STATE OF MICHIGAN
CIRCUIT COURT FOR THE 30TH JUDICIAL CIRCUIT
INGHAM COUNTY

IN THE MATTER OF:

BLOCKBUSTER INC.

Respondent.

File No. 05-32-CZ

Hon. James R. Giddings

AG File No. 200504242

ASSURANCE OF DISCONTINUANCE

MICHAEL A. COX
Attorney General

Kathy Fitzgerald
Assistant Attorney General
Consumer Protection Division
P.O. Box 30213
Lansing, MI 48909
517-335-0855

Dated Filed: March 29, 2005

IN THE MATTER OF: BLOCKBUSTER INC.,	ASSURANCE OF VOLUNTARY COMPLIANCE

1.

Blockbuster Inc. is a corporation of the State of Delaware and does business throughout the United States. This Assurance of Voluntary Compliance (AVC) is between Blockbuster Inc. (hereafter "the Respondent") and the Attorneys General of the states of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Mexico, New York, Nevada, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, and Wyoming and of the District of Columbia (hereafter "the Attorneys General"[1] or "the States"). This AVC applies to all corporate-owned Blockbuster stores in the United

[1] With regard to Hawaii, Hawaii is represented by its Office of Consumer Protection, an agency which is not part of the state Attorney General's Office, but which is statutorily authorized to represent the State of Hawaii in consumer protection actions.

With regard to Georgia, Georgia is not represented by its Attorney General. Georgia is represented by the Administrator of the Fair Business Practices Act who is not part of the state Attorney General's Office, but who is statutorily authorized to undertake consumer protection investigations and pre-litigation settlement negotiations, including acceptance of Assurances of Voluntary Compliance, for the State of Georgia. For simplicity purposes, the entire group will be referred to as the "Attorneys General" or "the States", and such designation, as it includes Georgia, refers to the Administrator of the Fair Business Practices Act" and as it pertains to Hawaii, refers to the Executive Director of the State of Hawaii's Office of Consumer Protection.

With regard to Montana, Montana is represented by its Office of Consumer Protection, an agency which is not part of the state Attorney General's Office, but which is statutorily authorized to represent the State of Montana in consumer protection actions.

States of America and requires Respondent to take certain actions, including providing advertising material to certain independently-owned franchise stores and to respond to consumer complaints from certain independently-owned franchise stores. Nothing in this Assurance is intended to bind independently owned franchise stores to its terms nor require restitution by those stores. The States act pursuant to their respective consumer protection statutes.[2]

