thank you, your Honor. 1 THE CLERK: All arise. 2 (Recess.) 3 THE COURT: Yeah. Mr. Kuhn, would you go 4 see where the debtor and debtor's counsel are? 5 THE CLERK: Please be seated. 6 THE COURT: Okay. We're continuing on in 7 the CTN case. Mr. Barlow, you were on the stand. 8 Mr. Rife, do you have additional questions? 9 MR. RIFE: Yes, your Honor. 10 THE COURT: Go ahead. 11 Q (BY MR. RIFE) Mr. Barlow, if you could 12 pull up, once again, Exhibit 3-A. 13 А Yes. 14 You have it there? If you could go to the 15 Q last page. I think it's labeled Exhibit A. 16 А Yes. 17 This is a list of the construction permits 0 18 at issue. 19 A Yes. 20 Q Have all of these been transferred to CTN? 21 22 A No. 23 Q Do you know which ones haven't been? Wickenburg, Gulf Port, South Padre. A 24 All right. You filed this case on behalf 25 Q

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of CTN on the 1st of December, 2015? 1 2 А Yes. What was the reason for filing it? 3 0 А 4 The reason for filing it was because Wickenburg -- I'm sorry -- Wickenburg, Gulf Port, and 5 South Padre Island were slated for dismissal on 6 7 September 2nd. 0 And "slated for dismissal," what do you 8 mean by that? 9 10 А The FCC was going to dismiss these applications on December 2nd. 11 Q 12 And so the filing was done to block that dismissal? 13 14 А Yes. Q How do you know that dismissal was pending? 15 We received copies of letters from the FCC 16 А that stated the dismissal was --17 18 MR. KUHN: Objection, your Honor. Hearsay. THE COURT: Mr. Rife, any response to that? 19 MR. RIFE: He's already stated that it was 20 his understanding that these were pending dismissal. 21 I just asked him how -- what his understanding was 22 based on. 23 24 THE COURT: Well, he's, in effect, the CEO 25 of the debtor and he has knowledge of what the

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1 debtor -- was going on. He can state, as a general 2 proposition, what his understanding was. You may 3 answer that question, Mr. Barlow. THE WITNESS: Yes, we received letters from 4 the FCC that these three construction permits were 5 pending dismissal. 6 7 THE COURT: Well, then, my follow-up question to that is has there been any action taken 8 since the case was filed with respect -- by the FCC 9 10 on those three CPs? 11 THE WITNESS: Yes, there was. THE COURT: What happened? 12 THE WITNESS: On December 11th, the FCC did 13 dismiss -- I think it was South Padre Island, and 14 when you say that dismissal come through their 15 database, I called up the FCC, Michael Wagner, 16 specifically, and I stated to him -- and I also 17 believe that I wrote a letter to him, an e-mail --18 that CTN had filed a bankruptcy and that these are 19 claimed as part of the assets of the estate and, 20 therefore, as part of the bankruptcy rules, they fall 21 22 under the automatic stay, and the FCC cannot dismiss them, and as a result of that, the FCC reinstated the 23 24 one that was dismissed. (BY MR. RIFE) So, as a result of entering 25 0

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this case, you managed to preserve those assets? 1 2 А Yes. 3 0 The letters you referred to -- if you could turn to Exhibit F as in Frank, foxtrot. 4 MR. CHESNUT: Your Honor, I would object to 5 anything related to this document. It's not dated, 6 it's not sent to the debtor, and it seems to be along 7 the lines that we're heading down that rabbit hole 8 regarding the claim again, because it's directly on 9 point as an issue to my client. 10 11 THE COURT: Well, he hasn't asked --12 MR. CHESNUT: I understand. I just -- I just wanted to -- I don't want to be rude, and while 13 there was a lull in the conversation, I thought I 14 would raise that issue, because a substantial portion 15 of the documents that they have provided today all 16 relate back to relitigate the objection issue, your 17 18 Honor. THE COURT: I understand, but the -- your 19 20 objection is premature. MR. CHESNUT: I understand. 21 I apologize. 22 THE COURT: Where do you want to go, Mr. Rife? 23 24 MR. RIFE: I -- he's referred to the letters. I just wanted to ask him if these were the 25

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letters he was referring to that are the basis of his 1 opinion on the dismissal. 2 THE COURT: And they are Exhibit F, as in 3 Frank? 4 5 MR. RIFE: That is correct, your Honor. MR. CHESNUT: Your Honor, then I would 6 7 object to those letters as hearsay. They're not to the debtor. Or, excuse me -- yeah, they're not to 8 9 the debtor. They're not to the debtor's 10 representative. They're to my client. THE COURT: Objection sustained. 11 Q (BY MR. RIFE) Turning back to Exhibit 3-A, 12 the three remaining CPs that you believe were subject 13 to dismissal, has Ms. Meredith ever conveyed those 14 over to CTN? 15 MR. CHESNUT: Objection, your Honor. It's 16 not relevant. 17 THE COURT: What's the relevance of that? 18 MR. RIFE: The next question I'd be asking 19 him, if she'd conveyed, what -- what could CTN be 20 doing with them? Could they enhance the value? 21 THE COURT: Objection sustained. 22 (BY MR. RIFE) On the -- on the CPs we've 23 0 identified that have already been sold, Mr. Barlow, 24 25 all of them are coming in significantly higher than

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your liquidation analysis. I believe you've already 1 testified that there was some improvements that had 2 been done there on those to enhance their value; is 3 4 that correct? 5 А Yes. Yes. Would that have been your intent for any 6 0 others on that exhibit list from 3-A? 7 8 А Yes. 9 Q Enhance their value to sell them? Α 10 Yes. That's what CTN does. 11 Q That's what CTN does? It finds the CPs, enhances them, resells for a higher value? 12 А Yes. 13 14 0 Out of that list, what remains unsold? A Well, the only ones that remain unsold --15 we have a contract for Logan and a contract for 16 Cheyenne, so they would be sold, and then out of that 17 list, the only ones that remain to be sold would be 18 Wickenburg, Gulf Port, Rui- -- I'm sorry. 19 Wickenburg, Gulf Port, South Padre Island. 20 Q The three that we've been discussing here? 21 Α That's correct. 22 23 Q So the only things really left to be liquidated are the three CPs that Ms. Meredith is 24 still holding? 25

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1 Α That's correct. If you were yet to receive those, suppose 2 Q in the situation of dismissal of this case -- well, 3 let's back up. 4 5 If the case were dismissed, would CTN 6 continue to function? 7 А Yes. 8 0 And as part of that functioning, would it continue its normal business model of acquiring CPs 9 and improving them and reselling them? 10 Α Yes. 11 Q 12 And would it attempt to close the execution of Exhibit 3-A, finish up with the final three? 13 А We already have potential buyers, so the 14 answer is yes. 15 16 Q And that would constitute a full liquidation of that list, wouldn't it? 17 А Yes. 18 19 Q And you can do that -- you said you have potential buyers for those? 20 Yes. We actually had a buyer for Gulf 21 А Port, but they had to go away, because we couldn't 22 transfer Gulf Port, so yeah, we've -- we've already 23 lost out on one, but for those three, we still have 24 25 potential buyers.

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A dversovial complaint

John Christian Barlow 12438 321 N Mall Drive R290 St. George UT 84790 435-634-1200 jcb@johnchristianbarlow.com Attorney for Plaintiff/Debtor

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

COMMUNITY TRANSLATOR NETWORK, LLC,	COMPLAINT
	Deplementary Net 15 21245 Chart 11
Plaintiff, Debtor	Bankruptcy No. 15-31245. Chapter 11
V.	
	Adversarial Case No:
POWELL MEREDITH	
COMMUNICATIONS COMPANY	Chief Judge WILLIAM T. THURMAN
Defendant	

Debtor in Possession, Community Translator Network LLC, files this Adversary Complaint to obtain control and possession of property of the estate.

On October 22, 2013, an Assignment Agreement was entered into between Community Translator Network LLC and Powell Meredith Communications Company (the "CTN-PMCC Assignment Agreement"), wherein Community Translator Network LLC ("Plaintiff/Debtor" or "CTN") would acquire from Powell Meredith Communications Company ("Defendant" or "PMCC") eight (8) FM Translator Construction Permits ("CPs").

After significant funds and resources were invested for development of the FM Translator CP's to be granted CP status and assigned to CTN by the FCC, PMCC's motives to defraud CTN were revealed. Upon the transfer of five (5) of the eight (8) CP's to CTN, PMCC determined that they would do whatever they could to overturn the FCC grant to CTN, and retain the CP's, sell them, and keep all of the proceeds for itself. CTN has accumulated debt and expended funds for the legal and engineering development costs for the CP's making them worth considerably more now than they were worth previously.

Case No: CTN v. PMCC COMPLAINT PMCC is defrauding CTN by refusing to honor the CTN-PMCC Assignment Agreement. PMCC and Meredith refuse to transfer the remaining three CP's to CTN and have attempted to regain ownership of the transferred CP's.

CTN filed a petition for bankruptcy due to the debt it has accumulated based upon the CTN-PMCC Assignment Agreement. CTN avails itself to the Bankruptcy Court and requests a judgment against PMCC for specific performance on the CTN-PMCC Assignment Agreement and monetary damages.

Under Section 542(a) PMCC is obligated to relinquish control of the three CP's to CTN since all eight of the CP's are property of the estate and of value to the estate.

PARTIES

- Community Translator Network, LLC, is a Utah company in good standing. CTN is in a bankruptcy, case no 15-31245, and is the Debtor in Possession.
- 2. Powell Meredith Communications Company ("Defendant" or "PMCC") is a Texas company with forfeited existence.

JURISDICTION

3. This is a Core Proceeding under 28 U.S.C. Section 157(a)(2)(A), (E), (O).¹

¹ Courts of "Equity" have authority to decide contractual disputes and public interest decisions are left to the determination of the Commission. See In re: Applications of Arecibo Radio Corp., 101 F.C.C.2d 545, at 548 (1985), holding "The Commission's attempts to reach a fair accommodation between its exclusive authority over licensing matters and the authority of state and local courts have resulted in procedures which acknowledge that breach of contract questions are matters for the courts to decide under state and local law. Because the Commission does not possess the resources, expertise, or jurisdiction to adjudicate such questions fully, we normally defer to judicial determinations regarding the interpretation and enforcement of contracts for the sale of broadcast stations. By this approach we have preserved the Commission's exclusive authority to make public interest determinations on licensing matters while recognizing the role of state and local courts in adjudicating private contractual matters."

The "public interest" with which the Commission is charged is that involved in granting licenses. Safeguarding of that interest can hardly imply that the interest of States in enforcing their [contract] laws have been nullified[.] See <u>Radio Station WOW, Inc. v. Johnson</u>, 326 US 120, 13, Supreme Court 1945.

[&]quot;Civil Court can require litigants to submit settlement agreement to Commission." See In re: Applications of Arecibo Radio Corp., 101 F.C.C.2d 549 (1985), quoting Ninety Two Point Seven Broadcasting Inc., 55 RR 2nd, 607, 610-11, 1984.

4. 11 U.S.C. Section 542 "[A]n entity, other than a custodian, in possession, custody, or control, during the case, of property that the trustee may use, sell, or lease under section 363 of this title, or that the debtor may exempt under section 522 of this title, shall deliver to the trustee, and account for, such property or the value of such property, unless such property is of inconsequential value or benefit to the estate.

FACTS

- 5. CTN is a company that buys, upgrades, and sells certain Federal Communications Commission broadcast licenses and permits.
- On October 22, 2013, a valid contract was entered into between CTN, PMCC / Meredith. See Exhibit 1, the CTN-PMCC Assignment Agreement.
- 7. The CTN-PMCC Assignment Agreement required PMCC to transfer eight FM Translator Construction Permits to CTN for a total price of Twenty Thousand Dollars \$20,000.00 payable upon grant of CP status by the FCC and completion of all eight of the transfers to CTN.
- 8. The value of the FM Translators Construction Permit applications prior to the CTN-PMCC Assignment Agreement was approximately \$500.00 each.
- 9. Prior to the FCC granting an Assignment Application for the transfer of the eight FM Translator Construction Permits, the eight FM Translators needed to be granted Construction Permit status.
- 10. The eight FM Translator CP's are:
 - 1. Cheyenne, WY Channel 224 (92.7MHz), Facility No. 143430.
 - 2. Gulfport, MS Channel 268 (101.5MHz), Facility No. 142760.
 - 3. Logan, UT Channel 229 (93.7MHz), Facility No. 143532.
 - 4. Needles, CA Channel 262 (100.3MHz), Facility No. 142491.
 - 5. Roseburg, OR Channel 292 (106.3MHz), Facility No. 142743.
 - 6. Ruidoso, NM Channel 285 (104.9MHz), Facility No. 142745.

7. South Padre Island, TX - Channel 288 (105.5MHz), Facility No. 142717.

8. Wickenburg, AZ - Channel 224 (92.7MHz), Facility No. 143311.

- On March 21, 2014, the FCC consented to the Assignment Application of five (5) of the eight (8)
 CP's granted CP status to be transferred to CTN.
- 12. The five CP's that were transferred to CTN are:

Cheyenne, WY - Channel 224 (92.7MHz), Facility No. 143430.

Logan, UT - Channel 229 (93.7MHz), Facility No. 143532.

Needles, CA - Channel 262 (100.3MHz), Facility No. 142491.

Roseburg, OR - Channel 292 (106.3MHz), Facility No. 142743.

Ruidoso, NM - Channel 285 (104.9MHz), Facility No. 142745.

13. Three CP's granted CP status by the FCC that PMCC now refuses to transfer to CTN are:

Gulfport, MS - Channel 268 (101.5MHz), Facility No. 142760.

South Padre Island, TX - Channel 288 (105.5MHz), Facility No. 142717.

Wickenburg, AZ - Channel 224 (92.7MHz), Facility No. 143311.

- CTN has an assignment agreement with an interested party for the purchase and assignment of Needles CA for the price of \$15,575.00.
- CTN has an assignment agreement with an interest party for the purchase and assignment of Ruidoso NM for the price of 21,500.00.
- 16. PMCC have filed multiple Petitions at the FCC attempting to unwind the transfers of the CP's to CTN and is now attempting to block transfers from CTN to third-party purchasers of the Construction Permits.
- 17. If PMCC is successful in breaching the CTN-PMCC Assignment Agreement, PMCC stands to benefit greatly as a result of the funds invested and work performed by CTN in the development of the CP's.
- 18. PMCC has refused to honor the CTN-PMCC Assignment Agreement.

- PMCC's refusal to honor the CTN-PMCC Assignment Agreement has cost CTN at least \$500,000.00.
- 20. PMCC has already started to construct and operate one of the CP's that they refuse to transfer to CTN.
- 21. The construction and operation of the CP has harmed CTN.
- 22. Under Section 542(a) PMCC is required to relinquish control of the three CP's to CTN since they are property of the estate and of value to the estate.

CAUSES OF ACTION

I. FRAUD

- 23. All preceding paragraphs are incorporated herein.
- 24. PMCC entered into a valid contract, with CTN for the purchase and transfer of certain FM Translator CP's, the CTN-PMCC Assignment Agreement.
- 25. PMCC intended that CTN would rely on the contract that required PMCC to transfer the FM Translator CP's to CTN.
- 26. PMCC intended to breach the contract and benefit from the breach.
- 27. CTN was unaware that PMCC intended to breach the contract and defraud CTN.
- 28. CTN had a right to rely on the CTN-PMCC Assignment Agreement.
- 29. CTN relied on the CTN-PMCC Assignment Agreement and improved value of the FM Translator CP's so that they could be transferred to CTN.
- 30. PMCC did breach the CTN-PMCC Assignment Agreement and did benefit from their breach.
- 31. CTN is harmed by the actions of PMCC.

II. BREACH

- 32. All preceding paragraphs are incorporated herein.
- 33. The CTN-PMCC Assignment Agreement Dated October 22, 2013 is a valid contract.
- 34. PMCC breached the CTN-PMCC Assignment Agreement when PMCC refused to transfer all eight FM Translator CP's.
- 35. CTN does not have possession, control, and ownership of all of the eight FM Translator CP's.
- 36. CTN is harmed as a result of PMCC's actions.

III. CONTRACTUAL INTERFERENCE

- 37. All preceding paragraphs are incorporated herein.
- 38. The CTN-PMCC Assignment Agreement is a valid contract.
- 39. PMCC interfered with the contract between CTN and the buyers of Ruidoso NM and Needles CA when PMCC filed with the FCC a Petition to Deny the transfer of Needles CA and Ruidoso NM.
- 40. PMCC is not authorized to file a Petition to Deny the transfer of Needles CA and Ruidoso NM with the FCC.
- 41. CTN is damaged because the FCC has delayed the transfer of Needles CA and Ruidoso NM.

PRAYER FOR RELIEF

Community Translator Network LLC prays this Court for an Order:

- (a) for specific Performance on the CTN-PMCC Assignment Agreement wherein PMCC is required to facilitate the transfer of the three remaining FM Translator Construction Permits to Community Translator Network LLC or that the Clerk of the Court is authorized to facilitate the transfer of the FM Translator Construction Permits with the FCC;
- (b) An award of damages for breach of contract in the amount not less than \$500,000.00;

- (c) An award for contractual interference in the amount of not less than \$21,500.00;
- (d) An award for attorney fees and costs in an amount to be specified by affidavit;
- (e) punitive damages in amount determined by the Court;
- (f) an order enjoining PMCC from interfering in CTN's business;
- (g) all other remedies this Court deems appropriate.

RESPECTFULLY SUBMITTED this Thursday, April 28, 2016.

/s/ John Christian Barlow

John Christian Barlow, Attorney for Plaintiff/Debtor

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		Document	Page 1 of 19	

John Christian Barlow (12438) 520 N Main Street C318 Heber City UT 84032 435.634.1200 jcb@johnchristianbarlow.com for Debtor Community Translator Network LLC

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF UTAH

In re: COMMUNITY TRANSLATOR NETWORK LLC Debtor	Adversarial Case No 16-02073 Bankruptcy Case No 15-31245 Chapter 11	
	The Honorable William T. Thurman	
MOTION FOR ORDER PURSUANT TO 11 U.S. CODE §§ 363, 365, 542, AND 1108		

REQUIRING TURNOVER OF PROPERTY.

CTN is a company that purchases certain Federal Communications Commission ("FCC")

licenses, permits, and contracts to develop/upgrade and market the broadcast authorizations.

