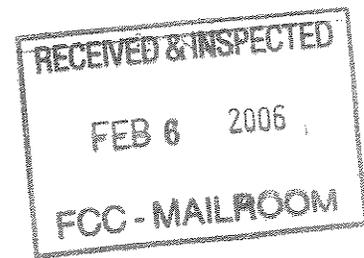


CGB CC-0416

**DK Productions Inc.**  
1931 s.w. 5th St.  
Lee's Summit, MO. 64081  
816-525-8326

Jan. 25<sup>th</sup>, 2006

Commission's Secretary, Office of the Secretary  
Federal Communications Commission  
Attention: CGB Room 3-B431.  
445 12<sup>th</sup> Street SW  
Washington, DC 20554



**Comes now, Daniel J. Kraemer owner/president of DK Productions Inc. with petition for exemption from Closed Captioning Requirements as set for in the commissions rules 47 C.F.R. § 79.1.**

### **Introduction**

Daniel Kraemer, founding owner / president of DK Productions Inc. produces a local real estate advertising show in the Kansas City market. The business was founded in late 2003.

Request for exemption is founded on 2 "undue burden" situations:

1. Financial
2. Hindrance to view information on screen.

### ***The nature and cost of the closed captions***

Financial....Current sponsorship drives for help in closed captioning costs are secondary to the requirement of sponsors monies to go towards airtime and production costs. This show is reliant upon large sponsorship monies to get it on the air. Current profit margins are too low to cover the added expenses of Closed Captioning every show. After reviewing several options, it is believed that the lowest cost to Close Caption the show is \$350 for a total of \$10,850 with 31 shows for the year.

### ***The impact on the operation***

Hindrance of view of information already on screen..... As a real estate show, the address/price of home/real estate agent name and phone number/the company logo stays on screen for the entire presentation of the home and takes up the bottom 1/3<sup>rd</sup> of the screen. To start each presentation, the agent photo is shown on screen for 5 seconds in the top right hand part of the screen and some agents have logos to be displayed through out the presentation. Our sponsors have signed contracts with DK Productions Inc. in which we also display their business logo on the top left corner of the screen. The screen has full screen photos of the house behind all this information and is barely balanced between showing all the information and becoming too busy. Anywhere the closed captioning would go, would take away something on screen. Either address information or a logo or the actual pictures of the home advertised. I have enclosed photos taken of the screen to show that all the information on screen is required and any hindrance to view it would cause problems with real estate agents and sponsors.

As described later in this document, there would also be added time to production that will be difficult to meet. Running tapes around town to get captioned, waiting and then getting the tape to the station would cause extra time of between 1 and 2 hours per week and with our current set-up would put stress on the entire production process.

### ***The financial resources of the provider***

Submitted with this petition are the financial reports exported directly from Quickbooks to an excel spreadsheet for the year 2005. Included are:

1. Profit and Loss statement
2. Balance sheet as of Jan. 24<sup>th</sup> 2006
3. Statement of Cash flow 2005

## ***The type of operations of the provider***

The full production of the show requires 80-100 hours per week to:

Photograph the homes / write the voiceover / get it to the editor / put it all together / proof the show after initial completion / take final product to the dub station / then to contracted programming station to air. We average approximately 31 shows per year and have 2 types of clients:

1. Real estate agents who pay to advertise the listed home on the show. We provide the professional photography of these homes.
2. Sponsors (businesses in the community) who advertise commercials that are real estate or home services driven. We promote these businesses to the public and real estate agents.

We advertise 45 houses for sale in the KC market each week on the show. We add sponsorship commercials spaced throughout the show and have an on air personality to announce the homes.

Agent money towards the show covers production costs and photography of properties on the show as well as some other office expenses and photography equipment. This year, those costs should be covered as we have gained enough agents business to potentially have a full show every week.

