

PACIFICA STABILIZATION, RESTRUCTURING & RECOVERY PLAN
Signal Swap, Pay Debts, Build Common Ground

- **Effective Management.** Hire a short term Executive Director with broad powers, and hire a Chief Financial Officer to whom all station business managers will report. The ED and CFO will implement the following plan:
- **Stabilize & Control Pacifica's Finances.** The CFO will have network-wide control of the finances at Pacifica and at all five stations, and will use this control to protect the cash and assets of all stations. The CFO will have the power to insure that there are appropriate financial controls in place, that bills get paid, and that expenses are reduced where necessary so as not to exceed income and so that transfers of money from one unit to another to cover expenses shall be rarely done, and only as a last resort.
- **Membership Vote on WBAI Signal Swap to Raise Needed Cash.** Put to the membership a vote seeking to authorize a signal swap for WBAI to generate immediate cash needed to survive the current crisis. The cash would be used to pay off system debts and to handle the expense of the restructuring process.
 - A signal swap means that WBAI would shift to another signal frequency. The new signal frequency would retain at least 80% of the current signal area population.
 - The current WBAI frequency broadcast license is in the commercial band. Commercial radio licenses in the New York City area are valued at approximately \$2-\$2.50 per person living within the signal area.
 - WBAI's current signal area includes 22 million people. A broker believes a signal swap could be found for a signal area of around 20 million people which would bring in approximately \$4 to \$5 million.
- **Stop the Bleeding.** Reduce costs during the turnaround period by converting one or more stations temporarily into repeater stations.
 - Being repeater stations will ensure that stations stay within the Pacifica Network, whereas insolvency could result in the sale of any station by a trustee. Repeater stations are required to have only 2 staff, and do not need any studio space. This saves enormous expenses, while allowing Pacifica to restructure and stabilize.
 - Repeater stations would re-broadcast quality programming from across the Network. They would also have the option of broadcasting some of their own programming generated by programmers who are able to produce programs without using studios (since there will be no studios). Pacifica could make sound production/editing equipment available if needed for some producers.
- **Increase Listenership With High Quality Programming.** Increase listenership across the Network by identifying high quality programs and repeating them on different stations. This should be done at all five stations. Find excellent programs being aired by our Affiliates and use them, if it is permitted.
- **Pay off outstanding debts.** After paying off essential debts, the remaining funds generated from the signal swap would be restricted for use only for expenses incurred in implementing this Plan. This would include legal expenses and other expenses needed to restructure and revitalize Pacifica. No funds from WBAI signal swap would be used for ordinary operating expenses.
- **Initiate a process for building common ground.** See attachment.
 - If the consensus process is successful -- Pacifica moves forward together as a restructured organization.
 - If consensus process is unsuccessful -- Pacifica is dissolved and its broadcast licenses and assets transferred to non-profits most likely to carry out Pacifica's unique purposes and mission. Preference for transfer of licenses would go to non-profits established by existing local station boards that are able to reach general consensus for their signal area.

ATTACHMENT

A PROCESS TO REACH BROAD AGREEMENT ON NEEDED CHANGES IN PACIFICA STRUCTURE, CULTURE, AND FUNCTIONING

Working Toward Building Agreement on the Future of Structure and Practice of Pacifica

It is necessary to engage the Pacifica boards, staff and volunteers to explore the future of the Pacifica Radio Network and to identify a governance structure to support the accomplishment of its mission and its long-term sustainability and success as an organization.

The approach must be responsive to Pacifica's existing situation and will require the help of experienced facilitators and consensus builders with the expertise and experience we need. The approach needed is to engage all facets of the Network in an assessment process and a series of facilitated discussions to build consensus on Pacifica's future and a governance structure to support that future. Pacifica would benefit from experienced facilitators to navigate differing viewpoints to achieve consensus in this high stakes environment. There must be a broad range of people who need to embrace and implement a new organizational governance structure.

- The current Pacifica governance structure has proven incapable of dealing with or resolving the issues facing Pacifica. The consensus building process will take input from all stakeholders about why this is so. We believe it is because the current structure provides no real lines of authority or accountability.

