

IN THE MATTER OF:

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DIRECTV, INC.

*Respondent*

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**ASSURANCE OF VOLUNTARY COMPLIANCE / ASSURANCE OF DISCONTINUANCE**

This Assurance of Voluntary Compliance / Assurance of Discontinuance (“Assurance” or “AVC”) is entered into between the States of Delaware, Florida, Georgia, Idaho, Illinois, Kansas, Maryland, Massachusetts, Montana, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, Tennessee, Texas, Vermont, and West Virginia (“States” or “Attorneys General”) by their respective Attorneys General, and DIRECTV, Inc. (“DIRECTV”).

1. DIRECTV, Inc., is a corporation organized under the laws of the State of California, with its principal place of business at 2230 East Imperial Highway, El Segundo, California, 90245.
2. DIRECTV is in the business of providing certain audio and video programming services to its subscribers via direct broadcast satellites. Subscribers need certain hardware and equipment to receive DIRECTV's signals. DIRECTV hardware and receiving equipment is manufactured by separate companies, and is sold and installed both directly by DIRECTV and by Retailers.

**DEFINITIONS**

3. The following definitions are to be used for the purposes of this agreement.
4. A “material fact,” “material condition,” “material term,” or any similar phrase or combination of words or phrases is any fact that if known, would have been important to a consumer making a purchasing decision.
5. A statement is “clear and conspicuous” if: (a) it is disclosed in such size, color, contrast, location, duration, or audibility that it is readily noticeable, readable, and

understandable; (b) it does not contradict or is not inconsistent with any other information with which it is presented; and (c) it is presented in close proximity to any information it materially modifies, in a manner readily noticeable, readable, and understandable, and is not obscured in any manner. In addition, in the case of an audio or oral disclosure, it must be delivered in a volume and cadence sufficient for a consumer to hear and comprehend it; in the case of a visual disclosure, it must be of a size and shade, and shall appear on the screen for a duration, sufficient for a consumer to read and comprehend it; and in the case of a print advertisement or promotional material, including without limitation point of sale display or brochure materials directed to consumers, it must be of a type size and location sufficiently noticeable for a consumer to read and comprehend and in a print that contrasts with the background against which it appears.

6. “Eligible Complaints” are written requests or demands from DIRECTV customers residing in the States for refunds or other relief received by either their Attorneys General or DIRECTV from January 1, 2001, through the date within one hundred fifty (150) days from the Effective Date of this Assurance, and based on the matters addressed by this Assurance.

7. “Retailer” means one or more persons, a corporation, a partnership, or other entity, as the case may be, who enters into an agreement with DIRECTV which permits the person or entity to advertise or promote DIRECTV service in connection with the person's or entity's sale of DIRECTV equipment.

8. “Local Channel” means a publicly available free television channel that is currently licensed by the Federal Communications Commission to broadcast in a particular Designated Market Area except that such term excludes those channels that are cable only that must be offered by cable companies under the terms of their franchise agreements.

9. The “Effective Date” of this Assurance shall be the 12th day of December, 2005.

## STATES' POSITION

### Background

10. Since 1994, DIRECTV has provided direct broadcast satellite programming services to residential and business customers.

11. DIRECTV creates and directly places advertising for its direct broadcast satellite services in different media in many states. Certain of its advertising materials promote different packages or programming services or receiving equipment.

12. DIRECTV also creates approved electronic “advertising slicks” and distributes them to Retailers who are permitted, by contract, to promote DIRECTV service to market DIRECTV equipment to their own retail customers. It has been the practice of DIRECTV:

- a. To require Retailers to insert their own business names and contact information into the ads, in order to provide notice to consumers regarding the identity of the entity who placed the advertising; and
- b. To allow Retailers to format the advertising and determine the size and placement of such advertising.

13. DIRECTV also allows Retailers to create and generate their own advertising materials which promote DIRECTV service and DIRECTV equipment, subject to specific guidelines provided by DIRECTV.