Our Sponsors money is to cover the costs of the airtime (\$2400 per week). Sponsors are obtained and contracted on a yearly basis, As of Jan. 24<sup>th</sup>, 2006 there are only 2 returning sponsors worth \$300 per week. We are approaching sponsors every day in the hopes we can cover airtime costs. We have a long way to go with not much time left. We will most likely start this year's show with a deficit and work throughout the year to gain above those airtime costs and profit. Every year it is a risk with regards to sponsorship retention and profits gained.

### ***Any available alternatives that might constitute a reasonable substitute for the closed captioning requirements, including but not limited to, text or graphic display of the content of the audio portion of the programming.***

Our televised program already has important informational text on screen including the property address for sale/ price of home/real estate agent name and phone number/the company logo stays on screen for the entire presentation. Our current programming is a viable substitute for closed captioning because of the amount of information already available on screen about each property. Anyone who likes the pictures of the house and is interested in more information can use the contact information provided by the on screen text. We have provided pictures of the shows information along with the financials.

### ***Other factors relevant to the Commission's final determination.***

In our voiceover of the show there is no mention of the real estate agents name, the price or the address or phone number. We do this to keep mis-quotes and mistakes from being made in the production process. It is my belief that the people watching with closed captioning would rather see the important information on the screen such as these items and actual images of the property and not the written words to describe them.

As the only employee of the company I founded to create this business opportunity for myself, it is important to note some specific financial restraints that occurred in 2005 that will already hinder 2006's project. I had ACL surgery in January AND my daughter broke her leg in August, which also required surgery. I do have insurance but still am over \$7,000.00 in just medical debt incurred over the past year plus loans needed to survive the rough times (first 2 years of business). I have been unable to pay any medical debt as the show is not yet profitable enough to pay all the "normal life" bills AND have extra to pay any debts.

***Other factors relevant to the Commission's final determination.***(continued)

I am a single parent with custody of a 16 year old girl and have been strained the past few years with balancing fatherhood and the requirements of the television show project on very little money and no working capital. Sacrifices are too many to mention. Working out of the house helps but eventually, would like to see the business grow enough to hire atleast 2 people to take a portion of the hours required to do the show. I currently do everything from the photography of each property to create voiceovers and customer service to 2 kinds of clients, data entry in Quickbooks and all the federal/state and local requirements to run a business, etc..etc..etc.. There is not enough time in the week to add Closed Captioning into the very tight production process. Not to mention that the money would be better served being put into creating positions within the company that would aid in the growth of the business or paying the doctors who did a great job fixing the physical problems had by my daughter and I. Current set-up with me as the only employee does not give enough time to grow the business to create a stable company and life.

Paying myself any extra profit in the company is how I have been paying my mortgage/car/etc etc etc. 2005 income from DK Productions was \$33,530. That's the profit that I was able to pay myself but I did take over \$3,000 in trade out of services that count as income. The added costs of \$10,850 would cut this income by 1/3<sup>rd</sup>. Looking at the status of the company, the added costs would also exceed the 2% percent of the gross revenues. 79.1 d(11)

I believe this show could also fall under the 79.1 d (8) exemption. A locally produced and distributed non-news programming with no repeat value. Although we can repeat sponsors commercials and agents houses, we cannot repeat any full show after that weekend because open house information will change on a weekly basis. The agent has a choice to either advertise the open house times or to simply call the on screen phone number for more information.

The financial burden discussed certainly is important but adding Closed Captioning would also take away from the presented information aired on the program and is almost certain to upset clients because their information would be obstructed. The most important information is already using space on the screen and the pictures of the homes are the best quality in the market. Closed Captioning the show would make the pictures almost unviewable when added with the other information already on screen.

It is my request that you grant an exemption due to undue burden it would place on the business as well as my own personal financial survival.

For the reasons stated above, DK Productions Inc. and Daniel J. Kraemer respectfully requests that Kansas City's Top Realtors Showcase of Homes be exempt from the closed captioning rules based on "Undue Burden" pursuant to 79.1 (f) of the Commissions rules.

