

PROSPECTUS

for a REVITALIZED KDHX

League Of Volunteer Enthusiasts
Of KDHX, Inc.

INTRODUCTION

KDHX is a St. Louis cultural treasure that has reached a critical fork in the road. Its fortunes have declined precipitously; donors and listeners have abandoned the organization in droves, having lost confidence in its operations. Continuing down this path is leading to the disintegration of KDHX, with prospects, at best, to remain a mere shadow of itself and fail in its decades-long mission to bring the St. Louis community together through music and education. At worst, the organization is just steps away from bankruptcy, as recently stated by its own legal counsel. The League Of Volunteer Enthusiasts (LOVE) propose another path, one that offers great hope. ***The current leadership of KDHX should embrace the solutions brought to it by the new LOVE organization, which has qualified and motivated volunteers who have access to the financial and operational resources to stop the bleeding and reverse the downward spiral.*** It is a golden opportunity, some would say a *fiduciary obligation*, for the current leadership to collaborate with this group and pass the torch to a new, revitalized organization. This is an opportunity to heal all wounds, resolve the financial and organization crisis, and preserve (and strengthen) this treasure of St. Louis. The community is waiting eagerly for such a change and has signaled its support; its renewed confidence and trust in a revitalized KDHX bodes well for its future success.

Moreover, beyond its financial backing, community support, and ready-made team of volunteers, LOVE has a strategic plan. A draft of that plan follows.

EXECUTIVE SUMMARY

Under the ownership and management of the Double Helix Corporation, KDHX was launched in 1987 with a mission: to build community through media. The 88.1 FM frequency has been the heart and soul of that mission. Selling, leasing or transferring that frequency to another entity would be devastating for the community KDHX is dedicated to serve. This proposal outlines a way forward for both Double Helix and KDHX. It addresses organizational challenges, governance issues, and short- and long-term financial concerns. It cannot address every concern. But it is a blueprint for resolving this crisis, revitalizing KDHX, and preserving 88.1 FM for generations to come. Key points:

- Immediately infusing KDHX with capital to stabilize the station's finances. Current capital available through LOVE Inc. is \$200,000.
- Restoring the volunteer ethos and orientation of KDHX as an organization and radio station.
- Restoring the balance of power between the board, volunteers and staff – with a reinvigorated role for Associates in the organization.
- Reorienting programming through a strong Program Committee to focus on quality, originality, and diversity to rebuild KDHX's audience.
- Restructuring the KDHX budget to eliminate excessive and unsustainable costs.
- Put in place a leadership team that has the trust of the community.
- Fair restoration of all dismissed volunteers who wish to return to broadcasting and who are committed to the KDHX mission.
- Launching and sustaining multi-faceted fundraising and capital campaigns that take advantage of the renewed spirit of trust and a commitment to healing the wounds of the past two years.
- Formation of a Blue Ribbon Advisory Board to build capabilities and garner support from the wider community. Leaders of the Blue Ribbon Advisory Board would include: **Gene Dobbs Bradford** (former President & CEO of Jazz St. Louis and current Executive Director of the Savannah Music Festival); **Karen Aroesty** (former Regional Director of the Anti-Defamation League and organizational development expert); **Kathryn Feldt** (Director of the Frank Lloyd Wright House in Ebsworth Park and former corporate gifts leader for the Symphony and the Washington University School of Business); and **Dave Senay** (Former President and CEO of FleishmanHillard).

CONCEPT

The concept of a community radio station in St Louis is not new. KDHX followed a successful model for many years and grew its operations across many subcultures and technologies. Other stations such as KOPN, WSIE and WFMU continue to operate under similar philosophies.

Under its current management, however, KDHX has lost market share, local and listener support, and most detrimental to its operations - revenue.

The League of Volunteer Enthusiasts of KDHX Inc. (LOVE) is a group of volunteers dedicated to the reestablishment of a radio station and broadcasting platform tied to its community and to its values. As a nonprofit organization, we seek to continue independent, non-commercial programming in St Louis.