14. The Attorneys General have investigated DIRECTV's consumer advertising materials from August 2000 to the date of the entry of this Assurance, including, but not limited to, advertising by print, television, radio, Internet websites, brochures and other direct mail. The Attorneys General have also reviewed and investigated other related practices such as sales practices, including, but not limited to, sales of sports programming, billing practices, the use of programming commitments, installation issues, and practices in general related to the provision of programming and services to consumers.

15. DIRECTV has advertised offers for new subscribers providing free or discounted DIRECTV equipment if the new subscriber committed to subscribe to a specific level of programming for one year. Most of these promotions also included free system installation. DIRECTV has also advertised free or discounted programming offers, such as “4 Free Months of DIRECTV's Best Programming Packages,” and Free Premium Channels with purchase of Sports Packages. Furthermore, DIRECTV has promoted the availability of Local Channels in particular advertisements.

16. Included in the advertisements were material disclosures in smaller print. These disclosures specified restrictions and additional charges, including, but not limited to, receiver activation requirements, liquidated damages for breach of programming commitments, programming fees for additional receivers, the unavailability in some areas of Local Channels, and limitations on the availability of games included in sports packages.

### **Allegations**

17. The Attorneys General allege that certain material disclosures made in advertisements were not clear and conspicuous and violate the consumer protection and trade practice statutes of the States, specifically in that DIRECTV failed to clearly and conspicuously disclose all material terms and conditions associated with an offer or sale of equipment or services, such as:

- a. That there may be additional charges associated with offers for equipment involving the use of more than one receiver;
- b. The material limitations or modifications in equipment offers, including minimum commitment terms for DIRECTV service;
- c. That all Local Channels may not be available in all areas in advertisements promoting the availability of Local Channels; and
- d. Blackout restrictions associated in advertisements promoting sports packages.

### **DIRECTV'S POSITION**

18. DIRECTV denies each allegation in paragraph 17. Moreover, DIRECTV believes that its advertising materials have always been accurate and complete and have always disclosed clearly and conspicuously all material terms and conditions. As a matter of corporate policy, DIRECTV maintains a customer driven focus, and believes it always has adhered to, and continues to adhere to, business practices that follow the highest ethical standards.

19. DIRECTV has cooperated with the States during the inquiry of the Attorneys General. DIRECTV denies it has engaged in unlawful or otherwise inappropriate business practices. DIRECTV agrees to this Assurance, so that this matter may be resolved amicably, without further cost or inconvenience to the States, their citizens, or DIRECTV.

### **NON-ADMISSION**

20. This Assurance of Voluntary Compliance shall not be considered an admission of any violation of any wrongdoing or a violation of any law, statute or rule by DIRECTV. It is also agreed that this Assurance shall not be used in any proceeding as an admission by DIRECTV that it has violated any law, rule, or regulation.

### **TERMS OF ASSURANCE**

#### **General Disclosure Of Material Terms In Advertising**

21. DIRECTV shall, in all advertising it creates, clearly and conspicuously disclose to consumers all material terms and conditions associated with the specific offer or sale of DIRECTV equipment or DIRECTV services as advertised.

22. DIRECTV shall not misrepresent, expressly or by implication, or through the use of "clarifying" small print, any term or condition of an offer for any of its products or services. In advertising material stating prices for DIRECTV service, DIRECTV equipment, or installation, DIRECTV shall clearly and conspicuously disclose all material terms and conditions associated with that offer.

### **Monitoring of Retailer Advertising**

23. When DIRECTV sends advertising copy to its Retailers, DIRECTV shall clearly and conspicuously notify its Retailers that such copy must be used in a manner consistent with DIRECTV's policies and procedures, which will be consistent with the terms of this AVC. DIRECTV shall monitor Retailers' advertisements of DIRECTV equipment or DIRECTV services in accordance with the provisions of paragraph 24 below. If and when DIRECTV learns that any Retailer is acting in violation of the requirements of this AVC, DIRECTV shall immediately take action to enforce its contractual rights with such Retailer as described below.