RELIEF REQUESTED

CTN is requesting an order from the Court to require Powell Meredith Communications Company ("PMCC") to immediately perform on its Assignment Agreement with CTN and transfer three FCC Construction Permits (CPs) to CTN, or in the alternative to issue an order that the Three CPs be transferred to CTN with the consent of PMCC.

JURISDICTION AND GROUNDS FOR RELIEF

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This is a core proceeding pursuant to 28 U.S.C. §157. Debtor in Possession, Community Translator Network LLC, submits this Motion pursuant to 11 U.S. Code §§ 363, 365, 542, and 1108, and Rule 7001 of the Federal Rules Bankruptcy Procedure.

TERMINOLOGY

In order to assist the Court and parties in interest in understanding this Objection due to the technical nature and requirements of Federal Communication Commission requirements and filings, the Debtor provides the following short explanation:

<u>Federal Communications Commission ("FCC")</u>: The Federal Communications Commission regulates interstate and international communications by radio, television, wire, satellite, and cable in all 50 states, the District of Columbia and U.S. territories. An independent U.S. government agency overseen by Congress, the commission is the United States' primary authority for communications laws, regulation and technological innovation.

Broadcast Radio and Television Electronic Filing System (Consolidated Data Base System): CDBS is the Mass Media Bureau's Internet-based system that permits electronic filing of broadcast radio and television application forms with the FCC. Public Internet access to these electronic filings as well as station, application, and authorization information is available through the CDBS Public Access Link.

http://licensing.fcc.gov/prod/cdbs/pubacc/prod/cdbs_pa.htm

Broadcast Application Forms: Media Bureau's broadcast forms that must be electronically filed via CDBS. Paper filings of these forms are not be accepted unless accompanied by a request for waiver with ample justification as to why the form cannot be electronically filed.
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<u>FM Translator Station</u>: FM Translator stations simultaneously rebroadcast the signal of a primary AM or FM station on a different frequency. Those translator stations that provide service within the primary station's protected service area are classified as "fill-in" stations. Fillin translators can be owned by the main station or by an independent entity. Commercial non-fill-in translators are generally owned by independent entities, with certain exceptions, while noncommercial educational non-fill-in translator stations are generally owned by the primary station being rebroadcast. An FM translator station doesn't generate any revenue by the very nature of it being an ancillary license and cannot originate programming or commercials but only rebroadcast a designated primary full-power AM or FM station.

<u>Construction Permit ("CP")</u>: Before construction of an FM Translator station begins, FCC Form 349 is used to file for a construction permit for an FM translator.

Broadcast License: FCC Form 350 is used to apply for the license of a translator facility once construction has been completed in accordance with the construction permit. The rules governing FM translator and booster stations are listed in Part 74 of the FCC's rules (47 CFR Sections 74.1 through 74.34 and 47 CFR Sections 74.1201 through 74.1290), with many references to the FM rules contained in Part 73.

<u>Minor Modification of License or Construction Permit</u>: Before a change in the license or construction permit of an FM Translator station begins, an FCC Form 349 is required to be filed detailing the technical and legal reason for the proposed change in the translator authorization.

<u>Federal Registration Number ("FRN"):</u> If a party wishes to conduct business with the FCC, it must first register through the FCC's COmmission REgistration System (CORES). Upon

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registration, the party is assigned a FCC Registration Number (FRN). This number will be used to uniquely identify the party in all transactions with the FCC.

Expressions-of-Interest: Applications to become CPs.

<u>Mutually Exclusive Applicants ("MX'd")</u>: MX'd applications are applications for Construction Permits (CPs) that compete for their space on the radio dial or interfere with preexisting stations (transmitters), and therefore cannot be granted by the FCC. The applications have to have engineering work showing that the interference has been resolved or there must be an agreement with the preexisting station that says the interference is allowable. Once the interference has been resolved the application should be granted CP status by the FCC.

<u>Non-Competing Applicants ("Singletons")</u>: Singletons have no other station application competing for their space on the radio dial. Non-competing applicants get to proceed with the licensing process since there is no competition for their frequency.

PROCESS FOR OBTAINING AN FM TRANSLATOR CONSTRUCTION PERMIT

FM translators, like all other broadcast authorizations, are the property of the United States government and regulated by the Federal Communications Commission ("FCC") to serve the convenience and public interest of the community to which they are authorized.

FM translators are non-revenue generating facilities unlike the stations they are permitted to rebroadcast under certain conditions. FM translators facilitate the reach of the primary station's listenership. FM translator stations can only broadcast at a maximum of 250-watts.

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A new application can only be filed with the FCC when a designated window is opened to receive technical applications. The last window for accepting new FM translator applications was in the FCC auction 83 window in March 2003 (the "Auction 83 Window").

Upon filing an application for an FM translator with the FCC, it is first vetted for technical interference issues before being accepted for filing. The application is vetted for technical deficiencies and placed on Public Notice in the FCC's daily notices. If there are no technical or legal issues found by the FCC, the application is granted as a Construction Permit ("CP") under the operating conditions imposed upon that authorization such as reduced power, etc..

Each CP is granted a 36-month period in which to construct the station in accordance with the authorization's technical specifications. If for whatever reason, the permit is not constructed, the permit is then cancelled.

FACTS

- Community Translator Network ("CTN") has an Assignment Agreement with Powell Meredith Communication Company ("PMCC") for the assignment to CTN of eight (8) FM Translators when granted by the FCC as Construction Permits (referred to as "CP's"). The Assignment Agreement states that Powell Meredith Communications Company is a valid corporation. The Assignment Agreement is attached herewith as <u>Exhibit 1</u>. The eight CP's are:
 - a. Cheyenne, WY Channel 224 (92.7MHz), Facility No. 143430
 - b. Gulfport, MS Channel 268 (101.5MHz), Facility No. 142760
 - c. Logan, UT Channel 229 (93.7MHz), Facility No. 143532
 - d. Needles, CA Channel 262 (100.3MHz), Facility No. 142491

- e. Roseburg, OR Channel 292 (106.3MHz), Facility No. 142743
- f. Ruidoso, NM Channel 285 (104.9MHz), Facility No. 142745
- g. South Padre Island, TX Channel 288 (105.5MHz), Facility No. 142717
- h. Wickenburg, AZ Channel 224 (92.7MHz), Facility No. 143311
- Five (5) of the eight (8) CP applications were granted CP status by the FCC on January 9, 2014 and transferred to CTN by FCC Form 345, an Assignment Application and granted March 21, 2014. The five are Cheyenne, WY, Logan, UT, Needles, CA, Roseburg, OR and Ruidoso, NM.
- The process to transfer a Construction Permit from one entity to another takes longer than 30 days.
- 4. CTN is in the business of purchasing, upgrading, and selling Construction Permits, and has done so on numerous occasions.
- The three CPs' which are the subject of this Motion are Gulfport, MS, South Padre Island, TX and Wickenburg, AZ.
- 6. The three CPs that were not granted CP status by the FCC until additional engineering and legal responses were filed in response to a Petition to Deny the CP status for Wickenburg, AZ, and amended Minor Modification applications could be granted CP status by the FCC and an assignment application filed to transfer the CP's to CTN.
- 7. The engineering work and legal responses required on Gulfport, MS, South Padre Island, TX and Wickenburg, AZ were completed and filed by CTN and the Minor Modification Applications were accepted for filing by the FCC.

- 8. The Minor Modification Applications were accepted for filing and CP status was granted by the FCC on January 29, 2016 for the Gulfport, MS, South Padre Island, TX and Wickenburg, AZ construction permits. The CPs can now to be transferred to CTN.
- 9. PMCC had also accumulated FCC debt for regulatory fees and penalties that delayed the processing of the CP Minor Modification Applications. PMCC prevented CTN from paying the debt by blocking access to its FRN account.
- 10. Because PMCC did not pay the regulatory fees and penalties, the FCC issued notices of dismissal for Gulfport, MS, South Padre Island, TX and Wickenburg, AZ construction permits applications. The notices of dismissal are attached herewith as <u>Exhibits 2-4</u>.
- 11. In an effort to preserve the assets of the estate (the "Three CPs") CTN filed a chapter 11 bankruptcy December 1, 2015, for an automatic stay that prohibited the FCC from dismissing and cancelling the CPs.
- 12. On the morning of December 11, 2015, the FCC began dismissal procedures and dismissed Gulfport CP application. *See* Exhibit 5, Notice of Dismissal.
- 13. When the FCC was made aware of the CTN bankruptcy filing and the CTN claim for the three CP's as property of the estate, the FCC reinstated Gulfport and terminated dismissal proceedings for South Padre and Wickenburg.
- 14. PMCC has breached its contract with CTN by failing to transfer all eight CPs to CTN.
- 15. Meredith has submitted a bankruptcy proof of claim against CTN. See POC 8 in this case.
- 16. Amy Meredith signed the Assignment Agreement in behalf of PMCC and not in her personal capacity. Amy Meredith misrepresented that PMCC is a valid corporation when it is not. See <u>Exhibit 1.</u>

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17. The FCC has ruled in a Petition to Deny decision that Amy Meredith, as an Individual, has no standing before the FCC to make a claim of ownership or control of the eight disputed Construction Permits. The FCC stated "In its Opposition, CTN argues that Meredith has no standing to submit the Petition.' Specifically, CTN claims that: (1) because PMCC has already assigned the Translator to CTN, Meredith is not a party to this proceeding; (2) Meredith's harm by the sale is "not even merely speculative"; and (3) a Commission denial of the assignment to Aguirre will not bring any remedy to Meredith. Accordingly, CTN argues that her Petition be dismissed.

Discussion. Procedural Issue. Before reviewing the merits of Meredith's pleading, we agree

with CTN and find that Meredith lacks standing to petition to deny the Application. Section 309(d)(1) of the Communications Act of 1934, as amended (Act),'8 requires a party petitioning to deny a pending application to demonstrate standing by providing "specific allegations of fact sufficient to show that [it] is a party of interest." These allegations must show that: (1) that the petitioner would suffer a direct injury that is more than hypothetical or purely speculative; 20 (2) the injury is causally linked to the challenged action; 21 and (3) the relief sought will likely be remedied with the Commission's denial of the pending application. ... Therefore, Meredith lacks standing to petition the Application. See FCC letter dated June 7, 2016." Attached herewith as Exhibit 6.

- 18. PMCC has only partially performed on its contract CTN to transfer all 8 CPs to CTN.
- 19. All eight CP's are property of the CTN bankruptcy estate.
- 20. The FCC recognizes PMCC as the licensee of the Construction Permits and not Amy

Meredith, an Individual. See Exhibit 6.

- 21. Amy Meredith admitted in testimony that PMCC is a defunct entity.
- 22. Although one of the Construction Permits that is in dispute is located in Logan Utah,

PMCC has not registered in Utah for permission to transact business in Utah.

23. PMCC has been transacting business in Utah on other occasions without filing an application to transact business in Utah.

- 24. PMCC forfeited its existence as a Texas Corporation in 2008. See Exhibit 7.
- 25. According to Texas law, PMCC may not defend or prosecute any litigation because it is a defunct entity and or was defunct during the period of the CTN-PMCC assignment agreement.
- 26. PMCC may not conduct or transact any business in Utah.
- 27. Any actions under the development agreement between Rockwell Media LLC and PMCC is considered conducting new business.
- PMCC is prohibited in Utah from conducting business or engaging in litigation or defending litigation in Utah or Texas.
- 29. PMCC is a defunct foreign corporation that failed to file for authority to transact business in the State of Utah.

ARGUMENT

I. PMCC AND NOT AMY MEREDITH IS THE ENTITY AUTHORIZED TO EXERCIZE CONTROL OVER THE DISPUTED CONSTRUCION PERMITS.

The FCC has already ruled that Amy Meredith does not have standing to make any claims to the translators in question. The letter from the FCC dated June 7, 2016 states: "…..we agree with CTN and find that Meredith lacks standing to petition to deny the Application. Section 309(d)(1) of the Communications Act of 1934, as amended (Act), requires a party petitioning to deny a pending application to demonstrate standing by providing "specific allegations of fact sufficient to show that [it] is a party of interest.".

Any attempt by Amy Meredith to show that she is in control or benefits from the CTN-PMCC agreement is an attempting to have this Court make a ruling contrary to that of the FCC. Amy Meredith is estopped from asking this Court to do so.

II. THE DEBTOR IN POSSESSION HAS THE AUTHORITY OF THE TRUSTEE.

CTN has the authority to act as the Debtor in Possession as stated in Section 1107: "Subject to any limitations on a trustee serving in a case under this chapter, and to such limitations or conditions as the court prescribes, a <u>debtor in possession shall have all the rights</u>, other than the right to compensation under section 330 of this title, <u>and powers</u>, <u>and shall</u> <u>perform all the functions and duties</u>, except the duties specified in sections 1106(a)(2), (3), and (4) of this title, of a trustee serving in a case under this chapter." See 11 U.S. Code § 1107 (a).

III. THE THREE GRANTED CP'S ARE PART OF THE CTN/PMCC ASSIGNMENT AGREEMENT CONSIDERED AN EXECUTORY CONTRACT UNDER 365.

According to Section 541, upon the filing of the bankruptcy an estate is created and CTN has a legal and equitable interest in the eight listed CP's. CTN has a contract for the transfer of all 8 CPs from PMCC to CTN. CTN has invested time and monetary resources in the development and upgrade of the eight CP's so that they can be granted as Construction Permits and assigned to CTN and subsequently sold to 3rd parties.

Section 541 states: "(a)<u>The commencement of a case</u> under section 301, 302, or 303 of this title <u>creates an estate</u>. <u>Such estate is comprised of all the following property</u>, <u>wherever</u> <u>located and by whomever held</u>: (1) Except as provided in subsections (b) and (c)(2) of this section, <u>all legal or equitable interests of the debtor in property as of the commencement of the</u> case. See 11 U.S. Code § 541.

As contracted for in the CTN/PMCC assignment agreement, but currently not transferred Gulfport, MS, South Padre Island, TX and Wickenburg, AZ CP's are considered assets of the estate pursuant to the executory contract. As such the contract may be assumed by the Debtor in Possession in accordance with Section 365. The pertinent section states:

(a) Except as provided in sections 765 and 766 of this title and in subsections (b), (c), and (d) of this section, the <u>trustee</u>, <u>subject to the court's</u> approval, may assume or reject any executory contract or unexpired lease of the debtor.

(b) (1) If there has been a default in an executory contract or unexpired lease of the debtor, the trustee may not assume such contract or lease unless, at the time of assumption of such contract or lease, the trustee—

(A) cures, or provides adequate assurance that the trustee will promptly cure, such default other than a default that is a breach of a provision relating to the satisfaction of any provision (other than a penalty rate or penalty provision) relating to a default arising from any failure to perform nonmonetary obligations under an unexpired lease of real property...

See 11 U.S. Code § 365.

Currently PMCC is a forfeited entity exercising control over the three CPs. PMCC has refused to transfer the three CPs to CTN.

Under Section 542(a) PMCC is obligated to turnover control of the CP's to CTN because

all eight of the CP's are property of the estate which has value. The relevant section of 542(a)

holds: "Except as provided in subsection (c) or (d) of this section, an entity, other than a

custodian, in possession, custody, or control, during the case, of property that the trustee may

use, sell, or lease under section 363 of this title, or that the debtor may exempt under section 522

of this title, shall deliver to the trustee, and account for, such property or the value of such

property, unless such property is of inconsequential value or benefit to the estate."

See 11 U.S. Code § 542 (a).

CTN requires that PMCC immediately transfer to CTN the Gulfport, MS, South Padre Island, TX and Wickenburg, AZ CPs. In the event that PMCC refuses to act accordingly, CTN should be allowed to file an Assignment Application with the FCC transferring the three CP's in accordance with the Bankruptcy provisions.

IV. THIS COURT HAS AUTHORITY TO ENTER AN ORDER DIRECTING PMCC TO IMMEDIATELY TRANSFER TO CTN THE THREE CONSTRUCTION PERMITS AND ALTERNATIVELY DIRECT THE FCC TO TRANSFER THE THREE CONSTRUCTION PERMITS TO CTN WITHOUT THE CONSENT OF PMCC.

Courts of "Equity" have authority to decide contractual disputes and public interest decisions are left to the determination of the Commission. See <u>In re: Applications of Arecibo</u> <u>Radio Corp.</u>, 101 F.C.C.2d 545, at 548 (1985), holding "The Commission's attempts to reach a fair accommodation between its exclusive authority over licensing matters and the authority of state and local courts have resulted in procedures which acknowledge that breach of contract questions are matters for the courts to decide under state and local law. Because the Commission does not possess the resources, expertise, or jurisdiction to adjudicate such questions fully, we normally defer to judicial determinations regarding the interpretation and enforcement of contracts for the sale of broadcast stations. By this approach we have preserved the Commission's exclusive authority to make public interest determinations on licensing matters while recognizing the role of state and local courts in adjudicating private contractual matters." Citations omitted.

The "public interest" with which the Commission is charged is that involved in granting licenses. Safeguarding of that interest can hardly imply that the interest of States in enforcing their [contract] laws have been nullified[.] See <u>Radio Station WOW, Inc. v. Johnson</u>, 326 US 120, 13, Supreme Court 1945.

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"Civil Court can require litigants to submit settlement agreement to Commission." See In re: Applications of Arecibo Radio Corp., 101 F.C.C.2d 549 (1985), quoting <u>Ninety Two Point</u> Seven Broadcasting Inc., 55 RR 2nd, 607, 610-11, 1984.

The case law above states that this Court has the jurisdiction and power to make a determination regarding contractual issues that involve FCC broadcast authorizations. Therefore, Debtor requests this Court make a determination requiring PMCC to transfer the remaining three CPs to CTN.

V. REGARDLESS OF A DISMISSAL OR CONVERSION THE CP SHOULD BE MOVED TO CTN.

As part of the estate, the CPs in question are of value to the Estate, and regardless of dismissal or liquidation, this it is in the best interest of creditors to transfer the CPs to CTN.

VI. PMCC IS STATUTORILY DISSALOWED FROM PROSECUTING OR DEFENDING ANY LITIGATION

A. Under Texas Law PMCC Has No Ability To Transact Business, Make A Claim, Or Defend Litigation.

PMCC is defunct and cannot defend or prosecute litigation. The Texas Secretary of State involuntarily terminates the existence of a filing entity for failure to maintain a registered office or registered agent or failure to timely file a required report, pay a fee or penalty, or cure the nonpayment or dishonor of a filing fee in connection with the filing of a certificate of formation. See Texas Business Organization Code §§ 11.251-11.252.

