



CGB-CC-0061

e-mail: sam@shad.reno.nv.us

December 12, 2005

Commission's Secretary
Office of the Secretary
Federal Communications Commission
Attn: CGB Room 3-B431
445 12th Street, SW
Washington, DC 20554

RE: Waiver request for closed caption undue burden

Dear Commission's Secretary:

I am writing this letter to petition for a waiver from closed captioning based on the undue burden standard in 47 U.S.C. § 79.1(d)(2) for the Nevada Newsmakers Show which airs statewide.

Sam Shad Productions is an advertising agency that has ventured into producing television programs. We are a small corporation with gross receipts totaling under \$900,000 for 2004 and under \$800,000 for 2003 and 2002 and a loss taken in 2003 and 2002. Enclosed please find the tax returns for the last 3 years.

The Nevada Newsmaker program began airing in August, 2002 with 16 programs airing per month. Our advertisers pay a per show dollar amount which covers the taping of the show, talent appearing and a portion of the television cost built in. Due to the political nature of this program, it is very difficult to keep advertisers monthly depending on the time of the year and has a very limited advertiser base. We feel that the closed captioning cost would be a huge burden due to the show not turning a huge profit the whole time it has been on the air.

With each new venture of creating a new program, we have found that advertisers are only willing to pay a certain amount. We are afraid that the cost of closed captioning will shut down our programs before we can begin.

The above show barely helps finance the corporation's overhead costs. We estimate that contracting with an outside source for closed captioning will be an additional \$8,000/month. We are unable to afford this at this time, however, we will constantly strive to find additional ways to relieve the undue burden of closed captioning.

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In addition to our request based upon the undue burden standard, Sam Shad Productions argues that the Nevada Newsmakers program is exempt from captioning under 47 U.S.C. §79.1(d)(11) because captioning expenses would exceed 2 percent of gross revenues. In 2004, we received \$900,000 in gross receipts. If our company paid the \$8,000 per month to caption the program, this expense would amount to twelve percent of our annual receipts.

We request an exemption from closed captioning for the above stated reasons. Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Samuel M. Shad". The signature is written in black ink and is positioned above a horizontal line that serves as a separator between the signature and the typed name below.

Samuel M. Shad
President

Form **1120S**

U.S. Income Tax Return for an S Corporation 2002

OMB No. 1545-0130

IRS use only — Do not write or staple in this space.

Do not file this form unless the corporation has timely filed Form 2553 to elect to be an S corporation. See separate instructions.

For calendar year 2002, or tax year beginning 2002, and ending

A Effective date of election as an S corporation 01/01/96	Use IRS label. Otherwise, print or type.	Name BONSAM, INC.	C Employer identification number [REDACTED]
B Business code no. (see instructions) 812990		Number, street, and room or suite no. (If a P.O. box, see instructions) P.O. BOX 10853	D Date incorporated 01/01/96
		City or town State ZIP code RENO NV 89510	E Total assets (see instructions) \$ 155,948.

F Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return

G Enter number of shareholders in the corporation at end of the tax year **2**

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

I N C O M E	1a	Gross receipts or sales	751,775.	b	Less returns and allowances		c	Bal	1c	751,775.
	2	Cost of goods sold (Schedule A, line 8)		2			2		550,543.	
	3	Gross profit. Subtract line 2 from line 1c		3			3		201,232.	
	4	Net gain (loss) from Form 4797, Part II, line 18 (attach Form 4797)		4			4			
	5	Other income (loss) (attach schedule)		5			5			
	6	Total income (loss). Combine lines 3 through 5		6			6		201,232.	
D E D U C T I O N S	7	Compensation of officers		7			7		40,000.	
	8	Salaries and wages (less employment credits)		8			8			
	9	Repairs and maintenance		9			9			
	10	Bad debts		10			10			
	11	Rents		11			11		48,000.	
	12	Taxes and licenses		12			12		3,910.	
	13	Interest		13			13		2,860.	
	14a	Depreciation (if required, attach Form 4562)		14a		2,845.	14a			
	b	Depreciation claimed on Schedule A and elsewhere on return		14b			14b			
	c	Subtract line 14b from line 14a		14c			14c		2,845.	
	15	Depletion (Do not deduct oil and gas depletion.)		15			15			
	16	Advertising		16			16			
	17	Pension, profit-sharing, etc. plans		17			17		1,200.	
	18	Employee benefit programs		18			18			
	19	Other deductions (attach schedule) See Other Deductions.		19			19		77,755.	
20	Total deductions. Add the amounts shown in the far right column for lines 7 through 19		20			20		176,570.		
21	Ordinary income (loss) from trade or business activities. Subtract line 20 from line 6		21			21		24,662.		
T A X A N D P A Y M E N T S	22	Tax: a Excess net passive income tax (attach schedule)	22a			22a				
	b	Tax from Schedule D (Form 1120S)	22b			22b				
	c	Add lines 22a and 22b (see instructions for additional taxes)	22c			22c				
	23	Payments: a 2002 estimated tax payments and amount applied from 2001 return	23a			23a				
	b	Tax deposited with Form 7004	23b			23b				
	c	Credit for Federal tax paid on fuels (attach Form 4136)	23c			23c				
	d	Add lines 23a through 23c	23d			23d				
24	Estimated tax penalty (see instructions for lines 22, 23a, and 23c)	24			24					
25	Tax due. If line 23d is larger than line 24, enter amount owed. See instructions for depository method of payment	25			25					
26	Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid	26			26					
27	Enter amount of line 26 you want: Credited to 2003 estimated tax Refunded	27			27					