24. DIRECTV asserts that Retailers can, of their own accord and without knowledge of and approval by DIRECTV, undertake activities alleged to be contrary to the terms of this AVC. While DIRECTV asserts that it does not have the ability to control these separate and independent companies, it does have the ability to monitor and enforce its contractual rights, up to and including termination of any Retailer found to be in breach of its contract with DIRECTV. DIRECTV hereby agrees to the following monitoring and enforcement procedures related to the separate and independent marketing activities of Retailers:

- a. Within thirty (30) days of the Effective Date of this Assurance, DIRECTV shall notify its current Retailers in writing of the advertising requirements set forth in this Assurance;
- b. DIRECTV shall also notify its current Retailers, as well as all future Retailers, in writing, that Retailers must comply with the requirements set forth in this Assurance and all of DIRECTV's procedures concerning advertising; and
- c. DIRECTV shall investigate complaints made to it by consumers or regulatory agencies pertaining to Retailers' advertising, and shall take appropriate action against any Retailer it has found to be in violation of

the requirements of this Assurance. Appropriate action will include retraining, and other disciplinary action, up to and including termination. DIRECTV shall cooperate with the States' requests for information regarding such actions, including, but not limited to, providing the States with a list of all Retailers against which it took such actions.

25. DIRECTV shall not be considered to be out of compliance with these monitoring procedures in the event any Retailer misrepresents its activities to DIRECTV or conceals the true nature of its activities, so long as DIRECTV takes reasonable steps to ascertain the truth and terminates its contracts with Retailers engaged in misrepresentations to DIRECTV.

**Provision Related to Programming Charges for Additional Receivers**

26. When advertising or promoting an offer for DIRECTV equipment involving the use of more than one receiver so that DIRECTV service can be viewed independently on more than one television within the consumer's home, DIRECTV shall clearly and conspicuously disclose any and all additional monthly charges for each and every additional receiver.

**Provisions Related to Equipment Offers**

27. When advertising or promoting an offer for DIRECTV equipment in conjunction with the sale of DIRECTV service or other goods, DIRECTV shall clearly and conspicuously disclose any material limitations or modifications including, as applicable, any commitment to a minimum term of DIRECTV service required to accept the offer. The consequences of terminating the commitment early such as the maximum amount of money DIRECTV may charge for early termination of the minimum term must also be disclosed clearly and conspicuously.

28. In responding to consumer requests to obtain free or discounted DIRECTV equipment, DIRECTV shall clearly and conspicuously disclose to the consumer any material obligation on the part of the consumer to activate the DIRECTV equipment or

maintain certain levels of DIRECTV service.

**Provision Related to Local Channels**

29. When advertising or offering Local Channels, if Local Channels are not available in all areas where the advertisement will reasonably appear, DIRECTV shall clearly and conspicuously disclose that Local Channels or some Local Channels are not available in all areas. In a national advertisement, a disclosure such as “Local Channels not available in all areas,” or words of similar meaning would satisfy the provisions of this paragraph, if applicable. Similarly, in a local advertisement, a disclosure such as “some Local Channels may not be available,” or words of similar meaning, along with a clear and conspicuous disclosure of which Local Channels are or are not available, would also satisfy the provisions of this paragraph, if applicable.

**Sports Blackouts**

30. When advertising or offering DIRECTV premium sports packages, DIRECTV shall clearly and conspicuously disclose that blackouts may apply or that not all games are available.

**Disclosure of Material Terms During a Sales Transaction**

31. During a sale of equipment by DIRECTV, it shall clearly and conspicuously disclose to consumers all material terms and conditions of the DIRECTV equipment being purchased or to be purchased. As part of this process, customer service representatives shall confirm with the customer the DIRECTV equipment selected, its price, and other material facts, including any applicable service activation requirements or time frames.

32. In connection with the offer and sale of DIRECTV equipment by Retailers, DIRECTV shall require such Retailers to clearly and conspicuously disclose in writing, or where written disclosures are impracticable, orally, prior to the sale of the DIRECTV equipment, any material terms and conditions applicable to the purchase and activation



that may be imposed by DIRECTV, such as any required activation agreement or programming commitment, including the terms thereof, and the consumer's right to terminate their DIRECTV service, if any, and all material terms and conditions of any applicable equipment return policies or cancellation policies. Further, in those instances where only oral disclosures were provided above, DIRECTV shall require Retailers to clearly and conspicuously disclose such terms and conditions in writing to a consumer prior to beginning the installation of the purchased equipment.

