

**Before the  
Federal Communications Commission  
Washington, DC 20554**

In the Matter of	)	
	)	
Sound Ideas, LLC	)	File No.: EB-IHD-17-00023521
	)	NAL/Acct. No.: 201932080003
Licensee of Station WYDK(FM), Eufaula,	)	FRN: 0022283527
Alabama	)	
	)	

**ORDER**

**Adopted: December 17, 2018**

**Released: December 17, 2018**

By the Chief, Enforcement Bureau:

1. The Enforcement Bureau (Bureau) of the Federal Communications Commission (Commission or FCC) has entered into a Consent Decree to resolve its investigation into whether Sound Ideas, LLC (Licensee), the licensee of radio station WYDK(FM), Eufaula, Alabama, Facility Identification Number 15939 (Station), prematurely ended a contest it conducted in 2016 (Contest) and failed to award the advertised prizes, and instead kept them for its own employee. The Licensee's response to our investigation raised concerns that the Licensee not only conducted its Contest in contravention of the Commission's rules concerning broadcast contests, but that it had also improperly transferred *de facto* control of the Station to a third party without Commission authorization, in violation of the Commission's Unauthorized Transfer rules. These rules protect the public from deceptive contests and ensure that only Commission-licensed operators control broadcast stations. To settle this matter, Licensee admits that it violated the Contest and Unauthorized Transfer rules, will implement a compliance plan, and will pay a \$12,000 civil penalty.

2. After reviewing the terms of the Consent Decree and evaluating the facts before us, we find that the public interest will be served by adopting the Consent Decree and terminating the investigation regarding Licensee's compliance with Section 508 of the Communications Act of 1934, as amended (Act),<sup>1</sup> and Section 73.1216 of the Commission's rules (Rules),<sup>2</sup> collectively "Contest Laws," and Section 310(d) of the Act<sup>3</sup> and Section 73.3540 of the Rules,<sup>4</sup> collectively "Transfer Laws."

3. 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 Licensee possesses the basic qualifications, including those related to character, to hold or obtain any Commission license or authorization.

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<sup>1</sup> 47 U.S.C. § 509.

<sup>2</sup> 47 CFR § 73.1216.

<sup>3</sup> 47 U.S.C. § 310(d).

<sup>4</sup> 47 CFR § 73.3540.

4. Accordingly, **IT IS ORDERED** that, pursuant to Sections 4(i) and 4(j) of the Act,<sup>5</sup> and Sections 0.111 and 0.311 of the Rules,<sup>6</sup> the Consent Decree attached to this Order **IS ADOPTED**.

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

6. **IT IS FURTHER ORDERED** that any third-party complaints and allegations against the Licensee or the Station related to the above-captioned investigation that are currently pending before the Bureau as of the date of this Consent Decree **ARE DISMISSED**.

7. **IT IS FURTHER ORDERED** that a copy of this Order and Consent Decree shall be sent by both First Class U.S. Mail and Certified Mail to John C. Trent, Esq., Putbrey Hunsaker & Trent, P.C., 200 South Church Street, Woodstock, VA 22664.

FEDERAL COMMUNICATIONS COMMISSION

Rosemary Harold  
Chief  
Enforcement Bureau

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<sup>5</sup> 47 U.S.C. §§ 154(i)-(j).

<sup>6</sup> 47 CFR §§ 0.111, 0.311.

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	)	NAL/Acct. No.: 201932080003
Sound Ideas, LLC	)	FRN: 0022283527
	)	
Licensee of Station WYDK(FM), Eufaula,	)	
Alabama	)	

**CONSENT DECREE**

1. The Enforcement Bureau (Bureau) of the Federal Communications Commission (Commission or FCC) and Sound Ideas, LLC (Licensee), the licensee of radio station WYDK(FM), Eufaula, Alabama, Facility Identification Number 15939 (Station),<sup>1</sup> hereby enter into this Consent Decree for the purpose of terminating the Bureau's investigation into whether the Licensee violated: (a) Section 508 of the Communications Act of 1934, as amended (Act),<sup>2</sup> and Section 73.1216 of the Commission's rules (Rules),<sup>3</sup> collectively Contest Laws, in connection with a contest conducted by and broadcast on the Station in 2016, and (b) Section 310(d) of the Act<sup>4</sup> and Section 73.3540 of the Rules,<sup>5</sup> collectively "Transfer Laws," by improperly transferring *de facto* control over the Station to a third party time broker without Commission authorization.