Sign Here

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

Signature of officer _____ Date _____ Title _____

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer's Use Only	Preparer's signature Gene H. Clawson	Date 03/03/03	Check if self-employed <input checked="" type="checkbox"/>	Preparer's SSN or PTIN [REDACTED]
	Firm's name (or yours if self-employed), address, and ZIP code GENE H. CLAWSON, CPA 1755 E. PLUMB #100 RENO NV 89502	EIN [REDACTED]	Phone no. (775) 322-6626	

U.S. Income Tax Return for an S Corporation

OMB No. 1545-0130

Department of the Treasury
Internal Revenue Service

▶ Do not file this form unless the corporation has timely filed Form 2553 to elect to be an S corporation.
▶ See separate instructions.

2003

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

A Effective date of election as an S corporation 01/01/96	Use the IRS label. Otherwise, print or type.	Name BONSAM, INC.	C Employer identification number [REDACTED]
B Business code number (see instructions) 812990		Number, street, and room or suite no. (If a P.O. box, see instructions) P.O. BOX 10853	D Date incorporated 01/01/96
		City or town RENO	E Total assets (see instructions) \$ 108,511.
		State ZIP code NV 89510	

F Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return

G Enter number of shareholders in the corporation at end of the tax year ▶ 1

Caution: Include *only* trade or business income and expenses on lines 1a through 21. See the instructions for more information.

I N C O M E	1a	Gross receipts or sales	723,421.	b	Less returns and allowances		c	Bal ▶	1c	723,421.
	2	Cost of goods sold (Schedule A, line 8)					2		631,217.	
	3	Gross profit. Subtract line 2 from line 1c					3		92,204.	
	4	Net gain (loss) from Form 4797, Part II, line 18 (attach Form 4797)					4			
	5	Other income (loss) (attach schedule) ... See Other Income (Loss)					5		8,448.	
	6	Total income (loss). Add lines 3 through 5					6		100,652.	
D E D U C T I O N S	7	Compensation of officers				7		40,000.		
	8	Salaries and wages (less employment credits)				8				
	9	Repairs and maintenance				9		7,809.		
	10	Bad debts				10		4,380.		
	11	Rents				11		8,990.		
	12	Taxes and licenses				12		4,551.		
	13	Interest				13		7,101.		
	14a	Depreciation (Attach Form 4562)		14a	2,780.					
	b	Depreciation claimed on Schedule A and elsewhere on return		14b						
	c	Subtract line 14b from line 14a				14c		2,780.		
	15	Depletion (Do not deduct oil and gas depletion.)				15				
	16	Advertising				16				
	17	Pension, profit-sharing, etc, plans				17		1,200.		
18	Employee benefit programs				18					
19	Other deductions (attach schedule) ... See Other Deductions				19		73,447.			
20	Total deductions. Add the amounts shown in the far right column for lines 7 through 19				20		150,258.			
21	Ordinary income (loss) from trade or business activities. Subtract line 20 from line 6				21		-49,606.			
T A X A N D P A Y M E N T S	22	Tax: a Excess net passive income tax (attach schedule)		22a						
	b	Tax from Schedule D (Form 1120S)		22b						
	c	Add lines 22a and 22b (see instructions for additional taxes)				22c				
	23	Payments: a 2003 estimated tax payments and amount applied from 2002 return		23a						
	b	Tax deposited with Form 7004		23b						
	c	Credit for Federal tax paid on fuels (attach Form 4196)		23c						
	d	Add lines 23a through 23c				23d				
24	Estimated tax penalty (see instructions). Check if Form 2220 is attached				24					
25	Tax due. If line 23d is smaller than the total of lines 22c and 24, enter amount owed				25					
26	Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid				26					
27	Enter amount of line 26 you want: Credited to 2004 estimated tax ▶				27		Refunded ▶			

