

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

In the Matter of	)	File No. EB-06-IH-1627
	)	
<b>QUEENB RADIO, INC.</b>	)	Account No. 200932080008
	)	
Licensee of Station	)	FRN No. 0001568252
KZZU(FM), Spokane, WA	)	
	)	
	)	

**ORDER**

**Adopted:** October 6, 2008

**Released:** October 9, 2008

By the Enforcement Bureau:

1. In this Order, we adopt the attached Consent Decree entered into between the Enforcement Bureau (“Bureau”) and QueenB Radio, Inc. (“QueenB”). The Consent Decree terminates an investigation by the Bureau against QueenB for possible violations of Sections 317 and 508 of the Communications Act of 1934, as amended,<sup>1</sup> regarding sponsorship identification disclosure requirements.

2. The Bureau and QueenB 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 QueenB 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,<sup>2</sup> and sections 0.111 and 0.311 of the Commission’s Rules,<sup>3</sup> the Consent Decree attached to this Order **IS ADOPTED**.

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

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<sup>1</sup> 47 U.S.C. §§ 317, 508.

<sup>2</sup> 47 U.S.C. § 154(i).

<sup>3</sup> 47 C.F.R. §§ 0.111, 0.311.

7. **IT IS FURTHER ORDERED** that all third-party complaints against QueenB before the Enforcement Bureau related to the above-captioned-investigation as of the date of this Consent Decree **ARE DISMISSED**.

8. **IT IS FURTHER ORDERED** that a copy of this Order and Consent Decree shall be sent by first class certified mail, return receipt requested, to Robert J. Rini and Jonathan E. Allen, Rini Coran, PC, 1615 L Street, NW, Suite 1325, Washington, DC 20036.

FEDERAL COMMUNICATIONS COMMISSION

Kris Anne Monteith  
Chief, Enforcement Bureau

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**CONSENT DECREE**

1. The Enforcement Bureau (“Bureau”) and QueenB Radio, Inc., for itself and on behalf of its direct and indirect subsidiaries that hold FCC authorizations (collectively, the “Company”), hereby enter into this Consent Decree for the purpose of resolving and terminating certain investigations currently being conducted by, or pending before, the Bureau relating to compliance with the Sponsorship Identification Laws, as defined below, by Company Stations.

2. For 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 FCC adopting this Consent Decree, without any modifications adverse to Company or any Company Station;
  - (c) “*Bureau*” means the FCC’s Enforcement Bureau;
  - (d) “*Business Reforms*” means the Company-wide conduct and activities described in Attachment B to this Consent Decree;
  - (e) “*Company Station*” and “*Company Stations*” means one or more broadcast stations licensed to Company pursuant to authorizations issued by the FCC;
  - (f) “*Commission*” or “*FCC*” means the Federal Communications Commission or its staff acting on delegated authority;
  - (g) “*Complaints*” means third-party complaints which may have been received by, or in the possession of, the Commission or the Bureau, alleging violations of the Sponsorship Identification Laws by Company, by a Company Station or by any Company employee prior to the effective date of the Adopting Order;
  - (h) “*Compliance Plan*” means that Company-wide program described in Attachment A to this Consent Decree;
  - (i) “*Effective Date*” means the date on which the FCC releases the Adopting Order;
  - (j) “*Final Order*” means the status of the Adopting Order after the period for administrative and judicial review has lapsed;

- (k) “*Investigations*” means any investigation of alleged violations of the Sponsorship Identification Laws by Company, any Company Station, or any Company employee;
- (l) “*Parties*” means Company and the Commission;
- (m) “*Rules*” means the Commission’s regulations found in Title 47 of the Code of Federal Regulations;
- (n) “*Sponsorship Identification Laws*” means, individually or collectively, 47 U.S.C. § 317, 47 U.S.C. § 508, 47 C.F.R. § 73.1212, and/or any Commission policy relating to sponsorship identification or the practices commonly referred to as “payola” or “plugola”; and

## I. BACKGROUND

3. The Bureau and Company acknowledge that any proceedings that might result from the Investigations and/or the Complaints will be time-consuming and will require substantial expenditure of public and private resources.