Under Texas Code § 171.252: "If the corporate privileges of a corporation are forfeited under this subchapter: (1) the corporation shall be denied the right to sue or defend in a court of this state; and (2) each director or officer of the corporation is liable for a debt of the corporation as provided by Section 171.255 of this code." See Texas Tax Code § 171.252. Furthermore, PMCC is prohibited from conducting business, Sec. 171.2515 of the Texas Tax Code states: "(b) The provisions of this subchapter, including Section 171.255, that apply to the forfeiture of corporate privileges apply to the forfeiture of a taxable entity's right to transact business in this state."

PMCC is precluded from asserting that it has rights in any of the disputed CPs because under Texas statute, PMCC may not conduct business or do anything to prosecute of defend litigation.

B. Under Utah Code, PMCC May Not Conduct Any Business In Utah, Prosecute Or Defend Any Litigation.

A foreign corporation must register in the State of Business in order to transact business. Utah Code § 16-10a-1501 states: "(1) A foreign corporation may not transact business in this state until its application for authority to transact business is filed by the division. …" See UCA § 16-10a-1501. PMCC might claim that it does not have to file an application for authority to conduct business because it is exempted under subsection (2)(a) or (j), which states that a foreign corporation can "(a) maintain[], defend[], or settl[e] in its own behalf any legal proceeding;" or "(j) conduct[] an isolated transaction that is completed within 30 days and that is not one in the course of repeated transactions of a like nature[.]" Because PMCC is transacting multiple transactions in Utah, and none of them can be completed within 30 days it is required to file an application for authority to transact business as a foreign corporation. Since PMCC has not filed its application it is precluded from defending its litigation against CTN.

The Utah Code is also clear in that PMCC may not transact business or maintain litigation. Under Utah Code §16-10a-1502: "(1) A foreign corporation transacting business in this state without authority, or anyone in its behalf, may not maintain a proceeding in any court

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in this state until an application for authority to transact business is filed with the division." See UCA §16-10a-1502(1). This statute is making the assumption that the entity conducting business in Utah is actually a valid entity in another state, yet since PMCC is not a valid entity, it is precluded from availing itself of this statute. If even if PMCC attempts to rely on this statutes, PMCC has been transacting business without authority and therefore falls under subsection 1502(1), and cannot maintain litigation. Therefore, PMCC is precluded from presenting a claim against CTN and or asking for remedies in the adversarial proceeding.

Although UCA §16-10a-1502(6) gives a privilege to some foreign corporations who are violating Utah law by conducting business with authority when the statute states that a foreign corporation that fails to file for authority to transact business is not precluded from defending litigation (see UCA §16-10a-1502(6)), PMCC is in fact precluded from asserting a privilege of claiming that it is owed anything from CTN or Rockwell Medial Services LLC and defending litigation because it is statutorily forfeited and defunct, and cannot avail itself of the statutory privileges.

In other words, submitting a Proof of Claim for \$100,000.00 is against the Utah Code because PMCC is maintaining a proceeding, and making a counterclaim in the Adversarial Proceeding is also maintaining a proceeding.

C. PMCC Is Precluded From Filing An Application To Transact Business In Utah Because It Is Defunct.

In order to be granted authority to transact business in the State of Utah, a foreign corporation must make application and include the following in its application: among other things, information: (a) its corporate name and its assumed name, if any;

(b) the name of the state or country under whose law it is incorporated;

(c) its date of incorporation and period of its corporate duration;

(d) the street address of its principal office;

(e) the information required by Subsection 16-17-203(1) (appointment of a registered agent);

(f) the names and usual business addresses of its current directors and officers;

(g) the date it commenced or expects to commence transacting business in this state; and

(h) any additional information the division may determine is necessary or appropriate to determine whether the application for authority to transact business should be filed.

See UCA 16-10a-1503(1). But most importantly, is required to include with the application a certificate of existence. Subsection (2) is a mandate that if unable to meet will disallow the foreign corporation from being granted the authority to conduct business. UCA 16-10a-1503(2) states: "The foreign corporation shall deliver with the completed application for authority to transact business a certificate of existence, or a document of similar import, duly authorized by the lieutenant governor or other official having custody of corporate records in the state or country under whose law it is incorporated. The certificate of existence shall be dated within 90 days before the day on which the application for authority to transact business by the division is filed." See Id. Therefore, even if PMCC wanted to file an application for authority to conduct business in it could not do so because it cannot obtain a certificate of authority.

VII. PMCC, A WALKING DEAD CORPORATION, IS FORFEITED, DEFUNCT, AND IT IS PRECLUDED FROM DEFENDING ANY LITIGATION.

Utah Case law supports the position that PMCC is not allowed to pursue any litigation, as its actions of entering into a service agreement with Rockwell Media Services LLC, and CTN was commenced after its existence was forfeited, and its contracts constitute impermissible new business. This present case is similar to <u>Diamond T. Developments Inc., v David Brown, et al.</u>,

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2008 UT App 435. In the <u>Diamond T</u>. case, <u>Diamond T.'s</u> claim did not arise prior to its involuntary dissolution. The Utah Court of Appeals stated that Diamond T. "ceased to exist as a going concern at the moment of its dissolution," and supported their conclusion pursuant to applicable statutes and Utah case law, including <u>Holman v. Callister, Duncan & Nebeker</u>, 905 P.2d 895 (Utah Ct. App. 1995) (holding that a corporation ceases to exist at dissolution). The Court stated that in regard to Diamond T.'s claims, "Post-dissolution Diamond was statutorily permitted to pursue only claims that arose prior to its dissolution--and then only if the action was commenced within two years of dissolution. Diamond is therefore not statutorily empowered to sue Defendants unless this suit qualifies as winding up."

This litigation is past Utah's two year redemption period and Texas' three year redemption period for which PMCC could reinstate its charter. Thus, there is absolutely, positively nothing PMCC can do to resurrect its ability to defend itself or prosecute any litigation in this Court.

Utah has not stated any statutory regulation regarding a defunct foreign corporation that has willfully failed to file its application for authority to conduct business in Utah. Therefore, because Utah and Texas are both members of the Multistate Tax Compact (see UCA § 59-1-801.5 and Texas Tax Code § 141.001), this Court must look to Texas law regarding the rights of a Texas Forfeited Corporation. UCA § 59-1-801.5 Article XI disallows Utah from an act that would "withdraw or limit the jurisdiction of any state or local court or administrative officer or body with respect to any person, corporation or other entity or subject matter, except to the extent that such jurisdiction is expressly conferred by or pursuant to this compact upon another agency or body[.]" See UCA § 59-1-801.5 Article XI.

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If there is any confusion as to how Utah views its laws juxtaposed to Texas laws in regard to Texas forfeited taxable entities doing business in Utah, we look to the Multistate Tax Compact. Because both Utah and Texas are members of the Multistate Tax Compact, if there is any uncertainty as to the ability of PMCC to operate in Utah, Utah must look to Texas Law

Therefore, since Utah is silent on the rights and privileges of an invalid, defunct foreign corporation with a forfeited existence that has willfully failed to file its application for authority to transact business in the State of Utah, any action by this Court other than disallowing PMCC the right to prosecute or defend litigation would be in viewed as a violation of the Interstate Tax Compact in that it would be withdrawing or limiting the jurisdiction of the Texas State Courts or administrative office or body. Again, this Court has no other option but to prohibit PMCC from asserting its defenses and promoting its litigation.

VIII. PMCC IS IN VIOLATION OF THE UTAH TAX CODE.

Under the Utah taxation code (UCA 59-7-302), PMCC is required to pay taxes to Utah as its income is considered a "business income," defined as "income arising from transactions and activity in the regular course of the taxpayer's trade or business and includes income from tangible and intangible property if the acquisition, management, and disposition of the property constitutes integral parts of the taxpayer's regular trade or business operations." PMCC may also be required to pay taxes from funds derived in Utah pursuant to the Utah Reportable Transaction Act, UCA § 59-1-13.

CONCLUSION

The Debtor in Possession is entitled to an order from this court for the requested relief.

Dated this Friday, March 24, 2017. /s/____

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John Christian Barlow

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John Christian Barlow (12438) 321 N Mall Drive R290 St. George UT 84790 432-634-1200 jcb@johnchristianbarlow.com for Debtor in Possession

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

In Re: COMMUNITY TRANSLATOR NETWORK,	Bankruptcy No. 15-31245 Chapter 11
LLC Debtor in Possession.	Chief Judge WILLIAM T. THURMAN

MOTION FOR SANCTIONS AND AWARD OF DAMAGES AGAINST AMY MEREDITH AND POWELL MEREDITH COMMUNICATIONS COMPANY FOR VIOLATION OF THE AUTOMATIC STAY UNDER SECTION 362(k) OF THE BANKRUPTCY CODE

Comes now DEBTOR IN POSSESSION, Community Translator Network LLC ("DEBTOR" or

"CTN") and Motions this Court for sanctions against Amy Meredith ("Meredith") and Powell

Meredith Communications Company ("PMCC") for violations of the Automatic Stay of Section

362 of the Bankruptcy Code.

FACTS

1. On October 23, 2014 CTN and PMCC entered into a contract ("CTN-PMCC Assignment

Agreement") for the transfer of eight Construction Permits from PMCC to CTN. See Exhibit

1, CTN-PMCC Assignment Agreement.

- 2. On December 1, 2015 Debtor filed a Petition for Bankruptcy in this Court.
- On December 17, 2017, notice of the Bankruptcy and the Meeting of Creditors was mailed to PMCC.
- 4. The Creditor Matrix includes Powell Meredith Communications Company.
- On February 23, 2016, Debtor mailed to PMCC a copy of the Disclosure Statement date February 22, 2016 along with all of its attachments, the Plan of Reorganization Dated February 22, 2016, and the Proposed Ballot.
- 6. Debtor has a valid Assignment Agreement to transfer Ruidoso to Adriana Aguirre.
- On March 3, 2016 Meredith, President of PMCC, mailed a supplement ("Supplement") to her protest to the FCC with the bankruptcy documents as attachments. Attached herewith as Exhibit 2.
- Meredith copied the Supplement to Marlene Dortch, Secretary to the Federal Communications Commission; Jeffry Gee, FCC Enforcement Bureau; and Peter Doyle / Lisa Scanlon, FCC Audio Division. See Exhibit 2.
- 9. On page 3 of the Supplement, Meredith states "I have also attached a copy of the bankruptcy Plan for Reorganization by Mr. John Barlow owner, trustee and attorney for Community Translator Network or CTN, the company that hacked in to the PMCC account and stole five permits and in this paperwork shows paid nothing for them, nor does it seem like they plan to pay for them but they are trying to file bankruptcy to include three more permits owned by PMCC to try to force a sale of these stations. A Bankrupt company should not be allowed to

obtain the sale of new permits. These three permits include FM translators in Gulfport, MS, Wickenburg, AZ and South Padre, TX. See Exhibit 2 page 3.

- 10. Also on page 3 of her Supplement, she states to the FCC to "A Bankrupt company should not be allowed to obtain the sale of new permits. These three permits include FM translators in Gulfport, MS, Wickenburg, AZ and South Padre, TX. One of these permits, I Amy Meredith of PMCC have started construction on and am working with a local engineer and we have a tower lease and equipment and are ready to put the translator on air[.]" See Exhibit 2 page 3.
- 11. On page 4 of the Supplement they state "I wish for the FCC enforcement bureau to act on this manner as I have asked in the past, in the bankruptcy reorganization plan you will see that Barlow claims the FCC has held off making a decision until the courts have settled all lawsuits and bankruptcies. The audio division has NEVER told me that this is the case and I hope this is just an assumption by Barlow and is incorrect. See Exhibit 2 page 4.
- 12. Meredith / PMCC makes statements that are blatantly false and outrageous. The entire Supplement is filled with falsehoods. An example of the outrageous falsehoods are "PMCC originally had ownership of Scott Powell with 49% but in 2008 a Dallas County judge removed him from the company. This ruling is under attack by Scott Powell and John Barlow stating that the judge did not have the authority to make this ruling, this is not the case, he did have the authority and the ruling was entered with a divorce decree in 2008 Federal register. In Texas we abide and fully respect our judges that our people of this great State have elected, although some in Utah don't agree with this, we are a nation of laws and disrespecting a judge and his ruling is a mockery and disgrace in my opinion. I am the sole

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provider for the interests of the child and have had to incur 20,000 in legal fees and have lost my entire company in a high jacking by Powell, Skinner and Barlow. (see divorce decree) I did NOT want to process these stations in 2013 because I was way in the red with past due regulatory fees, now I have had to pay on more and it may never stop. As of now Barlow or Skinner could call up CORES, get my new passcodes and start processing more stations, there are LPTV applications, AMs and other FM translators still in that account and this frightens me." See Supplement page 4.

- 13. Meredith and PMCC have caused harm to the Debtor because they have violated the Automatic Stay, they performed acts that have damaged one of Debtor's CPs by building it out, (approximate damage is unknown but not less than \$50,000.00), and they have caused delays in the processing of the applications to transfer Ruidoso to Adriana Aguirre (damage amount of the contract price of \$21,500.00).
- 14. Attorney for the Debtor, John Christian Barlow is not going to move the Court for an Order to Employ under Section 327 of the Code. However, as general counsel for Debtor, Mr. Barlow has been required to respond to Meredith/PMCC's violation of the Automatic Stay. Mr. Barlow's Motion for Violation of the Automatic Stay has taken time away from his work and family schedule, and the approximate value of the time is 5 hours at \$300.00 per hour.
- 15. Meredith's / PMCC's violation of the Automatic Stay and their statements to the FCC have caused the trustees of Debtor emotional distress because the Debtor and the trustees must maintain good standing with the FCC. Now the trustees of Debtor and the Debtor must put forth considerable effort to correct the harm caused by Meredith / PMCC.

ARGUMENT

The CTN-PMCC Assignment Agreement which includes the transfer of eight Construction Permits is a valid contract and has been assumed by the Debtor. The eight Construction Permits are property of the bankruptcy estate.

Section 362 of the Bankruptcy Code is the applicable provision which protects the assets of the Debtor and places them under the Automatic Stay.

Bankruptcy Code Section 362(k) gives the remedy for Meredith's/PMCC's violations of the Automatic Stay. The code states "(1) Except as provided in paragraph (2), an individual injured by any willful violation of a stay provided by this section shall recover actual damages, including costs and attorneys' fees, and, in appropriate circumstances, may recover punitive damages." See 11 U.S.C. 363(k).

Upon finding willful violations of the automatic stay, the Court may award actual damages, which include monetary damages "to compensate for actual emotional distress caused by a creditor's violation of the automatic stay." In re Thorpe, No. 11-00862-8-SWH, 2011 WL 5909403 at *2 (Bankr. E.D.N.C. May 17, 2011) (citing In re Kirkbride, Case No. 08-00120-8-JRL, 2010 WL 4809334 (Bankr. E.D.N.C. Nov. 19, 2010) (allowing \$10,000.00 damages for humiliation and embarrassment caused by a creditor's actions)). The Court may also award punitive damages for a willful violation of the automatic stay for the purpose of causing "'a change in the creditor's behavior" In re Sands, No. 10-12205C-13G, 2011 WL 3962491 at *3 (Bankr. M.D.N.C. April 1, 2011) (quoting In re Shade, 261 B.R. 213, 216 (Bankr. C.D. Ill. 2001)).

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Section 362(k) allows for recovery of actual damages, including emotional distress. See In re Thorpe, No. 2011 WL 5909403 at *2; In re Kirkbride, 2010 WL 4809334 at *5; Dawson v. Wash. Mut. Bank (In re Dawson), 390 F.3d 1139, 1148 (9th Cir. 2004).

A willful violation does not require "specific intent" to violate the automatic stay; nor will a "good faith" belief that an action was not violative of section 362 preclude a finding that the action was, in fact, a "willful" violation. Rather, the test is usually characterized in terms of whether a creditor took some collection action despite its knowledge that the debtor had filed a bankruptcy petition. <u>See, e.g., In re Goodman</u>, 991 F.2d 613, 618 (9th Cir. 1993); <u>In re Smith</u>, 170 B.R. 111, 117 (Bankr. N.D. Ohio 1994) (Section 362(k) sanctions are not precluded by "good faith" reliance on counsel's advice); <u>In re Xavier's of Belville, Inc.</u>, 172 B.R. 667 (Bankr. M.D. Fla. 1994) (a violation of the stay only requires the act be deliberate; no specific intent to violate the stay is necessary); <u>In re Brockington</u>, 129 B.R. 68, 70 (Bankr. D. S.C. 1991) (a willful violation does not require specific intent; rather, a finding that defendant knew of automatic stay and that defendant's actions were intentional is sufficient); <u>see also In re Just Brakes Sys., Inc.</u>, 175 B.R. 288, 291 (Bankr. E.D. Mo. 1994) ("A violation of the automatic stay is willful if a creditor acts deliberately with knowledge of the Bankruptcy petition").

Each violation of the stay must be considered in its entirety, with due consideration to the particular facts. In re Brockington, 129 B.R. 68, 70 (Bankr. D.S.C. 1991) (court must consider specific facts of case prior to any levy of sanctions); In re Zunich, 88 B.R. 721 (Bankr. W.D. Pa. 1988) (same); In re Ramage, 39 B.R. 37 (Bankr. E.D. Pa. 1984) (same).

A. MEREDITH AND PMCC'S ACTIONS WERE WITH KNOWLEDGE, DELIBERATE, AND A WILLFUL VIOLATION, IN WHICH THEY TOOK STEPS TO COLLECT AND HARM THE DEBTOR.

1. DAMAGES SUFFERED BY DEBTOR AND CAUSED BY MEREDITH / PMCC

a. Actual Damages:

i. Harm to an Unnamed CP.

In their supplement, Meredith / PMCC state that they have performed engineering, started buildout, and obtained a tower lease on an unnamed CP.

Meredith's / PMCC's actions were with intent and meant to cause harm when she violated the automatic stay and caused damage to one of the Construction Permits.

Debtors are unaware of exactly how much monetary damage has been incurred as a result of the actions of Meredith /PMCC when they "started construction on and am working with a local engineer and we have a tower lease and equipment and are ready to put the translator on air[.]" Debtor estimates that there is at least \$50,000.00 in damages because they will have to unwind any unauthorized engineering and modifications done to their CP.

ii. Harm to the CTN / Aguirre Agreement.

Meredith's / PMCC's violation of the Automatic Stay has caused harm to Debtors contractual obligations with Adriana Aguirre.

