

Before the
Federal Communications Commission
Washington, DC 20554

In the Matter of)	
)	
Media Resources, Inc.)	File No.: EB-SED-17-00024681
)	Acct. No.: 201832100009
)	FRN: 0027389295

ORDER

Adopted: April 20, 2018

Released: April 20, 2018

By the Acting Deputy Chief, Enforcement Bureau:

1. The Enforcement Bureau (Bureau) of the Federal Communications Commission has entered into a Consent Decree to resolve its investigation into whether Media Resources, Inc. (Media Resources) marketed LED signs used in digital billboards and other commercial and industrial applications, without the required equipment authorization, labeling, and user manual disclosures in violation of the Commission’s rules. These rules ensure that radio-frequency devices marketed in the United States do not interfere with authorized communications, thereby maintaining network integrity and security and protecting consumers. To settle this matter, Media Resources admits that it marketed LED signs without the required equipment authorization, labeling, and user manual disclosures, will implement a compliance plan, and will pay a \$19,500 civil penalty.

2. 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 referenced investigation regarding Media Resources’ compliance with equipment authorization, labeling and user manual disclosure rules in effect at the time of the violation, Section 302(b) of the Communications Act of 1934, as amended (Act)¹, and Sections 2.803, 2.955, 15.19, 15.21, 15.101, and 15.105 of the Commission’s rules.²

3. In the absence of material new evidence relating to this matter, we do not set for hearing the question of Media Resources’ basic qualifications to hold or obtain any Commission license or authorization.³

4. Accordingly, **IT IS ORDERED** that, pursuant to Section 4(i) of the Act⁴ and the authority delegated by Sections 0.111 and 0.311 of the Rules,⁵ the attached Consent Decree **IS ADOPTED** and its terms incorporated by reference.

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

¹ 47 U.S.C. § 302a(b).

² 47 CFR §§ 2.803, 2.955, 15.19, 15.21, 15.101, and 15.105 (2017). Some of the rules in effect at the time the violations occurred were subsequently amended. The new rules became effective on November 2, 2017. See *Amendment of Parts 0, 1, 2, 15, and 18 of the Commission’s Rules regarding Authorization of Radiofrequency Equipment*, Report and Order, 32 FCC Rcd 8746 (July 2017).

³ See 47 CFR § 1.93(b).

⁴ 47 U.S.C. § 154(i).

⁵ 47 CFR §§ 0.111, 0.311.

6. **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 Jeff Rushton, President and Chief Executive Officer, Media Resources, Inc., 1387 Cornwall Road, Oakville, ON Canada L6J7T5.

FEDERAL COMMUNICATIONS COMMISSION

Christopher L. Killion
Acting Deputy Chief
Enforcement Bureau

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Media Resources, Inc.
File No.: EB-SED-17-00024681
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CONSENT DECREE

1. The Enforcement Bureau of the Federal Communications Commission and Media Resources, Inc. (Media Resources), by their authorized representatives, hereby enter into this Consent Decree for the purpose of terminating the Enforcement Bureau’s investigation into whether Media Resources violated Section 302(b) of the Communications Act of 1934, as amended (Act),6 and Sections 2.803, 2.955, 15.19, 15.21, 15.101, and 15.105 of the Commission’s rules.7

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.8
(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 Media Resources is subject by virtue of its business activities, including but not limited to the Equipment Authorization and Marketing Rules.
(f) “Compliance Plan” means the compliance obligations, program, and procedures described in this Consent Decree at paragraph 13.
(g) “Covered Employees” means all employees and agents of Media Resources who perform, or supervise, oversee, or manage the performance of, duties that relate to Media Resources’ responsibilities under the Communications Laws, including the Equipment Authorization and Marketing Rules.

6 47 U.S.C. § 302a(b).

7 47 CFR §§ 2.803, 2.955, 15.19, 15.21, 15.101, 15.105. Some of the rules in effect at the time the violations occurred were subsequently amended and became effective on November 2, 2017. See Amendment of Parts 0, 1, 2, 15, and 18 of the Commission’s Rules regarding Authorization of Radiofrequency Equipment, Report and Order, 32 FCC Rcd 8746 (July 2017) (Equipment Authorization Order). This settlement resolves violations prior to the effective date of the amended rules and sets forth obligations for compliance with the current rules.

