

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	
)	File Number EB-07-RC-005
Rent-A-Center, Inc.)	
)	Acct. No. 200832200003
Plano, TX)	
)	FRN: 0012261228

ORDER

Adopted: June 11, 2008

Released: June 13, 2008

By the Enforcement Bureau:

1. In this Order, we adopt the attached Consent Decree entered into between the Enforcement Bureau (“Bureau”) and Rent-A-Center, Inc. (“Rent-A-Center”). The Consent Decree terminates an investigation by the Bureau against Rent-A-Center for possible violations of Section 15.117(k) of the Commission’s Rules regarding the labeling of television receiving equipment that contains an analog broadcast television tuner but does not contain a digital broadcast television tuner.

2. The Bureau and Rent-A-Center have negotiated the terms of the Consent Decree that resolve this matter. A copy of the Consent Decree is attached hereto and incorporated by reference.

3. After reviewing the terms of the Consent Decree and evaluating the facts before us, we find that the public interest would be served by adopting the Consent Decree and terminating the investigation.

4. In the absence of material new evidence relating to this matter, we conclude that our investigation raises no substantial or material questions of fact as to whether Rent-A-Center possesses the basic qualifications, including those related to character, to hold or obtain any Commission license or authorization.

5. Accordingly, **IT IS ORDERED** that, pursuant to Section 4(i) of the Communications Act of 1934, as amended,¹ and Sections 0.111 and 0.311 of the Commission’s Rules,² the Consent Decree attached to this Order **IS ADOPTED**.

6. **IT IS FURTHER ORDERED** that the above-captioned investigation **IS TERMINATED**.

7. **IT IS FURTHER ORDERED** that Rent-A-Center, Inc. shall make its voluntary contribution to the United States Treasury, as specified in the Consent Decree, by mailing a check or

¹ 47 U.S.C. § 154(i).

² 47 C.F.R. §§ 0.111, 0.311.

similar instrument payable to the order of the Federal Communications Commission, to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000. Payment by overnight mail may be sent to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101. Payment by wire transfer may be made to ABA Number 021030004, receiving bank TREAS/NYC, and account number 27000001. For payment by credit card, an FCC Form 159 (Remittance Advice) must be submitted. When completing the FCC Form 159, enter the NAL/Account number in block number 23A (call sign/other ID), and enter the letters “FORF” in block number 24A (payment type code). Rent-A-Center shall also send electronic notification on the date said payment is made to NER-Response@fcc.gov.

8. **IT IS FURTHER ORDERED** that Rent-A-Center, Inc. will file reports with the Commission ninety days after the Effective Date and on July 9, 2009. Each report shall include a compliance certificate from an officer, as an agent of Rent-A-Center, stating that the officer has personal knowledge that Rent-A-Center has established operating procedures intended to ensure compliance with this Consent Decree, together with an accompanying statement explaining the basis for the officer’s compliance certification. All reports shall be submitted to Kathryn S. Berthot, Chief, Spectrum Enforcement Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, S.W., Washington, D.C. 20554 and by e-mail at Kathy.Berthot@fcc.gov.

9. **IT IS FURTHER ORDERED** that a copy of this Order and Consent Decree shall be sent by first class mail and certified mail, return receipt requested, to Rent-A-Center, Inc., at its address of record.

FEDERAL COMMUNICATIONS COMMISSION

Kris Anne Monteith
Chief, Enforcement Bureau

**Before the
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Rent-A-Center, Inc.)	Acct. No. 200832200003
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Plano, TX)	FRN 0012261228

CONSENT DECREE

1. The Enforcement Bureau (“Bureau”) of the Federal Communications Commission (the “Commission” or “FCC”) and Rent-A-Center, Inc., including its wholly owned subsidiaries (collectively “Rent-A-Center”), by their respective authorized representatives, hereby enter into this Consent Decree for the purpose of terminating the Bureau’s Investigation into Rent-A-Center’s compliance with the Commission’s regulations in 47 C.F.R. § 15.117(k) regarding the labeling of television receiving equipment that contains an analog broadcast television tuner but does not contain a digital broadcast television tuner.