Meredith / PMCC's actions have caused the FCC to stall in its processing of the application to transfer Ruidoso NM to Adriana Aguirre. Ms. Aguirre has not been able to receive

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her full benefit and Debtor has not received the funds owed them from Aguirre as a result of the Supplement filed by Meredith / PMCC. Debtor is damaged in the amount of the contracted price of the Ruidoso NM CP, \$21,500.00.

b. Emotional Distress Harm to the Trustees of Debtor and the Debtor.

The trustees for the debtor have been emotionally harmed because they have been required to defend their good reputation at the FCC. The emotional distress is caused by the false statements made by Meredith / PMCC and the violation of the Automatic Stay. Debtors business and part of their lively hood rests on their reputation with the FCC and its staff. When they are defamed in such a way as done by Meredith / PMCC this requires Debtor and its Trustees to defend themselves.

The case law support a claim against Meredith / PMCC for Emotional Distress Damages.

To succeed on a claim of emotional distress, a plaintiff must demonstrate that the defendant: negligently engaged in some conduct toward the plaintiff, (a) with the purpose of inflicting emotional distress, or, (b) where any reasonable person would have known that such would result; and his actions are of such a nature as to be considered harmful. See <u>Cabaness v. Thomas</u>, 2010 UT 23, 232 P.3d 486, 499, quoting <u>Bennett v. Jones</u>, Waldo, Holbrook & McDonough, 2003 UT 9, ¶ 58, 70 P.3d 17 (emphasis in original) (quoting <u>Franco v. Church of Jesus Christ of</u> Latter-day Saints, 2001 UT 25, ¶ 25, 21 P.3d 198).

c. Debtor Should be Awarded Punitive Damages.

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Meredith's / PMCC's actions were willful with the purpose of inflicting harm, and an attempt to collect a perceived debt by trying to inhibit the transfer of certain FCC CP's.

In Jove Engineering, Inc v. IRS, 92 F.3d 1539, 1555-57 (11th Cir. 1996) held "When the automatic stay is violated, courts generally find the violator in contempt under 11 U.S.C. Section 105 if the violation is 'willful;'" and "[w]e are not persuaded by IRS's attempts to avoid responsibility for its conduct by blaming its computer system", *citing* In re Flynn, 169 B.R. 1007, 1024 (Bankr. S.D. Ga. 1994), *aff'd in part, rev'd in part,* 185 B.R. 89 (S.D. Ga. 1995) (finding willful violation of stay where the IRS's "failure to correct known, glaring weaknesses in its internal controls which cause it to repeatedly violate the automatic stay constitutes bad faith").

This Court should be outraged by the blatant violation of the Automatic Stay. Meredith's / PMCC's statements to the FCC and blatant disregard for bankruptcy law and procedure and must award Debtor damages in an amount to compensate them for actual harm, emotional distress, punitive damages, and attorney fees and costs.

CONCLUSION

Debtors pray for an Order awarding them \$71,500.00 for actual damages, \$10,000.00 for emotional damages, \$10,000.00 for punitive damages, and attorneys fees and costs.

Respectfully Submitted this Monday April 25, 2016. /s/ John Christian Barlow John Christian Barlow Attorney for Community Translator Network, LLC, Debtor in Possession. Case 15-31245 Doc 70 Filed 04/25/16 Entered 04/25/16 18:31:05 Desc Main Document Page 10 of 10

CERTIFICATE OF SERVICE

I certify that on April 25, 2016 that I served via ECF a true and correct copy of the foregoing to all individuals indicated below:

US Trustee

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John Christian Barlow (12438) 321 N Mall Drive R290 St. George UT 84790 432-634-1200 jcb@johnchristianbarlow.com for Debtor in Possession

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

In Re:	Bankruptcy No. 15-31245
COMMUNITY TRANSLATOR NETWORK,	Chapter 11
LLC	
Debtor in Possession.	Chief Judge WILLIAM T. THURMAN

OBJECTION TO PROOF OF CLAIM # 8 AND MOTION FOR SANCTIONS AND FINES UNDER 18 U.S.C. §§ 152, 157, AND 3571

Debtor in Possession, Community Translator Network, ("Debtor" or "CTN") OBJECTS

to the Proof of Claim #8 filed by Amy Meredith, and moves the Court for an Order Disallowing

Proof of Claim 8 and Sustaining Debtors Objection to Proof of Claim #8.

Debtor moves this Court for an Order against Amy Meredith of fines and sanctions of

\$500,000.00 and 5 years in prison for the filing of a false Proof of Claim.

FACTS

- Community Translator Network ("CTN") has an Assignment Agreement with Powell Meredith Communication Company ("PMCC") for the transfer to CTN of eight (8) FM Translator applications when granted by the FCC as Construction Permits (referred to as "CP's"). The Assignment Agreement is signed by Amy Meredith for Powell Meredith Communications Company. The Assignment Agreement is attached herewith as Exhibit
 In Deposition Meredith admitted to signing the Assignment Agreement for the transfer of the 8 CP's to CTN. The Relevant portions of Meredith's deposition testimony is attached as Exhibit 2. See 21:3-23:13; 45:8-17; 47:12-18. The eight CP's are:
 - a. Cheyenne, WY Channel 224 (92.7MHz), Facility No. 143430.
 - b. Gulfport, MS Channel 268 (101.5MHz), Facility No. 142760.
 - c. Logan, UT Channel 229 (93.7MHz), Facility No. 143532.
 - d. Needles, CA Channel 262 (100.3MHz), Facility No. 142491.
 - e. Roseburg, OR Channel 292 (106.3MHz), Facility No. 142743.
 - f. Ruidoso, NM Channel 285 (104.9MHz), Facility No. 142745.
 - g. South Padre Island, TX Channel 288 (105.5MHz), Facility No. 142717.
 - h. Wickenburg, AZ Channel 224 (92.7MHz), Facility No. 143311.
- Currently five (5) of the eight (8) CP applications granted CP status by the FCC and transferred to CTN on March 21, 2014. The five are Cheyenne, WY, Logan, UT, Needles, CA, Roseburg, OR and Ruidoso, NM.
- 3. Three (3) Translator Applications were granted as CP's at a later date because they required additional engineering amendments for each application for FCC approval as

CPs. The three applications granted as CPs subsequent to the five are Gulfport, MS, South Padre Island, TX and Wickenburg, AZ.

- 4. The FCC has approved the application for the sale/transfer of the CP: Needles CA. See Exhibits 3 and 4. PMCC submitted multiple petitions at the FCC to deny the transfer of Needles and Ruidoso. However, the FCC dismissed PMCC's Petitions and discarded the arguments made by PMCC.
- 5. The Debtor filed its voluntary petition for relief under Chapter 11 of the Bankruptcy Code on December 1, 2015.
- On December 10, and 11, 2015 Debtor filed its original Statement of Financial Affairs and related Schedules of Assets and Liabilities.
- 7. The meeting of creditors under section 341 of the Bankruptcy Case Code was held on January 13, 2016. The meeting was conducted by John T. Morgan, an attorney with the United States Trustee's Office ("USTO"). Mr. Barlow appeared as the representative and attorney of the Debtor.
- 8. The last day to file a Proof of Claim was April 12, 2016.
- Amy Meredith ("Meredith") is not a creditor of the Debtor. See Schedules and Statement of Affairs filed in this case.
- 10. Meredith filed a Proof of Claim ("POC 8") on April 15, 2016. See POC 8 in this case.
- 11. Meredith's POC 8 is in the amount of \$100,000.00 (see Part 2 Section 6 of POC 8).

- Meredith's basis of the claim is "5 radio stations appropriated by debtor without payment to creditor: Needles CA (Ch262); Ruidoso, NM (Ch285); Roseberg Oregan; Logan, Utah; Cheyenne, Wyoming" (spelling in original) (see Part 2 Section 8 of POC8).
- 13. Debtor does not owe Meredith any money.
- 14. Debtor did not "appropriate by debtor without payment" any radio stations.
- 15. Debtor did not deceive Meredith in any way.
- 16. Amy Meredith filed a false Proof of Claim against the Debtor. See POC 8.
- 17. None of Meredith's statements in POC 8 are correct.

JURISDICATION

This is a core proceeding under 28 U.S.C. § 157(b)(2)(B) and 28 U.S.C. § 157(b)(2)(O).

LEGAL STANDARD AND BURDEN OF PROOF

A filed proof of claim is prima facie evidence of its validity and amount if it is executed and filed in accordance with the Federal Rules of Bankruptcy Procedure. Fed. R. Bankr. P. 3001(f). Rule 3001(a)-(c) provides that a proof of claim must be in writing, be executed by the creditor or its authorized agent, and, when based on writing, be filed with the original or a duplicate of that writing. Fed. R. Bankr. P. 3001(a)-(c). Rule 3001(d) requires that, if the creditor claims a security interest in the debtor's property, "the proof of claim shall be accompanied by evidence that the security interest has been perfected." Pursuant to 11 U.S.C. § 502(a), a claim "is deemed allowed, unless a party in interest . . . objects."

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"Claim objectors carry the initial burden to produce some evidence to overcome the rebuttable presumption of validity." In re Koontz, 2010 WL 5625883, 7-8 (Bankr. N.D. Ind. 2010) (quoting In re Vanhook, 426 B.R. 296, 298-99 (Bankr. N.D. Ill. 2010) (citations omitted)). See also In re Consumers Realty & Development Co., Inc., 238 B.R. 418, 422-423 (B.A.P. 8th Cir. 1999) (citing Gran v. Internal Revenue Serv. (In re Gran), 964 F.2d 822, 827 (8th Cir. 1992)). "Once the objecting party produces evidence rebutting the claim, the burden of proof shifts to the claimant to produce evidence establishing the validity of the claim. [In re Gran.] Thus, once an objection is made to the proof of claim, the ultimate burden of persuasion as to the claim's validity and amount rests with the claimant." In re Consumers Realty & Development Co., Inc., 238 B.R. at 423 (citing In re Allegheny Int'l, Inc., 954 F.2d 167, 173-74 (3rd Cir.1992); In re Harrison, 987 F.2d 677, 680 (10th Cir.1993)).

ARGUMENT

I. OBJECTION TO PROOF OF CLAIM 8

A. Debtor Objects to POC 8 on the Following Grounds:

1. The Proof of Claim #8 ("POC 8") is late.

The Deadline for filing a proof of claim was 4/12/16. POC 8 was filed on 4/15/16, three days late. Doc No 14 is the Courts Notice of Chapter 11 Case, and states specifically that the deadline for filing a proof of Claim is 4/12/16.

Rule 3003(c)(3) of the Federal Rules of Bankruptcy states that the Court shall fix the time for filing a Proof of Claim. The Court has not entered an Order extending the time to file the Proof of Claim.

2. POC 8 was not filed by a creditor of the Debtor.

Rule 3003(c)(1) of the Federal Rules of Bankruptcy states that "Any creditor or indenture trustee may file a proof of claim within the time prescribed by subdivision (c)(3) of this rule." See Id. this rule expressly states that any *creditor* may file a Proof of Claim. Amy Meredith is not listed on any of the Debtors schedules as being a creditor of the Debtor. Therefore, the claim is not valid.

3. POC 8 has no supporting documentation or evidence to support the claim.

Amy Meredith states that she is owed \$100,000.00 (see Part 2 Section 6 of POC 8), and that the basis of the claim is "5 radio stations appropriated by debtor without payment to creditor: Needles CA (Ch262); Ruidoso, NM (Ch285); Roseberg Oregan; Logan, Utah; Cheyenne, Wyoming" (see Part 2 Section 8 of POC8).

Not withstanding the fact that the POC 8 was filed late and that Amy Meredith does not have standing to file a Proof of Claim, at this point the burden of proof shifts to the claimant to show that she had any legal claim to the radio stations in question and that Debtor "appropriated...without payment" any radio stations. No verifiable documentation exists to show that Meredith owns or did own any of the CP's in question.

B. Debtor Owes Nothing to Meredith.

In support of the position that Debtor owes nothing to Amy Meredith and that they did not appropriate any radio stations from Amy Meredith, Debtor submits the following facts and evidence.

An Assignment Agreement Contract was entered into between CTN and Powell Meredith Communications Company ("PMCC") for the purchase of eight Construction Permits ("CP's" or "Radio Stations"). See Exhibit 1. The Assignment Agreement is for the transfer of all 8 CP's. The Assignment Agreement is signed by Amy Meredith for Powell Meredith Communications Company.

The FCC has recognized the ownership rights of Debtor and dismissed PMCC's claims that Debtor stole or appropriated the CP's. See Exhibits 3 and 4.

Debtor has no contractual relationship with Meredith and Meredith is not a creditor of the Debtor.

II. MEREDITH SOULD BE FINED AND SANCTIONED AS REQUIRED UNDER 18 . U.S.C. §§ 152, 157, AND 3571.

This is a Core Proceeding and case law supports the Courts Authority to issue an order for fines and sanctions against Meredith. See Kirk v. Hendon (In re Heinsohn), 247 B.R. 237 (E.D. Tenn. 2000) (proceeding is "core" if it invokes substantive right provided by title 11 or if it is a proceeding that, by its nature, could arise only in the context of bankruptcy); Artra Group,

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Inc. v. Salomon Bros. Holding Co. (In re Emerald Acquisition Corp.), 170 B.R. 632 (Bankr. N.D. III. 1994) ("core" matters are ones with which bankruptcy court has greater familiarity and expertise than the district court).

18 U.S.C. § 152 states: A person who—(4) knowingly and fraudulently presents any false claim for proof against the estate of a debtor, or uses any such claim in any case under title 11, in a personal capacity or as or through an agent, proxy, or attorney;...shall be fined under this title, imprisoned not more than 5 years, or both.

18 U.S.C. § 157 states: (2) files a document in a proceeding under title 11; or (3) makes a false or fraudulent representation, claim, or promise concerning or in relation to a proceeding under title 11, at any time before or after the filing of the petition, or in relation to a proceeding falsely asserted to be pending under such title,...shall be fined under this title, imprisoned not more than 5 years, or both.

18 U.S.C. § 3571 states (a)In General.—A defendant who has been found guilty of an offense may be sentenced to pay a fine. (b)Fines for Individuals.—... an individual who has been found guilty of an offense may be fined not more than the greatest of—(1) the amount specified in the law setting forth the offense[.]

The fine and imprisonment is specified on the Proof of Claim that Meredith signed. Meredith's POC states "A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. See POC 8.

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Meredith exhibits a pattern of lying and deceiving. Here actions in filing POC 8 is another example of her attempts to deceive. Meredith is the owner of Powell Meredith Communications Company. Together their fraudulent activities have caused Debtor to file a Chapter 11 Bankruptcy and force them to honor their contract with Debtor.

Both sections 152 and 157 state that the person *shall be fined or imprisoned*. See 18 U.S.C. §§ 152 and 157. This Court is required to fine and or imprison Meredith.

CONCLUSION

This Court should issue an Order Disallowing Proof of Claim 8 and Sustain Debtor's Objection to Proof of Claim 8.

This Court should issue and Order against Amy Meredith and fine and sanction her \$500,000.00 and 5 years in prison.

Respectfully submitted April 26, 2016.

/s/ John Christian Barlow

John Christian Barlow

Attorney for Debtor in Possession
CERTIFICATE OF SERVICE

I certify that on the 26th of April 2016 that a true and correct copy of the foregoing was served upon all parties registered with the Courts ecf system and are filers in this case.

/s/ John Christian Barlow

John Christian Barlow (12438) 520 N Main Street C318 Heber City UT 84032 435.634.1200 jcb@johnchristianbarlow.com Pro Se

IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS, ABOLINE DIVISION

JOHN CHRISTIAN BARLOW Plaintiff, v. COMPLAINT AND REQUEST FOR INJUNCTION

Case No: 1 - 17 CV - 188

POWELL MEREDITH COMMUNICATIONS COMPANY Defendant

Judge

INTRODUCTION

John Christian Barlow was a trustee of Community Education Foundation Inc, a Utah Corporation. Community Education Foundation is the sole owner of Community Translator Network LLC. Mr. Barlow is a third party beneficiary of any contract entered into by Community Translator Network LLC.

On October 22, 2013, an Assignment Agreement was entered into between Community Translator Network LLC and Powell Meredith Communications Company (the "CTN-PMCC Assignment Agreement"), wherein Community Translator Network LLC ("CTN") would acquire from Powell Meredith Communications Company ("Defendant" or "PMCC") eight (8) FM Translator Construction Permits ("CPs").

PMCC stated that it was a Texas Company in good standing, but later admitted that it had been forfeited company since 2008.

Case No: Barlow v. PMCC COMPLAINT At the time of the contract, Mr. John Christian Barlow was a trustee of Community Education Foundation and currently still has a beneficial interest in its activities and income.

After CTN invested significant funds and resources for development of the FM Translator CPs to be granted CP status and assigned to CTN by the FCC, PMCC's motives to defraud CTN were revealed. PMCC refused to complete the transfer of the licenses and petitioned the FCC to reverse the transfers that had already occurred.

The Fraudulent activities and breach of contract by PMCC has caused irreparable damage to Mr. Barlow. Mr. Barlow asks this Court to grant monetary damages in the amount of Five Hundred Thousand Dollars (\$500,000.00), and because the CPs are unique an order requesting the transfer of the remaining CPs to Mr. Barlow, and costs and fees as deemed reasonable by this Court.

PARTIES

- 1. John Christian Barlow (Plaintiff" or "Mr. Barlow") is an individual who is a resident of Utah.
- Powell Meredith Communications Company ("Defendant" or "PMCC") is a Texas company with forfeited existence. Its current know registered agent address is 2601 Nonesuch Road, Unit 902, Abilene, Texas.

JURISDICTION

3. This Court has jurisdiction under 28 U.S. Code § 1332: diversity and amount in question.

FACTS

 At the time of contracting Mr. Barlow was a trustee of Community Education Foundation Inc. Community Education Foundation In is the sole owner of Community Translator Network LLC.

- Mr. Barlow is a third party beneficiary of any contract entered into by Community Translator Network LLC.
- On October 22, 2013, a valid contract was entered into between Community Translator Network LLC, a Utah Corporation, and Powell Meredith Communications Company, a Texas Corporation with a forfeited existence. See Exhibit 1, the CTN-PMCC Assignment Agreement.
- At the time of the agreement PMCC held itself out to be a valid corporation. See Exhibit 2, State Print out of PMCC's forfeited existence.
- PMCC had been defunct for over five years. PMCC had not paid its franchise tax nor had it filed or paid its income taxes.
- PMCC did not register in Utah as a foreign corporation so that it could transact business in Utah.
- 10. The CTN-PMCC Assignment Agreement required PMCC to transfer eight FM Translator Construction Permits to CTN for a total price of Twenty Thousand Dollars \$20,000.00 payable upon grant of CP status by the FCC and completion of all eight of the transfers to CTN.
- 11. PMCC had not paid their FCC regulatory fees for a number of years, and the value of the FM Translators Construction Permit applications prior to the CTN-PMCC Assignment Agreement was approximately \$500.00 each.