What is needed is a phased process for inclusive framing of issues, constraints and opportunities facing the Network. This can only happen by designing a process that is based on analysis of the issues and dynamics, and the use of facilitated discussions to develop proposals, to communicate options throughout the organization, and to develop an implementation strategy to provide a cohesive, agreed upon path forward.

Phase 1: Organizational Assessment and Develop Process

As part of the first phase of activity, facilitators would conduct extensive stakeholder assessment, interviewing individuals from Pacifica across the country. Stakeholders comprise listener-members, staff, volunteers, board members, and management.

Confidential interviews would provide an opportunity for stakeholders to share their history, issues, and interests and for facilitators to explore common ground, opportunities for potential agreements, and ideas about a potential process. The assessment process would be inclusive: all issues are then shared in an assessment report without attribution to any one individual.

After conducting interviews, facilitators would analyze the issues presented in the assessment to design a process to reach agreements about the future of Pacifica, taking into consideration the complexity of the issues, organizational structure, personalities, and political realities. Out of this would likely come a core group to participate in developing proposals for the Network, and a communication strategy to share information and solicit feedback from all stakeholders.

A report summarizing both the findings and the recommendations would be presented to the Pacifica National Board, and to other interested parties, and possibly the public through a national webinar.

Phase 2: Facilitated Discussions and Organizational Engagement

Based on the recommendations developed during the assessment in Phase 1, facilitators would help with a series of discussions with the core group, including input from others throughout the organization. Core group members would represent different interest groups within Pacifica. (For example, it might consist of

representatives from each station and different roles in the organization, such as administrative, programming, etc.) Core group members would engage in problem solving to explore issues and craft proposals to address those issues. The core group and facilitator(s) would prepare meeting summaries for each session that could be shared within Pacifica. The assessment would inform the agenda for the further facilitated discussions, and would likely address:

- Organizational values
- Future strategic direction
- Governance structure
- Financial sustainability
- An implementation plan

Discussing the future strategic direction and values of the organization would help clarify solutions around the governance structure. The structure would need to meet the goals and functions necessary to support the organization into the future. The facilitated discussions would be outcome oriented. The core group will be required to engage in thoughtful expansive thinking, and then work with agreed upon criteria and practical realities to evaluate options and move toward consensus. Facilitators and the core group would document agreements in meeting summaries and in an agreements document that would shape revised bylaws for the Pacifica Network, and a work plan to move the Network forward. At key milestones, core group members would conduct organized briefings throughout the Network. The briefings would serve to share information about discussions underway and solicit feedback on the proposals under development. Core group members would then be able to refine the proposals based on the additional feedback.

Phase 3: Implementation Strategy

This phase would work to finalize agreements by developing and acting on an implementation strategy for bringing those agreements together. The implementation strategy would:

- Develop a series of steps that would clarify the sequence of changes and who would need to be involved to implement them;
- Include direct outreach to inform all stakeholders of agreements and decisions;
- Have milestones to assess and evaluate the progress underway and to adapt the approach as necessary to guarantee success;
- Provide periodic updates to the whole Pacifica community on the progress in implementing the agreements,
- Engaging everyone to share in the accomplishments and momentum and to support this approach to the future of Pacifica.

About Facilitation

Facilitators improve the way that members and leaders collaborate to make organizational decisions, achieve agreements, and manage multi-party conflicts and planning efforts. A facilitating consensus building organization helps with strategic planning, organizational development. Needed are facilitators who bring diverse experience and expertise to an organization's challenges in areas such as:

- Leadership visioning and goal setting
- Organization--wide strategic planning
- Goal setting and strategy for major organizational initiatives
- Creating and maintaining inter--organizational partners and coalitions
- Stakeholder and public consultation on organizations goals, strategy and initiatives
- Ability to negotiate key issues, including race, class and political differences
- Helping organizations move toward agreed-upon outcomes to achieve success