8 47 U.S.C. § 151 et seq.

- (h) “Effective Date” means the date by which both the Bureau and Media Resources have signed the Consent Decree.
- (i) “Equipment Authorization and Marketing Rules” means Section 302(b) of the Act;⁹ Sections 2.803, 2.938 or 2.955, 2.1077, 15.19, 15.21, 15.101, and 15.105 of the Commission’s rules;¹⁰ and other provisions of the Act, the Rules, and Commission orders related to the authorization of radio frequency devices and the marketing of such devices.
- (j) “Investigation” means the investigation commenced by the Bureau’s July 17, 2017 Letter of Inquiry regarding whether Media Resources violated the Equipment Authorization and Marketing Rules.¹¹
- (k) “Media Resources” or “Company” means Media Resources, Inc. and its affiliates, subsidiaries, predecessors-in-interest, and successors-in-interest.
- (l) “Operating Procedures” means the standard internal operating procedures and compliance policies established by Media Resources to implement the Compliance Plan.
- (m) “Parties” means Media Resources and the Bureau, each of which is a “Party.”
- (n) “Rules” means the Commission’s regulations found in Title 47 of the Code of Federal Regulations.

II. BACKGROUND

3. Section 302 of the Act authorizes the Commission to promulgate reasonable regulations to minimize harmful interference by equipment that emits radio frequency energy.¹² Specifically, Section 302(b) of the Act provides that “[n]o person shall manufacture, import, sell, offer for sale, or ship devices or home electronic equipment and systems, or use devices, which fail to comply with regulations promulgated pursuant to this section.”¹³ The purpose of Section 302 of the Act is to ensure that radio transmitters and other electronic devices meet certain standards to control interference before they reach the market.

4. The Commission carries out its responsibilities under Section 302 of the Act in two ways. First, the Commission establishes technical requirements for transmitters and other equipment to minimize their potential for causing interference to authorized radio services. Second, the Commission administers an equipment authorization program to ensure that equipment reaching the market in the United States complies with the technical and administrative requirements set forth in the Rules. The equipment authorization program requires, among other things, that radio frequency devices must be tested for compliance with the applicable technical requirements prior to marketing.¹⁴ In that regard, Section 2.803(b) of the Rules prohibits the marketing of radio frequency devices unless the device has

⁹ *Id.* § 302a(b).

¹⁰ 47 CFR §§ 2.803, 2.938, 2.1077, 15.19, 15.101 (2018); *id.* §§ 2.803, 2.955, 15.19, 15.21, 15.101, 15.105 (2017).

¹¹ *See* Letter from Aspasia A. Paroutsas, Chief, Spectrum Enforcement Division, FCC Enforcement Bureau, to Jeff Rushton, President, Media Resources, Inc. (Jul. 21, 2017) (Amended LOI); Letter from Aspasia A. Paroutsas, Chief, Spectrum Enforcement Division, FCC Enforcement Bureau, to Jeff Rushton, President, Media Resources, Inc. (Jul. 17, 2017) (LOI) (on file in EB-SED-17-00024681).

¹² 47 U.S.C. § 302a.

¹³ *Id.* § 302a(b).

¹⁴ The term “marketing” is defined in the Rules and includes 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.” 47 CFR § 2.803(a).

first been properly authorized, identified, and labeled in accordance with the Rules, with limited exceptions.¹⁵

5. Media Resources is a privately held Canadian corporation that markets, designs, fabricates, installs, and services LED display signs in the United States. On July 21, 2017, after reviewing a complaint, the Bureau's Spectrum Enforcement Division (Division) issued a Letter of Inquiry (LOI) to Media Resources, directing it to submit a sworn written response to a series of questions relating to its marketing of LED signs within the United States.¹⁶ The investigation revealed that Media Resources violated the Equipment Authorization and Marketing Rules by marketing LED signs without the required equipment authorization, labeling, and user manual disclosures and by failing to retain required test records.¹⁷ Prior to receiving the LOI, Media Resources had engaged an accredited testing laboratory. Upon receiving the LOI, Media Resources immediately submitted test reports to the Division demonstrating that the Company's products, as marketed, fully complied with the applicable technical standards. Media Resources submitted additional records and information demonstrating that the equipment at issue is now compliant with the Equipment Authorization and Marketing Rules.

