

INTERCITY BROADCASTING NETWORK INC.

August 26th, 2010

Canadian Radio-Television and Telecommunications Commission
1 Promenade Du Portage
Gatineau, Quebec
J8X 4B1

Attention:

Ms. Émilie Godbout
Radio analyst
Radio Policy and applications

Re: Application 2010-1103-0 for a New FM radio undertaking in Toronto to serve Canadians of Caribbean and African descent in the Greater Toronto Area

Further to your letter of August 23rd, 2010 regarding the above noted application, below you will find the information requested. Each question is repeated with our reply below in bold "*italics*".

Canadian content development (CCD)

- 1- It appears that you provided an old version of the application form required for new commercial radio undertaking. The new forms can be found at www.crtc.gc.ca.

Broadcasting Public Notice CRTC 2008-67 (CRTC 2008-67), *Regulatory Policy, Amendments to the Radio Regulations, 1986 – Implementation of the Commercial Radio Policy 2006 and the Digital Radio Policy*, Ottawa, 23 July 2008, announced the Commission's amendment to the *Radio Regulations, 1986* (the Regulations) in order to implement the new Canadian content development (CCD) contribution regime as set out in the Commercial Radio Policy 2006 (Broadcasting Public Notice CRTC 2006-158). The amendment came into force on 1 September 2008. Therefore the CCD regime now replaces the Canadian Talent Development plan since broadcasting year 2009. It applies to all commercial radio broadcasters. The contributions are now based on the revenues on the previous year of operation. Please refer to CRTC 2006-158, paragraph 116, for the determination of your basic annual CCD contribution. Please also note that 60% of your basic annual CCD contributions must be forwarded to FACTOR or MUSICACTION. The remaining amount may be directed to any eligible CCD initiative, at the discretion of the licensee.

If your intention is to exceed the basic contributions to CCD, you must specify the over and above amount, on an annual basis, commencing in the first year of operations. Of this amount, no less than 20% must be allocated to FACTOR or MUSICACTION. The remaining amount may be directed to any eligible CCD initiative, at the discretion of the licensee.

Please also note that the basic CCD contributions only start during the second year of operation since it is based on the revenues on the previous year of operation. The over and above contributions can start during the first year of operation.

The current Commission's application form to *obtain a broadcasting licence to operate a commercial radio undertaking* (form 101) stipulates the following in the Canadian Content Development section (8.1) :

CANADIAN CONTENT DEVELOPMENT (CCD)

In *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC [2006-158](#), 15 December 2006, at paragraph 116, the Commission sets out each licensee's basic annual CCD contributions. At paragraph 118, the Commission states that no less than 60% of the basic annual CCD contributions must be forwarded to FACTOR or MUSICACTION. At paragraph 119, the Commission indicates that ethnic licensees or those airing predominately spoken word material can request an exception to the mandatory requirement to contribute to FACTOR or MUSICACTION. These licensees can direct their payments to eligible initiatives that support their content.

- a) If the applicant proposes to EXCEED basic contributions to CCD, the applicant proposes to devote the following amount, on an annual basis, commencing in the first year of operations, to the development of Canadian content. \$36,000

- b) The applicant will adhere to the commitment identified in a) by CONDITION OF LICENCE.

YES (X)

NO ()

If NO, explain.

- c) As indicated in paragraph 124, no less than 20% of an applicant's funding commitment that is over and above the basic annual CCD contribution must be allocated to FACTOR or MUSICACTION.

The applicant will, as a **CONDITION OF LICENCE**, direct no less than 20% of the amount identified in a) to FACTOR or MUSICACTION

YES (X)

NO ()

If NO, explain.

- d) Provide a detailed description of the initiatives to which the applicant proposes to direct the remainder of the amount identified in a). (**APPENDIX 8A**)

A revised Appendix 8A is attached outlining IBN CCD Initiatives.

Licensees are reminded that all contributions other than those allocated to FACTOR or MUSICACTION must qualify according to the definition set out in Public Notice CRTC [2006-158](#), paragraphs 108-110. The Commission will be requiring licensees to demonstrate how the recipients of those CCD funds meet the Commission's definition when filing their annual returns.

- a) Please answer each of the above questions.