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[2] Alabama Deceptive Trade Practices Act, Alabama Code Section 8-19-1, *et seq.*; Alaska AS 45.50.471 *et seq.*; Arizona Revised Statutes §§ 44-152, *et seq.*; Arkansas Code Ann, 4-88-101 *et seq.*; California Business and Professions Code sections 17200 and 17500; Colorado Consumer Protection Act, §§ 6-1-101 through 6-1-908, C.R.S. (2004); Conn. Gen. Stat. § 42-110a *et seq.*; Delaware's Consumer Fraud Act, 6 Del. C. Sec. 2513 and Uniform Deceptive Trade Practices Act, 6 Del. C. Sec. 3531; District of Columbia Consumer Protection Procedures Act, D.C. Official Code § 28-3901 *et seq.*; Florida Deceptive and Unfair Trade Practices Act, s. 501, Part II, Fl. Stat. (2004); Georgia Fair Business Practice Act of 1975, O.C.G.A. § 10-1-390 *et seq.*; Hawaii Revised Statutes section 480-2(a),section 487-12; Idaho Code Sec. 48-601 *et seq.*; Illinois Consumer fraud and Deceptive Business Practices Act, 815 ILCS 505/6.1 (2002); Indiana Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-1 *et seq.*; Iowa Consumer Fraud Act, Iowa Code §714.16; K.R.S. 367.110 *et seq.*; K.S.A. 50-623 *et seq.*; K.R.S. 367.110 et seq.; LSA-R.S. 51:1401 *et seq.*; Maine 5 M.R.S.A. section 207, section 210; Maryland Consumer Protection Act Md. Code Ann., Com. Law §§13-101, *et seq.*; Massachusetts Consumer Protection Act, Mass. Gen. Laws c.93A, sec. 4; Michigan Consumer Protection Act, MCL 445.901 *et seq.*; Minn. Stat. sec. 325F.69, subd. 1 (2004); Consumer Protection Law 75-24-1 *et seq.* Ms. Code Annotated; Section 407.020, *et seq.*, Rev. Stat. Mo. 2000; Montana MCA 30-14-112; Consumer Protection Act, Neb.Rev. Stat. 59-1601 *et seq.* (Reissue 2004) Uniform Deceptive Trade Practices Act, Neb.Rev.Stat. 87-301 *et seq.* (Reissue 1999, Cum Supp. 2004); Nevada Revised Statutes ("NRS") 598.0903 *et. seq.*; Section 57-12-1 *et seq.* NMSA 1978; New York General Business Law §§ 349 and 350; North Carolina Unfair and Deceptive Trade Practices Act, N.C.G.S. 75-1.1 *et seq.*; N.D.C.C. § 51-15-01 *et seq.*; Ohio Consumer Sales Practices Act, R C. § 1345.01 *et seq.*; Oklahoma Consumer Protection Act, 15 O.S. § 751, *et seq.* (2004); Oregon's Unlawful Trade Practices Act, ORS 646.605 *et seq.*; Pennsylvania's Unfair Trade Practices and Consumer Protection Law, 73 P.S. 201, et seq.; Rhode Island Deceptive Trade Practices Act, R.I. Gen. Laws Chapter 6-13.1; South Carolina Unfair Trade Practices Act, 39-5-10 *et seq.*(1976, as amended); South Dakota Deceptive Trade Practices Act, SDCL Ch. 37-24; Tenn. Code Ann. Section 47-18-108; Tex. Bus. & Com. Code section 17.41 *et seq.*; Utah Code Ann. § 13-11-1 *et seq.* and Utah's Truth in Advertising Act, Utah Code Ann. § 13-11a-1 *et seq.*; Virginia Consumer Protection Act, Va. Code §§ 59.1-196 through 59.1-207; Revised Code of Washington RCW 19.86.020; West Virginia Consumer Credit and Protection Act, W. Va. Code 46A-1-101 *et seq.*; Wis. Stat. secs. 100.18 and 100.20; Wyoming Consumer Protection Act as set out in Wyo. Stat. §§ 40-12-101 through 114.

PROCEDURE/ GENERAL PROVISIONS

2.

This Assurance of Voluntary Compliance (AVC) is a settlement of a disputed matter. The States allege the advertising by Respondent of its No Late Fees program ("NLF program"), which was first advertised by Blockbuster on December 15, 2004 and effective January 1, 2005 is misleading in much of its media and point-of-sale advertising. Specifically, the States allege Respondent has heavily publicized its NLF program, representing "no late fees" for movie and game rentals, while failing to clearly and conspicuously disclose, in mass media and at point-of-sale, that the alleged absence of such fees is replaced by the sale of the item to the customer after seven days from the due date. Respondent denies the allegations and responds that it has fully and fairly disclosed all terms. Respondent contends it does not charge late fees as part of its NLF program. Respondent contends "late fees" is a term of art to customers of the video rental industry, referring to additional rental charges when a product is kept past its initial due date, and is understood as such by the customers. Respondent contends that if the consumer has not returned the product within seven days after the due date, the customer has chosen to buy the product and the rental transaction is then turned into a sale, and that Respondent's rental programs have included a similar conversion to a sale for a number of years. Further, the States allege Respondent has failed to disclose clearly and conspicuously that in order for a customer to reverse a sale of the item, a restocking fee must be paid. Respondent also denies this allegation and asserts that the restocking fee is disclosed adequately and in numerous ways to the consumer. The States also allege that because many of Respondent's franchise stores are not participating in the NLF program there has been insufficient disclosure to consumers that the NLF program is at participating stores only. Respondent denies this allegation and asserts that it has made it clear that its NLF program is offered at participating stores only. Thus, this AVC shall not be considered an admission by Respondent of a violation of law, statute, or ordinance for any purpose, and should not be construed as such in any enforcement or civil

action that might be instituted as a result of the NLF program. Respondent and the States agree that no provision of the AVC operates as a penalty, forfeiture, or punishment under the Constitution of the United States, or under the Constitution and laws of the States.