Sign Here

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

Signature of officer _____ Date _____ Title _____

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer's Use Only

Preparer's signature: Gene H. Clawson Date: 03/15/04 Check if self-employed Preparer's SSN or PTIN: [REDACTED]

Firm's name (or yours if self-employed), address, and ZIP code: GENE H. CLAWSON, CPA
1755 E. PLUMB #100
RENO NV 89502

EIN: [REDACTED] Phone no. (775) 322-6626

Form **1120S**

Department of the Treasury
Internal Revenue Service

U.S. Income Tax Return for an S Corporation

▶ Do not file this form unless the corporation has timely filed Form 2553 to elect to be an S corporation.
▶ See separate instructions.

OMB No. 1545-0130

2004

For calendar year 2004, or tax year beginning , 2004, and ending ,

A Effective date of S election 01/01/96	Use the IRS label. Otherwise, print or type.	Name BONSAM, INC.	C Employer identification number [REDACTED]
B Business code number (see instructions) 812990		Number, street, and room or suite no. (If a P.O. box, see instructions.) P.O. BOX 10853	D Date incorporated 01/01/96
		City or town, state, and ZIP code RENO NV 89510	E Total assets (see instructions) \$ 228,461.

F Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return

G Enter number of shareholders in the corporation at end of the tax year ▶ 1

Caution: Include *only* trade or business income and expenses on lines 1a through 21. See the instructions for more information.

I N C O M E	1a	Gross receipts or sales	865,626.	b	Less returns and allowances		c	Bal	▶	1c	865,626.	
	2	Cost of goods sold (Schedule A, line 8)		2						2	775,719.	
	3	Gross profit. Subtract line 2 from line 1c		3						3	89,907.	
	4	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)		4						4		
	5	Other income (loss) (attach schedule)		5						5		
	6	Total income (loss). Add lines 3 through 5		6						▶	6	89,907.
D E D U C T I O N S	7	Compensation of officers		7						7	40,000.	
	8	Salaries and wages (less employment credits)		8						8		
	9	Repairs and maintenance		9						9	4,624.	
	10	Bad debts		10						10	1,392.	
	11	Rents		11						11	7,814.	
	12	Taxes and licenses		12						12	4,504.	
	13	Interest		13						13	28,566.	
	14a	Depreciation (attach Form 4562)		14a		3,211.						
	b	Depreciation claimed on Schedule A and elsewhere on return		14b								
	c	Subtract line 14b from line 14a		14c						▶	14c	3,211.
	15	Depletion (Do not deduct oil and gas depletion.)		15							15	
16	Advertising		16							16		
17	Pension, profit-sharing, etc. plans		17							17		
18	Employee benefit programs		18							18	1,200.	
19	Other deductions (attach schedule) * STMT		19							19	82,153.	
20	Total deductions. Add the amounts shown in the far right column for lines 7 through 19		20						▶	20	173,464.	
21	Ordinary business income (loss). Subtract line 20 from line 6		21							21	-83,557.	
T A X A N D P A Y M E N T S	22	Tax: a Excess net passive income tax (attach schedule)	22a							22c		
	b	Tax from Schedule D (Form 1120S)	22b									
	c	Add lines 22a and 22b (see instructions for additional taxes)										
	23	Payments: a 2004 estimated tax payments and amount paid from 2003 return	23a								23d	
b	Tax deposited with Form 7004	23b										
c	Credit for Federal tax paid on fuels (attach Form 4136)	23c										
d	Add lines 23a through 23c											
24	Estimated tax penalty (see instructions). Check if Form 2220 is attached		24						▶	24		
25	Tax due. If line 23d is smaller than the total of lines 22c and 24, enter amount owed		25							25		
26	Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid		26							26		
27	Enter amount of line 26 you want: Credited to 2005 estimated tax		27						▶	27		

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

Sign Here

Signature of officer _____ Date _____ Title _____

May the IRS discuss this return with the preparer shown below (see instructions)?
 Yes No