Saving Pacifica - Signal Swap and Major Board Restructuring

THIS PLAN IS NOT TO BE SEEN AS A LICENSE TO TAKE KPFA'S TREASURY, THIS IS A PACKAGE DEAL

1. **Hire an interim Executive Director and Chief Financial Officer** to carry out the following plan.
2. **Bring cash into the system.** Negotiate a WBAI “signal swap” to net \$4M to \$5M in cash for only a 10% reduction in audience reach.¹ This action would require a vote by the membership.² The signal swap funds would be used to pay for our IED and CFO, pay installments as negotiated for necessary current debts, get our audits done, reinstate director’s insurance, deal with pension payments and any expenses necessary to implement this plan, including legal expenses, mailing costs or any other necessary expenses to restructure and reprogram Pacifica. No funds from WBAI signal swap would be used for ordinary operating expenses beyond what is specifically stated above.
3. **Restructure Pacifica’s Governance and Management Structure. (SEE PROPOSED DRAFT BY-LAW CHANGES ON FOLLOWING PAGES.)** Summary of proposed changes:
 - a. **Smaller board.** The current Pacifica National Board is too big. By electing Board with representatives of each station, the Board, by its very structure is invested in the parochial interests of each station.
 - b. **Some members installed nationally.** How the Board is chosen and what it’s duties and powers needs to be changed.
 - c. **No more micro managing, limit powers.** Currently, there are no lines of authority to manage the money, each station has its own financial rights and practices.
 - d. **Included the national ED and CFO as board members.** The Executive Director and the Chief Financial Officer both have limited powers.
Centralize authority. The Board wants to micro manage and the station managers have difficulty managing. The by-laws need to be changed. There are various ideas how to do that. (one is attached). This requires a membership vote.
4. **Improve programing, increase listening audience and get operating costs under control.** Consider more network programing, identify high quality programs and repeat them at a different time and on different stations (including programs being aired by our Affiliates. We are operating in a shifted world. We need not just to survive but to grow... by leaps, take our place a major vehicle for national conversation To see us through our financial and structural crisis, it may be financially imperative to consider the option of a temporary repeater station. In that instance the staff would be reduced to the two employees required by the FCC during that time period.
5. **Launch a public membership campaign to make the public aware of Pacifica.** A first rate campaign to make our current membership aware of our fragility and the necessity for a restructured board membership could at the same time remind the public of our existence and our work. Magazine articles, polished readable mailings to our membership, programming time dedicated to the choices and some interesting town halls with speakers who draw and more could simultaneously enable structure change votes, raise money and increase membership.

¹The WBAI broadcast license is in the commercial ban. Commercial radio licenses in the New York City area are valued at approximately \$2 to \$2.50 per person living within the reach of the signal area. WBAI’s signal area includes 22 million people. A broker believes a swap could be found for a somewhat smaller signal area – around 20 million people – which would bring in approximately \$4 to \$5 million in cash.

² This whole plan should be submitted to the membership, so that they understand the sign swap in context

Proposed By-law Changes: associated with Saving Pacifica – Signal Swap and Restructuring

I. Current: Article Five, Board of Directors of the Foundation, Section 1: Board of Directors - Eligibility

B. ELIGIBILITY

Any Delegate who is currently serving as a Delegate and has served at least one (1) year as a Delegate is eligible for election to the office of Director by the Delegates for his/her radio station area subject to Section 3 of this Article of the Bylaws. Any natural person who is not currently serving as a Delegate for any radio station area is eligible for nomination and election as an "affiliate" director or an "at large" director, subject to Section 4 or 5 of this Article of the Bylaws. Notwithstanding the foregoing, no person who holds any elected or appointed public office at any level of government -- federal, state, or local -- or is a candidate for such office, shall be eligible for election to the position of Director. A Director shall be deemed to have resigned the position of Director if s/he becomes a candidate for public office or accepts a political appointment during his or her term as a Director. This restriction shall not apply to civil service employment by governmental agencies.

Proposed:

Article Five, Section 1B: Board of Directors - Eligibility,

B. ELIGIBILITY

Any person may serve a Director or the Foundation Board who is not currently holding any elected or appointed federal, state, or local office. A Director shall be deemed to have resigned the position of Director if s/he becomes a candidate for public office or accepts a political appointment during his or her term as a Director. This restriction shall not apply to civil service employment by governmental agencies. Candidates for the staff positions must be qualified as staff (paid or unpaid) from one of the five stations.