**I. DEFINITIONS**

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 the Order of the Bureau adopting the terms of this Consent Decree without addition, change, deletion, or modification.
  - (c) "Bureau" means the Enforcement Bureau of the Commission.
  - (d) "Commission" or "FCC" means 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 the Licensee is subject by virtue of being a Commission licensee.
  - (f) "Complaint" means the third-party complaint submitted to the Bureau alleging that Licensee violated the Contest Laws.<sup>6</sup>
  - (g) "Contest" means the 2016 contest described in the Complaint.

<sup>1</sup> The Licensee also operates station WULA(AM), Eufaula, Alabama, Facility Identification Number 36308.

<sup>2</sup> 47 U.S.C. § 509(a)(3).

<sup>3</sup> 47 CFR § 73.1216.

<sup>4</sup> 47 U.S.C. § 310(d).

<sup>5</sup> 47 CFR § 73.3540.

<sup>6</sup> Complaint, No. 1138720-1 (Aug. 15, 2016) (Complaint).

- (h) “Contest Laws” means Section 508 of the Act<sup>7</sup> and Section 73.1216 of the Rules.<sup>8</sup>
- (i) “Covered Employees” means all employees and agents of the Licensee who perform, or manage, oversee, or supervise the performance of, duties that relate to the Station’s responsibilities under the Contest Laws or the Transfer Laws.
- (j) “Effective Date” means the date on which both the Bureau and the Licensee sign the Adopting Order.
- (k) “Investigation” means the investigation (commenced by the Bureau’s June 27, 2017, Letter of Inquiry or LOI<sup>9</sup>) regarding whether the Licensee violated the Commission’s Contest Laws and Transfer Laws.
- (l) “Licensee” means Sound Ideas, LLC, including all of its affiliates, subsidiaries, and predecessors-in-interest.
- (m) “Operating Procedures” means the internal operating procedures and compliance policies established by the Licensee to implement the Compliance Plan.
- (n) “Parties” means the Licensee, Griffin, 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.
- (p) “Station” means Station WYDK(FM), Eufaula, Alabama, Facility Identification Number 15939.
- (q) “Transfer Laws” means Section 310(d) of the Act,<sup>10</sup> and Section 73.3540 of the Rules.<sup>11</sup>
- (r) “Unauthorized Transfer” means the Licensee’s *de facto* transfer of control over the Station without Commission authorization.

## II. BACKGROUND

3. Section 508 of the Act prohibits a licensee from knowingly deceiving the public by engaging “in any artifice or scheme for the purpose of prearranging or predetermining in whole or in part the outcome of a purportedly bona fide contest . . . [of] chance.”<sup>12</sup> Section 73.1216(a) of the Rules requires licensees “that broadcast[] or advertise[] information about a contest [they] conduct[] . . . fully and accurately [to] disclose the material terms of the contest and . . . conduct the contest substantially as announced or advertised.”<sup>13</sup> These provisions protect the public from deceptive or misleading practices in the conduct of radio contests.

4. Section 310(d) of the Act prohibits the transfer of control of a broadcast station license, and any rights thereunder, without prior Commission consent.<sup>14</sup> Section 73.3540 of the Rules implements

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<sup>7</sup> 47 U.S.C. § 509(a)(3).

<sup>8</sup> 47 CFR § 73.1216(a).

<sup>9</sup> Letter from Guy Benson, Attorney Advisor, Investigations and Hearings Division, FCC Enforcement Bureau, to Sound Ideas, LLC (June 27, 2017) (on file in EB-IHD-17-00023521).