Paid Preparer's Use Only	Preparer's signature [Signature]	Date 03/04/05	Check if self-employed <input checked="" type="checkbox"/>	Preparer's SSN or PTIN [REDACTED]
	Firm's name (or yours if self-employed), address, and ZIP code GENE H. CLAWSON, CPA 1755 E. PLUMB #100 RENO NV 89502	EIN [REDACTED]	Phone no. (775) 322-6626	

RECEIVED & INSPECTED
JUL 31 2006
FCC - MAIL ROOM

I Samuel M Shad due solemnly swear that the written statement of facts I provided are true and correct to the best of my knowledge before a notary public. I swear to the truth and accuracy of the statement contained in the affidavit.

State of Nevada

County of Washoe

Signed and sworn to (or affirmed) before me on 7/5/06 (date) by SAMUEL M SHAD (name(s) of person(s) making statement)

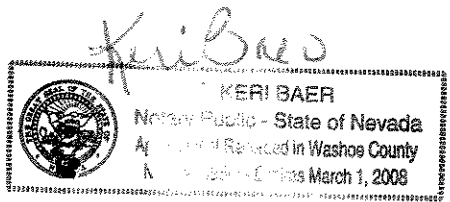
Samuel M. Shad

Notary Public

Title (and Rank): Notary

Printed Name: KERI BAER

My Commission Expires: 3/1/08



FOR REFERENCE: CGB-CC-0061
SAM SHAD PRODUCTIONS

EXEMPTION FROM THE CLOSED CAPTIONING REQUIREMENTS FOR ITS PROGRAM "NEVADA NEWSMAKERS" BASED ON THE UNDUE BURDEN STANDARD SET FORTH IN THE COMMISSION'S RULE.



Federal Communications Commission
Washington, D.C. 20554

January 25, 2006

Reference: CGB-CC-0061

Sam Shad Productions
Samuel M. Shad
P.O. Box 10853
Reno, NV 89510

Dear Mr. Shad,

The Federal Communications Commission received the petition you filed on behalf of Sam Shad Productions, dated December 12, 2005, seeking an exemption from the closed captioning requirements for its program "Nevada Newsmakers" based on the undue burden standard set forth in the Commission's rules.

The petition states that Sam Shad Productions, and its program "Nevada Newsmakers", should be exempt from the closed captioning rules pursuant to Section 79.1(d)(11) which exempts "captioning expense in excess of 2 percent of gross revenues." This self implementing exemption states, "[n]o video programming provider shall be required to expend any money to caption any video programming if such expenditure would exceed 2 percent of the gross revenues received from that channel during the previous calendar year." You state that you believe captioning would constitute a cost equal to 12% of your annual receipts. We note that this exemption is applicable on a *per-channel basis*, as opposed to applying to individual program providers. In addition, for providers whose programming is exempt under Section 79.1(d)(11), they must expend an amount up to 2% of their gross revenues on closed captioning.

Without addressing the merits of your petition based on the undue burden standard, we note that the petition is incomplete because your petition must be, but is not, supported by affidavit. Without this documentation, which is required under the Commission's rules, it is impossible for the Commission to determine whether Sam Shad Productions has sufficiently justified an exemption from the closed captioning requirements based on the undue burden standard for its program "Nevada Newsmakers."

We request that you promptly supplement the petition with the requested documentation. To assist you in supplementing your petition, enclosed is a copy of the Commission rule governing the filing and processing of petitions for exemption from the closed captioning requirements. Additional information also is available on the web at www.fcc.gov/cgb/dro/caption_exemptions.html.

Please note that your petition remains pending. Pursuant to the Commission's rules, while your petition is pending before the Commission, the video programming that is the subject of the petition is considered exempt from the closed captioning requirements.

Please include the case identifier number CGB-CC-0061 in all correspondence with the Commission regarding this matter. Please send an original and two copies of the supplementary material to

Amelia Brown, Disability Rights Office
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Please follow the directions found on the above website for mailing or delivering materials to the Commission. Any inquiries regarding this matter should be directed to Amelia Brown at (202) 418-2799 (voice), (202) 418-7804 (TTY), or Amelia.Brown@fcc.gov. Please refer to the case identifier number in any email correspondence or phone conversations with Commission staff.

Sincerely,



Amelia Brown
Senior Attorney
Disability Rights Office
Consumer & Governmental
Affairs Bureau