3.

Respondent waives receipt of a formal notice from any State of the alleged unlawful trade practice and the relief to be sought.

4.

Respondent understands and agrees this AVC applies to Respondent, Respondent's principals, officers, directors, agents, employees, representatives, successors, and assigns.

5.

Respondent and Respondent's attorney agree and understand that following acceptance of the AVC the enforcement officers and staff of the States will endeavor to communicate to whomever Respondent designates for the purpose of executing and enforcing the terms of this agreement and resolving any existing or future complaints.

6.

Respondent understands and agrees that if this AVC is accepted by the States it may be filed in court in those states that are required or permitted by law to file assurances with the court. The States agree to notify Respondent of a date certain when public notice and court filing of the AVC will take place and Respondent and the States agree not to disclose the settlement until ten o'clock a.m. Pacific Standard time on that day.

7.

Respondent waives any further notice of submission to and filing with any court of this AVC. Respondent agrees to accept service of a conformed copy from each state that files the AVC by prepaid first class mail sent to Ms. Debra L. Witter at Blockbuster Inc., Renaissance Tower, 1201 Elm Street, Dallas, TX 75270.

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8.

Respondent agrees that for this AVC to be accepted by the States a corporate check for the amount set out herein must be represented by Respondent's counsel to have been mailed to the Oregon Attorney General's office. Respondent and the States agree that the terms of this AVC apply only to the Respondent and the signatory States.

9.

Respondent understands that violation of any of the terms of this AVC may result in the States seeking all available relief, including civil penalties and any such further relief as a court may deem appropriate. The States agree that unless the health, safety or welfare of its citizens requires emergency action, that before seeking any relief from any court for any alleged violation of this AVC, the States will give Respondent fourteen days' notice of any alleged violation so that Respondent may address the alleged violation. The giving of such notice does not prevent a state from proceeding for relief following the fourteen-day period. This AVC is a complete resolution of the States' allegations as set forth in paragraph 2 with regard to acts which occurred prior to the date in paragraph 6.

10.

The parties acknowledge that no other promises, representations, or agreements of any nature have been made or entered into by the parties. The parties further acknowledge that this AVC constitutes a single and entire agreement that is not severable or divisible, except that if any provision herein is found to be legally insufficient or unenforceable, the remaining provisions shall continue in full force and effect.

11.

Nothing contained in this AVC shall be construed either to deprive or empower any consumer or other persons or entity of any right to pursue any available remedy or remedies pursuant to applicable law nor create any private rights or causes of action in any third parties.

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REMEDIES[3]

12.

Respondent shall obey the applicable consumer protection laws of the States as listed in footnote 1.

13.

Respondent shall not represent or imply that the States acquiesce in or approve of Respondent's past business practices, current efforts to reform its practices, or any future practices that Respondent may adopt or consider adopting. The States' decision to resolve this matter or to otherwise limit current or future enforcement action does not constitute approval or imply authorization for any past, present, or future business practice. Likewise, Respondent's decision to resolve this matter does not constitute an admission that any of its past, present, or future business practices contravene any applicable laws, including any consumer protection laws. Respondent states that it has chosen to resolve this matter in order to cooperate with the States, to ensure that its customers have the best possible information about its NLF program, and to avoid expensive and potentially protracted litigation.

14.

Upon signing this AVC, Respondent shall pay on behalf of the States directly to the Oregon Attorney General the sum of $630,000 for attorneys fees and investigative costs, consumer education, litigation or local consumer aid funds, or public protection or consumer

[3] With respect to the remedies set forth in Paragraphs 15-17, Respondent maintains that it operates over 4500 corporate stores throughout the United States, with over 52,100 store employees through whom certain of these remedies must be implemented. Without waiving any relief available to the States under this AVC or applicable law, the States acknowledge that it is not their intent to seek judicial relief under this AVC for incidental failures of Respondent's in-store employees to comply with Paragraphs 15-17, without giving Respondent an opportunity to correct such incidental failures.

protection purposes as allowed by each of the States' laws at the discretion of each of the States' Attorneys General.[4] The Oregon Attorney General will thereafter distribute the funds to the States in accordance with the terms of this AVC and agreements between the States to which Respondent is not a party.