II. Current: Article Five, Board of Directors of the Foundation, Section 1C

C. Number. There shall be a minimum of twenty-two (22) and a maximum for twenty-three (23) Directors of the Foundation. The Board of Directors shall fix by resolution, from time to time, the exact number of Directors within the minimum and maximum numbers permitted herein. The Board shall have equal representation from each of the Foundation's five radio stations. The Delegates from the five Foundation radio stations shall each elect four (4) Directors: three (3) of whom shall be Listener-Sponsor Delegates and one (1) of whom shall be a Staff Delegate -- for a total of twenty (20) "Station Representative" Directors, as set forth in Section 3 of this Article of the Bylaws. In addition, the Board shall elect two (2) "Affiliate Representative" Directors from nominees submitted as set forth in Section 4 of this Article of the Bylaws. If the Board, by resolution, fixes the number of Directors at 23, then one additional Director shall be nominated and elected as an "At-large" Director as set forth in Section 5 of this Article of the Bylaws.

Proposed:

C. Number. There shall be a maximum of thirteen (13) Directors of the Foundation. The Board of Directors shall fix by resolution, from time to time, the exact number of Directors within the minimum and maximum numbers permitted herein. The Board shall have one representative from each of the Foundation's radio stations. The ED and the CFO shall be non-voting members of the Board and be recused from discussions, meetings, and votes as appropriate. There shall be 3 Listener representatives elected "At-large" nationally. There shall be 2 staff representatives elected "At-Large" nationally by qualified staffs, both paid and unpaid from all of the five stations. One (1) Director representing the Pacifica Affiliates.

III. Current: Article Five, Board of Directors of the Foundation, Section 1E: Board of Directors - Powers and Duties

E. SPECIFIC POWERS AND DUTIES

Without prejudice to the general power of the Board set forth above in Section 1D of this Article of these Bylaws, and subject to any limitations set forth in these Bylaws, the ongoing duties and powers of the board shall include, but not be limited to:

- (1) Ensuring and facilitating fulfillment of the purposes of the Foundation as set forth in the Articles of Incorporation;*
- (2) Ensuring compliance with applicable state and federal laws;*
- (3) Ensuring the financial health of the Foundation by adopting and monitoring an annual budget and overseeing an independent annual audit of the Foundation's books and accounts;*
- (4) Ensuring regular communication with the Members;*
- (5) Appointing, supervising and discharging the Foundation's Executive Director, Chief Financial Officer and all Foundation officers, prescribing powers and duties for them as are consistent with the law and these Bylaws, and setting salaries and wages;*
- (6) Overseeing the conduct, management and control of the Foundation's affairs and activities, including the monitoring of the activities and actions of its radio stations and national staff consistent with applicable law and regulations, the Articles of Incorporation and these Bylaws;*
- (7) Meeting at such regular times and places as required by these Bylaws and meeting at such other times as may be necessary in order to carry out the duties of the Board;*
- (8) Registering their addresses, telephone numbers, facsimile telephone numbers and email addresses with the Foundation's Secretary. Notices of meetings mailed, transmitted by telecopier or facsimile, or emailed to them at such addresses shall be deemed valid notices thereof.*

Proposed:

Article Five, Section 1: Board of Directors - Eligibility, Number, Powers and Duties Here one items is added everything else remains the same.

E. SPECIFIC POWERS AND DUTIES

Without prejudice to the general power of the Board set forth above in Section 1D of this Article of these Bylaws, and subject to any limitations set forth in these Bylaws, the ongoing duties and powers of the board shall include, but not be limited to:

- (1) Ensuring and facilitating fulfillment of the purposes of the Foundation as set forth in the Articles of Incorporation;*
- (2) Ensuring compliance with applicable state and federal laws;*
- (3) Ensuring the financial health of the Foundation by adopting and monitoring an annual budget and overseeing an independent annual audit of the Foundation's books and accounts;*
- (4) Ensuring adequate funds for all the Foundations work;*
- (5) Ensuring regular communication with the Members;*
- (6) Appointing, supervising and discharging the Foundation's Executive Director, Chief Financial Officer and all Foundation officers, prescribing powers and duties for them as are consistent with the law and these Bylaws, and setting salaries and wages;*
- (8) Meeting at such regular times and places as required by these Bylaws and meeting at such other times as may be necessary in order to carry out the duties of the Board;*
- (9) Registering their addresses, telephone numbers, facsimile telephone numbers and email addresses with the Foundation's Secretary. Notices of meetings mailed, transmitted by telecopier or facsimile, or emailed to them at such addresses shall be deemed valid notices thereof.*
- (10) The PNB shall have the power to hire and fire the ED and CFO.*
- (11) Anyone fired by the ED shall have the right to appeal with a decision on that appeal no later than 90 days after it is filed. The appeal must be received by PNB Secretary within 14 days of the firing.*

IV Current: Article Five Sections 2 and 3 Term and Nomination and Election

Section 2: Term

The term of a Director shall be one (1) year. A Director may serve no more than five consecutive one-year terms. A Director shall not be eligible for further service as a Director until one year has elapsed after the termination of a Director's fifth consecutive one-year term.

Section 3: Nomination and Election of Station Representative Directors

A. NOMINATION

Any current Delegate of any class of Members may nominate any other current Delegate of any class of Members serving the same radio station for the office of Director, provided that the nominee has served at least one year as a Delegate for that radio station. Said nominations shall be given in writing to the Recording Secretary for the radio station Local Station Board ("LSB") by December 31 prior to the election of Directors in January.

B. ELECTION

The Members of each radio station shall hold elections every 3 years. The election can be held by mail or electronically as determined by the Directors using a simply majority one woman/man voting system.

C. SEATING OF STATION REPRESENTATIVE DIRECTORS

All newly elected Station Representative Directors shall be seated at the Meeting of the Board of Directors held in late January of the year after each election, when their terms shall commence.

Proposal

Section 2: Term

The term of a Director shall be for four (4) years. A Director may serve no more than three (3) consecutive terms. A Director shall not be eligible for further service as a Director until one year has elapsed after the termination of a Director's third consecutive four-year term.

Section 3: Nomination and Election of Station Representative Directors

A. NOMINATION

Any person may be nominated to the Pacifica National Board by submitting a petition in writing to the national Recording Secretary by a date set by the national board for each election. Petitions for Listener Delegates from any station must have signatures from 40 members in good standing of the radio station they hope to represent. At large candidates will need signatures of 40 members in good standing from each of two station areas or 75 members from one of the station. The members must be in good standing as of the same date the petition is due. Staff member nominees will have to have petitions from 10 staff members, paid or unpaid. Unpaid staff must have done at least 40 hours of work in the year prior to the election.

B. ELECTION

The elections shall be held once every four years. The election can be held by mail or electronically as determined by the Directors using a simply majority one woman/man voting system.

C. SEATING OF STATION REPRESENTATIVE DIRECTORS

All newly elected Station Representative Directors shall be seated at the Meeting of the Board of Directors held in late January of the year after each election, when their terms shall commence.

V. Current Article Nine, Officers of the Foundation, Section 7: Executive Director

A. The President of the Foundation shall be referred to as the "Executive Director." The Executive Director shall be the general manager, chief executive officer and chief administrator of the Foundation. S/he shall be selected, supervised and discharged by the Board. In addition, his/her performance will also be subject to annual evaluation by each LSB, which may make recommendations to the Board.

B. Subject to the control of the Board, the Executive Director shall have general supervision, direction and control of the business and the officers of the Foundation and the primary responsibility for implementing the directives, decisions and policies of the Foundation and the Board pertaining to administration, personnel, programming, financing and public relations. The Executive Director shall generally promote, coordinate and supervise the mission of the Foundation and shall have such powers and perform such duties as may be delegated or assigned to him/her by the Board including hiring and firing rights of local station managers, but only for due cause with fair employment practices.