4. In order to conserve such resources, and to promote compliance by Company with the Sponsorship Identification Laws, and to effectuate business reforms in the broadcasting and music industry, the Bureau and Company are entering into this Consent Decree in consideration of the mutual commitments made herein.

## II. AGREEMENT

5. The Parties agree that the provisions of this Consent Decree shall be subject to approval by the Bureau by incorporation of such provisions by reference in an Adopting Order.

6. The Parties agree that this Consent Decree shall become effective on the date on which 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 orders of the Bureau and any violation of the terms of this Consent Decree shall constitute a violation of a Bureau order, entitling the Bureau to exercise any rights and remedies attendant to the enforcement of a Commission order.

7. Company agrees that the Commission has jurisdiction over the matters contained in this Consent Decree and the Bureau has the authority to enter into and adopt this Consent Decree.

8. As part of the Adopting Order, the Bureau shall terminate all Investigations and shall dismiss the Complaints with prejudice. From and after the Effective Date, the Bureau shall not, either on its own motion, in response to any petition to deny or other third-party complaint or objection, or in response to any request from any other federal, state or local agency, initiate any inquiries, investigations, forfeiture proceedings, hearings, or other sanctions or actions against Company or any Company Station, with respect to any pending or future application to which Company is a party (including, without limitation, any application for a new station, for renewal of license, for assignment of license, or for transfer of control), or any Company employee, based in whole or in part on (i) the Investigations; (ii) the Complaints, (iii) any other similar investigations or complaints alleging a violation by Company, any Company Station, or any current or former Company employee of the Sponsorship Identification Laws occurring prior to the Effective Date, (iv) the allegations contained in any of the foregoing, (v) the underlying facts or conduct that relate to any of the foregoing, or (vi) any act or omission of Company or any Company employee occurring prior to the Effective Date and relating to any of the foregoing. Without limitation to the foregoing, the Bureau shall not (a) use the facts of this Consent Decree, the Investigations, the Complaints, any other similar complaints alleging violation by any Company Station

of the Sponsorship Identification Laws with respect to any broadcast occurring prior to the Effective Date, or the underlying facts, behavior, or broadcasts that relate to any of the foregoing, for any purpose relating to Company, any Company Station, or any Company employee, (b) on its own motion provide any information within its possession in connection with any of the foregoing to any other federal, state or local agency, or request any such agency to investigate or pursue enforcement action with respect thereto, and (c) shall treat all such matters as null and void for all purposes.

9. Company has had in place policies and procedures to deter employees from engaging in conduct that violates the Sponsorship Identification Laws, but is willing to modify its plan in an effort to enhance the effectiveness of Company's efforts. Accordingly, Company is in the process of implementing, new, more expansive, Company-wide Business Reforms and a Compliance Plan designed to help insure that the conduct and broadcasts by Company, Company Stations or its employees will not violate the Sponsorship Identification Laws. Summaries of the Business Reforms and the Compliance Plan are set forth in Attachments B and A hereto, respectively. Company agrees to implement the Business Reforms and the Compliance Plan within 60 days of the Effective Date and to keep such Business Reforms and Compliance Plan in effect for three (3) years after the Effective Date. In the event that Company wishes to revise any material aspect of the Business Reforms or the Compliance Plan, Company will provide the Bureau advance written notice of the proposed changes. Company may implement such changes if the Bureau does not object to them within 30 days of their submission by Company.