2. For the purposes of this Consent Decree, the following definitions shall apply:

- (a) “Act” means the Communications Act of 1934, as amended, 47 U.S.C. §§ 151 *et seq.*
- (b) “Adopting Order” means an Order of the Commission adopting the terms of this Consent Decree without change, addition, deletion, or modification.
- (c) “Analog-only television receiving equipment” means television receiving equipment that contains an analog broadcast television tuner but does not contain a digital broadcast television tuner.
- (d) “Bureau” means the Enforcement Bureau of the Federal Communications Commission.
- (e) “Citation” means the citations issued by the Bureau or the Commission between May 29, 2007, and the Effective Date alleging violations by Rent-A-Center of Section 15.117(k) of the Commission’s Rules.
- (f) “Commission” or “FCC” means the Federal Communications Commission and all its bureaus and offices.
- (g) “Effective Date” means the date on which the Commission releases the Adopting Order.
- (h) “Investigation” means the investigation initiated by the Bureau regarding Rent-A-Center’s compliance through the Effective Date with Section 15.117(k) of the Commission’s Rules regarding the labeling of television

receiving equipment that contains an analog broadcast television tuner but does not contain a digital broadcast television (“DTV”) tuner.

- (i) “Parties” means Rent-A-Center and the Bureau.
- (j) “Rent-A-Center” means Rent-A-Center, Inc. and its predecessors in interest and its successors in interest.
- (k) “Rules” means the Commission’s regulations found in Title 47 of the Code of Federal Regulations.

I. BACKGROUND

3. To ensure that consumers do not inadvertently buy analog-only television receiving equipment without understanding that such devices will not be capable of receiving off-the-air television reception of digital signals after analog broadcasting ends unless connected to a digital-to-analog converter or a digital subscription service, the Commission adopted rules requiring anyone that sells, offers for sale, or rents television receiving equipment that does not contain a DTV tuner to display a Consumer Alert at the point of sale.³ This requirement also applies to the sale or rent of analog-only television receiving equipment via direct mail, catalog, or electronic means (*e.g.*, the Internet). These requirements are contained in Section 15.117(k) of the Rules, which became effective on May 25, 2007.⁴

4. Section 15.117(k)(3) of the Rules requires that the Consumer Alert contain the following language:

CONSUMER ALERT

This television receiver has only an analog broadcast tuner and will require a converter box after February 17, 2009, to receive over-the-air broadcasts with an antenna because of the Nation’s transition to digital broadcasting. Analog-only TVs should continue to work as before with cable and satellite TV services, gaming consoles, VCRs, DVD players, and similar products. For more information, call the Federal Communications Commission at 1-888-225-5322 (TTY: 1-888-835-5322) or visit the Commission’s digital television website at: www.dtv.gov.

The Consumer Alert must be in a size of type large enough to be clear, conspicuous and readily legible, consistent with the dimensions of the equipment and the label. The alert either must be printed on a transparent material and affixed to the screen, in a manner that is removable by the consumer and does not obscure the picture when displayed for sale, or displayed separately immediately adjacent to each television receiver offered for sale and clearly associated with the analog-only model to which it pertains. In the case of other analog-only video devices that do not include a display (*e.g.*, VCRs, DVD players), the Consumer Alert must be in a prominent location on the device, such as on the top or front, or displayed separately immediately adjacent to and clearly associated with the analog-only model to which

³ *Second Periodic Review of the Commission’s Rules and Policies Affecting the Conversion To Digital Television*, Second Report and Order, 22 FCC Rcd 8776 (2007) (“*Second DTV Periodic Report and Order*”).

⁴ *Second Periodic Review in the Commission’s Rules and Policies Affecting the Conversion to Digital Television*, 72 Fed. Reg. 28894-01 (May 23, 2007).

it pertains. To the extent that any persons display or offer for sale or rent via direct mail, catalog, or electronic means analog-only television receiving equipment, they must prominently display the Consumer Alert as part of all advertisements or descriptions of such television receiving equipment, in clear and conspicuous print, and in close proximity to any images or descriptions of such equipment.

5. Immediately after the rule became effective, the Bureau began inspecting stores throughout the country, as well as popular retailer websites, and observed many models of analog-only television receiving equipment on display without the required Consumer Alert labels. Beginning on or about May 29, 2007, the Bureau conducted inspections at multiple retailer locations. Based on those inspections, and relying on publicly available information, the Bureau issued a Citation to Rent-A-Center on June 21, 2007 for alleged violations of Section 15.117(k) at its stores.