Proposed:

V. Article Nine, Officers of the Foundation, Section 7: Executive Director

A. The President of the Foundation shall be referred to as the "Executive Director." The Executive Director shall be the general manager, chief executive officer and chief administrator of the Foundation. S/he shall be selected, supervised and discharged by the Board.

B. The Executive Director shall have general supervision, direction and control of the business and the officers of the Foundation and the viability of all of the member stations. The Executive Director shall promote, coordinate and supervise the Foundation and all of its staff. The Executive Director shall have the right to fire management staff of the local stations for just cause. Any personnel fired by the ED shall have rights to appeal to the PNB. The decision shall be made no than 90 days after appeal is filed. The appeal must be filed within 14 days.

VI Current Article Nine, Officers of the Foundation, Section 9: Chief Financial Officer

A. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Foundation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, and retained earnings. . The books of account shall be open at all reasonable times to inspection by any Director upon demand.

B. The Chief Financial Officer shall cause to be deposited all moneys and other valuables in the name and to the credit of the Foundation with such depositories as may be designated by the Board. S/he shall cause the funds of the Foundation to be disbursed as s/he may be properly directed from time to time, shall render to the Executive Director and the Board an account of all of his/her transactions as Chief Financial Officer and of the financial condition of the Foundation whenever requested, and shall have other such powers and perform such other duties as may be prescribed by the Board or the Bylaws.

Proposed:

Section 9: Chief Financial Officer

A. The Chief Financial Officer of Pacifica has the powers and authority to act in ways to preserve the financial integrity of the Foundation. She/he shall have direct oversight and access to local station books and bank accounts, be a signator to all accounts, access to all bookkeeping and accounting procedures and supervise with hire and fire rights all personnel involved anywhere in the Foundation with account and bookkeeping responsibility. Any personnel fired by the CFO shall have rights to appeal with a decision on that appeal no later than 90 days after appeal is filed. The appeal must be filed within 14 days. Failure to ensure that Pacifica audits are prepared, and filed in a timely manner shall be considered "just cause".

B. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Foundation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, and retained

earnings. . The books of account shall be open at all reasonable times to inspection by any Director upon demand.

B. The Chief Financial Officer shall cause to be deposited all moneys and other valuables in the name and to the credit of the Foundation with such depositories as may be designated by the Board. S/he shall cause the funds of the Foundation to be disbursed as s/he may be properly directed from time to time, shall render to the Executive Director and the Board an account of all of his/her transactions as Chief Financial Officer and of the financial condition of the Foundation whenever requested, and shall have other such powers and perform such other duties as may be prescribed by the Board or the Bylaws.

Saving Pacifica – KPFA Assumes Pacifica’s Debt

At a time when more than ever in our lifetime as we hover on the brink of fascism in the United States we need a national progressive radio network. Pacifica is on the brink of collapse. PNB Directors are not insured and are at risk for personal financial loss as Pacifica is in deep debt. The Pacifica’s Board is unable to function to fulfill our obligations. KPFA is the most fully operating station of the 5 sisters at this time. Our KPFA LSB feels obligated to take dramatic steps to do what we can to 1) Preserve our precious national network; 2) to make sure that KPFA survives and 3) to save our historic archives from turning to dust and being lost to future generations. Therefore, we propose dramatic steps in a dramatic and dangerous situation.

KPFA makes an offer to Pacifica National Board that KPFA (non-profit organization, to be established and named) will:

- Take all of Pacifica’s Debt (or all but Democracy Now’s, to be negotiated), as of a specific date taking into account the debits and credits that exist between Pacifica and KPFA.
- In exchange for:
 - KPFA’s license to broadcast and freedom to operate as an independent Pacifica Affiliate
 - Free and Clear title to the all the land on the corner lot that houses Pacifica National Office, the corner lot (former restaurant), the KPFA Building and Parking Lot
 - KPFA assumes title and responsibility for preserving Pacifica Radio Archives in a way that especially benefits all of Pacifica’s 5 current stations

It is understood that if within the following seven years, KPFA’s balance sheets show a profit of more than \$750,000 over the cost of all the taken and forgiven debt that KPFA assumed, then KPFA will split any profit above \$750,000 with the other 4 stations in an equal five way distribution.