<sup>10</sup> 47 U.S.C. § 310(d).

<sup>11</sup> 47 CFR § 73.3540.

<sup>12</sup> 47 U.S.C. § 509(a)(3).

<sup>13</sup> 47 CFR § 73.1216(a).

<sup>14</sup> 47 U.S.C. § 310(d).

this statutory provision and requires the filing of an application for the transfer of control of a broadcast station's license.<sup>15</sup> To determine whether there has been an unauthorized *de facto* transfer of control, the Commission examines the policies governing the station's programming, personnel, and finances to assess whether the licensee retains ultimate control over these aspects of station operation.<sup>16</sup> A licensee may delegate day-to-day station operations as long as the licensee remains responsible for essential station matters and for setting the policies concerning programming, personnel, and finances.<sup>17</sup> These provisions ensure that only those Commission-approved licensees are responsible for operating broadcast stations.

5. The Complaint alleges that the Licensee prematurely ended a contest it conducted in 2016 and failed to award the advertised prizes, and instead kept them for its own employee.

6. On June 26, 2017, the Bureau issued a letter of inquiry (LOI) to the Licensee regarding the issues raised in the Complaint. In its response, the Licensee claimed to have no knowledge about the Contest and claimed to be unable to locate records about the Contest; this professed lack of knowledge about Station operations raised questions about the Licensee's control over the Station.<sup>18</sup>

7. On July 16, 2018, the Bureau issued a supplemental LOI to the Licensee to investigate the apparent unauthorized *de facto* of control of the Station from the Licensee to Daystar.<sup>19</sup> In response, the Licensee admitted it violated the Contest Laws and the Transfer Laws. To resolve the Bureau's investigation, the Parties now enter this Consent Decree.

### III. TERMS OF AGREEMENT

8. **Adopting Order.** The provisions of this Consent Decree shall be incorporated by the Bureau in the Adopting Order without change, addition, deletion or modification.

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

10. **Effective Date; Violations.** The Parties agree that this Consent Decree shall become effective on the Effective Date. 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.

11. **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, the Licensee 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 this 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 the Licensee 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 to

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<sup>15</sup> 47 CFR § 73.3540.

<sup>16</sup> See *Solar Broadcasting Company, Inc.; et al.*, Memorandum Opinion and Order, 17 FCC Rcd 5467, 5486, para. 71 (2002), *aff'd sub nom. Davis Broad., Inc. v. FCC*, 63 Fed. Appx. 526 (D.C. Cir. 2003) (unpublished table decision).

<sup>17</sup> See *id.*

<sup>18</sup> Letter from J. Stanley Griffin, President, Sound Ideas, LLC to Marlene H. Dortch, Secretary, Federal Communications Commission, Declaration (Aug. 2, 2017) (LOI Response) (on file in EB-IHD-17-00023521).

<sup>19</sup> Letter from Christopher J. Sova, Deputy Chief, Investigations and Hearings Division, FCC Enforcement Bureau, to Sound Ideas, LLC (July 16, 2017) (on file in EB-IHD-17-00023521).

set for hearing the question of the Licensee's basic qualifications to be a Commission licensee or to hold Commission licenses or authorizations.

12. **Admission of Liability.** The Licensee admits for the purpose of this Consent Decree and for Commission civil enforcement purposes, and in express reliance on the provisions herein, that its actions violated the Contest Laws and the Transfer Laws.

13. **Reporting Obligations to the Commission.** The Licensee agrees to report the existence of the Adopting Order and Consent Decree in any future application for a Commission certificate, license, permit, or other authorization to which it is a party. The Licensee, at the time of such filing, shall deliver a copy of the application to the Chief, Investigations and Hearings Division, Enforcement Bureau, and shall notify the relevant licensing division of the Commission about the existence of this Adopting Order and Consent Decree and their duty to provide it.

14. **Compliance Officer.** Compliance Officer. Within thirty (30) calendar days of the Effective Date, the Licensee shall designate a senior 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 the Licensee 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 knowledge of the Contest Laws and Transfer Laws prior to assuming his/her duties.