- 12. Prior to the FCC granting an Assignment Application for the transfer of the eight FM Translator Construction Permits, the eight FM Translators needed to be granted Construction Permit status by approval at the FCC.
- 13. The eight FM Translator CP's are:
 - 1. Cheyenne, WY Channel 224 (92.7MHz), Facility No. 143430.
 - 2. Gulfport, MS Channel 268 (101.5MHz), Facility No. 142760.
 - 3. Logan, UT Channel 229 (93.7MHz), Facility No. 143532.
 - 4. Needles, CA Channel 262 (100.3MHz), Facility No. 142491.
 - 5. Roseburg, OR Channel 292 (106.3MHz), Facility No. 142743.
 - 6. Ruidoso, NM Channel 285 (104.9MHz), Facility No. 142745.
 - 7. South Padre Island, TX Channel 288 (105.5MHz), Facility No. 142717.
 - 8. Wickenburg, AZ Channel 224 (92.7MHz), Facility No. 143311.
- 14. On March 21, 2014, the FCC consented to the Assignment Application of five (5) of the eight (8) CP's granted CP status to be transferred to CTN.
- 15. The five CP's that were transferred to CTN are:
 - Cheyenne, WY Channel 224 (92.7MHz), Facility No. 143430.

Logan, UT - Channel 229 (93.7MHz), Facility No. 143532.

Needles, CA - Channel 262 (100.3MHz), Facility No. 142491.

Roseburg, OR - Channel 292 (106.3MHz), Facility No. 142743.

Ruidoso, NM - Channel 285 (104.9MHz), Facility No. 142745.

16. Three CP's granted CP status by the FCC that PMCC now refuses to transfer to CTN are:

Gulfport, MS - Channel 268 (101.5MHz), Facility No. 142760.

South Padre Island, TX - Channel 288 (105.5MHz), Facility No. 142717.

Wickenburg, AZ - Channel 224 (92.7MHz), Facility No. 143311.

- 17. PMCC has filed multiple Petitions at the FCC attempting to unwind the transfers of the CP's to CTN.
- 18. PMCC has refused to honor the CTN-PMCC Assignment Agreement.
- PMCC's refusal to honor the CTN-PMCC Assignment Agreement has cost Mr. Barlow at least \$500,000.00.
- 20. PMCC stated that now that the license application had been granted CP status, that PMCC had already started to buildout and operate one of the CP's that they refuse to transfer to CTN.
- 21. The buildout and operation of the CP has harmed CTN.

CAUSES OF ACTION

I. FRAUD

- 22. All preceding paragraphs are incorporated herein.
- 23. PMCC entered into a valid contract, with CTN for the purchase and transfer of certain FM Translator CP's, the CTN-PMCC Assignment Agreement.
- 24. Mr. Barlow is a beneficiary of the CTN-PMCC Assignment Agreement.
- 25. PMCC intended that Mr. Barlow and CTN would rely on the contract that required PMCC to transfer the FM Translator CP's to CTN.
- 26. PMCC made false statements that were intended to deceive Mr. Barlow and CTN.
- 27. PMCC intended to deceive Mr. Barlow and CTN and cause them harm.
- 28. PMCC intended to breach the contract and benefit from the breach.
- Mr. Barlow and CTN were unaware that PMCC intended to breach the contract and defraud Mr. Barlow and CTN.

- 30. Mr. Barlow and CTN had a right to rely on the statements made by PMCC
- 31. Mr. Barlow and CTN relied on the statements of PMCC and performed on their part of the CTN-PMCC Assignment Agreement.
- 32. Mr. Barlow and CTN relied on the CTN-PMCC Assignment Agreement and improved value of the FM Translator CP's so that they could be transferred to CTN.
- 33. PMCC benefitted by the actions of Mr. Barlow and CTN.
- 34. PMCC did act with fraudulent intentions when it did breach the CTN-PMCC Assignment Agreement
- 35. PMCC did benefit by their fraudulent actions.
- 36. Mr. Barlow is harmed by the fraudulent actions of PMCC.

II. BREACH

- 37. All preceding paragraphs are incorporated herein.
- 38. The CTN-PMCC Assignment Agreement Dated October 22, 2013 is a valid contract.
- PMCC breached the CTN-PMCC Assignment Agreement when PMCC refused to transfer all eight FM Translator CP's.
- 40. CTN does not have possession all of the eight FM Translator CP's.
- 41. Mr. Barlow is harmed as a result of PMCC's actions.
- 42. Mr. Barlow would be able to profit in excess of Five Hundred Thousand Dollars (\$500,000.00) by the sale or operation of the CPs.

III. INJUNCTIVE RELIEF

43. Plaintiff is asking this Court to issue an injunction disallowing PMCC from taking any action with the three CPs including but not limited to transferring or assigning them to another party.

- 44. PMCC as a defunct corporation cannot legally take action regarding these CPs, but may try to do so during the pendency of this litigation.
- 45. Irreparable harm will occur unless this Court issues the injunction because Mr. Barlow has personally performed legal work to upgrade the CPs, and if they are transferred or assigned to another party Mr. Barlow will not receive the benefit of owning, building out and operating them.
- 46. FCC licenses and permits are truly unique. The FCC does not simply just grant any application that is submitted to them. There is a lengthy and arduous application process that includes submitting engineering reports to show that the location of the proposed translator or broadcast signal will benefit the public and not interfere with any existing translator broadcast signal.
- 47. It is more likely than not that Mr. Barlow will prevail, because PMCC is a defunct corporation and has been defunct since 2008, and has no defenses and is precluded from asserting defenses in this litigation.
- 48. The benefit to Mr. Barlow outweighs the burden of PMCC. PMCC has taken no action with the CPs since they submitted the applications to the FCC in 2003. There is absolutely no harm is requiring PMCC to maintain the status quo for the pendency of this litigation. Furthermore, no bond should be required by Mr. Barlow for the same reason stated above, and PMCC can show no harm in the issuance of an injunction against the transfer or assignment to another party.
- 49. Plaintiff is aware that the only action taken by PMCC regarding the three CPs is that of contracting to transfer them to CTN. With Mr. Barlow's authorization, CTN performed upgrades so that the FCC would grant them CP's status and ultimately transfer them to CTN.

- 50. There is no other remedy other than an injunction because PMCC is defunct and yet nothing will stop PMCC from transferring or assigning the licenses. The monetary value of the CPs cannot be stated because each individual owner and operator has the ability to use them and make money depending on their own specific usage practices.
- 51. Under FCC case law and rule, this Court has the authority to make an order for an injunction and also order the FCC to follow this Court's orders.

PRAYER FOR RELIEF

Plaintiff John Christian Barlow prays this Court for an Order:

- (a) for specific Performance on the CTN-PMCC Assignment Agreement wherein PMCC is required to facilitate the transfer of the three remaining FM Translator Construction Permits to Mr. Barlow or that the Clerk of the Court is authorized to facilitate the transfer of the FM Translator Construction Permits with the FCC;
- (b) An award of damages for breach of contract in the amount not less than \$500,000.00;
- (c) An award for attorney fees and costs in an amount to be specified by affidavit;
- (d) punitive damages in amount determined by the Court;
- (e) an injunctive order enjoining PMCC from transferring or assigning the three remaining CPs to any other person or entity during the pendency of this litigation.
- (f) all other remedies this Court deems appropriate.

RESPECTFULLY SUBMITTED this Friday, December 8, 2017

John Christian Barlow, Plaintiff, Pro Se

Case No: Barlow v. PMCC COMPLAINT John Christian Barlow—Attorney at Law

321 N Mall Drive R290 Saint George, UT 84790 435.634.1200 Fax: 435.215.2420

Wayner dismissing Jetter

USPO Priority Mail

Thursday, February 20, 2014 Ms. Amy Meredith Powell Meredith Communications Company 5308 Knox Drive The Colony, Texas 75056

RE: FCC Assignment Application BAPFT-20140113ABD.

Ms. Amy Meredith,

This letter acknowledges receipt of a copy of a letter sent to the Federal Communications Commission with reference to proposed changes in the Assignment Application BAPFT-20140113ABD.

There is no change in the Assignment Agreement dated November 10, 2013 signed by you, Scott Powell and myself as Trustee of the Community Translator Network. Your letter purporting changes to the Assignment Agreement are inaccurate and fraudulent.

To avoid further consequences in this matter; a prompt acknowledgment of the letter as a mistake and its withdrawal is imperative to avoid legal action.

Very truly yours.

John Christian Barlow, Attorney and Trustee for Community Translator Network, LLC

CC: Scott Powell, (e-mail only) Morgan Skinner, (e-mail only) Michael Wagner, letter & e-mail

ENCLS: Meredith correspondence

February 4, 2014

Amy Meredith Powell Meredith Communications Company President 5308 Knox Dr The Colony, TX 75056 AmyMeredithradiolane@gmail.com

CC- Morgan Skinner via Christian John Barlowe Trustee 321 Mall Dr R 290 St George, UT 84790

Marlene Dortch Secretary to the Federal Communications Commission 445 S 12th Street SW Washington, DC 20554

CC-Audio division Michael Wagner

Ms Dortch,

Please find two copies of the following pleading asking for the removal of the two of the five Fm translators that were filed for transfer of ownership on January 16, 2014 from Powell Meredith Communications Company to Community Translator Network.

These translators are:

BAPFT-20140113ABD- K262CM, facility id number- 142491, 100.3 FM Needles, CA

BAPFT- 20140113ABF-K283CB-facility id number- 142745, 104.5 FM Ruidoso, NM

Regards 2/4/14

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT (this "Agreement") is made and entered into as of the 28th day of January 2014 by and between Powell-Meredith Communications Company, a Texas company; and Amy Meredith collectively hereinafter ("PMCC") and Community Translator Network, LLC a subsidiary of Community Education Foundation, Inc., a Utah non-profit corporation in good standing hereafter ("CTN").

Recitals

WHEREAS, Powell-Meredith Communications has been granted by Federal Communications Commission FM translator Construction Permits as described in Exhibit "A";

WHEREAS, CNT desires to acquire the FM Translator Construction Permits granted by the FCC; and

WHEREAS, FCC approval is required for the proposed transaction contemplated hereunder.

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IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. <u>Assignment</u>. Subject to the terms and conditions outlined herein, PMCC agrees to sell and CTN agrees to buy the Construction Permits ("CPs") for the new FM Translator stations as described in Exhibit "A", as follows:

2. <u>Consideration</u>. The Purchase Price for the CP's is as described in Exhibit "A" attached hereto is cash.

3. <u>Deposit</u>. Concurrently with the execution of this Agreement, PMCC acknowledges the payment of the Deposit in cash as described in Exhibit "A"

4. <u>Assignment Application</u>. It is specifically understood and agreed that the consummation of this Agreement is subject to the consent of the FCC without conditions materially adverse to PMCC or CTN. Upon the execution of this Agreement, the parties shall proceed to prepare and file FCC Form 345 (the "Assignment Application") with the FCC for approval and prosecute said Assignment Application with diligence. PMCC and CTN agree to cooperate with each other and use their best efforts to obtain the requisite

1

consent and approval promptly and carry out the provisions of this Agreement. CTN agrees to be responsible for the FCC fees associated with this transaction.

5. <u>Closing</u>. CTN agrees to abide by the services agreement dated July 1, 2013 less the Deposit by CTN referenced in Paragraph (a) following the FCC grant (the "Order") approving the assignment from PMCC to CTN or when the grant becomes a "Final Order"; and provided further, that the parties shall not be obligated to proceed to Closing if (1) the Order includes conditions materially adverse to CTN or PMCC; or (2) the conditions precedent to Closing have not been satisfied or waived. For purposes of this Agreement, the term "Final Order" shall mean a final order of the Commission which is not reversed, stayed, enjoined or set aside, and with respect to which no timely request for stay, reconsideration, review, rehearing or notice of appeal or determination to reconsider or review is pending, and the time for filing any such request, petition or notice of appeal or for review by the Commission, and for any reconsideration, stay or setting aside by the Commission on its own motion or initiative, has expired. Upon Closing, the balance due as described in Exhibit "A" shall be paid in US dollars upon Closing. PMCC agrees to provide CTN with an instrument of conveyance suitable to CNT.

6. <u>Broker.</u> The PMCC and CTN acknowledge and agree that there is no broker involved in this transaction.

7. <u>Exclusivity and Confidentiality</u>. PMCC agrees that from the date hereof that it will not seek to transfer or sell to, or entertain any offers to buy from, third parties, respectively, the broadcast authorizations. And further, PMCC and CTN agree to keep confidential the terms of this Agreement, except with respect to any disclosure required by law or the FCC rules.

8. <u>Services Completed</u>. PMCC acknowledges and agrees that terms and conditions of the Agreement dated July 1, 2013 with Rockwell Media Services, LLC (RMS) have been completed satisfactorily and use of the engineering work submitted to the FCC and pre-paid FCC fees paid by Rockwell for pending PMCC FM Translator applications shall become the property of PMCC.

 <u>FCC Qualifications</u>. CTN represents warrants and covenants that it is qualified to be a licensee and hold the FCC authorizations which are the subject of this Agreement.

10. <u>Application</u>. PMCC agrees to cooperate with CNT in the filing of any modification application (FCC Form 346) for the Permit (the Application"). All costs and expenses incurred by CTN in conjunction with the preparation, review, filing, and prosecution of the Modification Applications shall be paid or reimbursed by CTN.

11. Equipment. PMCC is conveying only its interest in the FCC broadcast authorization "As is, Where is" pursuant to this Agreement and no equipment.

12. <u>Transmitter site</u>. The CTN acknowledges that the PMCC makes no assurance concerning the suitability or accessibility of a transmitter site for the FM translator station.

13. <u>Transfer Fees and Taxes</u>. CTN shall be solely responsible for any and all bulk transfer fees, transfer taxes, sales taxes or other taxes, assessments and the FCC fees associated with prosecution of the Assignment Application.

14. <u>Section 73.1150 Statement</u>. Pursuant to FCC Rule 73.1150, PMCC has retained no right of reversion of the permits covered in this Agreement as described in Exhibit "A". There is no right to reassignment of the permits in the future, and PMCC has not reserved the right to use the facilities in the future for any reason whatsoever.

15. Miscellaneous. This Agreement represents the entire Agreement of the Parties with respect to the subject matter hereof and supersedes any prior Agreement with respect thereto whether it in writing or otherwise. This Agreement may be amended only in writing by an instrument duly executed by both parties. This Agreement is to be construed and enforced under the laws of the State of Utah with venue for any action brought to enforce this Agreement to be exclusively in the federal or state courts located in the State of Utah, Washington County. This Agreement may be executed in counterparts. The undersigned represent and warrant that, respectively, they have received authority to sign this Agreement and to legally bind their respective companies to perform all of the terms hereof.

1<u>A. Liquicated Damages</u>. If any party performs any act or onission that adversely effects the terms of the Agreement resulting in a material breach of this agreement that party shall be hable to the non-breaching party in the amount of not less than Tinty Five Thousand Dollars (\$35,000.00)

INTENTIONALLY LEFT BLANK

WHEREFORE, the parties whose names and addresses appear below have caused this Agreement to be executed by them as of the date first above written.

POWELL MEREDITH COMMUNICATIONS - "PMCC"

214/14

By: Amy Meredith, President 5308 Knox Drive The Colony, TX 75056 amymeredithradiolane@gmail.com

Amy Meredith, an Individual

COMMUNITY TRANSLATOR NETWORK - "CTN"

By: John Christian Barlow, Trustee 321 Mall Drive R290 St. George, UT 84790 JCB@JohnChristianBarlow.com

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17.

EXHIBIT "A"

FM Translator Permits

Location, Facility ID Number	Total	Deposit	At Closing	Status
Roseburg, OR, Channel 292 (FIN: 142743)	\$100	\$50	\$50	CP Granted 1/9/2014 BNPFT-20130826AHC
Logan, UT, Channel 229 (FIN: 143532)	\$100	\$50	\$50	CP Granted 1/9/2014 BNPFT-20130827AAU
Cheyenne, WY, Channel 287 (FIN: 143430)	\$100	\$50	\$50	CP Granted 1/9/2014 BNPFT-20130826AHJ

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Participan - ----

John Christian Barlow 12438 321 N Mall Drive R290 Saint George UT 84790 435-634-1200 jcb@johnchristianbarlow.com for Plaintiffs

IN THE FIFTH DISTRICT COURT IN AND FOR THE STATE OF UTAH, WASHINGTON COUNTY, SAINT GEORGE DIVISION

E MORGAN SKINNER JR, an Individual; ROCKWELL MEDIA SERVICES, LLC, a Utah Company; JOHN CHRISTIAN BARLOW, an Individual; COMMUNITY TRANSLATOR NETWORK, LLC, a Utah Company. Plaintiffs v.	MEMORANDUM IN SUPPORT OF MOTION FOR PARTIAL SUMMARY JUDGMENT UNDER RULE 56 OF THE UTAH RULES OF CIVIL PROCEDURE Case No: 140500250 Judge: JEFFREY C WILCOX
AMY MEREDITH, an individual; SCOTT POWELL, an individual; POWELL-MEREDITH COMMUNICATION COMPANY, a Texas company with forfeited existence. Defendants	

Plaintiffs in and through counsel hereby submit their Motion for Summary Judgment.

Plaintiffs seek partial summary judgment in accordance with rule 56 of the Utah Rules of Civil

Procedure Rule 56(a).

Rule 56(a) states: A party seeking to recover upon a claim, counterclaim or cross-claim

or to obtain a declaratory judgment may, at any time after the expiration of 21 days from the

commencement of the action or after service of a motion for summary judgment by the adverse

party, move for summary judgment upon all or any part thereof. U.R.C.P. 56(a).

INTRODUCTION

Plaintiffs seek partial summary judgment as to the October Assignment Agreement. The

October Assignment agreement was entered into by both parties and partially performed before

Defendants breached the contract by filing a Petition to Deny with the FCC, and refusing to continue cooperating and fulfilling their end of the contract.

<u>REQUEST</u>

Plaintiffs are questing the Court award a Summary Judgment in their favor for specific performance of the October Assignment Agreement, ordering that Defendants be required to continue to allow CTN to facilitate the transfer of the eight FM translators when granted as construction permits, and that the Court Clerk be authorized to sign the required applications with the same effect as if Defendants had done it themselves, thus allowing the Plaintiffs to facilitate the assignments / transfers of the remaining three CP's.