Sincerely,  
Daniel Kraemer Executive Producer  
DK Productions Inc.  
www.toprealtortv.com 816-525-8326  
Kansas City's Top Realtors Showcase of Homes

GENERAL AFFIDAVIT

State of Missouri  
County of Jackson

BEFORE ME, the undersigned Notary, Melanie York, on  
this 27th day of JANUARY, 2006, personally appeared DANIEL KRAEMER,  
known to me to be a credible person and of lawful age, who being by me first duly sworn, on \_\_\_\_\_  
oath, deposes and says:

All information provided in the petition for exemption of closed captioning rules and financial numbers  
are true and correct.

Daniel Kraemer  
(signature of petitioner)

DANIEL KRAEMER

1931 SW 5TH ST.

Lee's Summit, MO. 64081

Subscribed and sworn to before me, this 27th day of JANUARY, 2006.

Melanie York  
[Notary]

MELANIE YORK  
[typed name of Notary]

NOTARY PUBLIC

My commission expires: 426, 2007.

MELANIE YORK  
Notary Public - Notary Seal  
STATE OF MISSOURI  
Jackson County  
My Commission Expires Apr. 26, 2007

**DK Productions, Inc.**  
**Statement of Cash Flows**  
January through December 2005

	<u>Jan - Dec 05</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	25,524.83
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	<u>3,717.50</u>
Net cash provided by Operating Activities	<u>29,242.33</u>
<b>FINANCING ACTIVITIES</b>	
AAA Distributions	<u>-32,130.00</u>
Net cash provided by Financing Activities	<u>-32,130.00</u>
Net cash increase for period	-2,887.67
Cash at beginning of period	<u>3,791.12</u>
Cash at end of period	<u><u>903.45</u></u>

**DK Productions, Inc.**  
**Balance Sheet**  
As of January 24, 2006

Jan 24, 06

**ASSETS**

Current Assets

Checking/Savings

Checking

429.78

Total Checking/Savings

429.78

Accounts Receivable

Accounts Receivable

582.50

Total Accounts Receivable

582.50

Total Current Assets

1,012.28

Fixed Assets

Equipment

3,682.00

Office Equipment

6,279.35

Accumulated Depreciation

-8,655.00

Total Fixed Assets

1,306.35

Other Assets

Organization Expense

969.50

Accumulated Amortization

-194.00

Total Other Assets

775.50

**TOTAL ASSETS**

3,094.13

**LIABILITIES & EQUITY**

Liabilities

Current Liabilities

Other Current Liabilities

General Journal

-3,568.73

Total Other Current Liabilities

-3,568.73

Total Current Liabilities

-3,568.73

Total Liabilities

-3,568.73

Equity

AAA Distributions

-33,530.00

Capital Stock

100.00

Retained Earnings

40,001.53

Net Income

91.33

Total Equity

6,662.86

**TOTAL LIABILITIES & EQUITY**

3,094.13

**DK Productions, Inc.**  
**Profit & Loss**  
January through December 2005

	<u>Jan - Dec 05</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Returned Check Charge	35.00
Credit Surcharge	19.00
Website Listing	1,020.00
Invoice for returned check	255.00
Contracted Agent Signup Fee	600.00
Refund..	66.26
Advertising	640.00
Advertising Sponsorship	77,825.00
Credit on Account	-20.00
Fees	1,290.00
New Listing	29,624.50
Photos	2,482.50
Rebates	20.00
Repeat Listing	29,640.00
Sales	1,070.00
Services	120.00
<b>Total Income</b>	<u>144,687.26</u>
<b>Cost of Goods Sold</b>	
voiceover	512.50
Production of show	38,455.83
photography of homes	2,000.00
Photo equipment	50.00
KMBC	1,275.00
<b>Total COGS</b>	<u>42,293.33</u>
<b>Gross Profit</b>	102,393.93