10. Company agrees that it will make a voluntary contribution to the United States Treasury in the amount of Twelve Thousand Dollars (\$12,000). The payment will be made within thirty (30) days after the Effective Date of the Adopting Order. The payment must be made by check or similar instrument, payable to the order of the Federal Communications Commission. The payment must include the NAL/Account Number and FRN Number referenced in the caption to the Adopting Order. Payment by check or money order may be mailed 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). QueenB will also send electronic notification on the date said payment is made to [Hillary.DeNigro@fcc.gov](mailto:Hillary.DeNigro@fcc.gov), [Ben.Bartolome@fcc.gov](mailto:Ben.Bartolome@fcc.gov), [Kenneth.Scheibel@fcc.gov](mailto:Kenneth.Scheibel@fcc.gov), and [Anjali.Singh@fcc.gov](mailto:Anjali.Singh@fcc.gov).

11. Company 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, provided no modifications are made to the Consent Decree adverse to Company or any Company Station. If the Commission, or the United States acting on its behalf, brings a judicial action to enforce the terms of the Adopting Order or this Consent Decree, or both, Company will not contest the validity of this Consent Decree or of the Adopting Order, and will waive any statutory right to a trial *de novo* (provided in each case that the Order is limited to adopting the Consent Decree without change, addition, or modification). If Company brings a judicial action to enforce the terms of the Adopting Order or this Consent Decree, or both, the Commission will not contest the validity of this Consent Decree or the Adopting Order.

12. Company takes seriously its responsibilities as a licensee to operate Company Stations in the public interest and to abide by FCC rules and policies, and its management has had in place policies and procedures that are designed to ensure compliance with those rules and policies. Despite these efforts, Company admits, solely for the purpose of this Consent Decree and for FCC civil enforcement

purposes, and in express reliance on the provisions of Paragraph 8 hereof, and for no other purpose or to other effect, that Company has conducted an internal investigation with respect to the matters subject to the Investigations and Complaints, and Company’s policies and practices with respect to the Sponsorship Identification Laws can be improved so as to further enhance the prospects for Company-wide compliance. By entering into this Consent Decree, Company makes no admission of liability or violation of any law, regulation or policy.

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

14. Company hereby agrees to waive any claims it may otherwise have under the Equal Access to Justice Act, 5 U.S.C. § 504 and 47 C.F.R. § 1.1501 *et seq.*, relating to the matters addressed in this Consent Decree.

15. Each party represents and warrants to the other that it has full power and authority to enter into this Consent Decree.

16. By this Consent Decree, QueenB does not waive or alter its right to assert and seek protection from disclosure of any privileged or otherwise confidential and protected documents and information, or to seek appropriate safeguards of confidentiality for any competitively sensitive or proprietary information.

17. This Consent Decree may be executed in any number of counterparts (including by facsimile), each of which, when so executed and delivered, shall be an original, and all of which counterparts together shall constitute one and the same fully executed instrument.

**FEDERAL COMMUNICATIONS COMMISSION**

\_\_\_\_\_  
Kris Anne Monteith  
Chief, Enforcement Bureau

\_\_\_\_\_  
Date

**QUEENB RADIO, INC.**

By: \_\_\_\_\_  
Stephen R. Herling  
Executive Vice President

\_\_\_\_\_  
Date

## ATTACHMENT A

## Company Compliance Plan

Company has developed, and is implementing, a Company-wide Compliance Plan for the purpose of furthering compliance with the Sponsorship Identification Laws and adherence to the Business Reforms set forth on Attachment B. The Compliance Plan consists of the following components:

1. Commitment to High Standards on Pay-for-Play; Annual Report

A. Commitment to High Standards on Pay-for-Play. Company commits to enforcing high standards with respect to the Sponsorship Identification Laws to avoid violations and the appearance of impropriety in the area of music selection.

B. Annual Report. The Compliance Officer, as defined below, shall submit annual reports to Company's Board of Directors, Company's Communications Counsel, and to Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, SW, Washington, D.C. 20554, concerning Company's compliance with this Agreement and with the Business Reforms. The annual reports will cover calendar years 2008, 2009 and 2010, respectively.