15.

Effective immediately upon execution by Respondent of this AVC, Respondent agrees to adhere to each of the following requirements:

A. Respondent shall, on a one-time per customer basis and with respect to the first rental transaction following the start of the NLF program[5], provide a full refund or credit to any

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[4] With respect to Arkansas, the funds shall be deposited in the consumer education and enforcement fund maintained by the Attorney General and shall be held in trust for uses directly related to the Attorney General's consumer protection efforts.

With respect to Massachusetts, the funds shall be deposited in the Local Consumer Aid Fund, pursuant to Mass. Gen. Laws c.12, sec. 11G.

With respect to Nevada, any penalties or fees received by the Nevada Attorney General must be deposited into the Attorney General Special Fund.

With respect to Georgia, the funds shall be deposited into the Investigative Expense Fund until the earlier of thirty-six (36) months or the time that the Administrator of the FBPA, in his/her sole discretion, determines that there is no need for future monitoring. Any unencumbered funds remaining at that time shall be delivered to the Consumer Education Fund, pursuant to O.C.G.A. § 10-1-381(c).

With respect to Colorado such amount, along with any interest thereon, shall be used first, as reimbursement of the State's actual costs and attorney fees, and second, to be held in trust by the Attorney General for future consumer protection education, consumer protection enforcement and/or antitrust enforcement efforts.

With respect to West Virginia, that amount shall be placed in trust and used solely for consumer protection purposes as designated by the Attorney General of West Virginia, including, but not limited to, restitution, consumer education, credit or bankruptcy counseling and education, conflict resolution programs, and costs associated with implementing restitution orders.

[5] However, a customer who had more than one rental converted to a sale prior to learning or being notified a sale or sales would occur on the first rental transaction is entitled to a refund or credit as set forth above for the selling price charged and/or restocking fees on all such rentals occurring prior to such customer learning or being notified a sale or sales would occur on the first rental transaction.

customer of a corporate store or a franchise store that participated in the NLF program of the selling price of any rental items converted to a sale under the NLF program which rental items were not returned within thirty days from the sale date, upon the return in good condition of the items rented. Respondent will refund these amounts if paid by the customer or charged to the customer's credit card, or remove Blockbuster membership account balances for these amounts for those customers who have not paid the amounts charged to their membership accounts or had their credit cards charged. In those instances in which the sold product was returned and the customer has already received a refund for the selling price of the item or had the balance of the selling price removed from the membership account in accordance with Blockbuster's standard practice under the NLF program, but has been charged a restocking fee under the NLF program, Respondent will refund the restocking fees paid by the customer or charged to the customer's credit card, or remove membership account balances for restocking fees for those customers who have not paid the restocking fees. In order to be eligible for the foregoing refunds or credits, the customer must make or have made a written[6] request to Respondent[7] about the purchase or restocking fee based on failure to understand the terms of the NLF program. A request for a refund[8] must be made prior to or within 30 days after the date in paragraph 6 when the AVC is announced and filed (and in those states such as Tennessee that cannot announce until entry of the AVC, 30 days after the date of entry), or after the 30 days, within one week upon the customer first discovering or being notified that an expenditure in

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[6] Respondent will provide some type of user-friendly form available to customers who request one on which to make their complaint and cooperate in providing information consistent with applicable law including, without limitation, the Video Privacy Protection Act, 18 U.S.C. §2710. Further, Respondent may, but is not required to, provide the foregoing refunds/credits to customers who orally complain at Respondent's stores.

[7] Requests may be sent to Respondent directly, from any corporate or participating store or from the States or a consumer protection agency. Requests by mail should be sent to Blockbuster Inc., 1201 Elm Street, Suite 2100, Dallas, TX 75270, Attention: Mr. Steve Krumholz, Senior Vice President.