Plaintiffs are also asking for an award of attorneys fees.

JURISDICTION OF THIS COURT

Pursuant to Utah Code Section 78B-6-401 "(1) Each district court has the power to issue declaratory judgments determining rights, status, and other legal relations within its respective jurisdiction. An action or proceeding may not be open to objection on the ground that a declaratory judgment or decree is prayed for. (2) The declaration may be either affirmative or negative in form and effect and shall have the force and effect of a final judgment or decree." Utah Code Section 78B-6-401.

A. This Is A Contract Matter And Not An Administrative Matter And Therefore This Court Has Jurisdiction.

Courts of "Equity" have authority to decide contractual disputes and public interest decisions are left to the determination of the Commission. See In re: *Applications of Arecibo Radio Corp.*, 101 F.C.C.2d 545, at 548 (1985), holding "The Commission's attempts to reach a fair accommodation between its exclusive authority over licensing matters and the authority of state and local courts have resulted in procedures which acknowledge that breach of contract

questions are matters for the courts to decide under state and local law. Because the Commission does not possess the resources, expertise, or jurisdiction to adjudicate such questions fully, we normally defer to judicial determinations regarding the interpretation and enforcement of contracts for the sale of broadcast stations. By this approach we have preserved the Commission's exclusive authority to make public interest determinations on licensing matters while recognizing the role of state and local courts in adjudicating private contractual matters."

The "public interest" with which the Commission is charged is that involved in granting licenses. Safeguarding of that interest can hardly imply that the interest of States in enforcing their laws against fraud have been nullified insofar as licensed facilities may be the instruments of fraud. See *Radio Station WOW, Inc. v. Johnson*, 326 US 120, 13, Supreme Court 1945.

"Civil Court can require litigants to submit settlement agreement to Commission." See In re: Applications of Arecibo Radio Corp., 101 F.C.C.2d 549 (1985), quoting Ninety Two Point Seven Broadcasting Inc., 55 RR 2nd, 607, 610-11, 1984

LEGAL STANDARD

A party "may, at any time move for summary judgments as to all or any part" of another party's claim." Utah R. Civ. P. 56(b). Summary judgment is appropriate "if the pleadings, depositions, answers to interrogatories, and admissions on file, together with affidavits, if any show that there is no genuine issue as to any material facts and that the moving party is entitled to a judgment as a matter of law." *Id* at 56(c).

Summary judgment is appropriate "when the evidence 'shows that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law.' " *Progressive Cas. Ins. Co. v. Dalgleish*, 2002 UT 59, ¶ 11, 52 P.3d 1142 (quoting Utah R. Civ. P. 56(c)).

To successfully defend against a motion for summary judgment, the nonmoving party must set forth facts " 'sufficient to establish the existence of an element essential to that party's case.' " *Burns v. Cannondale Bicycle Co.*, 876 P.2d 415, 419 (Utah Ct.App.1994) (quoting *Celotex Corp. v. Catrett*, 477 U.S. 317, 323, 106 S.Ct. 2548, 91 L.Ed.2d 265 (1986)). Failure to do so with regard to any of the essential elements of that party's claim will result in a conclusion that the moving party "is entitled to a judgment as a matter of law." *Id.* at 420; see also *Celotex*, 477 U.S. at 322-23, 106 S.Ct. 2548 ("In such a situation, there can be 'no genuine issue as to any material fact,' since a complete failure of proof concerning an essential element of the nonmoving party's case necessarily renders all other facts immaterial." (quoting Fed.R.Civ.P. 56(c))).

FACTS

1. A valid contract was entered into by Powell Meredith Communication Company ("PMCC"), Amy Meredith ("Ms. Meredith"), and Community Translator Network ("CTN") on the twenty-second day of October, 2013. Each page is initialed by Ms. Meredith including the Exhibit A , which states which FM Translator Construction Permits ("CP's") were to be assigned / transferred when granted as construction permits to CTN and the sale price to be paid by CTN upon completion of all of the Transfers. See Exhibit 1, the October Assignment Agreement (the "Agreement") attached herewith; See also Complaint Exhibit 2, the October Contract.

2. The terms of the contract are that CTN would pay PMCC Two-Thousand Five-Hundred Dollars (\$2,500.00) per CP upon the transfer of all eight CP's. The terms are set forth in the Exhibit A to the Agreement. See Exhibit 1.

3. It was understood and incorporated in the October Assignment Agreement that "PMCC and CTN agree to cooperate with each other and use their best efforts to obtain the requisite

consent and approval promptly and carry out the provisions of this agreement." See Exhibit 1, October Assignment Agreement Section 4.

4. Rockwell Media Services LLC ("RMS") was to do the processing of the applications and contract for the engineering and legal services. Mr. Skinner who is the managing member of RMS has extensive experience in the radio industry and is an expert within his field. Mr. Skinner had prior dealings with PMCC, Amy Meredith, and Scott Powell, and had reason to rely on the statements of Scott Powell and the communications from Ms. Meredith. See Exhibit 2, Affidavit of Morgan Skinner.

5. Prior to this agreement, but after an oral agreement was in place, PMCC partially performed on the Agreement by submitting to Rockwell Media Services LLC. ("RMS") the required passwords and was also communicating with Mr. Skinner regarding the transfer of the eight CP's. In an email dated Tuesday July 2, 2013, Ms. Meredith emails Mr. Powell the account numbers and passwords so that Mr. Skinner may be able to process the applications for the eight construction permits. See Exhibit 3. In an email dated January 15, 2014 Ms. Meredith confirms that she gave Mr. Skinner the passwords to access her account and process the application for the transfer of the eight construction permits. Ms Meredith states: "It also should have been filed from my frn accoubt which Morgan had access to since I gave him the account codes," see Exhibit 4, Email from Meredith to Barlow. See Exhibit 4.

6. On January 14, 2014, Ms. Meredith writes an email to Mr. Skinner and asks him to remove Scott Powell's name off of the assignment agreements. Ms. Meredith states: "As per court order, remove Scott's name from the applicants list and his contact info from all future filings. It is fine after the transfer, NOT before." (mistakes in original). See Exhibit 5. In this email Ms. Meredith is communicating with Mr. Skinner, and it shows that they had a line of communication and that Ms. Meredith's only concern was that Mr. Powell's name was on the

agreement, not that the agreement inaccurately stated the number or which CP's were to be processed. The email also shows that Ms. Meredith understood the terms of the agreement and was perfectly fine with the fact that Mr. Skinner had been processing the applications from her account. The statements in the emails are contradictory to what Ms. Meredith has been stating to the Court and the FCC regarding her lack of knowledge of the contact or the notion Mr. Skinner 'hacked' into the FCC database to obtain her account passwords.

7. Ms. Meredith admits to signing the Agreement assigning / transferring all 8 CP's from PMCC to CTN. On 1/17/2014 in an email from Meredith to Barlow, Meredith states: "The second agreement, I do acknowledge and I did sign." See Exhibit 6 ¶ 1, Email from Meredith to Barlow 1/17/2015.

On March 21, 2014, the FCC consented to the Assignment of five (5) of the eight (8)
CP's that were to be assigned to CTN. See Exhibit 6; See Also Complaint Exhibit 26.

9. On or about Tuesday, April 15, 2014 Meredith and PMCC breached their agreements with CTN by filing a Petition to Deny to the FCC of the Assignment application granted on March 21, 2014. See Exhibit 8, See Also Complaint Exhibit 25 Petition to Deny from Meredith to the FCC.

10. PMCC and Ms. Meredith continue to breach the October Assignment Agreement. On July 16, 2015 PMCC and Ms. Meredith submitted to the FCC a response to the opposition to petition to deny. See Exhibit #37.

11. Meredith claims that the CP's are only worth \$500.00 each. On page 3 ¶4 last sentence of the response to the opposition to petition to deny (Exhibit 9) Ms. Meredith / PMCC states: "I doubt that [the CP's] are worth more than 500 dollars a piece."

12. RMS has paid over \$12,000.00 to Gene Wisniewski for proprietary engineering reports on the eight FM translator applications; and \$5,840.00 in application fees to the FCC for the

processing of the eight FM translator applications. Mr. Skinner has expended over eighty hours in time on these eight applications. The legal fees expended are significant but Mr. Skinner chooses not to disclose the legal fees per the attorney client privilege. See Exhibit 2 ¶ 33.

ARGUMENT

1. Because PMCC / Ms. Meredith Partially Performed Then Breached A Valid Agreement That Existed Between CTN And PMCC / Ms. Meredith, CTN Should Be Awarded A Judgment In Their Favor For Specific Performance Requiring PMCC And Ms. Meredith To Withdraw Their Petitions To Deny And To Facilitate The Transfer Of The Remaining Three CP's To CTN.

The October Assignment Agreement (See Exhibit 1; Complaint Exhibit 2), stated the

terms of the contract which is for the transfer of eight FM translators when granted as

Construction Permits; there was an offer and acceptance of the offer; the parties signed and dated

the contract with Ms. Meredith initialing each page; and there was consideration. Additionally,

in multiple email exchanges Ms. Meredith admits to signing the October Assignment Agreement.

The essential elements of contract formation are present in the October Assignment

Agreement. See Golden Key Realty, Inc. v. Mantas, 699 P.2d 730, 732 (Utah 1985)

Prior to the signing of the October Assignment Agreement, Ms. Meredith partially performed

by cooperating with the Plaintiffs and giving them access to her FCC account so that they could

process the required assignment applications.

Meredith and PMCC breached the contract when they petitioned the FCC to Deny the Transfers (See Affidavit of Morgan Skinner in Support of MSJ).

The damages caused by Defendant are substantial, and that is why the Plaintiff's are requesting specific performance (See Affidavit of Morgan Skinner in Support of MSJ). The plaintiffs desire that this Court enter an equitable remedy requiring performance on the part of the Defendants.

I. <u>A Valid, Written, Signed Agreement Existed Between The Parties.</u>

A. Statutes:

Pursuant to Utah Code Section 70A-2-202, the October Assignment Agreement is a complete and exclusive statement of the terms of the agreement. No other terms have been referenced in the October Assignment Agreement. The relevant code section states:

Terms with respect to which the confirmatory memoranda of the parties agree or which are otherwise set forth in a writing intended by the parties as a final expression of their agreement with respect to such terms as are included therein may not be contradicted by evidence of any prior agreement or of a contemporaneous oral agreement but may be explained or supplemented: (1) by course of performance, course of dealing, or usage of trade (Section 70A-1a-303) or by course of performance (Section 70A-2-208); and (2) by evidence of consistent additional terms unless the court finds the writing to have been intended also as a complete and exclusive statement of the terms of the agreement.

Utah Code Section 70A-2-202.

B. Case Law

The essential elements of contract formation are present in the October Assignment

Agreement. See Golden Key Realty, Inc. v. Mantas, 699 P.2d 730, 732 (Utah 1985) (indicating

that the essential elements of a contract include "offer and acceptance, competent parties, and

consideration"). Barker v. Francis, 741 P.2d 548, 551 (Utah App.1987) (while parties must

agree on essential elements of contract, document need not contain all particulars of agreement).

The facts and testimony of PMCC and Ms. Meredith concluded that the agreement was valid and

can be enforced by this Court. Ms. Meredith admits to signing the agreement, and in fact

partially performed the Agreement.

II. <u>PMCC and Ms. Meredith Partially Performed the Agreement.</u>

A. Case Law

The standard for sufficient partial performance in Utah is as follows: [1] the oral contract and its terms must be clear and definite; [2] the acts done in performance of the contract must be equally clear and definite; and [3] the acts must be in reliance on the contract. Such acts in reliance must be such that (a) they would not have been performed had the contract not existed, and (b) the failure to perform on the part of the promisor would result in fraud on the performer

who relied, since damages would be inadequate. Reliance may be made in innumerable ways, all of which could refer exclusively to the contract. Scholl, 678 P.2d at 275 (quoting Randall, 6 Utah 2d at 24, 305 P.2d at 484).

The Court also indicated that evidence of partial performance must be "strong," Scholl, 678 P.2d at 275, and expressed the preference for "acts-oriented rather than word-oriented" evidence, id. at 275-76. In explaining the significance of exclusively referable part performance evidence, the Court stated: "[A]cts of part performance must be exclusively referable to the contract in that the possession of the party seeking specific performance and the improvements made by him [or her] must be reasonably explicable only on the postulate that a contract exists. The reason for such requirement is that the equitable doctrine of part performance is based on estoppel and unless the acts of part performance are exclusively referable to the contract, there is nothing to show that the plaintiff relied on it or changed his [or her] position to his prejudice...." Scholl, 678 P.2d at 277 (quoting In re Roth's Estate, 2 Utah 2d 40, 44, 269 P.2d 278, 281 (1954)) (alterations in original).

B. Analysis

PMCC / Ms. Meredith gave the account codes and passwords to Mr. Skinner so that he may

submit the applications to the FCC so that the eight CP's may be assigned / transferred to CTN.

Ms. Meredith makes statements that clearly detail the fact that she was performing on her part of

the agreement.

Partial performance on the part of PMCC and Meredith show that they have no reason to breach the agreement.

III. <u>PMCC and Ms. Meredith Breached the Agreement.</u>

A. Case Law

Case law defines breach of contract and the remedies available for breach. See *Bair v. Axiom Design, L.L.C.*, 2001 UT 20,¶14, 20 P.3d 388 ("The elements of a prima facie case for breach of contract are (1) a contract, (2) performance by the party seeking recovery, (3) breach of contract by the other party, and (4) damages."). Breach of contract damages seek to place the aggrieved party in the same economic position the party would have been in if the contract was not breached. See *Mahmood v. Ross*, 1999 UT 104,¶19, 990 P.2d 933 (" 'As a general rule, legal damages serve the important purpose of compensating an injured party for actual injury sustained, so that she may be restored, as nearly as possible, to the position she was in prior to the injury.' "(quoting *Castillo v. Atlanta Cas. Co.*, 939 P.2d 1204, 1209 (Utah Ct. App. 1997))).

B. Analysis

Element 1 of the requirement has been met. Plaintiffs have shown that there was a valid contract / the existence of the signed contract and the partial performance by PMCC and Ms. Meredith. Element 2 is met with a showing that Plaintiff have expended funds for the transfers to facilitate the transfers of the eight CP's, and have submitted the required applications to the FCC. The FCC has authorized five of the eight CP's transfers and the other three CP transfers are expected to move forward without any further engineering issues.

PMCC and Ms. Meredith breached the Agreement when the filed the petitions to deny, and refused to allow Mr. Skinner to process the remaining three applications.

CTN has been damaged because they bargained for all eight of the CP's and have only received five of the eight CP's.

IV. PMCC and Ms. Meredith claim their breach is excused because of statute.

In Depositions Ms. Meredith answering for herself and PMCC stated that she would have continued the transfer of the Eight CP's except that she believes that she is in violation of a statutes. Ms. Meredith claims that she is violating 47.U.S.C. § 310(d), which states: "[n]o . . . station license, or any rights thereunder, shall be transferred, assigned, or disposed of in any manner, . . . to any person except upon application to the Commission." The Court in Kidd interpreted 310(d) to mean "[a station's] transfer depends on the Commission's determination of the public interest." See In re Applications of Kidd Communications, 19 F.C.C.R. 13, 589-90 (2004) No. 04-1274

Ms. Meredith interprets the statute incorrectly and therefore has no excuse to continue to breach the Assignment Agreement.

V. <u>CTN Requests Specific Performance.</u>

Utah Code states "Specific performance may be decreed where the goods are unique or in other proper circumstances." See Utah Code § 70A-2-716 (1).

It is undisputed that the CP's are unique and therefore this Court has authority to award specific performance of the Agreement.

Monetary damages most likely cannot be calculated and PMCC and Meredith likely do not have the funds to pay any monetary damages.

VI. <u>PMCC And Ms. Meredith's Breach Is In Bad Faith And Attorney's Fees Should Be</u> <u>Awarded.</u>

As consequential damages, attorney fees are recoverable only if they were "reasonably within the contemplation of, or reasonably foreseeable by, the parties at the time the contract was made." *Beck v. Farmers Ins. Exchange*, 701 P.2d 795 (1985) at 801.

Attorneys fees are reasonably foreseeable as the Agreement states in section 11 that "This agreement is to be construed and enforced under the laws of the State of Utah with venue for any action brought to enforce this Agreement to exclusively in the federal or state courts located in the State of Utah, Washington County."

CONCLUSION

It is shown above that the Plaintiffs and Defendants entered into a valid written contract. It is further shown that Defendants, specifically Meredith and PMCC breached that contract when they filed with the FCC a Petition to Deny.

DATED: Wednesday, June 24, 2015

/s/ John Christian Barlow____ John Christian Barlow Attorney for Plaintiffs Case 15-31245 Doc 3 Filed 12/04/15 Entered 12/04/15 09:46:39 Desc Main Document Page 1 of 8

John Christian Barlow 321 N Mall Drive R290 St George UT 84790 435-634-1200 jcb@johnchristianbarlow.com for Debtor Community Translator Network LLC

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF UTAH

In re: E COMMUNITY TRANSLATOR NETWORK	Bankruptcy Case No 15-31245	
LLC Debtor	Chapter 11	
	The Honorable William T. Thurman	

EX-PARTE MOTION FOR ORDER PURSUANT TO 11 U.S. CODE §§ 363, 365, 542, AND 1108 REQUIRING TURNOVER OF PROPERTY AND ALLOWING DEBTOR IN POSSESSION TO OPERATE THE BUSINESS.

Debtor in Possession, Community Translator Network LLC, submits this Ex-Parte

Motion pursuant to 11 U.S. Code §§ 363, 365, 542, and 1108.

This Motion is presented Ex-Parte because time is of the essence in preventing the

substantial loss of certain assets of the estate as described below, and notice and a hearing are not

required pursuant to 11 U.S. Code § 363.

CTN is a company that purchases certain Federal Communications Commission ("FCC") licenses, permits, and contracts to develop/upgrade and market the broadcast authorizations.

CTN is requesting an order from the Court to require Powell Meredith Communications Company ("PMCC") to immediately perform on its Assignment Agreement with CTN, or in the alternative to allow the clerk of the Court to sign an order to all CTN to pay the debt owed by PMCC to the FCC, and to immediately dismiss any PMCC petitions to deny the Assignment Agreement between PMCC and CTN.