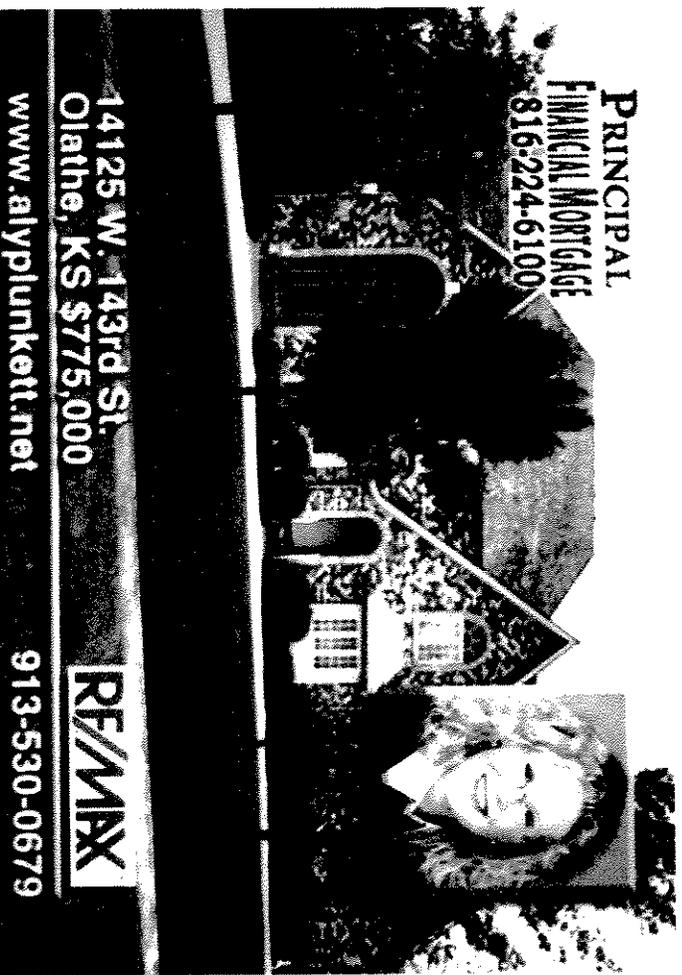
DK Productions, Inc.  
**Profit & Loss**  
January through December 2005

	<u>Jan - Dec 05</u>
<b>Expense</b>	
QuickBooks Merchant Services	279.64
Bounced Check	880.00
Website	350.00
August 23rd Party	129.39
Digital Camera Equipment	4,174.95
KCWE Channel 9	66,900.00
Copies	111.66
Credit Card	572.97
Refund	-2,146.95
account analysis charge	91.14
Cash Discounts	10.00
cell phone	887.06
<b>Insurance</b>	
Life Insurance	119.28
Liability Insurance	154.00
Insurance - Other	685.42
Total Insurance	<u>958.70</u>
Licenses and Permits	30.00
Office Supplies	44.83
Printing and Reproduction	214.84
reconcile to banks balance	1,830.00
Repairs	
Computer Repairs	389.38
Equipment Repairs	445.96
Total Repairs	<u>835.34</u>
Taxes	
Unemployment Taxes	388.03
Property	157.50
Taxes - Other	370.00
Total Taxes	<u>915.53</u>
void	<u>0.00</u>
Total Expense	<u>77,069.10</u>
Net Ordinary Income	25,324.83
Other Income/Expense	
Other Income	
Other Income	200.00
Total Other Income	<u>200.00</u>
Net Other Income	<u>200.00</u>
Net Income	<u><u>25,524.83</u></u>



Pictures of Screen  
with All Required Information

← 2nd Picture and Show



\* These are the first 2  
 Images shown for each house  
 presented. Full presentation  
 includes 6 total pictures, 2nd picture  
 on show has all similar information  
 as the final 4 images.

← 1st Picture Shows