[8] A complaint alleging the requisite lack of understanding and a payment of money will be deemed a request for a refund.

addition to the initial sum paid for rental is/was required. The refund or credit shall be made promptly, in the manner in which the original required payment was made by the customer.[9] This paragraph shall only apply to customers who rented product prior to the date that the Respondent implements the corrective actions required by this AVC in the store from which the customer rented product.[10] This obligation to refund or credit only covers requests made by customers within 6 months from the date in paragraph 6 and that otherwise meet the criteria set forth in this Paragraph 15A. Respondent will request and recommend that participating franchise stores forward any written requests for refund as described in this Paragraph 15A to Respondent or redirect such consumers to Respondent unless the store provides the credit or refund directly to the customer. A failure of a participating franchise store to cooperate is not a violation of this AVC.

B. Respondent shall provide rental coupons to customers of franchise stores that did not participate in the NLF program and did not notify customers, through signage or otherwise, that they were not participating in the NLF program, as follows: Eligible customers are those who rented product after December 31, 2004 up to the date in paragraph 6 when the AVC is announced and filed, who paid extended viewing fees or "late fees," and who make a written request as outlined in this Section 15B. Respondent shall provide such customers rental coupon(s) for the number of rentals equivalent to the number of rentals for which the customer was charged extended viewing fees or "late fees."[11] Such rental coupons shall only be issued for rentals in the initial rental transaction following December 31, 2004, but shall apply to all

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[9] In order to receive a refund to a credit card, customers must present the credit card to a store.

[10] Or as to participating franchise stores from the date that Respondent implements these corrective actions in corporate stores.

[11] However, subject to the other requirements and criteria set forth in this Paragraph 15B, if a request alleges that a customer was charged extended viewing fees or "late fees" for an additional rental period in an amount that exceeded the amount charged for the original rental period, Respondent shall provide coupons such that the customer will receive the same or greater number of free rentals as the amount of rentals represented by the amount charged in extended viewing fees or "late fees" for the additional rental period.

items in the initial rental transaction for which the customer was charged extended viewing fees or "late fees." Coupons will be provided for extended viewing fees or "late fees" only, and not for any charges for the conversion of a rental to a sale. Requests must be in writing and may be sent to Respondent directly from a customer, or may be forwarded from any such nonparticipating store, from the States, or from a consumer protection agency. Requests must provide details of the transaction and allege a lack of understanding of the NLF program. Requests must be made to one of these entities prior to or within 30 days after the date in paragraph 6 when the AVC is announced and filed (and in those states such as Tennessee that cannot announce until entry of the AVC, 30 days after the date of entry), or after the 30 days, within one week upon first discovering or being notified that extended viewing fees or "late fees" were charged. This obligation to refund or credit only covers requests made by customers within 6 months from the date in paragraph 6 and that otherwise meet the criteria set forth in this Paragraph 15B. Respondent will request and recommend that non-participating franchise stores forward any written requests to Respondent or redirect such consumers to Respondent unless the store wishes to resolve the request itself. A failure of a non-participating franchise store to cooperate is not a violation of this AVC.

16.

CURRENT AND CORRECTIVE ADVERTISING

No later than thirty days after Respondent executes this AVC, Respondent agrees it will adhere to each of the following "current and corrective advertising" requirements for a period of six months and provide the FAQ brochures and notices for use by participating franchise stores. Respondent will, acting for its corporate stores:

A. Include the terms and conditions of the NLF program as set forth in Respondent's current FAQ brochures (Blockbuster Part Number 4906-982690) clearly and conspicuously on the policy endcap[12] displayed in every store;

[12] An "endcap" is an advertising poster at the end of an aisle.

B. Keep a document containing substantially the same information as the current FAQ brochure in every store, prominently available for customers to read at the store and/or take home (along with a clear and conspicuous sign next to the brochures indicating they contain important information if they are not otherwise placed in close proximity to one of the other corrective disclosures referenced in this Paragraph);

C. Post a one-sided 8-1/2 by 11 inch notice in multiple locations in each store explaining the terms of the NLF program, which locations will be in areas reasonably calculated to inform customers of the terms and conditions of the NLF program in the normal course of transacting business in the store, including, without limitation, on or immediately adjacent to the entrance door to the store facing out and the exit door facing in and in at least one location which can be viewed by all customers in advance of and in connection with customers concluding rental transactions. The notice must include the applicable statement set forth in Exhibit A in, at minimum, 26-point font.