FACTS

- Community Translator Network ("CTN") has an Assignment Agreement with Powell Meredith Communication Company ("PMCC") for the transfer to CTN of eight (8) FM Translator applications when granted by the FCC as Construction Permits (referred to as "CP's"). The Assignment Agreement is attached herewith as Exhibit 1. The eight CP's are:
 - a. Cheyenne, WY Channel 224 (92.7MHz), Facility No. 143430, File No. BNPFT-20030317ASW
 - Gulfport, MS Channel 268 (101.5MHz), Facility No. 142760, File No. BNPFT-20030317ATJ
 - c. Logan, UT Channel 229 (93.7MHz), Facility No. 143532, File No. BNPFT-20030317ASN
 - d. Needles, CA Channel 262 (100.3MHz), Facility No. 142491, File No. BNPFT-20030317ARL
 - e. Roseburg, OR Channel 292 (106.3MHz), Facility No. 142743, File No. BNPFT-20030317AUG
 - f. Ruidoso, NM Channel 285 (104.9MHz), Facility No. 142745, File No. BNPFT-20030317AUD
 - g. South Padre Island, TX Channel 288 (105.5MHz), Facility No. 142717, File No. BNPFT-20030317AUN
 - h. Wickenburg, AZ Channel 224 (92.7MHz), Facility No. 143311, File No. BNPFT-20030317ATD

- Currently five (5) of the eight (8) CP applications have been granted by the FCC on March 24, 2014 and transferred to CTN. The five are Cheyenne, WY, Logan, UT, Needles, CA, Roseburg, OR and Ruidoso, NM.
- 3. Three (3) CP' not granted by the FCC because they required additional engineering changes applications to be approved as CPs. The three pending translator applications for CPs are Gulfport, MS, South Padre Island, TX and Wickenburg, AZ.
- 4. The engineering work on Gulfport, MS, South Padre Island, TX and Wickenburg, AZ is completed and the Minor Modification applications have been submitted to the FCC.
- 5. PMCC has accumulated FCC debt for regulatory fees and penalties that are now preventing the processing of the CP applications, and PMCC has prevented CTN from paying the fees by blocking access to its FRN account.
- 6. Unless the debt for regulatory fees is promptly paid to the FCC, the translator applications for Gulfport, MS, South Padre Island, TX and Wickenburg, AZ will be cancelled. The notices of dismissal for each application are attached herewith as Exhibits 2-4.
- 7. Additionally PMCC has filed petitions to deny the assignment of all eight of the FM Translator Construction Permits. PMCC has also filed petitions to deny subsequent sales by CTN of two of the five CP's granted to CTN. The two pending sales are for Needles CA and Ruidoso NM.
- CTN has accumulated legal fees for the required responses to the PMMC petitions to deny.
- 9. CTN has accumulated significant debt for contract engineering, legal, and marketing services that will be paid upon sale of the eight CP's.

10. CTN will submit a plan whereby creditors that have performed services on behalf of CTN in the processing of the applications of the eight CP's will be paid from the proceeds of the sale of the CP's to third parties.

ARGUMENT

I. THE DEBTOR IN POSSESSION HAS THE AUTHORITY OF THE TRUSTEE.

CTN has the authority to act as the Debtor in Possession as stated in Section 1107: "Subject to any limitations on a trustee serving in a case under this chapter, and to such limitations or conditions as the court prescribes, a debtor in possession shall have all the rights, other than the right to compensation under section 330 of this title, and powers, and shall perform all the functions and duties, except the duties specified in sections 1106(a)(2), (3), and (4) of this title, of a trustee serving in a case under this chapter." See 11 U.S. Code § 1107 (a).

II. THE THREE UNGRANTED CP'S ARE PART OF THE CTN/PMCC ASSIGNMENT AGREEMENT AND ARE CONSIDERED EXECUTORY CONTRACTS UNDER 365.

Pursuant to Section 541, upon the filing of the bankruptcy an estate is created and CTN has a legal and equitable interest in the eight listed CP's. CTN has invested time and resources into the development and upgrade of the eight CP's so that they can be assigned to CTN and subsequently sold.

Section 541 states: (a)The commencement of a case under section 301, 302, or 303 of this title creates an estate. Such estate is comprised of all the following property, wherever located and by whomever held: (1) Except as provided in subsections (b) and (c)(2) of this section, all legal or equitable interests of the debtor in property as of the commencement of the case. See 11 U.S. Code § 541.

As contracted for in the CTN/PMCC assignment agreement, but currently ungranted,

Gulfport, MS, South Padre Island, TX and Wickenburg, AZ, are considered part of an executory

contract. As such the contract may be assumed by the Debtor in Possession in accordance with

Section 365.

The pertinent section states:

(a) Except as provided in sections 765 and 766 of this title and in subsections (b), (c), and (d) of this section, the trustee, subject to the court's approval, may assume or reject any executory contract or unexpired lease of the debtor.

(b) (1) If there has been a default in an executory contract or unexpired lease of the debtor, the trustee may not assume such contract or lease unless, at the time of assumption of such contract or lease, the trustee—

(A) cures, or provides adequate assurance that the trustee will promptly cure, such default other than a default that is a breach of a provision relating to the satisfaction of any provision (other than a penalty rate or penalty provision) relating to a default arising from any failure to perform nonmonetary obligations under an unexpired lease of real property, if it is impossible for the trustee to cure such default by performing nonmonetary acts at and after the time of assumption, except that if such default arises from a failure to operate in accordance with a nonresidential real property lease, then such default shall be cured by performance at and after the time of assumption in accordance with such lease, and pecuniary losses resulting from such default shall be compensated in accordance with the provisions of this paragraph;

(B) compensates, or provides adequate assurance that the trustee will promptly compensate, a party other than the debtor to such contract or lease, for any actual pecuniary loss to such party resulting from such default; and

(C) provides adequate assurance of future performance under such contract or lease.

See 11 U.S. Code § 365.

Currently PMCC is an entity exercising control over the three ungranted CP's. PMCC

has refused to pay the debt it owes to the FCC and has petitioned the FCC to deny any

subsequent transfer of the CP's. These actions have caused the CP's to be placed on hold at the

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FCC until PMCC pays its debts and withdraws its petitions to deny. Since three CP's have not been granted to CTN the CTN/PMCC assignment agreement is partially executory.

Under Section 542(a) PMCC is obligated to relinquish control of the three CP's when granted by the FCC to CTN since all eight of the CP's are property of the estate and of value to the estate. The relevant section of 542(a) holds: "Except as provided in subsection (c) or (d) of this section, an entity, other than a custodian, in possession, custody, or control, during the case, of property that the trustee may use, sell, or lease under section 363 of this title, or that the debtor may exempt under section 522 of this title, shall deliver to the trustee, and account for, such property or the value of such property, unless such property is of inconsequential value or benefit to the estate."

See 11 U.S. Code § 542 (a).

<

CTN requires that PMCC immediately pay its debt to the FCC and withdraw its petitions to deny in order and transfer control of the CP's. In the event that PMCC refuses to act accordingly, CTN should be allowed to pay the FCC debt owed by PMCC and request the FCC process the remaining three CP's in accordance with the Bankruptcy provisions.

In accordance with 11 U.S. Code § 365, the Debtor in Possession will assume the PMCC/ CTN Assignment Agreement and as provided for in the CTN plan of Reorganization, will compensate PMCC for the agreed upon amount of each CP subject to deduction of any fees and costs incurred as a result of the breach by PMCC.

III. THE FIVE GRANTED CP'S ARE CONSIDERED PROPERTY OF ESTATE UNDER 363.

Section 1108 holds: "Unless the court, on request of a party in interest and after notice and a hearing, orders otherwise, the trustee may operate the debtor's business." See 11 U.S. Code § 1108.

Section 1108 gives authorization for the Debtor in Possession to use, sell, or lease property of the estate without notice or a hearing pursuant to Section 363(1), which states: "If the business of the debtor is authorized to be operated under section 721, 1108, 1203, 1204, or 1304 of this title and unless the court orders otherwise, the trustee may enter into transactions, including the sale or lease of property of the estate, in the ordinary course of business, without notice or a hearing, and may use property of the estate in the ordinary course of business without notice or a hearing. See 11 U.S. Code § 363(1).

The five granted CP's, Cheyenne, WY, Logan, UT, Needles, CA, Roseburg, OR and Ruidoso, NM, will be sold to interested third party buyers. CTN has entered into agreements to sell Needles and Ruidoso to two different third-party buyers. CTN intends to sell all of the CP's to third-party buyers and pay its debts. Once Gulfport, MS, South Padre Island, TX and Wickenburg, AZ are granted CTN, under the authority of Section 363(1), will sell them to interested third-party buyers in the normal course of its business.

However, PMCC is exercising control over all eight of the CP's as described above. Therefore, the Debtor in Possession is authorized to request—without notice or hearing—an order form this Court requiring that PMCC cease its actions of exercising control over the CP's.

IV. THIS COURT HAS AUTHORITY TO ENTER AN ORDER DIRECTING THE PMCC TO PAY ITS FCC DEBT AND WITHDRAW ITS PETITIONS AND ALTERNATIVELY DIRECT THE FCC TO ALLOW CTN TO PAY THE DEBT AND DIRECT THE FCC TO DISREGARD ANY PMCC PETITIONS TO DENY.

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Courts of "Equity" have authority to decide contractual disputes and public interest decisions are left to the determination of the Commission. See <u>In re: Applications of Arecibo</u> <u>Radio Corp.</u>, 101 F.C.C.2d 545, at 548 (1985), holding "The Commission's attempts to reach a fair accommodation between its exclusive authority over licensing matters and the authority of state and local courts have resulted in procedures which acknowledge that breach of contract questions are matters for the courts to decide under state and local law. Because the Commission does not possess the resources, expertise, or jurisdiction to adjudicate such questions fully, we normally defer to judicial determinations regarding the interpretation and enforcement of contracts for the sale of broadcast stations. By this approach we have preserved the Commission's exclusive authority to make public interest determinations on licensing matters while recognizing the role of state and local courts in adjudicating private contractual matters." Citations omitted.

The "public interest" with which the Commission is charged is that involved in granting licenses. Safeguarding of that interest can hardly imply that the interest of States in enforcing their [contract] laws have been nullified[.] See <u>Radio Station WOW, Inc. v. Johnson</u>, 326 US 120, 13, Supreme Court 1945.

"Civil Court can require litigants to submit settlement agreement to Commission." See <u>In</u> re: Applications of Arecibo Radio Corp., 101 F.C.C.2d 549 (1985), quoting <u>Ninety Two Point</u> <u>Seven Broadcasting Inc.</u>, 55 RR 2nd, 607, 610-11, 1984

CONCLUSION

The debtor in Possession is entitled to an order from this court for the requested relief.

Dated this Friday, December 4, 2015.

____/s/___ John Christian Barlow Case 1:17-cv-00187-C Document 1 Filed 12/12/17 Page 1 of 28 PageID 1

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E. Morgan Skinner Jr.
P. O. Box 1194
St. George, Utah 84771
(435) 628-1000
morgan@rockwellmedia.net
Pro Se

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DEPUTY CLERK

COMPLAINT

AND REQUEST FOR INJUNCTION

IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS, ABILENE DIVISION

E. MORGAN SKINNER JR Plaintiff,

v.

POWELL MEREDITH COMMUNICATIONS COMPANY Defendant Case No: **1 - 17 C V - 187** Judge

INTRODUCTION

E. Morgan Skinner Jr. is a manager of Rockwell Media Services, a Utah limited liability

company, and a third party beneficiary of all agreements entered into by Rockwell Media

Services.

In 2013 a valid Service Agreement was entered into by Rockwell Media Services and

Powell Meredith Communications Company.

Powell Meredith Communications Company breached its contract and refused to allow

Rockwell Media Services to sell the eight FM Construction Permits after Rockwell invested

significant resources into performing the Service Agreement.

At the time of contracting Powell Meredith Communications Company led Rockwell

Media Services to believe that Powell Meredith Communications Company was a valid Texas
corporation when in fact Powell Meredith Communications Company had been defunct since 2008.

At the time of contracting E. Morgan Skinner Jr. was a manager of Rockwell Media Services and is a third party beneficiary of any agreement entered into by Rockwell Media Services.

The Fraudulent activities and breach of contract by Powell Meredith Communications Company has caused irreparable damage to Mr. Skinner. Mr. Skinner asks this Court to grant monetary damages in the amount of Five Hundred Thousand Dollars (\$500,000.00), and because the Construction Permits are unique, an order requesting the transfer of the remaining CPs to Mr. Skinner, and costs and fees as deemed reasonable by this Court.

PARTIES

- 1. E. Morgan Skinner Jr., (Plaintiff" or "Mr. Skinner") is an individual who is a resident of Utah.
- Powell Meredith Communications Company ("Defendant" or "PMCC") is a Texas company with forfeited existence. Its current registered agent address is 2601 Nonesuch Road, Unit 902, Abilene, Texas 79606.

JURISDICTION

3. This Court has jurisdiction under 28 U.S. Code § 1332: diversity and amount in question.

FACTS

- At the time of contracting Mr. Skinner was manager of Rockwell Media Services, LLC ("Rockwell").
- 5. Mr. Skinner is a third party beneficiary of any contract entered into by Rockwell.

- A valid Service Agreement was entered into by PMCC, and Rockwell on the first day of July, 2013. See Exhibit 1. Service Agreement.
- At the time of the agreement PMCC held itself out to be a valid corporation. See Exhibit 1, Service Agreement.
- At the time of contracting with Rockwell, PMCC had been defunct for over five years.
 PMCC had not paid its franchise fees nor had it filed or paid its income taxes. See Exhibit 2, State Print out of PMCC's forfeited existence.
- PMCC did not register in Utah as a foreign corporation so that it could transact business in Utah.
- 10. The Rockwell-PMCC Service Agreement required PMCC to allow Rockwell to upgrade and market eight FM Translator Construction Permits.
- 11. PMCC had not paid its FCC regulatory fees and the FCC issued a letter of dismissal of the three CP applications ready for grant as CPs. CTN filed bankruptcy to prohibit the loss of the CPs on December 1, 2015.
- 12. Prior to technical and legal work under the PMCC-Rockwell service agreement the value of the CP's was approximately \$500.00 each.
- 13. Rockwell being able to market the eight FM Translator Construction Permits, the eight FM Translators Construction Permits required legal and technical work for the translator applications to become granted Construction Permit status by the FCC.

14. The eight FM Translator CP's are:

1. Cheyenne, WY - Channel 224 (92.7MHz), Facility No. 143430.

2. Gulfport, MS - Channel 268 (101.5MHz), Facility No. 142760.

3. Logan, UT - Channel 229 (93.7MHz), Facility No. 143532.

4. Needles, CA - Channel 262 (100.3MHz), Facility No. 142491.

5. Roseburg, OR - Channel 292 (106.3MHz), Facility No. 142743.

6. Ruidoso, NM - Channel 285 (104.9MHz), Facility No. 142745.

7. South Padre Island, TX - Channel 288 (105.5MHz), Facility No. 142717.

8. Wickenburg, AZ - Channel 224 (92.7MHz), Facility No. 143311.

15. On March 21, 2014, the FCC approved the assignment of five (5) of the eight (8) translators granted CP status. (FCC File No. BAPFT-20140113ABD)

16. The five CP's that were granted CP status are:

Cheyenne, WY - Channel 224 (92.7MHz), Facility No. 143430.

Logan, UT - Channel 229 (93.7MHz), Facility No. 143532.

Needles, CA - Channel 262 (100.3MHz), Facility No. 142491.

Roseburg, OR - Channel 292 (106.3MHz), Facility No. 142743.

Ruidoso, NM - Channel 285 (104.9MHz), Facility No. 142745.

17. Three CP applications remained ungranted because additional technical and legal work by

Rockwell was needed to make the CP applications grantable by the FCC. The three CPs that remained ungranted were:

Gulfport, MS - Channel 268 (101.5MHz), Facility No. 142760.

South Padre Island, TX - Channel 288 (105.5MHz), Facility No. 142717.

Wickenburg, AZ - Channel 224 (92.7MHz), Facility No. 143311.

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- Rockwell, under the direction of Mr. Skinner performed the additional work required and ultimately the translator applications were granted CP status on January 20, 2016 by the FCC.
- 19. In October of 2013, PMCC entered into a valid contract with Community Translator Network LLC in which PMCC agreed to transfer the eight CP applications when granted CP status by the FCC to CTN for the duration of the development and marketing by Rockwell.
- 20. PMCC transferred the first five CPs granted by the FCC, but later refused to transfer the remaining 3 CPs to CTN, breaching the agreement with CTN and Rockwell.
- 21. PMCC has filed multiple Petitions at the FCC attempting to unwind the transfers of the CP's to CTN, causing CTN to file a Chapter 11 Petition for bankruptcy.
- PMCC refused to allow Rockwell through Mr. Skinner to perform its part of the Rockwell-PMCC Agreement.
- 23. PMCC has refused to honor the Rockwell-PMCC Service Agreement.
- 24. PMCC's refusal to honor the Rockwell-PMCC Service Agreement has caused Mr. Skinner at least \$500,000.00 in damages.
- 25. PMCC stated that now that the CP applications have been granted CP status, that PMCC has already started to buildout and operate one of the CP's that it refuse to allow Mr. Skinner as a manager of Rockwell to develop and market the CPs and receive the benefit of the Service Agreement.

CAUSES OF ACTION

I. FRAUD

- 26. All preceding paragraphs are incorporated herein.
- 27. PMCC entered into a valid contract with Rockwell Media Services for the development and marketing services of eight FM Translator Construction Permits.
- 28. Mr. Skinner is a beneficiary of the Rockwell-PMCC Service Agreement.
- 29. PMCC intended that Rockwell would rely on the contract that required PMCC to allow Rockwell to develop and market the FM Translator CPs.
- 30. PMCC intended to breach the contract and benefit from the breach.
- PMCC made false statements that were intended to deceive Mr. Skinner and Rockwell Media Services.
- 32. PMCC intended to mislead Mr. Skinner and Rockwell Media Services and cause them harm.
- 33. Mr. Skinner was unaware that PMCC intended to breach the contract and defraud Mr. Skinner and Rockwell Media Services.
- 34. Rockwell Media Services and Mr. Skinner had a right to rely on statements by PMCC, the Assignment Agreement and rely on the Rockwell-PMCC Service Agreement.
- 35. Mr. Skinner relied on the representations of PMCC when Mr. Skinner authorized and funded technical and legal work to perform on the Rockwell-PMCC Service Agreement to improve the value of the FM Translator CP applications so that the translator applications could be granted by the FCC, more fully developed and marketed by Rockwell.
- 36. PMCC benefitted by the actions of Mr. Skinner.
- 37. PMCC did act with fraudulent intentions when it breach the Rockwell-PMCC Service Agreement and did benefit from itsr breach.

