

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

In the Matter of)	File No.: EB-SED-13-00008732 ¹
)	
Gallien Technology, Inc.,)	Acct. No.: 201432100004
d/b/a Gallien-Krueger)	
)	FRN: 0021754080
)	

ORDER

Adopted: November 14, 2013

Released: November 14, 2013

By the Deputy Chief, Enforcement Bureau:

1. In this Order, we adopt the attached Consent Decree entered into between the Enforcement Bureau (Bureau) of the Federal Communications Commission (Commission) and Gallien Technology, Inc., d/b/a Gallien-Krueger (Gallien). The Consent Decree resolves and terminates the Bureau's investigation into Gallien's compliance with Section 302(b) of the Communications Act of 1934, as amended (Act),² and Sections 2.803, 15.19, and 15.105 of the Commission's rules³ (Rules) pertaining to the marketing of digital audio radio frequency devices, including digital bass amplifiers.

2. The Bureau and Gallien have negotiated the Consent Decree that resolves this matter. A copy of the Consent Decree is attached hereto and incorporated herein 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 Gallien 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 Sections 4(i), 4(j), and 503(b) of the Act⁴ and Sections 0.111 and 0.311 of the Rules,⁵ the Consent Decree attached to this Order **IS ADOPTED**.

¹ The investigation initiated under File No. EB-10-SE-033 was subsequently assigned File No. EB-SED-13-00008732. Any future correspondence with the FCC concerning this matter should reflect the new case number.

² 47 U.S.C. § 302a(b).

³ 47 C.F.R. §§ 2.803, 15.19, 15.105.

⁴ 47 U.S.C. §§ 154(i), 154(j), 503(b).

⁵ 47 C.F.R. §§ 0.111, 0.311.

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

7. **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 Robert A. Gallien, President and CEO, Gallien Technology, Inc., d/b/a Gallien-Krueger, 2234 Industrial Drive, Stockton, CA 95206.

FEDERAL COMMUNICATIONS COMMISSION

Robert H. Ratcliffe
Deputy Chief, Enforcement Bureau

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Washington, D.C. 20554**

In the Matter of)	
)	File No.: EB-SED-13-00008732 ¹
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Gallien Technology, Inc., d/b/a Gallien-Krueger)	Acct. No.: 201332100004
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)	FRN: 0021754080

CONSENT DECREE

The Enforcement Bureau of the Federal Communications Commission and Gallien Technology, Inc., d/b/a Gallien-Krueger, by their authorized representatives, hereby enter into this Consent Decree for the purpose of terminating the Enforcement Bureau's investigation into possible violations of Section 302(b) of the Communications Act of 1934, as amended,² and Sections 2.803, 15.19, and 15.105 of the Commission's rules³ pertaining to the marketing of digital audio radio frequency devices, including digital bass amplifiers.

I. DEFINITIONS

1. 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 Bureau adopting the terms of this Consent Decree without change, addition, deletion, or modification.
 - (c) "Bureau" means the Enforcement Bureau of the Federal Communications Commission.
 - (d) "Commission" and "FCC" mean the Federal Communications Commission and all of its bureaus and offices.
 - (e) "Communications Laws" means collectively, the Act, the Rules, and the published and promulgated orders and decisions of the Commission to which Gallien is subject by virtue of its business activities, including but not limited to, the Equipment Marketing Rules.
 - (f) "Compliance Plan" means the compliance obligations and compliance program described in this Consent Decree at paragraph 9.

¹ The investigation initiated under File No. EB-10-SE-033 was subsequently assigned File No. EB-SED-13-00008732. Any future correspondence with the FCC concerning this matter should reflect the new case number.

² 47 U.S.C. § 302a(b).

³ 47 C.F.R. §§ 2.803, 15.19, 15.105.