- b) Please also resubmit, if necessary, a Canadian content development section in your supplementary brief and any chart that would need to be modified following the information above mentioned.

Please find attached a revised Canadian Content Development calculation and description based on the new CRTC 2006-158 policy.

News

- 2- Please indicate the amount (in hours and minutes) to be devoted to pure news. You are reminded that pure news does not include weather, traffic, sports or entertainment.

Our pure news coverage will consist of 5 hours and 40 minutes per broadcast week. In addition our daily news magazine program (of 30 minutes) will not only reports but provide in-depth analysis of the local and international news from our community perspective.

- 3- Please also indicate the percentage of news to be devoted to local (excluding regional) news stories?

A minimum of 35% of the news will be devoted to local news stories. Our target audience will be Canadians of Caribbean and African descent as well as all others who are interested in our rich cultural heritage. As a result our News programming will be more geared towards reporting community news that is not covered by existing broadcast media.

Languages

- 4- At section 7.1 of the application form you indicated that the principal language of programming will be English and that there will be 6 other languages of programming. Please identify what these other languages will be.

The six referred to a maximum of six hours per week of other language, not six “languages”. Due to the fact that our World Beat and International format will attract local and international artists whose performances are not in English, there will be a small percentage of programming in other languages. This will be mostly in the form of music programming. Examples of other languages that will be part of our programming include but not limited to the following:

Creole, Patois (French dialect), Twi, Hindi (Chutney), Spanish

Local programming

- 5- In section 7.5 of the application form you indicated that the minimum level of local programming would be 60 hrs each broadcast week. At page 5 and 9 of your supplementary brief, you indicated that a minimum of 60% of the broadcast week will be devoted to local programming. You are reminded that a broadcast week is 126 hours. Therefore please clarify if your commitment to a minimum level of local programming is 75 hours (60%) or 60 hours.

***Our commitment is to a minimum of 75 hours of local programming.
This will allow the flexibility, to air specialty or block programming or high quality or value demanded by our community.***

- 5- Please also indicate the source and the nature of the remaining programming.

Because of the nature of our format (World Beat and International) and our target audience, news reports from global agencies such as the BBC, Caribbean News Agency (CANA) and collaborations with other stations from around the world will result in higher non-local programming. As the source for news and international sports such as cricket, soccer and track and field from around the world, our programming will rely on some programs produced internationally.

Live-to-air, voice-tracked or automated

- 6- What are your plans in the area of live-to-air, voice-tracked or automated programming? Please provide an approximate breakdown of hours devoted to each and when these will be scheduled.

Live-to-air and voice-tracked or automated programming will be confined to specific timeslots in our weekly program schedule.

The ability to produce local programs more cost effectively will see our integration of voice-tracked programming for late evening and some weekend programs. Total estimated hours per week will be approximately 20 hours.

Live-to-air programs will occur on Friday and Saturday nights to accommodate the request for coverage of the Night club scene for the younger audience. Total hours per week estimated at 8 hours. There will be other non- scheduled live to air special events coverage from business places, concerts and festivals.

Programming staff

- 8- In your application form, at question 8.7, you indicated that your total staff will be 21 people. Please indicate how many programming staff will be hired and please provide a brief description of the duties and responsibilities of each.

There will be at least ten programming staff hired, this will include: Announcers, Newscasters, Program Producers, Sports reporters, a Music Coordinator, Technical Operators, a Production Coordinator and a Program Director. Note, there will be more than one person hired for some of these positions

Announcers:

- Responsible for hosting a radio program in the World Beat format***
- Must be knowledgeable of World Beat music, artists, culture, entertainment, current events and information that relates to our target audience***
- Be able to use phone systems effectively***

- *Do voice commercials and promotional announcements*
- *Work closely with Program Director, Producer and Production Coordinator*
- *Regular contribution to website*

Newscasters:

- *Compile, process and deliver news, weather and traffic reports*
- *Knowledge of local and world affairs*
- *Strong reporting and interviewing skills*
- *Anchor live news reports and cover local news events*
- *Generate story ideas and participate in editorial decision making process*
- *Must possess strong on-air presentation skills*