It is also understood that, if within seven years of the transfer of KPFA’s license from Pacifica to KPFA, there is a sale or distribution of money from Pacifica’s remaining assets that exceeds \$750,000 that KPFA will be included in an equal five-way distribution of those monies.

KPFA LSB will undertake and immediate publicity campaign to develop support for the necessary membership vote allow for this offer to be accepted by Pacifica Foundation.

KPFA LSB as a sign of seriousness will begin the process of establishing a 501(c)3 to be ready to act in the event our offer is accepted and additionally to be available as a safety net receiver in the event of the Foundation’s collapse.

Proposal for bringing to Life The KPFA Foundation

For several years Pacifica Foundation has teetered on the edge of collapse. In spite of the fact that in some ways the risk has diminished (the debt level of 2011 has been cut by 90%) in other ways the situation is worse. The listener base is shrinking in several of stations and the cash flow sometimes threatens payroll.

Propose the KPFA LSB establish a 501(c)3 non-profit with a mission identical to Pacifica to be available to catch the KPFA license should Pacifica be forced into dissolution and to raise money to spend on KPFA from donors who are unwilling to give directly to the station because they are either scared off by Pacifica's audits (or lack thereof), and/or because they do not trust that their money won't be taken from KPFA to be spent elsewhere in the network, against their wishes.

PROPOSAL: INVOLUNTARY REORGANIZATION OF PACIFICA BY FILING A SUPERIOR COURT ACTION TO DISSOLVE PACIFICA

Under Cal. Corp. Code §6510, 1/3 of the membership of a non-profit corp, or 1/2 the directors, or the Cal Attorney General (AG) can file a lawsuit in the appropriate state court to dissolve the non-profit corporation. The AG is an indispensable party in the lawsuit and must be named as a party.

If PACIFICA and the PNB and the stakeholders and/or the membership are unable to implement a plan to save PACIFICA, the best solution to try to save PACIFICA may be to file a lawsuit under §6510. That lawsuit would be filed in Alameda County Superior Court. The KPFA LSB representing about a 1/3 of the membership would be the plaintiff, or rather the chairman of the KPFA LSB would probably be the actual named plaintiff suing on behalf of the KPFA LSB which, in authorizing the lawsuit, acted on behalf of 1/3 of the membership.

After the lawsuit is filed, and the AG served, if there is any standing problem, i.e., not enough members are bringing the lawsuit, the AG could become a named plaintiff and, I think, the AG would likely agree to do that. Once the AG is a party plaintiff, there will be no standing problem.

Once in Court, the plaintiffs would ask the Court to appoint a committee made up of reps from each station and the ED of Pacifica. That committee would then the Court to authorize that a mediation process go forward and give the parties 6 to 8 months to effect the mediation. The committed operating under the authority of the Court would set up a process in which all the stakeholders would meet, maybe several times, to discuss and develop a plan to reorganize Pacifica so that it could become an effective governing entity of the network and could work more effectively with the management at each station to move the organization forward and make it successful.

If, in the mediation process, each station decided that local control was more important to the subscribers of that station than being in a network where the local stations were subjected to centralized authority, then the stations could agree to

dissolve the network, each receive the license for their area, and each receive a fair share of the assets of the corporation after Pacifica's debts are paid. The stations could agree that they would remain affiliated regarding programming, but be separate legal entities each holding a separate radio license.

The benefit of a Court action is that a Court will require that a process go forward to resolve the issues. Pacifica and its stakeholders will be placed on a time line to get something done. So the stakeholders will be forced to meet and forced to make difficult decisions about what to do. Usually, a Court will grant parties who are trying to resolve their differences whatever time they need - within reason - to meet and try to come up with an agreed upon solution. That way the Court doesn't have to try to resolve the differences among the parties.

So, if Pacifica and LSBs and stakeholders cannot move forward voluntarily to develop a plan to solve the problems of Pacifica, this proposal would become the default plan that would force the stakeholders to meet and come up with plan to either fix or dissolve Pacifica.