6. The Bureau and Media Resources negotiated the following terms and conditions of settlement and hereby enter into this Consent Decree as provided herein.

III. TERMS OF AGREEMENT

7. **Adopting Order.** The provisions of this Consent Decree shall be incorporated by the Bureau in an Adopting Order.

8. **Jurisdiction.** Media Resources 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.

9. **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 Parties agree that this Consent Decree shall have the same force and effect as any other order of the Commission.

10. **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, Media Resources agrees to the terms, conditions, and procedures contained herein. The Bureau further 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 new proceeding, formal or informal, or take any action on its own motion against Media Resources 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 set for hearing the question of Media Resources' basic qualifications to be a Commission licensee or hold Commission licenses or authorizations.¹⁸

¹⁵ See *id.* §§ 2.803(b), (c).

¹⁶ See *supra* note 6.

¹⁷ See Letter from Jeff Rushton President, Media Resources, Inc. to Aspasia Paroutsas, Division Chief, Spectrum Enforcement Division, FCC Enforcement Bureau (Oct. 31, 2017); Letter from Jeff Rushton President, Media Resources, Inc. to Aspasia Paroutsas, Division Chief, Spectrum Enforcement Division, FCC Enforcement Bureau (Sept. 1, 2017); Letter from Jeff Rushton President, Media Resources, Inc. to Aspasia Paroutsas, Division Chief, Spectrum Enforcement Division, FCC Enforcement Bureau (Aug. 7, 2017) (on file in EB-SED-17-00024681).

¹⁸ See 47 CFR § 1.93(b).

11. **Admission of Liability.** Media Resources admits for the purpose of this Consent Decree and for Commission civil enforcement purposes, and in express reliance on the provisions of paragraph 10 herein, that its actions described in paragraph 5, herein, violated the Equipment Authorization and Marketing Rules in effect during the Investigation.

12. **Compliance Officer.** Within thirty (30) calendar days after the Effective Date, Media Resources shall designate a senior corporate manager with the requisite corporate and organizational authority to serve as a 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 Media Resources 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 or her duties under this Consent Decree, the Compliance Officer shall have specific knowledge of the Equipment Authorization and Marketing Rules prior to assuming his or her duties.

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

- (a) **Operating Procedures.** Within thirty (30) calendar days after the Effective Date, Media Resources shall establish Operating Procedures that all Covered Employees must follow to help ensure Media Resources' compliance with the Equipment Authorization and Marketing Rules. Media Resources' Operating Procedures shall include internal procedures and policies specifically designed to ensure that all radio frequency devices to be marketed by Media Resources are properly authorized and compliant with the applicable technical and administrative standards and requirements prior to the initiation of marketing.¹⁹ Additionally, Media Resources will establish a procedure for retaining documentation supporting device compliance prior to the initiation of marketing.²⁰ Media Resources shall also develop a Compliance Checklist that describes the steps that a Covered Employee must follow to ensure compliance with the Equipment Authorization and Marketing Rules.
- (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 Authorization and Marketing Rules and set forth the Operating Procedures that Covered Employees shall follow to help ensure Media Resources' compliance with the Equipment Authorization and Marketing Rules. Media Resources shall periodically review and revise the Compliance Manual as necessary to ensure that the information set forth therein remains current and accurate. Media Resources shall distribute any revisions to the Compliance Manual promptly to all Covered Employees.
- (c) **Compliance Training Program.** Media Resources shall establish and implement a Compliance Training Program on compliance with the Equipment Authorization and Marketing Rules and the Operating Procedures. As part of the Compliance Training Program, Covered Employees shall be advised of Media Resources' obligation to report any noncompliance with the Equipment Authorization and Marketing Rules

¹⁹ See *supra* note 9 and accompanying text.