38. Mr. Skinner is harmed by the actions of PMCC.

II. BREACH

- 39. All preceding paragraphs are incorporated herein.
- 40. The Rockwell-PMCC Service Agreement Dated July 1, 2013 is a valid contract.
- 41. Mr. Skinner is a third party beneficiary of the Rockwell-PMCC Service Agreement.
- 42. PMCC breached the Rockwell Service Agreement when PMCC refused to perform its part of the Service Agreement.
- 43. Mr. Skinner did not receive the benefit of the agreement after Rockwell performed its part of the Agreement with PMCC.
- 44. Mr. Skinner is harmed as a result of PMCC's actions.
- 45. Mr. Skinner would be able to profit in excess of Five Hundred Thousand Dollars (\$500,000.00) by the sale or operation of the CPs.

III. INJUNCTIVE RELIEF

- 46. Plaintiff is asking this Court to issue an injunction disallowing PMCC from taking any action with the three CPs including but not limited to transferring or assigning them to another party.
- 47. PMCC as a defunct corporation and cannot legally take action regarding these CPs, but may try to do so during the pendency of this litigation.
- 48. Irreparable harm will occur unless this Court issues the injunction because Mr. Skinner has personally performed service work or paid to have technical and legal work performed to validate the CP applications to CP status at the FCC, and if the CP's are transferred or assigned to another party Mr. Skinner will not receive the benefit of developing, operating or marketing the translators.

- 49. FCC licenses and permits are truly unique. The FCC does not just simply grant any application that is submitted to them. There are select periods of time in which applications can be filed followed by a lengthy and arduous process that includes submitting engineering studies and technical exhibits to show that the location and/or relocation of the proposed translator broadcast signal to maximize the number of people reached by the translators broadcast signal to benefit the public interest, convenience and necessity without interfering with any existing FM broadcast signal.
- 50. It is more likely than not that Mr. Skinner will prevail, because PMCC is a defunct corporation and has been defunct since 2008, and has no defenses and is precluded from asserting defenses in this litigation.
- 51. The benefit to Mr. Skinner outweighs the burden of PMCC. PMCC has taken no action with the CPs since it submitted the "applications of Interest" to the FCC in 2003. There is absolutely no harm in requiring PMCC to maintain the status quo for the pendency of this litigation. Furthermore, no bond should be required by Mr. Skinner for the same reasons stated above, and PMCC can show no harm in the issuance of an injunction against the transfer or assignment to another party.
- 52. Plaintiff is aware that the only action taken by PMCC regarding the three CPs is that of contracting to transfer them to CTN. Under Mr. Skinner's direction, Rockwell performed technical upgrades so that the FCC would grant the translator applications CP status and ultimately allow Rockwell to develop, operate and market them to potential buyers.
- 53. There is no other remedy other than an injunction because PMCC is defunct and yet nothing will stop PMCC from transferring or assigning the Construction Permits. The monetary value of the CPs cannot be stated because each individual owner and operator has the ability

to construct and use the use the translators, and make money depending on their specific usage practices.

54. Under FCC case law and rule, this Court has the authority to make an order for an injunction and also order the FCC to follow this Court's orders. (See: Applications of Arecibo Radio Corp., 101 F.C.C.2d 545, 546-47 (1985)).

PRAYER FOR RELIEF

Plaintiff, E. Morgan Skinner Jr. prays this Court for an Order:

- (a) for an Order requiring PMCC to transfer of the three remaining FM Translator Construction Permits to Mr. Skinner or that the Clerk of the Court is authorized to facilitate the transfer of the FM Translator Construction Permits with the FCC;
- (b) An award of damages for breach of contract in the amount not less than \$500,000.00;
- (c) An award for attorney fees and costs in an amount to be specified by affidavit;
- (d) punitive damages in amount determined by the Court;
- (e) an injunctive order enjoining PMCC from transferring or assigning the three remaining CPs to any other person or entity during the pendency of this litigation.
- (f) all other remedies this Court deems appropriate.

FFULLY SÚBMIN ED this/Friday, December 8, 2017 E. Morgan Skinner Jr., Plaintiff, Pro Se

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	March 30, 2018 Application for Order to Show Cause
1	The parties will note that I we get a
-	The parties will note that I've got a
2	computer console on the on the bench. I've got
3	the ability to access all the pleadings with the
4	click of a mouse. And then I'm taking notes up here
5	and looking at my own notes that I've made in
6	preparation for the hearing. I'm looking around all
7	over the place, so don't let that distract you.
8	Okay. Let's get appearances here in Salt
9	Lake. Let's start over here on my right side.
10	Sir, your name?
11	MR. BARLOW: Christian Barlow, Your Honor.
12	THE COURT: Okay. Thank you.
13	MR. THOMSON: Good morning, Your Honor.
14	Michael Thomson, counsel for the trustee.
15	THE COURT: And in St. George, what

16 attorneys do we have there? MR. CARSON: Your Honor, Len Carson 17

18 appearing for Morgan Skinner.

19 THE COURT: All right. 20 Okay. Mr. Thomson, this is your motion. 21 MR. THOMSON: Yes. 22 THE COURT: You may proceed. 23 MR. THOMSON: Thank you.

24 Good morning, Your Honor. Michael Thomson, counsel for the trustee. This is an 25

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5

Application for Order to Show Cause application for an order to show cause why

Mr. Barlow and Mr. Skinner should not be held in contempt for violating the automatic stay.

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We believe, based on evidence in the record of this Court, both in pleadings filed, also statements made by Mr. Barlow on behalf of the debtor, that there are three construction permits that are property of the estate, as well as breach of contract claims or claims under a certain contract with a creditor in this case known as PMCC, Powell Meredith Corporation.

12 By way of background -- and this is all 13 before my time as being appointed as trustee. But 14 before this case was converted to Chapter 7, there was significant litigation initiated between the 15 16 debtor and PMCC over eight construction permits, 17 five of which were transferred -- had been transferred to the debtor. The contract required 18 19 the debtor to pay at least a \$2500 deposit for each 20 construction permit, and the agreement was that -that PMCC was to assign the construction permits to 21 22 the debtor.

23 This Court had -- held several hearings, both on a claim asserted by PMCC, as well as an 24 25 adversary proceeding commenced by the debtor on that

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Application for Order to Show Cause

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1	contract, and one of the main issues in both the
2	objection to claim proceedings, as well as the
3	adversary proceeding, was to was the debtor's
4	attempt to get PMCC to turn over those three
5	remaining construction permits.

March 30, 2018

6 At the end of December, I want to say, 7 I've got it in my papers, I -- I learned -- and they 8 were filed December 12th, but I learned that Mr. Barlow and Mr. Skinner individually as pro se 9 10 plaintiffs had filed separate lawsuits in Texas 11 federal court. Mr. Barlow filed a claim as -- as an 12 alleged intended beneficiary of that contract 13 between CTN and PMCC. He sought damages, as well as injunctive relief, and -- and also the relief of 14 conveyance of those three construction permits to 15 16 him.

17 Mr. Skinner filed a lawsuit as well. He 18 filed it on a contract between his company, 19 Rockwell -- I'll just call it Rockwell, but Rockwell 20 and PMCC. But he also sought similar relief. He 21 wanted injunctive relief with respect to those 22 construction permits, that no one else could -- that 23 PMCC would not be allowed to convey those to anyone, that they would -- and that also he sought the 24 25 relief of having those three construction permits

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1 turned over to him.

2 Procedurally -- and so I quess I want to deal with the evidence that's in the record that 3 this Court can take judicial notice of that these 4 5 three construction permits are property of the estate, and I believe that's really all I need to 6 show in order for this Court to issue an order to 7 8 show cause why they're not violating the automatic stay or essentially why they aren't property of the 9 estate and let them try to rebut the evidence. 10

But the basic evidence is -- starting with 11 12 This is Docket 5 in the Court's schedule AB. docket. The debtor filed schedules listing -- it 13 lists eight construction permits. I realize there 14 15 are more than that, and there's an initial eight and then some of those eight are tied up with the PMCC, 16 but they do list eight construction permits as well 17 as a breach of contract claim versus PMCC as an 18 19 asset of the estate.

And, in fact, in the adversary proceeding, the debtor continued -- again through Mr. Barlow -continued to assert claims against PMCC, including a motion for turnover -- that was Docket 37 of the adversary proceeding -- where it's alleged several times that these three construction permits are

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March 30, 2018

1	property of the estate.
2	In the context of the litigation
3	concerning claim 8, which was PMCC's claim, this
4	Court there was an objection made, this Court
5	ruled and allowed the claim as to the deposit
6	amounts, the \$20,000. That would be \$2500 per
7	for each construction permit per the contract. This
8	Court deferred ruling on the amount of any other
9	dollar amount of PMCC's potential claim, but it did
10	find that PMCC had a claim for \$20,000 based on that
11	agreement, which would include all eight of the
12	construction permits, including the three that are
13	now that we're now talking about that are the
14	subject of the Texas lawsuits.
15	The the debtor filed a motion to
16	reconsider that claim, arguing that, again, that the
17	construction permits were property of the estate.
18	Procedurally and, again, this was
19	before my time, but as I've gone back through the
20	record and looked at hearing transcripts and kind of
21	tried to figure out what happened, this Court
22	continued the hearing on both the motion for
23	reconsideration and the adversary proceeding and the
24	motion for turnover within that adversary
25	proceeding. It continued it several times until

Case 15-31245 Doc 379 Filed 05/07/18 Entered 05/07/18 13:12:30 Desc Main Documentre: Ragen ARUNI 149 TRANSLATOR NETWORK, LLC March 30, 2018 Application for Order to Show Cause a ultimately, on June 19th -- I believe that's the 1 2 date that the Court had it's ruling on conversion of the case --3 4 THE COURT: Is this is the AP? 5 MR. THOMSON: What was that? 6 THE COURT: Is this in the AP, the 7 proceeding -- adversary proceeding or in the main 8 case? 9 MR. THOMSON: Well, I'm in the main case, 10 but there's reference -- they're essentially discussed -- if the Court -- Docket 323 contains the 11 12 transcript of the -- this Court's ruling on the 13 motion to dismiss. 14 THE COURT: 323? 15 MR. THOMSON: 323. And that's the court 16 hearing on June 19th of 2017. 17 Page -- page 20 of that document, after the Court made its findings and ruled that the case 18 19 would be converted, beginning at line 7, the Court 20 mentioned -- referred to the motion to reconsider 21 the claims. 22 THE COURT: What page again? 23 MR. THOMSON: Sorry. It's page 20. 24 THE COURT: Okay. All right. I'm there. 25 MR. THOMSON: And beginning at line 7, the

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Application for Order to Show Cause 10 Court stated that the hearings on the motion to 1 reconsider the claims, which is -- which relates to 2 PMCC's claim, also the motion to compel, turnover, 3 4 and adversary proceeding at Docket 37 -- that's Docket 37 of the adversary proceeding. 5 6 THE COURT: Hang on. I'm not seeing that. 7 Maybe I got the wrong page. You said page 20 of the 8 transcript? 9 MR. THOMSON: Yes. 10 THE COURT: Starting at line 7? 11 MR. THOMSON: Yes. It's -- sorry. It's -- well, okay. If you look at the top of 12 the -- if you look at the court docket page, it's 13 14 page 20. THE COURT: Oh, okay. I was looking at 15 16 the bottom page. 17 MR. THOMSON: Well --18 THE COURT: I don't have any way to track that on here. Does it show at the bottom? 19 20 MR. THOMSON: I think the bottom says 20 21 as well, now that I look at it. 22 THE COURT: My --23 MR. THOMSON: I'm happy to approach and 24 show the Court what I'm looking at. 25 THE COURT: Mine shows that it's a

Case 15-31245 Doc 379 Filed 05/07/18 Entered 05/07/18 13:12:30 Desc Main DOCUMENTRE: RECEIPTING TRANSLATOR NETWORK, LLC March 30, 2018 Application for Order to Show Cause 11 1 question of -- by Mr. Morgan of a Mr. Keeley 2 (phonetic) on line 7. 3 MR. THOMSON: So this is -- so what I'm 4 looking at -- my stamp at the top says Docket 323. 5 THE COURT: That's what I got. 6 MR. THOMSON: In the main case? 7 THE COURT: Yeah. 8 MR. THOMSON: And it's the ruling --9 THE COURT: Well, go ahead. Tell me what you think it says, and I'll --10 11 MR. THOMSON: Well, it says that the 12 hearings on the motion to reconsider claims, on the 13 motion to compel turnover -- and then there was 14 another motion to sell property, which isn't really 15 at issue here. It says -- the Court said it will be 16 continued without date so that a Chapter 7 trustee 17 can weigh in on those motions. 18 And then if the Court will look at the 19 adversary proceeding docket as well, there's also a docket entry stating that that motion for turnover 20 21 was continued without date. 22 And so procedurally what we have is the debtor, through Mr. Barlow and through evidence in 23 24 the record, arguing and teeing up the issue that these three construction permits are property of the 25

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1 estate. And that's never been ruled on, and it's 2 evidence that they are property of the estate, and 3 to now argue that they're not seems, at the very 4 least, disingenuous.

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5 There was an appeal filed by Mr. Barlow, 6 purportedly on behalf of the debtor. And interestingly, in that appeal, he appealed not only 7 8 the motion -- the motion to convert the case, but he 9 also -- in his notice of appeal, or at least his designation of issues on appeal, he referenced 10 several items, including the motion to reconsider 11 12 and the motion for turnover, but neither of those 13 motions had been ruled on, and so ultimately that case was dismissed. The district court, on appeal, 14 15 found that -- ruled in favor of a motion to dismiss 16 that case.

17 And essentially, in response to my 18 application for an order to show cause with respect 19 to these three construction permits and these breach 20 of contract claims, the argument is that, "Well, we were told by the district court on appeal that we 21 22 could assert claims individually." And that's true with respect to -- and the Court does say, you know, 23 "Maybe there's a chance -- maybe there's a way for 24 25 you to appeal in an individual capacity with respect

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13 to the motion to convert," but there had been no 1 2 ruling on the assertion that these three 3 construction permits are property of the estate. 4 And, in fact, the one ruling that the 5 Court did make with respect to claim 8, that was not 6 timely appealed, gives -- lends credit to the idea 7 that these are property of the estate, because the 8 Court gave -- essentially gave a \$20,000 claim to 9 PMCC for all eight construction permits, including 10 these three. 11 THE COURT: But there's -- it looks like 12 there's still a question, though, because the 13 debtor, in its adversary proceeding, was seeking a determination of ownership in the debtor, or at 14 15 least some clarity that that were either property of the estate or for a turnover. And that hasn't been 16 17 resolved yet. Am I correct on that? 18 MR. THOMSON: That's correct, yeah. 19 THE COURT: So the title may still be in 20 PMCC. 21 MR. THOMSON: But the assertion -- and I think it's well-founded. The assertion is that --22 that this Court -- at least the way I see it. This 23 Court, by already allowing PMCC a claim for the 24 25 deposit for those three shows that while there may

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1 not be title vested in CTN currently, that CTN does 2 have a claim with respect to those construction 3 permits for turnover. And it's my position that 4 claim for turnover, which is now being asserted by 5 Mr. Barlow and Mr. Skinner individually, that claim 6 belongs to the estate.

7 And so that's what I'm talking about. For 8 them to assert that claim, I believe, violates the 9 automatic stay. And it's particularly troubling 10 when it's Mr. Barlow who's asserting it on his 11 personal capacity when he's stated multiple times on 12 the record and filed multiple pleadings saying this 13 is estate property for him, and those haven't been 14 ruled on.

And it's one thing if they had been ruled on and he says, "Well, I'm changing my position because the Court ruled against me," but that's not -- you can't say that. And I wanted to bring this to the Court's attention because I think that's a troubling issue, and I believe it deserves an order to show cause for them to explain it.

THE COURT: Well, and looking beyond today, you filed a motion -- you filed three motions seeking to sell permits. Are these the same three permits?

Filed 05/07/18 Entered 05/07/18 13:12:30 Desc Main Case 15-31245 Doc 379 DOCUMENTRE: REGENERATION NETWORK, LLC March 30, 2018 Application for Order to Show Cause 15 1 MR. THOMSON: They're different. No. 2 THE COURT: They're different ones. 3 MR. THOMSON: Yeah. 4 THE COURT: Okay. 5 MR. THOMSON: Yeah. These -- three permits, yeah, they're different ones. 6 7 So that's why we're here today. I wanted to get it in front of the Court. It's -- they're a 8 unique set of facts, and I believe that -- that it's 9 warranted. An application for order to show cause 10 is warranted. 11 12 THE COURT: And is it your ultimate goal to try to get some monetary value out of these 13 14 remaining three? 15 MR. THOMSON: Yes. And I've had 16 discussions with PMCC's counsel, but it's a little difficult to get them to come to the table and --17 and have some sort of settlement. 18 They're comfortable with a settlement. Those talks have 19 stalled essentially because, one, of the appeal 20 21 that -- that challenged the position -- or the 22 conversion of this case to begin with, and so they didn't feel comfortable necessarily entering into an 23 24 agreement with the trustee where there's a pending -- even though there's no stay pending 25

Case 15-31245 Doc 379 Filed 05/07/18 Entered 05/07/18 13:12:30 Desc Main Documentre: Ragen MU of 149 TRANSLATOR NETWORK, LLC March 30, 2018 Application for Order to Show Cause 16 1 appeal. 2 Also -- and then on the heels of that. 3 before that appeal was actually dismissed, these lawsuits were filed, you know, murking up the issues 4 5 even more. 6 My goal is to get these lawsuits in Texas 7 either amended so that they're not dealing with 8 these estate claims or these three construction 9 permits. We're not seeking that sort of relief that would prohibit me from actually getting the 10 construction permits, because I think I can do it in 11 a consensual way. I think we can come to a deal. 12 But while all this mud and dust and dirt has been 13 14 thrown up, it's tough to get someone, understandably, to come to the table and enter into 15 16 an agreement. 17 So that's part of the reason I'm here, 18 too. I want to get this thing --19 THE COURT: Okay. In a couple of 20 sentences, give me what you want today. 21 MR. THOMSON: Well, my motion was an order 22 to show cause why they shouldn't be held in contempt 23 in pursuing these --24 THE COURT: Do you want a contempt order? MR. THOMSON: I would love a contempt 25