Historically, the legacy of KDHX as a business is its power to harness volunteer DJs, content providers, and technicians in pursuit of providing a community-centric platform that gives listeners and supporters professionally curated programming rich in arts, entertainment and education. This model was characterized by low personnel costs, direct connection with numerous cultural and artistic sub-communities, and opportunities to interact with a non-local base – including visitors and tourists, touring bands, and former residents.

This model creates programming that is more responsive to its listeners. Unlike commercial radio stations, whose primary revenue stems from advertising, noncommercial radio stations rely on gifts and donations. While the audience may be smaller, the response in terms of that audience is more direct.

Recapturing the trust and spirit of that audience is key. While recent management decisions have been traumatic, they have also revealed and rejuvenated a groundswell of support from the listening community. The time is now to harness that groundswell of love and support.

We believe it is not too late to rededicate KDHX to its principles as a viable nonprofit, with better oversight and execution of its business plan, and more reliance on its core strengths of community.

Key challenges to be addressed:

- Building an operations structure that places volunteers and listeners at the helm
- Regaining the trust and support of the listener and business communities
- Establishing a sustainable model of support and growth by continually analyzing our business model
- Balancing the assets of a terrestrial FM signal with the assets of internet broadcasting and online apps in a way that serves both our audience and our volunteers
- Reestablishing a strategic process that involves the community

PROGRAMMING STRATEGY

The primary business of KDHX is broadcasting and media streaming. While the technical means of FM radio and internet transmission is abundant within our market, KDHX provides programming for a diverse segment of St. Louis that seeks an independent and noncommercial approach.

St. Louis has a long tradition of supporting arts and music outside the mainstream. Popular programming on KDHX reflected genres and artists not typically found on commercial radio with much more attention to new and local artists. These commercially underrepresented genres include blues, reggae, traditional country and bluegrass, folk, hip hop, jazz, international, independent rock, and electronic dance music (EDM). There is an emphasis on education and discovery in these curated programs. Thus, the target audience is both those listeners seeking out a diverse music listening experience, but also those that seek niche programming within a genre. Many host programmers become the touchstone for listeners seeking specific genres and artists although those programs may air only weekly.

A large portion of the KDHX audience values its role as an archive of St. Louis music and arts history. Programming will also reflect that legacy and will reflect an independent and original approach to incorporating that preference in both individual and collective programming. This programming presents a true alternative to the mainstream.

The greatest strength of a revitalized KDHX will be its ability to draw on a seasoned and experienced volunteer cadre that not only provides professional-level programming but also has the ability to recruit, train, and mentor newer, younger DJs who perpetuate the quality and diversity of that programming.

The return of a strong Programming Committee is key to a successful community radio station in this market.

The Programming Committee begins with ensuring that DJs and on-air hosts are scheduled and prepared to broadcast 24 hours a day, 7 days a week. With an eye to continuity and quality while also ensuring diversity of programming, the Programming Committee works to create an overall “sound” of the station.

The Programming Committee assesses and guides our DJs and on-air hosts to ensure compliance with federal and community standards. More importantly, it will help develop the professionalism of their broadcasts and assist in their connections with the community. Regular coaching and mentoring from the committee members will provide feedback and direction as well as assess how to strengthen our overall programming.

The Programming Committee is responsible for recruiting and training new DJs and on-air hosts. Encouraging applications from all sectors of the St Louis community and finding a place for underrepresented voices and genres, without sacrificing quality and training, are the keys to exceptional, independent radio that the whole community will enjoy and benefit from.

REVENUE STREAMS

While profit should never be a motive for a nonprofit corporation like Double Helix or a noncommercial radio station like 88.1 KDHX, fundraising is essential for its operations, sustainability, and development. A renewed KDHX must operate in a way that provides responsible and sustainable operations. Not only does the organization's business model require income to outpace expenditures but the programming, strategic and staffing decisions of the organization must support a sustainable course.

As indicated in the Executive Summary, our Blue Ribbon Advisory Board will advise and advance future fundraising, especially at the corporate and institutional level. This Board will be well-positioned to provide strategy and support to the campaign outreach needed for financial stability and growth.