Program Director

- *Manage on-air and production staff*
- *Strong knowledge of World Beat music format*
- *Ensure that radio shows run smoothly and includes all important music and content that is required*
- *Work closely with Station Manager to ensure that advertisers are kept happy and CRTC rules and regulations are followed*
- *Work closely with Music Coordinator to ensure adherence to play list*
- *Air-checking and mentoring on-air staff*
- *Ensure commercials are played according to schedule*
- *Attend regular meetings with Station Manager, Announcers, Producers and Technical Operators*

Program Producer

- *Produce live news, music and talk shows*
- *Book interviews, screen calls, and update website*
- *Must be able to research and provide information promptly and if needed during live broadcasts*
- *Create programming logs*
- *Interact regularly with on-air hosts*

Sports Reporter

- *Compile, process and deliver sports related news in a timely manner*
- *Strong reporting and interviewing skills*
- *Be able to deliver sportscast in an energetic and entertaining manner*
- *Must have good knowledge of North American sports leagues*
- *Strong knowledge of International Sports including: Soccer, Cricket, Track & Field and Rugby*
- *Cover local sporting events*

Music Coordinator

- *Responsible for day-to-day music playlist*
- *Strong knowledge of World Beat music format, artists and music labels*
- *Ensure Canadian content requirements are met*
- *Meet regularly with Program Director, Announcers and Producers*

- *Contribute to the development of the station's music library*
- *Ability to do on-air shows in case of emergencies*

Technical Operator

- *Operates on-air console*
- *Airs commercials as per program log*
- *Maintain accurate transmitter and program logs*
- *Ensure that audio elements are problem free before going to air and that signal is on-air at all times*
- *Where there is no program producer available, must screen calls for talk programs*
- *Provide technical support for remote broadcast*

Production Coordinator

- *Responsible for creating and producing commercials*
- *Be able to edit materials for on-air broadcasts*
- *Strong knowledge of operating broadcast equipment*
- *Create station promos and jingles*
- *Produce voice-overs*
- *Work closely with Program Director, Producers and Announcers*

Music programming

- 9- At section 7.7 of the application form, in the music sub-category breakdown, you indicated that 10% of your musical selection will be from subcategory 21 (Pop, rock and dance) and 50% from sub-category 33 (World beat and International). However, as an appendix, you provided a music category breakdown chart indicating the following:

DESCRIPTION	CRTC CATEGORY	% OF TOTAL MUSIC
POP, ROCK AND DANCE - OLD SCHOOL R&B - Note 1	21	23%
COUNTRY AND COUNTRY ORIENTED	22	
ACOUSTIC	23	
EASY LISTENING	24	
CONCERT	31	
FOLK AND FOLK ORIENTED - Note 2	32	2%
WORLD BEAT AND INTERNATIONAL - Note 3	33	65%
JAZZ AND BLUES - Note 4	34	3%
NON-CLASSIC RELIGIOUS - CARIBBEAN/AFRICAN - Note 5	35	7%
		100%

In light of this discrepancy, please clarify and confirm what percentage will be devoted to each music category and sub-category.

Our reference in Section 7.7 of the application is in response to the MINIMUM % of total music to be broadcast from Music Sub-Category 21 and 33. If the commission should make our undertaking a condition of our licence to broadcast music from these categories at these MINIMUM levels, the applicant is prepared to accept such a condition.

Appendix 8C (from which the above chart was taken) is an analysis of the breakdown of the total hours of music typically to be broadcasted on an average day. We are expecting that we will meet our commitment at section 7.7 of the application where the minimum for category 21(10 hours) and 33 (50 hours) will be surpassed by broadcasting 20 hours of Category 21 and 57 hours of Category 33. This represents 23% of total music from Category 21 and 65% from Category 33. As a result Section 7.7 establishes the minimum with regards to Category 21 and 33 music that we are committed to play while Appendix 8C is a sample of music breakdown during an average broadcast week. This enables flexibility and a range to respond to market demand while adhering to any Condition of Licence in Section 7.7 of the application.

Should the commission set as a condition of licence these minimums, we will accept.

10- Please provide a sample music playlist representative of the music programming to be aired on your station.