²⁰ See 47 CFR §§ 2.945; 2.938 (2018); *id.* § 2.955 (2017); see also *Equipment Authorization Order*, 32 FCC Rcd 8746.

under paragraph 14 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, except that any person who becomes a Covered Employee at any time after the initial Compliance Training Program shall be trained within thirty (30) calendar days after the date such person becomes a Covered Employee. Media Resources shall repeat 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.

14. **Reporting Noncompliance.** Media Resources shall report any noncompliance with the Equipment Authorization and 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 Media Resources 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 Media Resources has taken or will take to prevent the recurrence of any such noncompliance. All reports of noncompliance shall be submitted to Chief, Spectrum Enforcement Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, SW, Rm. 3-C366, Washington, DC 20554, with a copy submitted electronically to Kevin.Pittman@fcc.gov and EB-SED-Response@fcc.gov.

15. **Compliance Reports.** Media Resources 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 Media Resources' efforts during the relevant period to comply with the terms and conditions of this Consent Decree and the Equipment Authorization and Marketing Rules. In addition, each Compliance Report shall include a certification by the Compliance Officer, as an agent of and on behalf of Media Resources, stating that the Compliance Officer has personal knowledge that Media Resources: (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 14 of this Consent Decree.
- (b) The Compliance Officer's certification shall be accompanied by a statement explaining the basis for such certification and shall 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.²¹
- (c) If the Compliance Officer cannot provide the requisite certification, the Compliance Officer, as an agent of and on behalf of Media Resources, 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 Media Resources 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 Media Resources has taken or will take to prevent the recurrence of any such noncompliance, including the schedule on which such preventive action will be taken.

²¹ 47 CFR § 1.16.

- (d) All Compliance Reports shall be submitted to Chief, Spectrum Enforcement Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, SW, Rm. 3-C366, Washington, DC 20554, with a copy submitted electronically to Kevin.Pittman@fcc.gov and EB-SED-Response@fcc.gov.

16. **Termination Date.** Unless stated otherwise, the requirements set forth in paragraphs 12 through 15 of this Consent Decree shall expire thirty-six (36) months after the Effective Date.

17. **Civil Penalty.** Media Resources will pay a civil penalty to the United States Treasury in the amount of nineteen thousand five hundred dollars (\$19,500) within thirty (30) calendar days after the Effective Date. Media Resources shall send electronic notification of payment to Kevin Pittman at Kevin.Pittman@fcc.gov and to SED's mailbox at EB-SED-Response@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 above. Regardless of the form of payment, a completed FCC Form 159 (Remittance Advice) must be submitted.²² 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 should be followed based on the form of payment selected:

- 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.

Questions regarding payment procedures should be addressed to the Financial Operations Group Help Desk by phone, 1-877-480-3201, or by e-mail, ARINQUIRIES@fcc.gov.

18. **Waivers.** As of the Effective Date, Media Resources 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. Media Resources 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 the Adopting Order, neither Media Resources nor the Commission shall contest the validity of the Consent Decree or the Adopting Order, and Media Resources shall waive any statutory right to a trial *de novo*. Media Resources hereby agrees to waive any claims it may otherwise have under the Equal Access to Justice Act²³ relating to the matters addressed in this Consent Decree.

²² An FCC Form 159 and detailed instructions for completing the form may be obtained at <http://www.fcc.gov/Forms/Form159/159.pdf>.

²³ See 5 U.S.C. § 504; 47 CFR §§ 1.1501–1.1530.

19. **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.

20. **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.

21. **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 Media Resources does not expressly consent) that provision will be superseded by such Rule or Order.

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

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

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

25. **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.

26. **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.

27. **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.

Christopher L. Killion
Acting Deputy Chief
Enforcement Bureau

Date

Jeff Rushton
President and Chief Executive Officer
Media Resources, Inc.

Date