Our model for sustainable community radio provides a road map for KDHX. It relies on revenue generated from several areas:

- **Gifts and donations from Individuals.** These are most often in the form of cash donations given monthly or in single transactions. Individual donations include bequeathments along with gifts of real or personal property (i.e. vehicles). .
- **Corporate and Group Gifts and Donations.** These are gifts from businesses and other entities that are given directly to the organization on a non-competitive basis.
- **Institutional and Foundation Grants** are those monies received by quasi-government or private institutions and foundations after an application and sometimes competitive process.
- **Underwriting** is revenue derived through the non-promotional on-air and virtual announcements by businesses and other entities similar to advertising. This is a way of businesses providing support while announcing its products and events while showing membership within our community. Although KDHX will likely always have a smaller audience than the larger commercial stations, underwriting is often lower priced and may provide more targeted messaging than commercial stations. Additionally, 250 businesses have expressed disapproval of the current direction of KDHX. A change in leadership will provide an opportunity to partner with these businesses for mid- to long-term underwriting commitments.
- **Promotional Events and Merchandise** include revenue from events either sponsored or presented by KDHX, sales of KDHX merchandise, and other live or virtual events benefiting y KDHX.

- **Management of Current Assets** including revenue from leases, interests on bank accounts or investments.
- **Long-term Lending (Bond Initiatives)** is uncommitted monies lent to the organization with a promise to repay with or without interest.

The key to a sustainable business plan is a diversity of revenue. The current projected revenues for the first year show a balance and a sustainable path as reflected in the attached addendum budget.

Along with our plan for creating revenue, equally important is how that revenue is used. We believe KDHX should parcel its revenue in line with its structure and bases of support. Revenue will also loosely align with three operating funds: Operations, Programming, and Development.

The operations fund will provide for daily operations (including utilities and communications systems), facility management and repair, operational staff salaries and benefits, licenses and permits, insurance, professional and legal services, and other regular business expenses. Funding should be matched to reliable and regular sources such as monthly giving, leases, operational grants and underwriting.

The programming fund will be used to provide for volunteer support, arts and music content development (including internet and app support). Fundings should be matched to regular fund drives, revenue from promotional events and merchandise, and program or event grants.

The development fund will be used as an operational reserve and for capital improvements and long-term projects. This fund will also be the primary source to either purchase a new station or to retire the debt of any station we acquire including KDHX. Funding should be matched to long-term lending or bond initiatives, larger individual gifts and bequeathments, and specific capital fund drives.

ORGANIZATIONAL and OPERATIONAL STRUCTURE

A revitalized Double Helix will govern KDHX. This governance of the organization shall rest with a 15-person board of Directors composed of 6 directors elected by Associates, 6 directors elected by the general membership of listeners and donors, and three at large directors appointed by the Board to provide additional professional expertise and community input. In addition, the station manager and programming coordinator, the principal officers of KDHX, and select others shall serve in an advisory and non-voting capacity.

The operating structure of KDHX shall be divided between two arms - an operations arm (which also contains development) and a programming arm.

The key functions of the operational arm shall reside in a small staff that will be responsible for ensuring smooth daily operations. This includes the maintenance of the FM license, the transmitter, broadcast and production facilities, the internet and technical systems supporting the physical building and related facilities, compliance with FCC and other federal, state and local legal and administrative requirements. Through coordination with the associate membership and communications with the general public, the operational arm provides continuity of certain day-to-day functions. It shall provide administrative support to the general membership.

All programming (radio, online, etc) will be overseen by independent committees composed of volunteer Associate members. Along with community participation on the Board of Directors, the programming arm will also elicit feedback and ideas from the community through an community advisory board of listeners, artists and musicians.

STAFFING REQUIREMENTS

We propose a return to a volunteer-based organization. As such, staffing requirements shall be divided between the operational and programming arms, with paid staff hired to provide coordination and continuity in programming and to primarily oversee integral legal, administrative, engineering, and business functions of the organization.

Furthermore, during a period of transition, volunteers and a limited number of hired managers will helm all major functions (with exception of some technical, engineering related functions). In time, we will launch a wide and expansive search for an experienced station manager and program coordinator dedicated to the concept of community radio and volunteerism. In the meantime, a revitalized KDHX will maintain the engineering and technical expertise with appropriate staffing to continue to operate as a radio and internet station.