Here is a sample play list:

World Beat

- *One Love --- Bob Marley*
- *Kingston Town --- UB40*
- *Another Confrontation --- Steele (Canadian)*
- *Love Thang --- Tanya Mullings (Canadian) Reggae*
- *Zouk-La --- Kassav (French Creole)*
- *Feel Good --- Tabou Combo (French Creole)*
- *Yekintokozo – Sipho Makhabane (African Rhythms)*
- *Ganda, Ganda --- Dan Nkosi (African Rhythms)*
- *Mighty River --- Vusi Mahlesela (African Rhythms)*

Soca/Calypso

- *Mr Walker --- Sparrow*
- *Crab in the Barrel --- Elsworth James (Canadian)*

Pop, Rock and Dance, Old School R&B

- *Someday --- Diana Ross*
- *Let's Get It On --- Marvin Gaye*
- *I've Got a Feeling --- Black Eyed Peas*
- *Miss Me --- Drake (Canadian)*
- *Unthinkable --- Alicia Keyes*
- *Rock With You --- Michael Jackson*
- *Special Lady --- Ray Goodman & Brown*

Jazz & Blues

- *The Man with the Horn --- Miles Davis*

- *Pata Pata --- Miriam Makeba*

Folk Oriented

- *Linstead Market --- Louise Bennett (Jamaican/Canadian)*

Non-Classic Religious

- *Next in Line --- George Banton (Canadian)*
- *No Charge --- Shirley Caesar*
- *Jesus is Love --- Lionel Richie & the Commodores*
- *Sweet Salvation --- Kay Morris (Canadian)*

Canadian content

- 11- At page 9 or your supplementary brief you indicated that a minimum of 10% of all music programming will be Canadian content. You are reminded that Section 2.2 of the *Radio Regulations, 1986* (the Regulations) requires that at least 35% of the popular (category 2) musical selections and at least 10% of the special interest (category 3) musical selections aired during each broadcast week be Canadian selections. During ethnic periods, a Canadian content level of 7% is required. Since you are proposing to offer both Category 2 and Category 3 music, your commitments with respect to Canadian content need to be clarified.

The World Beat and International format has most of its music originating outside of Canada. There has never been a station as we are proposing, so the pool of Canadian content music for these subcategories are very small. Over the years we haven't had much promotion or development of Canadian reggae, soca or hi-life artist for example on stations in the Toronto area. As a result the consistency and quality of Canadian content music from these subcategories may provide a challenge to us in meeting the 35% for subcategory 21 and 10% for subcategory 33 minimum. This is even more of a challenge if we are limited to the time-slot of 6:00 am to 6:00 pm each day (Monday-Friday) as oppose to the normal broadcast day time period which goes to 12 mid-night Sunday to Saturday.

- a) Please confirm that you will ensure that a minimum of 35% Canadian content in Category 2 music will be broadcast weekly as well as between 6:00 a.m. and 6:00 p.m., Monday through Friday.

While we are committed to achieving the required 35% Canadian content in Category 2 music we request a period of three years to develop new emerging artist and improving the quality of current Canadian produced music in this category to meet this requirement.

We therefore request and will accept as condition of our licence the following minimum Canadian content to be played during the broadcast week:

15% in Year One

25% in Year Two

35% in Year Three and thereafter

- b) Please confirm that you will ensure that a minimum of 10% Canadian content in category 3 music will be broadcast weekly.

While we are committed to achieving the required 10% Canadian content in Category 3 music we request a period of three years to develop new emerging artist and improving the quality of current Canadian produced music in this category to meet this requirement.

We therefore request and will accept as condition of our licence the following minimum Canadian content to be played during the broadcast week:

5% in Year One

10% in Year Two and thereafter

Emerging artists

- 12- Please file the following section regarding emerging artists (part of the current application form to *obtain a broadcasting licence to operate a commercial radio undertaking*, form 101):

Paragraph 92 of *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC [2006-158](#), states that the Commission will ask applicants for new licences to make specific commitments to provide airplay for and to promote emerging Canadian artists and their music.

- i) How would you define emerging artists in relation to your programming format?

