

OP 2004-26-050

**THOMAS J. WEGS**

Attorney at Law  
Suite 1100 Trinity Place - 1801 Broadway  
Denver, Colorado 80202  
Telephone (303) 292-0110 - Fax (303) 292-0522  
Email - [twegs@earthlink.net](mailto:twegs@earthlink.net)

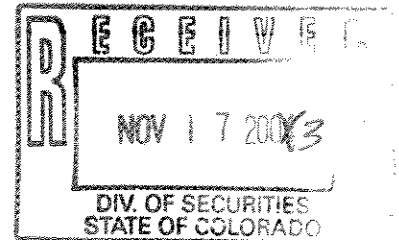
November 14, 2003

Mr. Rich Djokic  
Deputy Securities Commissioner  
1580 Lincoln, Suite 420  
Denver, CO 80203

Re: Section 51.3.14 Colorado Blue Sky Regulations

Via fax and mail

Dear Mr. Djokic:



Please be advised that this office represents Coughlin and Company as Bond Placement Agent in a new proposed offering of a Wisconsin Non-Profit Corporation, Starboard Media Foundation, Inc. It is issuing bonds in a amount of \$3,190,000 under an Indenture dated November 15, 2003. The amount of the issue proposed to be sold in Colorado is in the amount of just over \$200,000 or less than 10%.

The germane section of 51.3.14(C) calls for a Deed of Trust to secure the offering. In this case there is going to be an irrevocable Letter of Credit securing the offering as long as there are any outstanding bonds. This in fact is a higher level of security and easier to call upon if needed than to foreclose upon a Deed of Trust. Accordingly, we would respectfully request a discretionary exemption ruling from your office in this matter.

The transaction is currently scheduled to close on November 24, 2003. I spoke earlier today with Sheryl Lemon on this matter and she suggested that I address my request to you directly. I am sending this by fax this afternoon and also by mail enclosing my check # 2640 for \$100 payable to the Colorado State Treasurer.

Thank you in advance for your cooperation in this regard,

  
Thomas J. Wegs

# STATE OF COLORADO

## Division of Securities

Department of Regulatory Agencies

1580 Lincoln, Suite 420

Denver, Colorado 80202

Phone: (303) 894-2320

TDD/V: (303) 894-7880

FAX: (303) 861-2126

Fred J. Joseph  
Securities Commissioner



Bill Owens  
Governor

Richard F. O'Donnell  
Executive Director

December 29, 2003

Thomas J. Wegs, Esq.  
1801 Broadway, Suite 1100  
Denver, Colorado 80202

**RE: Starboard Media Foundation, Inc.**  
**File Nos. A-004-002 and OP 2004-26-050**

Dear Mr. Wegs:

The staff of the Division of Securities ("Staff") is in receipt of your letter dated November 14, 2003, regarding the above-referenced matter. As counsel for Coughlin and Company, the Bond Placement Agent for Starboard Media Foundation, Inc. ("Starboard"), you request the issuance of a discretionary exemption from securities registration under Securities Division Rule 51-3.14 promulgated under the Colorado Securities Act ("Act") in connection with the proposed offer and sale of general obligation bonds by Starboard, which offering is to be conducted pursuant to a prospectus dated December 10, 2003 ("Prospectus").

According to the representations in your letter, and the Prospectus, we understand that Starboard is a non-profit corporation organized under the laws of the State of Wisconsin on August 15, 2000, and is a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code. Starboard acquires and operates a network of local radio stations, develops and broadcasts network and local Catholic programming and funds all of its activities through national and community donors, lenders, business sponsor and listener support.

Starboard proposes to issue New Evangelization General Obligation Debentures, Series 1 ("Bonds"), in the aggregate principal amount of \$3,190,000 pursuant to an Indenture dated as of November 15, 2003, and executed by Starboard to the Bank of Cherry Creek as Trustee. As security for the Bonds, Starboard intends to obtain an irrevocable standby letter of credit to secure payment of the principal and interest up to an amount of \$3,190,000. The letter of credit must be issued by an institution with a long term rating of at least "A" by Moody's Investors Services, Inc. or at least "A" by

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Standard & Poor's, and will be issued in favor of the Trustee for the benefit of bondholders, and payable upon notice of default by the Trustee as to any payment of principal or interest relative to the Bonds. In addition, the letter of credit will be noncancellable and periodically renewable for a term of at least one year prior to its expiration. If not renewed, the Trustee shall be authorized to draw upon the letter of credit before it expires for the benefit of bondholders. In the event the amount of the letter of credit, upon issuance, is less than the outstanding principal balance of the Bonds, Starboard shall place funds in a "debt service reserve fund" equal to the difference between the amount of the letter of credit and the outstanding principal amount of the Bonds. Finally, if the letter of credit, and any reserve fund deposit, is not obtained or made by February 1, 2004, the Bonds will be redeemed in full.

Based on the representations in your letter, and as contained in the Prospectus, the Staff will not recommend to the Securities Commissioner that formal enforcement proceedings be initiated against Starboard or the Placement Agent in connection with their reliance on the exemption from securities registration found in Rule 51-3.14 relative to the offer and sale of the Bonds in Colorado, provided, however, that the terms and conditions as represented above are incorporated in, and made a part of, the letter of credit.

It should be noted that by this letter, the Staff only expresses its opinion as to the recommendation of formal enforcement proceedings under the Act and does not purport to express any formal opinion or conclusion. Also, it should be noted that the position taken is done so based on the facts as presented, and any change in those facts or circumstances described might require a different response. Finally, the position taken by the Staff is limited to the exemption from securities registration described above, and does not express an opinion or position regarding any other provision of the Act.

If there are any questions, please contact the undersigned.

Sincerely,



Richard Djokic  
Deputy Securities Commissioner