- (g) “Covered Employees” means all employees and agents of Gallien who perform, or supervise, oversee, or manage the performance of duties that relate to Gallien’s responsibilities under the Equipment Marketing Rules.
- (h) “Digital Device” means an unintentional radiator device or system as defined in Section 15.3(k) of the Rules.⁴
- (i) “Effective Date” means the date on which the Bureau releases the Adopting Order.
- (j) “Equipment Marketing Rules” means Section 302(b) of the Act⁵ and Sections 2.803, 15.19, and 15.105 of the Rules⁶ and other Communications Laws governing the marketing of radio frequency devices within the United States and its territories.
- (k) “Gallien” means Gallien Technology, Inc., d/b/a Gallien-Krueger, and its predecessors-in-interest and its successors-in-interest.
- (l) “Investigation” means the investigation commenced by the Bureau’s April 26, 2012 letter of inquiry regarding whether the marketing of certain Digital Devices by Gallien complies with the Equipment Marketing Rules.⁷
- (m) “Operating Procedures” means the standard, internal operating procedures and compliance policies established by Gallien to implement the Compliance Plan.
- (n) “Parties” means Gallien and the Bureau, each of which is a “Party.”
- (o) “Rules” means the Commission’s regulations found in Title 47 of the Code of Federal Regulations.

II. BACKGROUND

2. Pursuant to Section 302(b) of the Act⁸ and Sections 2.803, 15.19, and 15.105 of the Rules,⁹ certain Digital Devices may not be marketed in the United States unless the devices comply with the applicable technical standards as well as the administrative requirements relating to equipment labeling and consumer disclosure. Section 2.803(a) of the Rules defines “marketing” as the “sale or lease, or offering for sale or lease, including advertising for sale or lease, or importation, shipment, or distribution for the purpose of selling or leasing or offering for sale or lease.”¹⁰ Gallien designs, manufactures, and distributes Digital Devices, such as bass amplifiers, that are marketed under the brand names Gallien-Krueger or GK. These Digital Devices are unintentional radiators that require prior

⁴ 47 C.F.R. § 15.3(k).

⁵ 47 U.S.C. § 302a(b).

⁶ 47 C.F.R. §§ 2.803, 15.19, 15.105.

⁷ See Letter from John D. Poutasse, Chief, Spectrum Enforcement Division, FCC Enforcement Bureau, to Robert Gallien, Chief Executive Officer, Gallien-Krueger (Apr. 26, 2012) (on file in EB-SED-13-00008732).

⁸ 47 U.S.C. § 302a(b).

⁹ 47 C.F.R. §§ 2.803, 15.19, 15.105.

¹⁰ *Id.* § 2.803(a) (formerly codified at 47 C.F.R. § 2.803(e)(4) (2012)); see 78 Fed. Reg. 21561 (Apr. 29, 2013).

Commission authorization via the Commission's equipment verification procedures, as well as proper labeling and consumer disclosures.¹¹

3. On April 26, 2012, the Bureau's Spectrum Enforcement Division (Division) issued a letter of inquiry (LOI)¹² to Gallien, directing Gallien to submit a sworn written response to a series of questions relating to Gallien's manufacture, importation, and marketing of certain Digital Devices to determine its compliance with the Communications Laws applicable to the marketing of such devices. Gallien responded to the LOI on May 22, 2012.¹³ In its LOI Response, Gallien submitted information and documentation relating to the Digital Devices at issue.¹⁴ The Bureau and Gallien entered into a tolling agreement to toll the statute of limitations.¹⁵

III. TERMS OF AGREEMENT

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

5. **Jurisdiction.** Gallien agrees that the Bureau has jurisdiction over it and the matters contained in this Consent Decree and that the Bureau has the authority to enter into and adopt this Consent Decree.

6. **Effective Date; Violations.** The Parties agree that this Consent Decree shall become effective on the Effective Date as defined herein. As of the Effective Date, the Adopting Order and this Consent Decree shall have the same force and effect as any other order of the Commission. Any violation of the Adopting Order or of the terms 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.

7. **Termination of Investigation.** In express reliance on the covenants and representations in this Consent Decree and to avoid further expenditure of public resources, the Bureau agrees to terminate the Investigation. In consideration for the termination of the Investigation, Gallien agrees to the terms, conditions, and procedures contained herein. The Bureau further agrees that in the absence of new material evidence, the Bureau will not use the facts developed in the Investigation through the Effective Date, or the existence of this Consent Decree, to institute on its own motion any new proceeding, formal or informal, or take any action on its own motion against Gallien concerning the matters that were the subject of the Investigation. The Bureau also agrees that in the absence of new material evidence it will not use the facts developed in the Investigation through the Effective Date, or the existence of this Consent Decree, to institute on its own motion any proceeding, formal or informal, or take any action on its own motion against Gallien with respect to Gallien's basic qualifications, including its character qualifications, to be a Commission licensee or to hold Commission licenses or authorizations.