Our definition is similar to that advanced by CRIA

*Page 28 CRIA CRTC submission to PN 2006-1 Commercial Radio Policy Review
“...in order to be considered a new and emerging artist, the artists must not have previously charted at Canadian Radio.” However once a Canadian artist has achieved either :*

Top 40 on the BDS or all-format audience chart (formerly the Canadian Music Network National Airplay Chart)

Or

Achieved sales of 50,000 albums as certified by CRIA

The artist would only maintain his or her status as a new and emerging artist only for a further period of one year.

- ii) What percentage of musical selections aired in a broadcast week would feature emerging artists?

Because an emerging artist is considered a newcomer to the music scene with no recording or just one recording to their credit we envision a limited supply of musical selection to air in a broadcast week. With our CCD commitments we believe we can reasonably estimate that approximately 5% of musical selection aired in a broadcast week would feature emerging artists.

- iii) If the Commission decides to impose commitments relating to emerging Canadian artists and their music as conditions of licence, confirm that the applicant will adhere to its commitments in i) and ii) by **CONDITION OF LICENCE**.

YES ()

NO (X)

If NO, explain.

It would be difficult to accept commitments relating to emerging Canadian artists as there are not enough recordings by emerging artists in our music categories. We have been involved in music programming for more than 17 years in Toronto and have always had difficulties finding enough emerging artists with recordings for air play in these categories. Perhaps with our dedication to showcasing emerging artists, this will change for the better. We are committed to providing air-play for emerging artists if and when the recordings become available.

- iv) How, beyond the provision of airplay, do you intend to promote emerging artists?

We will provide emerging artists with additional promotions by featuring them in on-air interviews and performances as well as part of our Canadian Content Development initiatives (see CCD Initiatives – Appendix 7.2A

In the spoken word component, biographical information on the artist or the music is presented immediately followed by the track. This feature enhances the exposure for new and emerging artists from Toronto and the surrounding GTA by helping listeners become acquainted with both the creator and the musical production.

Our new World Beat International station web-site will also serve as a vehicle to promote new and emerging talent. We will use the internet as a means to provide listeners with information on the artists, including discographies and current releases. We will provide links to their individual website.

Our Canadian Content Development plan also supports a number of incentives that promote New and Emerging talent. Our proposed contribution to FACTOR will ensure that local artists will receive the funding they require to develop their skills and to gain a broad exposure to their listening audience.

New distribution platforms

- 13- Please file the following section regarding new distribution platforms (part of the current application form 101)

- a) **UNREGULATED ACTIVITIES**

Do you intend to distribute new streams of audio content **which are not presently regulated by the Commission** by using emerging technologies, such as but not limited to, the internet?

YES (X)

NO ()

If YES, describe:

Simultaneous with the station signing-on, an internet site with audio streaming will be launched and run 7 days a week, 24 hours a day.

- i) which emerging technologies you will be using;

Answer: The internet

- ii) the types of audio programming material you intend to provide and how they will reflect the objectives of the Broadcasting Act, specifically in relation to the development and provision of Canadian content; and

We will simulcast our daily on-air programs through live online streaming. Our online broadcast will reflect the objectives of the Broadcast Act, by exposing Canadian content to a much wider audience and provide more opportunities for Canadian artists.

- iii) the estimated population and geographical reach of these distribution platforms.

Answer: Worldwide potential population is unknown. Worldwide geographical reach is difficult to estimate.

b) REGULATED ACTIVITIES

Are you planning to conduct experiments or field trials involving new technologies (e.g. DMB, DVB-H) to broadcast programming?

YES ()

NO (X)

Not at this time, but we will monitor and if appropriate explore those options at a later date

If YES, describe:

- i) the technology experiments;
- ii) the programming material that will be distributed; and
- iii) the estimated population and geographical reach of these experimental distribution platforms.

Industry codes

14- Please file the following section regarding the *Canadian Association of Broadcasters' Equitable Portrayal Code* (part of the current application form 101).

The *Canadian Association of Broadcasters' Equitable Portrayal Code* (Broadcasting Public Notice CRTC 2008-23, *Equitable Portrayal Code*, dated 17 March 2008), as amended from time to time and approved by the Commission (to be suspended as long as the licensee is a member in good standing of the Canadian Broadcast Standards Council).