33. Within a reasonable time, not to exceed seventy-two (72) hours, of any equipment sales transaction DIRECTV completes with a consumer, DIRECTV shall send to the consumer a letter or other written communication clearly and conspicuously confirming the material terms of the equipment purchase, including any required activation agreement or programming commitment, and the consumer's right to terminate their DIRECTV service, if any, and all material terms and conditions of any applicable equipment return policies or cancellation policies. If within fifteen (15) days of mailing this letter or written communication, a consumer complains to DIRECTV that the terms in the communication are different from those given at the time of sale, and DIRECTV is unable to resolve that consumer's complaint regarding those terms, DIRECTV shall clearly and conspicuously disclose and provide that consumer with the right to cancel his or her agreement with DIRECTV and, upon the return of DIRECTV's equipment at no cost to the consumer, to have no future obligation to DIRECTV.

**Disclosure of Material Terms During Initial Activation**

34. During the initial activation of DIRECTV service, DIRECTV shall clearly and conspicuously disclose to consumers all material terms and conditions of the DIRECTV service being purchased or to be purchased. As part of this process, customer service representatives shall confirm with the consumer the DIRECTV service selected, its price, and other material facts. As part of this confirmation, DIRECTV will remind consumers to read their first bill, which shall clearly and conspicuously disclose all of the material

terms and conditions associated with their DIRECTV service.

35. DIRECTV will utilize a standard procedure to ensure all material terms are disclosed to consumers when they choose to activate their DIRECTV service, and that such activation is done in compliance with the law and with the terms of this Assurance. Upon request by any of the States, DIRECTV shall furnish a copy of such training program and materials to the requesting State.

### **Retailer Installation**

36. DIRECTV shall, no later than thirty (30) days after the Effective Date of this Assurance, implement a policy and adopt written procedures to formally respond to and resolve consumer installation complaints relating to installations completed by Retailers and any independent installers retained by such Retailers. Consumers who have an installation or signal reception issue within sixty (60) days of installation and who complain to DIRECTV will initially be requested to contact their Retailers in an attempt to resolve the matter to the consumer's satisfaction. However, in the event a consumer indicates that such an effort would be non-productive, or if the consumer again contacts DIRECTV concerning the same installation or signal reception issue, then DIRECTV shall schedule and complete a service appointment, at no cost to the consumer, in an attempt to resolve the issue. If DIRECTV is unable to correct the installation or signal reception issue, DIRECTV shall clearly and conspicuously disclose and provide that consumer with the right to cancel his or her agreement with DIRECTV and, upon the return of DIRECTV's equipment at no cost to the consumer, to have no future obligation to DIRECTV.

## **ELIGIBLE COMPLAINT RESOLUTION**

### **Complaints**

37. The Attorneys General may provide DIRECTV, to the extent not already provided, with copies of Eligible Complaints.

38. Within ninety (90) days of receiving or identifying Eligible Complaints, or notice

from a state that such complaints have previously been provided, DIRECTV shall, to the extent such complaints have not already been resolved, make restitution or other appropriate relief to each consumer who made the Eligible Complaint. DIRECTV shall also request that its collection agencies correct any negative entries made on the credit profiles of such consumers.

39. In satisfying the requirements above, DIRECTV shall pay restitution to the consumers who made unresolved Eligible Complaints on or before the Effective Date of this Assurance in the following manner:

- a. For consumers who paid DIRECTV a fee for not timely activating their DIRECTV equipment and complained regarding that fee, DIRECTV shall pay restitution to the consumer equal to the full amount of any fee paid by the consumer to DIRECTV;
- b. For consumers who paid DIRECTV for Local Channels but did not receive all Local Channels, and complained regarding such failure, DIRECTV shall pay restitution to the consumer equal to the full amount paid for the Local Channels;
- c. For consumers who participated in a “free programming” offer, and were assessed any liquidated damages, or fees for terminating their DIRECTV services before satisfying any minimum programming requirement, and complained regarding such assessments, DIRECTV shall pay restitution to the consumer equal to the amount paid by the consumer as liquidated damages, or fees; and
- d. For all complaints addressed above, DIRECTV shall deliver a check by first class mail in the required amount to each consumer identified using a letter and envelope agreed to by the parties. No other materials may be included with this mailing.