¹¹ 47 C.F.R. § 15.101.

¹² See *supra* note 7.

¹³ See Letter from Robert A. Gallien, President & CEO, Gallien Technology, Inc., to Susan German, Attorney Advisor, Spectrum Enforcement Division, FCC Enforcement Bureau (May 22, 2012) (on file in EB-SED-13-00008732) (LOI Response).

¹⁴ See *id.*

¹⁵ Tolling Agreement, executed by and between John D. Poutasse, Chief, Spectrum Enforcement Division, FCC Enforcement Bureau, Robert A. Gallien, President & CEO, Gallien Technology, Inc. (May 17, 2013) (on file in EB-SED-13-00008732).

8. **Compliance Officer.** Within thirty (30) calendar days after the Effective Date, Gallien shall designate a senior corporate manager with the requisite corporate and organizational authority to serve as Compliance Officer and to discharge the duties set forth below. The person designated as the Compliance Officer shall be responsible for developing, implementing, and administering the Compliance Plan and ensuring that Gallien complies with the terms and conditions of the Compliance Plan and this Consent Decree. In addition to the general knowledge of the Communications Laws necessary to discharge his/her duties under this Consent Decree, the Compliance Officer shall have specific knowledge of the Equipment Marketing Rules prior to assuming his/her duties.

9. **Compliance Plan.** For purposes of settling the matters set forth herein, Gallien agrees that it shall within sixty (60) calendar days after the Effective Date, develop and implement a Compliance Plan designated to ensure future compliance with the Communications Laws and with the terms and conditions of this Consent Decree. With respect to the Equipment Marketing Rules, Gallien shall implement the following procedures:

- (a) **Operating Procedures on Equipment Marketing.** Within sixty (60) calendar days after the Effective Date, Gallien shall establish Operating Procedures that all Covered Employees must follow to help ensure Gallien's compliance with the Equipment Marketing Rules. Gallien's Operating Procedures shall include internal procedures and policies specifically designed to ensure that prior to the initiation of marketing (as such term is defined in Section 2.803 of the Rules¹⁶), all Digital Devices and other radio frequency devices to be marketed by Gallien comply with applicable technical standards, have been properly authorized (via the certification, verification, or declaration of conformity procedures, as applicable) and comply with the applicable administrative requirements relating to equipment labeling and consumer disclosure.
- (b) **Compliance Manual.** Within sixty (60) calendar days after the Effective Date, the Compliance Officer shall develop and distribute a Compliance Manual to all Covered Employees. The Compliance Manual shall explain the Equipment Marketing Rules, including the obligations to secure an equipment authorization from the FCC prior to marketing a Digital Device and to comply with the applicable administrative requirements relating to equipment labeling and consumer disclosure, and set forth the Operating Procedures that Covered Employees shall follow to help ensure Gallien's compliance with the Equipment Marketing Rules. Gallien shall periodically review and revise the Compliance Manual as necessary to ensure that the information set forth therein remains current and complete. Gallien shall distribute any revisions to the Compliance Manual promptly to all Covered Employees.
- (c) **Compliance Training Program.** Gallien shall establish and implement a Compliance Training Program on compliance with the Equipment Marketing Rules and the Operating Procedures. As part of the Compliance Training Program, Covered Employees shall be advised of Gallien's obligation to report any noncompliance with the Equipment Marketing Rules under paragraph 10 of this Consent Decree and shall be instructed on how to disclose noncompliance to the Compliance Officer. All Covered Employees shall be trained pursuant to the Compliance Training Program within sixty (60) calendar days after the Effective

¹⁶ See *supra* note 10 and accompanying text.

Date, except that any person who becomes a Covered Employee at any time after the Effective Date shall be trained within thirty (30) calendar days after the date such person becomes a Covered Employee. Gallien shall repeat the compliance training on an annual basis and shall periodically review and revise the Compliance Training Program as necessary to ensure that it remains current and complete and to enhance its effectiveness.

10. **Reporting Noncompliance.** Gallien shall report any noncompliance with the Equipment Marketing Rules and with the terms and conditions of this Consent Decree within fifteen (15) calendar days after discovery of such noncompliance. Such reports shall include a detailed explanation of (i) each instance of noncompliance; (ii) the steps that Gallien has taken or will take to remedy such noncompliance; (iii) the schedule on which such remedial actions will be taken; and (iv) the steps that Gallien has taken or will take to prevent the recurrence of any such noncompliance. All reports of noncompliance shall be submitted to the Chief, Spectrum Enforcement Division, Enforcement Bureau, Federal Communications Commission, Room 3-C366, 445 12th Street, S.W. Washington, DC 20554, with a copy submitted electronically to Kevin Pittman at Kevin.Pittman@fcc.gov and to Ricardo Durham at Ricardo.Durham@fcc.gov.