6. Immediately after receiving the Citation, Rent-A-Center instructed all of its stores on June 22, 2007 to post "Analog Only" price toppers⁵ on top of the price tag for each displayed analog product and the Consumer Alert in two different places on Rent-A-Center's electronics wall where all electronics products are displayed. In addition, on August 8, 2007, Rent-A-Center began using a form -- in both English and Spanish -- that a consumer would sign when renting an analog product to provide the consumer with actual notice of the impending change from analog signal to digital. This form was printed out every time an analog product's code was input into Rent-A-Center's computer system to be rented. Since that date, anyone who has rented an analog-only television receiver has received actual notice of the FCC's Consumer Alert.

7. After affording Rent-A-Center a reasonable opportunity to respond to the first Citation, agents and investigators from the Enforcement Bureau inspected Rent-A-Center stores in various states and observed television receiving equipment with analog-only tuners on display apparently without the required Consumer Alert labels.

II. TERMS OF AGREEMENT

8. The Parties agree that the provisions of this Consent Decree shall be subject to final approval by the Commission by incorporation of such provisions by reference in the Adopting Order.

9. The Parties agree and acknowledge that this Consent Decree shall constitute a final settlement between the Parties of the Investigation. In express reliance on the covenants and representations in this Consent Decree, the Commission agrees to terminate the Investigation without any finding of liability on the part of Rent-A-Center. In consideration for the termination of the Investigation and in accordance with the terms of this Consent Decree, Rent-A-Center agrees to the terms, conditions, and procedures contained herein.

10. The Parties agree that this Consent Decree shall become binding on the Parties on the date the Bureau releases the Adopting Order. Upon release, the Adopting Order and this Consent Decree shall have the same force and effect as any other final order of the Bureau order, entitling the Bureau to exercise any rights and remedies attendant to the enforcement of a Commission order.

11. The Parties agree that this Consent Decree does not constitute either an adjudication on the merits or a factual or legal finding or determination regarding any compliance or noncompliance with

⁵ A "price topper" is a card that slides behind the price card in a price card frame so it may be seen from behind the price card; thus, the "price tag topper" has an additional message that is displayed above the price card.

the requirements of the Act or the Commission's rules and orders. The Parties agree that this Consent Decree is for settlement purposes only and that by agreeing to this Consent Decree, Rent-A-Center does not admit or deny noncompliance, violation or liability for violating the Act or the Rules in connection with the matters that are the subject of this Consent Decree.

12. **Compliance Plan.**

- (a) **Customers who purchased analog-only television receivers between May 29 and August 7, 2007.** Within 30 days of the Effective Date, Rent-A-Center will write to all customers by U.S. Mail for whom Rent-A-Center has an address who purchased an analog-only television receiver device between May 29, 2007 and August 7, 2007. Upon a customer's request, Rent-A-Center will provide an analog converter box at no additional cost or charge to any customer who provides a receipt establishing proof of purchase of an analog-only product from Rent-A-Center between May 29, 2007 and August 7, 2007. Rent-A-Center will establish a toll-free phone number for customers' use for purposes of requesting an analog converter box.
- (b) **Customers who rented analog-only television receivers between May 29 and August 7, 2007.** On or before December 1, 2008, Rent-A-Center will write to all customers who rented an analog-only television receiver device between May 29, 2007 and August 7, 2007 and are still renting that device, and upon the customer's request, provide them an analog converter box at no additional cost or charge by calling Rent-A-Center at a toll-free phone number.
- (c) **Other rental customers.** For rental customers who are in good standing on their rental agreements and do not have cable or satellite television service, Rent-A-Center will honor customer requests to switch an analog-only product for a comparable digital product in stock at the Rent-A-Center store where the customer's contract is serviced as part of Rent-a-Center's Worry Free Guarantee and will apply all payments on the analog-only product to the digital product. Rent-A-Center will handle such customer requests upon request, in the ordinary course of its business.

13. **Compliance Reports.** Rent-A-Center will file compliance reports with the Commission ninety days after the Effective Date and on July 9, 2009. Each compliance report shall include a compliance certificate from an officer, as an agent of Rent-A-Center, stating that the officer has personal knowledge that Rent-A-Center has established operating procedures intended to ensure compliance with this Consent Decree, together with an accompanying statement explaining the basis for the officer's compliance certification. All compliance reports shall be submitted to Kathryn S. Berthot, Chief, Spectrum Enforcement Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, S.W., Washington, D.C. 20554 and at Kathy.Berthot@fcc.gov.