40. For any consumer who made an Eligible Complaint not addressed by the above

paragraphs, DIRECTV shall make a restitution offer in the form of a monetary payment, an account credit, or other appropriate relief as determined by the scope of the complaint.

41. For any consumer rejecting the restitution offer made under paragraph 40 above, DIRECTV shall make restitution, if any, in a reasonable amount and form as determined by the Administrator pursuant to paragraph 43 herein.

42. DIRECTV shall clearly and conspicuously disclose to the consumer, by mailing to the consumer at the time of the restitution offer in paragraph 40 above, a claims notice informing the consumer of DIRECTV's restitution offer and explaining that if the consumer elects to reject the restitution offer and have his or her claim against DIRECTV decided by the Administrator, he or she must return the claim form postmarked within thirty (30) days of its receipt. The claims notice shall also inform the consumer that DIRECTV may treat a consumer's failure to respond to the restitution offer as acceptance of that offer. The claims notice shall also describe the procedure described in this Assurance for pursuing a claim with the Administrator. Before mailing any claims notice to a consumer, DIRECTV shall run the address it has for each consumer through the National Change of Address System and update any addresses it has for the consumer. If a claims notice is returned as undeliverable to DIRECTV, DIRECTV shall attempt to locate the consumer by (i) mailing the claims notice to any forwarding address provided by the United States Postal Service for the consumer; (ii) mailing the claims notice to any additional addresses for the consumer contained in DIRECTV's business records; and/or (iii) contacting the consumer at any phone number, e-mail address, or facsimile number that is contained in DIRECTV's business records regarding the consumer.

### **Administrator**

43. DIRECTV shall choose and retain a neutral third-party (the “Administrator”) to manage and administer a dispute resolution program. For the purpose of protecting the proprietary and customer information to be provided to it by DIRECTV, the Administrator shall enter into a contractual relationship with DIRECTV. The selection of the Administrator and any successor administrator shall be subject to the approval of the States, and such approval cannot be unreasonably withheld.

44. Within two hundred and sixty (260) days of entry of this Assurance, DIRECTV shall provide to each of the States an alphabetical list of each and every consumer who resides in that state that DIRECTV has identified, and whose complaint has not otherwise previously been resolved, and to whom DIRECTV made restitution pursuant to paragraphs 37 through 43 herein by stating the amount of the restitution or other appropriate relief sent to each consumer and the consumer's mailing address. Additionally, DIRECTV shall provide to each of the States an alphabetical list of each and every consumer who resides in that State that DIRECTV has identified as ineligible for restitution pursuant to paragraphs 37 through 43 herein by stating the reason for ineligibility and the consumer's mailing address, including those consumers whom DIRECTV could not locate to provide a claims notice pursuant to paragraph 42.

45. All restitution and costs associated with and assessed by the Administrator shall be paid by DIRECTV.

46. The following provisions shall apply regarding the Administrator:

- a. The Administrator shall be responsible for, among other things, the collection of all complaints and supporting documents necessary for determination of restitution to consumers entitled by this Assurance to the dispute resolution program. The Administrator shall request from DIRECTV and the consumer all information he/she deems necessary to make a full and fair restitution decision. The Administrator shall conduct

a paper review of the complaints and supporting documentation. The strict rules of evidence shall not apply to the Administrator's review. *Ex parte* communication with the Administrator will not be allowed pertaining to any specific complaint or as to the criteria used in evaluating each complaint;