YES (X)

NO ()

Paid programming

15- You state in Schedule 4.1 that you envision approximately 17 hours per week of paid programming (brokered program).

- a) Would these programs be produced locally? If not, please specify where these will originate from, indicating if they will be Canadian or non-Canadian and the amount from each source.

Yes these programs will be produced and presented locally.

- b) What kind of broadcasting experience do these contributors have?

These contributors have extensive broadcasting experience with other stations.

- c) When would these programs be presented (i.e. evenings, Monday to Friday, on weekends, etc.)?

These programs will be presented primarily on weekend with some week nights during Monday to Friday

- d) What would be the content of these programs (i.e. news magazine, open-line shows, music shows, etc.)?

The content of these programs will feature sports, business infomercials, music show, health and religious programming.

- e) Will any of these programs be produced in a language other than English? If so please specify.

No.

Ownership information

16- **Shareholder Corporations** – Refer to section 2 of your application

Please provide the complete capital structure, ownership and boards of directors for Jamrock Broadcasting Corporation and 2164322 Ontario Inc.

See Attached Appendix 2 for Jamrock Broadcasting Corporation and 2164322 Ontario Inc.

17- **Governing documents** – Refer to your application

- a. Please file all constating documents relating to the proposed licensee, including by-laws, shareholder agreement and any other agreements or documents which could affect the control of the licensee.

Shareholders agreement attached.

- b. Please confirm that the documents filed represent all governing documents of the proposed licensee and its shareholder corporations, and that there exists no shareholders

agreement or other agreements which could affect the control of the licensee. In the negative, please file any outstanding documents.

The above documents confirm that the documents filed represent all governing documents of the proposed licensee and its shareholder corporations, and that there exists no shareholders agreement or other agreements which could affect the control of the licensee.

In the negative, please file any outstanding documents.

- c. Please commit to filing executed copies of all governing documents once available.

All IBN executed governing documents have been forwarded.

18- Shareholder Investment – Refer to Appendix 5B

- a. Please clarify whether the 150,000 common shares referred to will be in addition to the 31,201 Class A Preference shares held by Ms. Luck. In addition, please clarify whether these shares will be granted to Ms. Luck or her corporation.

The Class A preference shares are held by Ms. Luck through her corporation. They represent a pro-rated amount of investments to date in IBN Inc and are convertible up to the 150,000 common shares referred to in Appendix 5B. They are not in addition to the common shares but preference shares issued in the interim for funds used to build our transmitter site and to acquire broadcast equipment to conduct the experimental frequency testing of 98.7FM as authorized by the Minister of Industry.

- b. Please confirm that the A.F. Hamblin who has filed an Appendix 5B is the same as Tony Hamblin listed as a shareholder in section 2 of your application.

Mr. A. F. Hamblin is the same as Tony Hamblin

- c. Please clarify whether the 150,000 common shares referred to will be granted to Mr. Hamblin directly, or whether they will be held through a corporation.

These shares will be granted directly to Mr. Hamblin.

- d. In addition, please clarify whether these shares will be in addition to the 31,201 Class A Preference shares.

The Class A preference shares held by Mr. Hamblin represent a pro-rated amount of investments to date in IBN Inc and are convertible up to the 150,000 common shares referred to in Appendix 5B. They are not in addition to the common shares but preference shares issued in the interim for funds used to build our transmitter site and to acquire broadcast equipment to conduct the experimental frequency testing of 98.7FM as authorized by the Minister of Industry

- e. Please confirm whether any other shares are intended to be granted in exchange for financing.

There is no intention at this time to issue any other shares in exchange for financing.

- f. In the event that further shareholder investment is planned subsequent to a Commission decision, please file an additional Appendix 2A providing the fully diluted share structure of IBN.

There is no intention at this time to issue any other shares in exchange for financing but we will file the necessary Appendix 2A if and when this occurs in the future.

19- Intercity Broadcasting Network Inc.

- a. Please confirm that A. Fitzroy Gordon will act as CEO of Intercity Broadcasting Network Inc. (IBN). In the negative, please specify who will perform the duties of the CEO.

This is to confirm that A. Fitzroy Gordon will act as CEO of Intercity Broadcasting Network.