2. Training of Programming Personnel. Company will conduct appropriate training of its employees who are on-air talent and/or materially participate in the on-air broadcast of program material or in the making of programming decisions and their supervisory employees ("Programming Personnel") in the accompanying Business Reforms and the Sponsorship Identification Laws, including the FCC's interpretation of such statutes and regulations regarding payola and related issues. Such training will be provided to all current Company Programming Personnel within 60 days of the Effective Date. The training will be provided to all new Company Programming Personnel promptly after they commence their duties. Refresher training will be provided to all employees described above at least once every twelve months.

3. Compliance Officer

A. Compliance Officer. The Company has designated a Compliance Officer, whose responsibility is to seek to ensure Company's compliance with the Business Reforms attached to this Consent Order and with the Sponsorship Identification Laws through the following duties: (a) the implementation, effectuation, and supervision of the training program with regard to the Business Reforms and the Sponsorship Identification Laws for all Company Programming Personnel; (b) being accessible by telephone and/or e-mail to any Company employee who seeks advice on compliance with the Business Reforms and the Sponsorship Identification Laws or who wishes to report potential violations of such policies and laws; (c) the development and implementation of procedures designed to ensure Company's continuing compliance with the Business Reforms and the Sponsorship Identification Laws; (d) monitoring Company's compliance with the Business Reforms and the Sponsorship Identification Laws; (e) reporting on an annual basis to the Company's Board of Directors regarding compliance of Company Stations and employees with the Business Reforms and the Sponsorship Identification Laws; (f) such other activities as the Compliance Officer deems necessary or appropriate to carry out his or her duties.

4. Database and Telephone Support

A. Database. Company shall maintain all documentation of expenditures required by this Agreement in the database(s) or in hard copy for a period of not less than three (3) years. The database(s) shall be available for inspection by the Bureau upon request.

B. Telephone Support. Company Compliance Officer will be available by telephone for employees to obtain advice on compliance with the Business Reforms, and report violations of the Business Reforms. Compliance Officer may also obtain advice from Company Communications Counsel.

5. Contractual Agreements. Company will ensure that all contractual agreements with respect to Programming Personnel include a contractual obligation relating to compliance with the Sponsorship Identification Laws.

6. FCC Enforcement Actions. If a Company Station receives a Notice of Apparent Liability, Order or similar Commission document proposing a forfeiture and/or contemplating license non-renewal or revocation as a result of a violation of the Sponsorship Identification Laws occurring after the effective date of the Consent Decree, the following steps will be taken:

A. Each employee accused of violating the Sponsorship Identification Laws will be suspended and an investigation will immediately be undertaken;

B. Each such employee will be required to undergo remedial training on Business Reforms and the Sponsorship Identification Laws and satisfy the Compliance Officer and Company Station management that he or she understands such regulations and policies before resuming his or her duties.

C. If a Notice of Apparent Liability, Forfeiture Order, Order or similar document assessing or proposing a forfeiture, denying a renewal application and/or revoking a license issued by the FCC is finally adjudicated and Company is finally found to have violated the Sponsorship Identification Laws that results in such action by the Commission, the employee(s) materially involved in the violation or violations that are the subject of such Commission or Bureau action will be terminated without delay. This will ensure that employees who break the law will not work for QueenB.



## ATTACHMENT B

## Company Business Reforms

Company has implemented and is implementing on a Company-wide basis, certain business reforms for the purpose of furthering compliance with the Sponsorship Identification Laws. To the extent not already undertaken, within 60 days of the Effective Date of the Consent Decree to which this statement is attached, Company shall implement and adhere to the following practices (“*Business Reforms*”).