- b. The Administrator is an Officer of the Court and is responsible for the coordination of the dispute resolution program with the full and complete cooperation of all parties to this Assurance. The Administrator's restitution determination shall be binding only on the Attorneys General and DIRECTV;
  - c. At the conclusion of the dispute resolution program, the Administrator shall provide a report to the Attorneys General and DIRECTV, in a format and medium to be agreed upon by the parties, setting forth the number of complaints received from DIRECTV, each consumer's name and mailing address, the resolution, restitution amount, restitution form, and such other information as the parties may specify; and
  - d. The Administrator shall resolve all complaints subject to the dispute resolution program by the end of twelve (12) months from the date of this Assurance.
47. A representative of the Administrator shall meet and confer with representatives of the States and DIRECTV if necessary in order to monitor and audit the dispute resolution program properly. Problems that arise concerning the implementation of the dispute resolution program may be resolved by agreement between the States, DIRECTV and the Administrator.

### **Modification of Certain Operational Provisions**

48. If DIRECTV has developed alternative procedures for complying with the disclosure and/or notice requirements of paragraphs 31, 32, 33, and 34 of this Assurance, and the alternative procedures are designed to be at least as effective in the aggregate in providing clear and conspicuous disclosures required herein, then DIRECTV may substitute those alternative procedures after providing at least thirty (30) days advance notice to the States explaining the alternative procedures.

### **Costs and Fees**

49. Within thirty (30) calendar days of the Effective Date of this Assurance, DIRECTV shall pay FIVE MILLION U.S. DOLLARS (\$5,000,000.00), to be divided and paid by DIRECTV directly to each Signatory Attorney General in an amount to be designated by and in the sole discretion of the States, as part of the consideration for the termination of their respective investigations under the State consumer protection laws, as cited in the footnote to paragraph 17 above, regarding the subject matter of this Assurance. Said payment shall be used by the States as and for attorneys' fees and other costs of investigation and litigation, or for future public protection purposes, or to be placed in, or applied to, the consumer protection enforcement fund, consumer education, litigation or local consumer aid fund or revolving fund, used to defray the costs of the inquiry leading hereto, or for other uses permitted by state law, at the sole discretion of each Signatory Attorney General. In no event shall any portion of this payment be characterized as the payment of a fine, civil penalty or forfeiture by DIRECTV to any state.

### **GENERAL PROVISIONS**

50. To the extent that any changes in DIRECTV's business practices or advertising are made to conform to the terms of this Assurance, such changes shall not constitute any form of evidence or admission by DIRECTV, explicit or implicit, of wrongdoing or failure to comply with any federal or state statute or regulation or the common law.

51. Nothing contained in this Assurance of Voluntary Compliance shall be construed to create, waive, or limit any private right of action.

52. The signatory Attorneys General shall not institute any proceeding or take any action under their specific consumer protection statutes against DIRECTV for any conduct prior to the Effective Date of this Assurance that is specifically based on the allegations contained in paragraph 17 subparagraphs a. through d. of this Assurance, or any other matters addressed herein.

53. This Assurance shall be governed by the laws of each of the States and is subject to court approval in certain States.

54. DIRECTV represents that it has fully read and understood this Assurance, that it understands the legal consequences involved in signing this Assurance (including that in certain states, a violation of this Assurance is punishable by contempt, and in others, a violation of this Assurance is prima facie evidence of a violation that State's consumer protection statute).

55. DIRECTV represents and warrants that it is represented by legal counsel, that it is fully advised of its legal rights in this matter, and that the person signing below is fully authorized to act on its behalf.

56. This Assurance shall bind DIRECTV, and its successors, employees, officers and directors.

57. DIRECTV shall provide a copy of this Assurance or an accurate summary of the terms of this Assurance to its senior executive officers who have managerial responsibility for the matters subject to this Assurance.

58. DIRECTV shall comply with the terms of this Assurance within ninety (90) days following the Effective Date, or within the time frames otherwise set by this Assurance. However, the parties may agree to modify any deadlines or time frames established by this AVC.

59. Except as otherwise provided herein, this Assurance shall be modified as to any



State or DIRECTV only by a written instrument signed by or on behalf of the Attorney General of that State and signed by or on behalf of DIRECTV and, where the Assurance is filed with the Court, entered by the Court.