- b. Please confirm whether any Class B or Class C preference shares have been issued. In the affirmative, please provide a revised table detailing the ownership of IBN.

No Class B or Class C Preference Shares have been issued.

20- Canadian Ownership and Control – Please refer to the constating documents filed for IBN's shareholder corporations and to the *Direction to the CRTC (Ineligibility of Non-Canadians)* (the *Direction*) where it states:

- (a) *the chief executive officer or, where the corporation has no chief executive officer, the person performing functions that are similar to the functions performed by a chief executive officer, and not less than 80 per cent of the directors are Canadians;*
- (b) *in the case of a corporation having share capital, Canadians beneficially own and control, directly or indirectly, in the aggregate and otherwise than by way of security only, not less than 80 per cent of all the issued and outstanding voting shares of the corporation and not less than 80 per cent of the votes*

Although the current composition of boards of directors of IBN and its shareholder corporations comply with the direction, please advise whether you agree to amend the By-laws of Maja Media Group Inc. (Maja) and Jamrock Broadcasting Corporation (Jamrock) so that they comply with the *Direction* at all times, as follows:

Shareholder Corporations

- a. A majority of the directors on the board must be resident Canadian citizens.
- b. At least 66 2/3% of the shares must be held by resident Canadian citizens.

- c. Include a reference to the *Direction* and a definition of “Canadian” which complies with the *Direction*;
- d. Include a requirement that the quorum for the transaction of business of any meeting of the board consist of a majority of Canadians pursuant to the *Direction*.
- e. A majority of any committees of the Board should be Canadians pursuant to the *Direction*.

We agree to amend the By-laws of Maja Media Group Inc. (Maja) and Jamrock Broadcasting Corporation (Jamrock) so that it comply with the Direction to the CRTC (Ineligibility of Non-Canadians) (the Direction) at all times

In the negative, please indicate how you intend to ensure compliance with the *Direction* at all times.

- 21- Please complete the following sections using the latest version of the application form found on the Commission’s website (crtc.gc.ca):

- Section 6.1 (Marketing)

Please find the completed Section 6.1

FOR ALL PERSONS Ages 12+	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7
Total Weekly Hours of Listening	90,000	105,128	126,589	148,754	171,303	190,451	206,396
Share of Market Listening Hours (%)	1.00	1.17	1.41	1.66	1.91	2.12	2.30

- Section 7.1 (Financial Operations)
Please note that the financial projections for the proposed undertaking must now end **31 August** of the proposed license term.

Please find completed financial projections attached.

- 22- In sections 2.5 and 2.6, you make reference to “debt financing” in the amount of \$750,000. While you have provided commitment letters from two of the three sources of financing, you have yet to provide details regarding the third source of funding. As such, please provide proper documentation supporting the availability of the debt financing identified in your application.

Please find attached Appendix 5B – Commitment letter from one of our current investors who will also provide operating loan financing to IBN Inc subsequent to a favourable decision

Where funds are to be provided, directly or indirectly, by a third party institution such as a bank, credit union, etc., please submit a signed letter on the institution's stationery containing the following information:

"We have examined the financial projections of (Name of applicant) related to the application(s) before the Commission for a licence(s) to provide (type of service) to

(location(s)) and we would be prepared to provide financing in the amount of (\$) under the following terms and conditions (specify ALL the terms and conditions), subsequent to a favorable decision by the Commission, for the purpose of providing capital and operating funds related to the undertaking(s)."

No funds is being sought from any third party financial institution

- 23- As part of your application, you have submitted a "Net Worth Statement" for Mr. Anthony F. Hamblin. Commission staff notes that you have not requested that we treat this information as confidential in the context of the application under consideration. Please confirm if this information should be considered confidential.

We requested that under the Canadian Broadcasting Act Section 20 of the CRTC rules of Procedures that the following be considered confidential

- ***all information related to the Net Worth Statements and Financial position of our investors, Mr. A.F. Hamblin and Ms. Sharon Luck-Querino and her corporation 2164322 Ontario Inc***
- ***Shareholder Agreement between the parties be considered confidential***

Trust the above is satisfactory.

Thank you for your cooperation in examining our files so expeditiously on behalf of our very anxious community.



A. Fitzroy Gordon,
President

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