Ultimately, we aspire to find a sustainable level of staff. Programming staff hires will be based on the ability to bring in sustained revenues to fill specific roles. A revitalized KDHX will begin a focused intern program in conjunction with local institutes.

We may need to secure services of specialized professional consultants and contractors within engineering, legal, accounting, and other functions, but we will continue to seek volunteer expertise within our community and develop that expertise for strategic and programming functions.

Projected Staff (a mix of full, part time, and contract workers) after Year One of Operations:

Station Manager: Responsible for providing daily oversight of key operations and regular business functions, providing advice and support to the Board of Directors, supervising the paid and intern staff in its duties, and coaching and mentoring the volunteer staff.

Program Coordinator: Responsible for coordinating daily programming, including providing advice and support to the programming and other committees, ensuring all legal and administrative requirements are met, and facilitating other functions to be identified.

Facility/Office Coordinator: Responsible for providing support to staff, ensuring daily operations run smoothly, facilitating key functions (email and communications, building security, deliveries, etc.), and coordinating maintenance and repairs of the physical building and structure.

Programming Technician: Responsible for ensuring operations and maintenance of all transmission, production and technical equipment

Fundraising Coordinator: Responsible for providing support to KDHX's efforts in securing gifts, donations, underwriting – from a wide variety of targets, including corporations, family funds, etc. Primarily responsible for operational grants and for providing expertise and support for programming and event grants. The Fundraising Coordinator will also work closely with the Blue Ribbon Advisory Board.

Publicity/Communication Coordinator: Responsible for facilitating public communications, social and other media messaging, and regular interface with other media outlets.

CONCLUSION

While any plan may be overly optimistic in its assessment of how it will create revenue, project growth, and improve organizational health, we believe that certain immediate steps will necessarily provide financial stability and organizational strength.

- **Change in Management.** With new staff and board leadership in place, many donors who have set aside regular gifts in anticipation of a change will release those donations. A revitalized KDHX will regain much of the market-share lost over the last two years. Grant access and underwriting will reopen.
- **Just Restoration of Terminated and Resigned DJs.** Over a dozen of KDHX's most beloved DJs and strongest fundraisers were let go in 2023. Dozens more walked out. These departures devastated revenue streams. Restoring those DJs and the recently terminated (Jan 31, 2025), who wish to return, will result in an outpouring of support – financial and otherwise.
- **A Recommitment to the Listener Member.** KDHX will re-engage the whole of the St. Louis community and especially its general membership/listenership by connecting to those who have supported the station by all means: by phone, mail, social media, at public events, and during public meetings. We believe in changing operations so that KDHX no longer withdraws from but embraces interactions with its largest revenue base.
- **Return to a Volunteer-Focused Organization.** Over the past several years, most volunteer contributions have been limited to content production and assistance. This eliminated a huge pool of talent and resources. We believe returning to a volunteer-driven ethos will improve programming quality, boost fund drives, and open up new grants and revenue streams from public events (benefit concerts, festivals, art events, trivia nights etc). Volunteers will likely also be able to help with operational situations such as roof leaks, transmission tower fixes, and other necessary improvements/ maintenance.
- **Short and long-term financial responsibility.** This plan provides for a \$200,000 cash infusion to stabilize KDHX upon agreement and fulfillment of terms. It provides clear revenue streams and ways of tapping them. It highlights the role of a Blue Ribbon Advisory Board to advance all fundraising, but especially corporate and institutional giving. Finally, it includes realistic budget projections and comparisons that make it clear the financial future of KDHX need not be calamitous. It can be hopeful, even bright, and provide lasting benefit to the whole community.

Proposal

This prospectus represents an alternate way forward for KDHX Community Media that reconnects with the volunteer Associate Members and the community which has been alienated as of late. We have already secured significant financial support in the form of both pledges and actual donations from backers who support our plan. Our invitation to the current Board of Directors is to take a new path and try a new approach to attempt “to right the ship.”

