

From: "jeffrey E." <jeevacation@gmail.com>

To: "James P. McGee" <[REDACTED]>

Subject: Re: WVWI Follow Up

Date: Sun, 19 Feb 2017 10:49:00 +0000

thanks jim. as i said i only want numbers. cost to rebuild number of employees, i need the current financials and those for the past 5 years. revenue models. biz plan. etc. one thing is not to make any money, another is to go into a black pit

On Sun, Feb 19, 2017 at 5:13 AM, James P. McGee <[REDACTED]> wrote:

Jeffery:

I know that you don't like getting lengthy emails (You and I are a lot alike that way) but you also wanted the detailed background information on the Radio Station situation, so here it is.

As discussed, and as you requested, I am providing you the additional details around Radio ONE (1000 AM) with respect to the asking price by Gordon Ackley, as well as the 'inside baseball' around the purpose of his selling and the realistic costs associated with respect to the asset and what the expected goals of such a project would be.

With regard to his "Asking Price" / My information comes from a person who intricately involved with Gordon and serving as the most appropriate "go between" for us during these discussions. Gordon is currently looking for \$250,000.00 at this time, which would get us the following:

- The WVWI FCC license;
- The VI Port Authority Lease of the Crown Bay Studio location;
- The Lease of the Property on Hillside where two dishes are located;
- The transmitter tower and a sliver of real estate that is also leased from the same person who holds the lease on the dish location.

As far as we know, the Sale Price does not currently include the KISS FM 101.3 Frequency but that is something we can inquire about (and we should). It should be noted though that this still is essentially a "Fire Sale Price" that Gordon is offering, based on what my current intel informs me is [REDACTED] desire to divest from a number of his current holdings in the USVI.

As far we know right now, the same infrastructure is generally in place since 1995 with a hodge-podge of computer upgrades here and there. The facility remains mainly analog driven (not digitally driven) by Orban Processing and a set of 5,000 Watt and 1,000 Watt transmitters.

At the heart of the operation is the automation program framework in place since the mid 1990's, which is known as DAD by ENCO. Hardware and software upgrades are likely needed. The 360 Systems Audio Switching and routing is probably also obsolete.

I also coordinated an outreach to Tom Ray, who was the primary consultant that built and installed the original studios, audio chain system, and transmitters in 1995/1996 and also served as technical advisor around maintenance and minor upgrades for about ten (10) years. Things went in a completely different direction after Ackley acquired the stations in 2006, which is why it is anticipated that there will be upgrades needed over time to bring the Station up to date. The Analysis by Tom Ray has also been attached for your review with this email summary.

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Just to be clear with you about this Venture, and what the thought process behind it really is: I do not envision starting out on this project with it being a "money-maker" / Not at first anyway / It very well could be profitable with some well thought out/creative ideas and some well executed strategies around the asset but Gordon Ackley has done a remarkable job taking what was once a very profitable company and set of Radio Stations and turned them completely upside down and into losing ventures. Current intel says that he and his wife have simply been using them as a loss for tax write off purposes for a number of years now, which is another reason why he wants to unload.

In the beginning, this is a "Break-Even Venture" with a very different goal in mind. What this is all initially really about is the ability to be directly involved in developing, reporting, and shaping the News in the Virgin Islands (A full year ahead of when it will matter the most). There has not been a "true news presence" on the radio airwaves for some time now, even though 21% of Virgin Islanders still get their News from Radio and 61% of Virgin Islanders still believe that the News is being reported accurately (even with all of the craziness that has gone on down there over the last two years). There exists a real opportunity to re-establish a true "radio news presence" that will have a direct effect on the Virgin Islands Electorate (Particularly the "Older and More Reliable Good Voters" who still listen to radio and who Vote consistently).

What we are talking about is the 1000 AM Frequency (Right in the Middle of the Dial), which at one point in time was "The Go to News Channel" for Virgin Islanders and it very well can be, once again, with a little bit of effort. As I referenced earlier, Ackley has done a remarkable job of getting away from what made the Station great and what made it such a strong outlet for Virgin Islanders to get their local news and politics from (See the Attached Sample Radio Schedule/Line Up that is currently in place at Radio One, which shows how weak it has become).

The re-establishment of the presence of Radio One as the premier Radio News Outlet for the territory is definitely doable if the right team is put in place and I believe that I have quietly pulled together the right team, which includes the individual referenced earlier, Tom Ray, who could rebuild the studios properly over time, a Station Manager, who knows how to rebuild the News Operations for the station, and potential Radio News and Commentary personalities who could definitely drive listenership back up.

There are also people that are definitively interested in doing this project with me. It is essentially a "true foot in the door" around the local news media and political commentary for the territory. I thought of discussing this with you first because, like me, you prefer to do things behind the scenes and not in the public eye at all. While this will be a Newgrange Venture, I fully intend to have others out in front, whether it be the Station Management, or the Radio Personality Talent I am going to have others out in front on this, just as I have been doing for the last ten (10) years down there.

That's the Summary. If you are interested let me know. If not, I only ask that you keep this discussion confidential. I fully understand the opportunity that is being presented for what is a fraction of what the asset was worth just 10 years ago so I am definitely going to pursue it with a very clear eye on the future, which includes next year, and focusing on the goals of what this could mean in the short and long term future.

Let me know if you wish to discuss further and, if so, when would be a good time to talk.

McGee

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please note

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