1. Prohibited Activity.

A. Record Label and Record Label Employees. Neither Company, any Company Station, nor any Company employee (collectively, “*Company Parties*”) shall solicit, receive, or accept cash or any other item of value from a Record Label or Record Label employee in, or as part of, an exchange, agreement, or understanding to provide or increase airplay of music provided by any Record Label, except as expressly permitted under ¶ 2, below, and provided that all such activity complies with applicable Sponsorship Identification Laws. As used in these Business Reforms, the term “*Record Label*” means (a) any entity that manufactures or distributes audio recordings of music, (b) any artist under contract to a Record Label (an “*Artist*”), and (c) any representative of the Record Label or an Artist, including independent promoters.

B. Independent Music Promoters. Company Parties shall not accept any item of value from an independent music promoter, unless that promoter certifies in writing to Company that no compensation to the promoter from a Record Label is based upon airplay.

2. Permissible Restricted Activity. Company Parties may engage in the following activities with Record Labels, subject in each case to compliance with the Sponsorship Identification Laws and the following restrictions, and to adherence with the disclosure and documentation requirements set forth in ¶ 3 below.

A. Contests or Giveaways: Company Parties may solicit, receive and accept items of value, including but not limited to promotional items, gift cards, CDs, gift certificates, concert tickets, airfare, hotel rooms, vouchers and cash, from Record Labels to give away on the air, at a Company Station event or promotion, or for the benefit of charity, to persons or entities other than Company employees (or members of their immediate families or households). Contest rules and on-air announcements relating to such contests shall clearly indicate the value of the prize(s) as required by FCC rules and identify the Record Label as the provider of the prize(s) to be awarded.

B. Advertising: Company Parties may solicit, receive and accept payment (in cash or other items of value) from Record Labels for on-air advertising, provided that the announcement clearly identifies the Record Label as the sponsor of the advertisement.

C. Other Commercial Transactions: Company Parties may enter into commercial transactions with Record Labels pursuant to which a Company and a Record Label may license, sell or otherwise agree to distribute or promote the Record Labels’ Artists, songs or records.

D. Artist Appearances and Performances: Company Parties may arrange for Artists to appear or perform at events or interviews, including under circumstances where a Record Label has subsidized reasonable costs related to the appearance, performance or interview. Company Stations’ on-

air announcements of an Artist's performance that is subsidized in any part by the Record Label shall indicate clearly that the Artist's appearance is sponsored by the Record Label. The broadcast on a Company Station of all or a portion of the Artist's live performance at the event is permitted, provided that any such broadcast complies with the Sponsorship Identification Laws.

E. Nominal Consideration.<sup>4</sup> Company Parties may solicit, receive and accept the following items of value from Record Labels for use by a Company Station:

(i) CDs and other promotional items of nominal value. A Company Station may solicit, receive and accept from Record Labels: (A) electronic copies of songs and up to 20 copies of the same CD to familiarize Company employees with recordings; (B) electronic copies of recordings for posting on Company Station websites to familiarize visitors to such websites with the Artists' recordings, and (C) promotional items intended for the personal use of Company Parties, if the value of each such individual item does not exceed \$25, such as T-shirts, key chains, coffee mugs, baseball hats, posters, pens and bumper stickers.

(ii) Concert tickets. A Company Station may solicit, receive and accept up to 20 tickets (which may include associated backstage or "VIP"-type passes) for a single-day concert, for each day of a multi-day concert, and/or to an industry event to be used by Company employees to familiarize them with the performing Artists. Tickets provided by Record Labels for Company employees who are working at the concert and/or industry event (*e.g.*, technicians, on-air talent, promotions staff, etc.) shall be subject to the disclosure and documentation provisions of ¶ 3, below, but shall not be counted towards the 20 ticket limit.

(iii) Modest personal gifts for life event, professional achievement and holidays, or gifts commemorating achievement by Company or a Record Label. Company employees may receive and accept reasonable gifts from a Record Label commemorating life events, professional achievements and holidays. A "reasonable" gift is one whose value the employee has no reason to believe is greater than \$150. An example of a life event would include a birthday, wedding or the birth of a child. An example of a professional event would be a job promotion or the winning of a music industry award. A Company Station may receive and accept from a Record Label gifts that commemorate achievements of Company, the Company Station, the Record Label, or the Record Label's Artists. An example of such a gift would be a plaque commemorating an Artist's achieving "gold record" level sales.