Generally, we propose the following framework, subject to all involved parties reaching a final agreement on the specific terms:

1. The current Double Helix Board of Directors will facilitate the seating of a new board selected by non-Board Associates of KDHX and from LOVE.
2. The disclosure of full KDHX financials for 2024 and from Jan/Feb 2025 with a clear picture of all debts, obligations, etc.
3. Commitment from the current Board to not sell, transfer, or lease the FM frequency, transmitter, or other major assets of KDHX, nor to enter into any other financial transactions or commit to any other major outlay of funds or other resources.

If the current Board of Directors of Double Helix agrees to meet to discuss this offer and this prospectus, LOVE will immediately establish an escrow and deposit \$100,000 in advance of any negotiations to finalize this succession. Upon request, use of this fund may be available to KDHX while an agreement is finalized. After finalization of an agreement, this escrow fund will be deposited into KDHX's accounts. This deposit will be followed by the remaining \$100,000 infusion called for in the plan.

Our proposal would allow the current Board to meet their fiduciary duty to the organization in seating a new board with a viable business plan. It will relieve individual Board Members of any responsibility in the future of the station. An agreement would also lead to the retirement of any pending legal claims against KDHX and the individual members of its Board of Directors. Most importantly, it would extend the life of KDHX in its current role as a community radio station.

We hope you consider this proposal in the spirit that it is extended - doing what is best for KDHX.

Disclaimer

This is a prospectus. It is not a legally-binding document or formal settlement offer, and is not for execution. It simply provides an overview of the kind of terms that might be included in a final document and to serve as a basis for discussion and negotiation. Consequently, it is subject to change and might not reflect the terms of any such final document.

In issuing this document, LOVE Inc. makes no representation that it will execute any legally binding commitment with the recipient of it and reserves the right to withdraw from discussions or negotiations without incurring any liability at any time prior to any future execution.

The [League of Volunteer Enthusiasts of KDHX](#) (the L.O.V.E. of KDHX), a 501 (c) (3) non-profit organization, was formed at the end of September 2023 to help the station improve its ability to work with volunteers and to increase its connections to the community it serves. The League is committed to the principles of diversity, equity, and inclusion, and believes KDHX can do a great deal beyond mere talking points to improve in all these areas.

ADDENDUMS

Notes on Spreadsheets

KDHX Budget Projections

KDHX KKFI and KOPN Comparison

KOPN FY 2025 Budget

NOTES ON ATTACHED SPREADSHEETS

The attached spreadsheets draw from data provided by the official audited statements of KDHX and comparable community radio stations KKFI (100K watts in Kansas City) and KOPN (32K watts in Columbia, MO). No comparison is perfect, but we believe these are instructive.

These comparisons and this projected budget indicate that, with organizational and fiduciary realignment, there is a sustainable path forward for KDHX.

Our projected budget indicates significant gains, year after year, despite taking a conservative approach of only 1% revenue increases with 3% expense increases.

The budget begins in 2025, with baseline numbers coming from KDHX's 2022 (a fairly representative recent year) revenue and expenses.

Fundraising issues cannot be explained by industry-wide challenges alone.

- The 30% drop-in support appears idiosyncratic to KDHX.
- In 2023, 200 fewer donors contributed to KDHX, a drop of less than 5%. However, major individual donors dropped by 50% from 50 to 24. The corresponding dollar loss of these two groups is 22% and 53%, respectively, per the 2023 CPB Audit Report.
- These donors are obviously reactive to KDHX's direction and likely seek a new direction.

High Cost of Fundraising Relative to Revenue

- KDHX spent \$327K on fundraising in 2023, which amounts to about 44% of its \$740K in donations and underwriting per independent audit.
- By comparison, KKFI spent \$233K to raise \$803K (about 29%), and KOPN spent just \$32K to raise \$433K (about 7%) per the respective independent audits.
- The high fundraising expense at KDHX suggests inefficiency in its fundraising operations and a need for more cost-effective approaches.

Increasing Reliance on Debt to Fund Operations

- Interest costs have exploded as fundraising has declined.
- LOVE is willing to alleviate this short-term debt burden with funds previously donated by former KDHX supporters and commitments to the ongoing capital campaign.