60. Neither DIRECTV nor anyone acting on its behalf shall state or imply or cause to be stated or implied that the States, Attorneys General, or any governmental unit of the States has approved, sanctioned, or authorized any practice, act, advertising material, or conduct of DIRECTV.

61. Nothing in this Assurance shall be construed as a waiver of or limitation on DIRECTV's right to defend itself from or to make agreements in any action, state, or federal claim, suit or proceeding relating to the existence, subject matter or terms of this Assurance.

62. If any clause, provision or section of this Assurance shall, for any reason, be held illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any other clause, provision or section of this Assurance, and this Assurance shall be construed and enforced as if such illegal, invalid or unenforceable clause, section or provision had not been contained herein.

63. Any notices, complaints, or other documents required by this Assurance to be sent by the States to DIRECTV shall be sent to the following individuals at the following addresses:

General Counsel/Law Department  
2230 East Imperial Hwy  
El Segundo, CA 90245,

Clayton S. Friedman, Esq.  
Buchalter, Nemer, Fields & Younger  
18400 Von Karman Avenue, Suite 800  
Irvine, CA 92612

Any notices, complaints, or other documents required by this Assurance to be sent

by DIRECTV to the States shall be sent to the names and addresses provided to DIRECTV by the States.

64. As consideration for the relief agreed to herein, if any of the Attorneys General determine that DIRECTV has failed to comply with any of the terms of this Assurance, and if in that Attorney General's sole discretion the failure to comply does not threaten the health or safety of the citizens of that State, that Attorney General will notify DIRECTV in writing of such failure to comply and DIRECTV shall then have ten (10) business days from receipt of such written notice to provide a good faith written response to the Attorney General's determination. The response shall include an affidavit containing, at a minimum, either:

- a. A statement explaining why DIRECTV believes it is in full compliance with the Assurance; or
- b. A detailed explanation of how the alleged violation(s) occurred; and
  - i. A statement that the alleged breach has been cured and a description of the action taken by DIRECTV to cure the breach; or
  - ii. A statement that the alleged breach cannot be reasonably cured within ten (10) days from receipt of the notice, but (1) DIRECTV has begun to take corrective action to cure the alleged breach; (2) DIRECTV is pursuing such corrective action with reasonable and due diligence; and (3) DIRECTV has provided the Attorney General with a detailed and reasonable time table for curing the alleged breach.

65. Nothing herein shall prevent the Attorney General from agreeing to provide DIRECTV with additional time beyond the ten (10) business day period to respond to the notice.

66. Nothing in this Assurance shall be construed to limit the authority of the Attorneys General to protect the interests of their States or the people of their States.

67. Nothing herein shall prevent or restrict the use of this Assurance by any of the States in any action against DIRECTV for contempt or failure to comply with any provision of this Assurance after the Effective Date.

68. Nothing herein shall be construed to limit the authority of the Attorneys General to initiate a proceeding for any contempt or other sanctions for failure to comply, or to compromise the authority of the court to punish as contempt any violation of this Assurance.

69. DIRECTV will not participate directly or indirectly in any activity to form a separate entity or corporation which engages in acts prohibited in this Assurance or for any other purpose which would otherwise circumvent any part of this Assurance or the spirit or purposes of this Assurance.

70. Time shall be of the essence with respect to each provision of this Assurance that requires action to be taken by either party within a stated time period or upon a specified date.

71. Except for any other formal agreements existing between any of the States and DIRECTV, this Assurance sets forth the entire agreement between the parties, and there are no representations, agreements, arrangements, or understandings, oral or written, between the parties relating to the subject matter of this Assurance which are not fully expressed herein or attached hereto.

72. Footnotes and attachments to this Assurance are and shall be considered a part of the Assurance.

73. The headings of various sections of the Assurance are for convenience only and shall not affect the meaning or content thereof.

74. This Assurance shall not be construed against the “drafter” because both DIRECTV and the Attorneys General participated in the drafting of this Assurance.

AGREED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2005.

For DIRECTV, Inc.

BY:

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Counsel:

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**ATTORNEY FOR DIRECTV, INC.**