(iv) Meals and entertainment. Company employees may receive and accept meals and entertainment in an amount not to exceed \$150 per person, per event, provided that the event is attended by a Record Label employee and has a legitimate business purpose, and any payment is consistent with the value of the meal or entertainment. Company employees may receive and accept meals and entertainment from a Record Label in an amount that exceeds \$150 per person, provided that the event is attended by a Record Label employee, has a legitimate business purpose, and is approved in writing by the Compliance Officer, as provided in the accompanying Compliance Plan. A Company employee may also receive and accept meals and entertainment from a Record Label for the benefit of his/her spouse or "significant other" accompanying the employee at such occasion, consistent with and subject to the limitations of this provision.

(v) Travel and lodging expenses. A Company Station may receive and accept from a Record Label reasonable travel and lodging expenses for Company employees to attend live performances or appearances by Artists for the purpose of familiarizing such employees with a

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<sup>4</sup> Dollar amounts in this section may be adjusted for inflation based on the Consumer Price Index.

Record Label's Artists. A Company Station may also receive and accept from a Record Label reasonable travel and lodging expenses to industry events if the Company Station provides, to the satisfaction and approval of the Compliance Officer, a legitimate business purpose underlying the Record Label's payment of such expenses. Each Company Station shall be limited to 20 such trips annually, to be allocated among Company employees at the discretion of the Company Station. For purposes of these Business Reforms, "reasonable travel and lodging expenses" means commercial airfare (coach class), train or car service and a sufficient number of nights lodging to accomplish the intended business purpose. All travel and lodging expenditures must be approved in advance and in writing by the Compliance Officer. A Company employee may also receive and accept meals and entertainment during such trips, consistent with and subject to ¶ 2E(iv), above.

F. Nothing herein shall prohibit a natural increase in airplay of an Artist's music during the period surrounding, and coincident with (i) a contest or giveaway that promotes that Artist and (ii) the Artist's appearance or performance at an event, provided that, to the extent the increase in airplay results from an agreement or understanding with the Record Label or Artist, such increased airplay shall comply with the Sponsorship Identification Laws.

3. Mandatory Documentation. Company shall record and document all activity set forth in ¶ 2 as follows:

A. Database record of items of value received from a Record Label. Company shall establish and maintain one or more databases (collectively, the "Database") containing a record identifying all items of value received by each Company Station or Company employee from Record Labels (exclusive of Artist performances and commercial transactions with Record Labels), and the disposition of such items shall be recorded as follows. In the case of each item of value that exceeds \$25 in value (on an individual per item basis) intended to be awarded in a contest or given away by a Company Station, the Database shall record the date and manner of disposition and recipient of each such item. Items received for use by a Company Station or its employees (such as CDs for review by station employees and concert tickets) shall be so recorded. Items in excess of \$25 received by Company or Company employees personally or in connection with business-related meals, entertainment and travel shall be recorded in the Database separately.

B. Contests or Giveaways. In addition to the documentation maintained in the Database in each instance where Company solicits, receives or accepts an item of value from a Record Label to give away on the air, Company shall (i) verify in writing to the Record Label that the contest prize(s) will not be given away to an employee of a Company Station (or to members of their immediate families or households); and (ii) for each item of value given away that exceeds the monetary reporting threshold established by the Internal Revenue Service, maintain a record verifying that a contest winner has been selected, including the full name and address of the recipient of the prize, and provide this information, in writing, to the Record Label upon request.

C. Advertising by Record Labels. All advertising by Record Labels shall be subject to a written agreement and recorded in one or more separate databases.