15. **Compliance Plan.** The Licensee agrees that it shall, within sixty (60) calendar days of the Effective Date, develop and implement a Compliance Plan designed to ensure on-going compliance with the Communications Laws and with the terms and conditions of this Consent Decree. With respect to the Contest Laws and Transfer Laws, the Licensee shall implement the following procedures:

- (a) **Operating Procedures.** The Licensee shall, within thirty (30) calendar days of the Effective Date, establish Operating Procedures that all Covered Employees must follow to help ensure the Licensee's compliance with the Contest Laws and Transfer Laws.
- (b) **Compliance Manual.** The Compliance Officer shall, within sixty (60) calendar days of the Effective Date, develop and distribute a Compliance Manual to all Covered Employees. The Compliance Manual shall set forth the Operating Procedures that Covered Employees shall follow to help ensure the Licensee's compliance with the Communications Laws, particularly the Contest Laws and Transfer Laws. The Licensee shall periodically review and revise the Compliance Manual as necessary to ensure that the information set forth therein remains current and complete. The Licensee shall distribute any revisions to the Compliance Manual promptly to all Covered Employees.
- (c) **Compliance Training Program.** The Licensee shall establish and implement a Compliance Training Program on compliance with the Operating Procedures, the Contest Laws, and the Transfer Laws. As part of the Compliance Training Program, Covered Employees shall be advised of the Licensee's obligation to report any noncompliance with the Contest Laws or Transfer Laws under this paragraph 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 Date. Any person who becomes a Covered Employee at any time after the initial Compliance Training Program is conducted shall be trained within thirty (30) calendar days after the date such person becomes a Covered Employee. The Licensee 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.

16. **Reporting of Noncompliance.** The Licensee shall report any noncompliance with this Consent Decree, the Contest Laws, or the Transfer Laws within fifteen (15) calendar days after discovery

of such noncompliance. Such reports shall include a detailed explanation of (a) each instance of noncompliance; (b) the steps that the Licensee has taken or will take to address such noncompliance; (c) the schedule on which such remedial actions will be taken; and (d) the steps that the Licensee has taken or will take to prevent the recurrence of any such noncompliance. All reports of noncompliance shall be submitted to the Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, Room 4-C330, 445 12th Street, SW, Washington, DC 20554, with a copy submitted electronically to [Jeffrey.Gee@fcc.gov](mailto:Jeffrey.Gee@fcc.gov) and [Christopher.Sova@fcc.gov](mailto:Christopher.Sova@fcc.gov).

17. **Compliance Reports.** The Licensee shall file Compliance Reports with the Bureau 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 the Licensee's efforts during the relevant period to comply with the terms and conditions of this Consent Decree, the Contest Laws, and the Transfer Laws. In addition, each Compliance Report shall include a certification by the Compliance Officer, as an agent of and on behalf of the Licensee, stating that the Compliance Officer has personal knowledge that the Licensee (a) has established and implemented the Compliance Plan; (b) has utilized the Operating Procedures since the implementation of the Compliance Plan; and (c) is not aware of any instances of noncompliance with the terms and conditions of this Consent Decree, including the reporting obligations set forth in this Consent Decree.
- (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<sup>20</sup> and be subscribed to as true under penalty of perjury in substantially the form set forth therein.
- (c) If the Compliance Officer cannot provide the requisite certification, the Compliance Officer, as an agent of and on behalf of the Licensee, shall provide the Commission with a detailed explanation of the reason(s) why and describe fully: (a) each instance of noncompliance; (b) the steps that the Licensee has taken or will take to remedy such noncompliance, including the schedule on which proposed remedial action will be taken; and (c) the steps that the Licensee 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, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, Room 4-C330, 445 12th Street, SW, Washington, DC 20554, with a copy submitted electronically to [Jeffrey.Gee@fcc.gov](mailto:Jeffrey.Gee@fcc.gov) and [Christopher.Sova@fcc.gov](mailto:Christopher.Sova@fcc.gov).