14. **Termination Date.** Unless stated otherwise, the requirements of this Consent Decree will expire July 9, 2009.

15. **Voluntary Contribution.** Rent-A-Center agrees that it will make a voluntary contribution to the United States Treasury in the amount of Sixty Thousand Dollars (\$60,000) within thirty (30) calendar days from the Effective Date. Rent-A-Center will make this contribution without further protest or recourse, by check or similar instrument, payable to the order of the Federal Communications Commission. The payment must include the File No. and FRN No. referenced in the Adopting Order. Payment by check or money order may be mailed to the Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000. Payment by overnight mail may be sent to U.S. Bank – Government Lockbox # 979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO

63101. Payment by wire transfer may be made to ABA Number 021030004, receiving bank TREAS/NYC, and account number 27000001. For payment by credit card, an FCC Form 159 (Remittance Advice) must be submitted. When completing the FCC Form 159, enter the NAL/Account number in block number 23A (call sign/other ID), and enter the letters "FORF" in block number 24A (payment type code). Rent-A-Center shall also send electronic notification on the date said payment is made to Sharon.Webber@fcc.gov.

16. From and after the Effective Date, the Bureau agrees that, in the absence of new material evidence, it will not institute, on its own motion or in response to third-party objection, any new proceeding, formal or informal, or take any action on its own motion against Rent-A-Center for possible past violations of Section 15.117(k) of the Commission's rules regarding the labeling of analog-only television receiving equipment prior to the Effective Date. Absent intentional or negligent misrepresentation by Rent-A-Center, newly discovered evidence of violations of Section 15.117(k) prior to the Effective Date shall not be considered "new material evidence."

17. Except as expressly provided in this Consent Decree, nothing herein shall prevent the Commission or its delegated authority from investigating Rent-A-Center's compliance with the Act, the Commission's rules, or this Consent Decree.

18. Rent-A-Center waives any and all rights it may have to seek administrative or judicial reconsideration, review, appeal or stay or to otherwise challenge or contest the validity of this Consent Decree and the Adopting Order, including challenges based on the Commission's jurisdiction over the matters considered in this Consent Decree and the Commission's authority to enter into or adopt this Consent Decree, provided the Adopting Order adopts this Consent Decree without change, addition, or modification. Rent-A-Center shall retain the right to challenge Commission interpretation of the Consent Decree or any terms contained herein. Rent-A-Center does not waive any defenses, jurisdictional or otherwise, to any Commission prosecution of a violation not covered by this Consent Decree, including but not limited to any violation of 47 C.F.R. § 15.117(k) alleged to have occurred subsequent to the Effective Date.

19. Rent-A-Center's decision to enter this Consent Decree is expressly contingent upon the Commission's issuance of the Adopting Order without change, addition, or modification of the Consent Decree.

20. Nothing in this Consent Decree shall preclude Rent-A-Center from petitioning the Commission for relief as to future obligations under Section 15.117(k) of the Commission's Rules.

21. In the event that this Consent Decree is rendered invalid by any court of competent jurisdiction, it shall become null and void and may not be used in any manner in any legal proceeding.

22. The Parties agree that if either Party (or the United States on behalf of the Commission), brings a judicial action to enforce the terms of the Adopting Order, neither Rent-A-Center nor the Commission shall contest the validity of the Consent Decree or the Adopting Order, and Rent-A-Center will waive any statutory right to a trial *de novo* regarding the terms or validity of the Consent Decree. Rent-A-Center, however, may present evidence that it has not violated the Consent Decree.

23. Rent-A-Center agrees that any violation of any term of this Consent Decree shall constitute a separate violation of a Commission order, entitling the Commission to exercise any rights and remedies attendant to the enforcement of a Commission order.

24. The Parties agree that if any provision of the Consent Decree conflicts with any subsequent rule or order adopted by the Commission (except an order specifically intended to revise the

terms of this Consent Decree to which Rent-A-Center does not consent), that provision will be superseded by such Commission rule or order.

25. This Consent Decree cannot be modified without the advance written consent of both Parties.

26. This Consent Decree may be signed in counterparts.

For the Enforcement Bureau:

For Rent-A-Center, Inc.:

Kris Anne Monteith
Chief, Enforcement Bureau

Ron DeMoss
Senior Vice President and General Counsel

Date

Date