11. **Compliance Reports.** Gallien shall file Compliance Reports with the Commission ninety (90) calendar days after the Effective Date, twelve (12) months after the Effective Date, twenty-four (24) months after the Effective Date, and thirty-six (36) months after the Effective Date.

- (a) Each Compliance Report shall include a detailed description of Gallien's efforts during the relevant period to comply with the terms and conditions of this Consent Decree and the Equipment Marketing Rules. In addition, each Compliance Report shall include a certification by the Compliance Officer, as an agent of and on behalf of Gallien, stating that the Compliance Officer has personal knowledge that Gallien (i) has established and implemented the Compliance Plan; (ii) has utilized the Operating Procedures since the implementation of the Compliance Plan; and (iii) is not aware of any instances of noncompliance with the terms and conditions of this Consent Decree, including the reporting obligations set forth in paragraph 10 hereof.
- (b) The Compliance Officer's certification shall be accompanied by a statement explaining the basis for such certification and must comply with Section 1.16 of the Rules and be subscribed to as true under penalty of perjury in substantially the form set forth therein.¹⁷
- (c) If the Compliance Officer cannot provide the requisite certification, the Compliance Officer, as an agent of and on behalf of Gallien, shall provide the Commission with a detailed explanation of the reason(s) why and describe fully (i) each instance of noncompliance; (ii) the steps that Gallien has taken or will take to remedy such noncompliance, including the schedule on which proposed remedial actions will be taken; and (iii) the steps that Gallien has taken or will take to prevent the recurrence of any such noncompliance, including the schedule on which such preventive action will be taken.
- (d) All Compliance Reports shall be submitted to the Chief, Spectrum Enforcement Division, Enforcement Bureau, Federal Communications Commission, Room 3-C366, 445 12th Street, S.W., Washington, DC 20554, with a copy submitted

¹⁷ 47 C.F.R. § 1.16.

electronically to Kevin Pittman at Kevin.Pittman@fcc.gov and to Ricardo Durham at Ricardo.Durham@fcc.gov.

12. **Termination Date.** Unless stated otherwise, the requirements set forth in paragraphs 8 through 11 of this Consent Decree shall expire thirty-six (36) months after the Effective Date.

13. **Voluntary Contribution.** Gallien agrees that it will make a voluntary contribution to the United States Treasury in the amount of eighteen thousand five hundred dollars (\$18,500) (Voluntary Contribution); such Voluntary Contribution to be made in six installments (each, an Installment Payment). The first Installment Payment in the amount of three thousand eighty-four dollars (\$3,084) is due within thirty (30) calendar days after the Effective Date. The second Installment Payment in the amount of three thousand eighty-four dollars (\$3,084) is due on or before January 14, 2014. The third Installment Payment in the amount of three thousand eighty-four dollars (\$3,084) is due on or before February 14, 2014. The fourth Installment Payment in the amount of three thousand eighty-four dollars (\$3,084) is due on or before March 14, 2014. The fifth Installment Payment in the amount of three thousand eighty-four dollars (\$3,084) is due on or before April 14, 2014. The sixth and final Installment Payment in the amount of three thousand eighty dollars (\$3,080) is due on or before May 14, 2014. Gallien shall make the first and all subsequent Installment Payments in United States Dollars without further demand or notice by the dates specified above. Gallien acknowledges and agrees that upon execution of this Consent Decree the Voluntary Contribution and each Installment Payment shall become a "Claim" or "Debt" as defined in 31 U.S.C. § 3701(b)(1). Upon an Event of Default (as defined below), all procedures for collection as permitted by law may, at the Commission's discretion, be initiated. Gallien shall also send electronic notification of each Installment Payment on the date said payment is made to Kevin Pittman at Kevin.Pittman@fcc.gov, Ricardo Durham at Ricardo.Durham@fcc.gov, and Samantha Peoples at Sam.Peoples@fcc.gov. The payment must be made by check or similar instrument, wire transfer, or credit card, and must include the NAL/Account Number and FRN referenced above. Regardless of the form of payment, a completed FCC Form 159 (Remittance Advice) must be submitted.¹⁸ When completing the FCC Form 159, enter the Account Number in block number 23A (call sign/other ID) and enter the letters "FORF" in block number 24A (payment type code). Below are additional instructions that Gallien should follow based on the form of payment it selects:

- Payment by check or money order must be made payable to the order of the Federal Communications Commission. Such payments (along with the completed Form 159) must be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000, or sent via overnight mail to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101.
- Payment by wire transfer must be made to ABA Number 021030004, receiving bank TREAS/NYC, and Account Number 27000001. To complete the wire transfer and ensure appropriate crediting of the wired funds, a completed Form 159 must be faxed to U.S. Bank at (314) 418-4232 on the same business day the wire transfer is initiated.
- Payment by credit card must be made by providing the required credit card information on FCC Form 159 and signing and dating the Form 159 to authorize the credit card payment. The completed Form 159 must then be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000, or sent via overnight mail to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101.

¹⁸ An FCC Form 159 and detailed instructions for completing the form may be obtained at <http://www.fcc.gov/Forms/Form159/159.pdf>.

If Gallien has questions regarding payment procedures, it should contact the Financial Operations Group Help Desk by phone, 1-877-480-3201, or by e-mail, ARINQUIRIES@fcc.gov.

14. **Event of Default.** Gallien agrees that an Event of Default shall occur upon the failure by Gallien to pay the full amount of any Installment Payment on or before the due dates specified in this Consent Decree.

15. **Interest, Charges for Collection, and Acceleration of Maturity Date.** After an Event of Default has occurred under this Consent Decree, the then unpaid amount of the Voluntary Contribution shall accrue interest, computed using the rate of the U.S. Prime Rate in effect on the date of the Event of Default plus 4.75 percent, from the date of the Event of Default until payment in full. Upon an Event of Default, the then unpaid amount of the Voluntary Contribution, together with interest, as aforesaid, any penalties permitted and/or required by the law, including but not limited to interest and penalties permitted under 31 U.S.C. § 3717 and administrative charge(s), plus the costs of collection, litigation, and attorneys' fees, shall become immediately due and payable, without notice, presentment, demand, protest, or notice of protest of any kind, all of which are waived by Gallien.

16. **Waivers.** Gallien 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 the Bureau issues an Adopting Order as defined herein. Gallien shall retain the right to challenge Commission interpretation of the Consent Decree or any terms contained herein. 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 Gallien nor the Commission shall contest the validity of the Consent Decree or of the Adopting Order, and Gallien shall waive any statutory right to a trial *de novo*. Gallien hereby agrees to waive any claims it may have under the Equal Access to Justice Act¹⁹ relating to the matters addressed in this Consent Decree.

17. **Invalidity.** In the event that this Consent Decree in its entirety 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.

18. **Subsequent Rule or Order.** 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 Gallien does not expressly consent) that provision will be superseded by such Rule or Commission order.

19. **Successors and Assigns.** Gallien agrees that the provisions of this Consent Decree shall be binding on its successors, assigns, and transferees.

20. **Final Settlement.** The Parties agree and acknowledge that this Consent Decree shall constitute a final settlement between the Parties with respect to the Investigation. The Parties further 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 the Communications Laws.

21. **Modifications.** This Consent Decree cannot be modified without the advance written consent of both Parties.

¹⁹ Equal Access to Justice Act, Pub L. No. 96-481, 94 Stat. 2325 (1980) (codified at 5 U.S.C. § 504); *see also* 47 C.F.R. §§ 1.1501–1.1530.

22. **Paragraph Headings.** The headings of the paragraphs in this Consent Decree are inserted for convenience only and are not intended to affect the meaning or interpretation of this Consent Decree.

23. **Authorized Representative.** The individual signing this Consent Decree on behalf of Gallien represents and warrants that he is authorized by Gallien to execute this Consent Decree and to bind Gallien to the obligations set forth herein. The FCC signatory represents that he is signing this Consent Decree in his official capacity and that he is authorized to execute this Consent Decree.

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

John D. Poutasse
Chief, Spectrum Enforcement Division
Enforcement Bureau

Date

Robert A. Gallien
President & Chief Executive Officer
Gallien Technology, Inc., d/b/a Gallien-Krueger

Date