18. **Termination Date.** Unless stated otherwise, the requirements set forth in paragraphs 14 to 17 of this Consent Decree shall expire thirty-six (36) months after the Effective Date.

19. **Civil Penalty.** The Licensee shall pay a total civil penalty to the United States Treasury in the amount of twelve thousand dollars (\$12,000), consisting of four thousand dollars (\$4,000) for violation of the Contest Laws and eight thousand dollars (\$8,000) for violation of the Transfer Laws, within fifteen (15) calendar days after the Effective Date. The Licensee shall also send electronic notification of payment to [Jeffrey.Gee@fcc.gov](mailto:Jeffrey.Gee@fcc.gov) and [Christopher.Sova@fcc.gov](mailto:Christopher.Sova@fcc.gov) on the date said payment is made. The payment must be made by check or similar instrument, wire transfer, or credit card, and must include the Account Number and FRN referenced herein. Regardless of the form of payment, a

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<sup>20</sup> 47 CFR § 1.16.



completed FCC Form 159 (Remittance Advice) must be submitted.<sup>21</sup> 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 you should follow based on the form of payment you select:<sup>22</sup>

- 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.

20. **Complaints Regarding Contest Laws or Transfer Laws Violations; Subsequent Investigations.** Nothing in this Consent Decree shall prevent the Commission or its delegated authority from adjudicating a complaint filed against the Licensee or its affiliates for alleged violations of the Contest Laws, Transfer Laws, the Act, the Rules, or for any other type of alleged misconduct, regardless of when such misconduct took place. The Commission’s adjudication of any such complaint will be based solely upon the record developed in that proceeding. Except as expressly provided in this Consent Decree, this Consent Decree shall not prevent the Commission from investigating new evidence of noncompliance by the Licensee with the Communications Laws.

21. **Waivers.** As of the Effective date, the Licensee 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. The Licensee 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 Consent Decree or Adopting Order, neither the Licensee nor the Commission shall contest the validity of the Consent Decree or the Adopting Order, and the Licensee shall waive any statutory right to a trial *de novo*. The Licensee hereby agrees to waive any claims it may have under the Equal Access to Justice Act, 5 U.S.C. § 504 and 47 CFR § 1.1501 *et seq.*, relating to the matters addressed in this Consent Decree.

22. **Severability.** The Parties agree that if any of the provisions of the Consent Decree shall be held unenforceable by any court of competent jurisdiction, such unenforceability shall not render unenforceable the entire Consent Decree, but rather the entire Consent Decree shall be construed as if not containing the particular unenforceable provision or provisions, and the rights and obligations of the Parties shall be construed and enforced accordingly.

<sup>21</sup> An FCC Form 159 and detailed instructions for completing the form may be obtained at <http://www.fcc.gov/Forms/Form159/159.pdf>.

<sup>22</sup> If the Licensee has questions regarding payment procedures, it should contact the Financial Operations Group Help Desk by phone at (877) 480-3201, or by e-mail at [ARINQUIRIES@fcc.gov](mailto:ARINQUIRIES@fcc.gov).



23. **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.

24. **Subsequent Rule or Order.** The Parties agree that if any provision of this 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 the Licensee does not expressly consent) that provision will be superseded by such rule or order.

25. **Assigns, Successors, and Transferees.** This Consent Decree shall be binding upon the Licensee's assigns, successors, and transferees.

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

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

28. **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.

29. **Authorized Representative.** Each Party represents and warrants to the other that it has full power and authority to enter into this Consent Decree. Each person signing this Consent Decree on behalf of a Party hereby represents that he or she is fully authorized by the Party to execute this Consent Decree and to bind the Party to its terms and conditions.

30. **Counterparts.** This Consent Decree may be signed in counterpart (including electronically or by facsimile). Each counterpart, when executed and delivered, shall be an original, and all of the counterparts together shall constitute one and the same fully executed instrument.

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Rosemary C. Harold  
Chief  
Enforcement Bureau

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Date

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J. Stanley Griffin  
President  
Sound Ideas, LLC

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Date