D. Provide store personnel with information regarding how customers may obtain the restitution set forth in Paragraph 15 for use in responding to customer inquiries.

E. As of the date of execution by Respondent, remove from its stores the external window signage advertising the NLF program and request and recommend that participating franchise stores do the same;

F. On or before the later of March 15, 2005 or within five days after the execution of this AVC by Respondent, remove from its stores the current internal signage advertising the NLF program and request and recommend that participating franchise stores do the same;

G. Require any franchise store that is not participating in the NLF program to remove any contrary advertising;

H. Include a hyperlink to the language in Exhibit A on Respondent's blockbuster.com website in, at minimum, 14-point font (both the link and the information);

I. Commencing with the May, 2005, direct mail, all newsletter-format direct mail pieces discussing the NLF program shall include the applicable disclosure in Exhibit A in, at minimum, 12-point font, except for the highlighted wording, which will appear in font at least ¼ headline cap height, and all postcard and one-sheet foldover direct mail pieces that discuss the NLF program shall include the applicable disclosure in Exhibit A in at least ¼ headline cap height and follow the requirements of 17 A; and,

J. Provide the same advertising required in this paragraph of the AVC for corporate stores to participating franchise stores and request and recommend they utilize it.

K. Customers who are sent written notification by Respondent that a rental has been converted to a sale will be told that: "You must present your credit card to the store to apply this credit to your credit card," or a substantially similar disclosure.

17.

FUTURE ADVERTISING

Effective upon Respondent signing this AVC, Respondent agrees to adhere to each of the following "future advertising" requirements for the current NLF program or for any similar program that represents that late fees or charges are eliminated, limited or deferred[13], and that it will:

A. Provide that no English or Spanish language advertising in any medium (including but not limited to (1) all e-newsletters, email and Internet advertisements, (2) all direct mail pieces, (3) any large out-of-home advertising such as on billboard or buses, (4) any television or radio advertising, (5) any print advertising, (6) any large signage on the outside of stores, and (7) any large signage on the inside of stores such as banners, floor decals and

[13] The requirements of this Paragraph 17 do not apply to advertisements for items or programs that do not have due dates, including in-store and online subscription programs that require a periodic membership fee.

signs) represents directly or by implication that there are no late fees or only limited late fees unless such representation is accompanied by and appears proximately to a clear and conspicuous disclosure of the existence of any charge (including, without limitation, any rental fee, restocking fee, or charge associated with a rental transaction that has been converted to a sale) that may be incurred if an item is returned past the due date, and of any limitation on the stores participating in the offer. In the case of the current NLF program, the following disclosure (or a substantially similar disclosure) clearly and conspicuously accompanying and appearing proximately to the phrase "No Late Fees" or "The End of Late Fees" or equivalent phrase is an example of a disclosure that satisfies the foregoing requirement: "Participating stores only. Rental product kept more than 7 days after the due date is converted to a sale. Sale may be reversed by returning the product within 30 days of the sale date and paying a $1.25 restocking fee. Franchisee restocking fees may vary."[14]; and,

B. Provide that all stores clearly and conspicuously display the Respondent's policy for return of rental product and applicable charges if product is not returned.

18.

All terms in this AVC that are specific to the current NLF program will expire when the NLF program expires unless otherwise provided herein.

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[14] In the case of a radio advertisement of thirty seconds or less duration, the following disclosure (or a substantially similar disclosure) clearly and conspicuously accompanying the phrase "No Late Fees" or "The End of Late Fees" or equivalent phrase is an example of a disclosure that satisfies the foregoing requirement: "Participating stores only. See terms of automatic sale and restocking fee."

REVIEW BY RESPONDENT'S ATTORNEY

Approved as to form. Dated 3/23/05

Debra L. Witter
Attorney for Respondent

RESPONDENT'S SIGNATURE AND ACKNOWLEDGMENT

Respondent has read and understands this agreement and each of its terms. Respondent agrees to each and every term.

Corporate Respondent

I, N.P. Shepherd being first duly sworn on oath depose and say that I am the President of U.S. Store Operations for Blockbuster Inc. and am fully authorized and empowered to sign this Assurance of Voluntary Compliance on behalf of Blockbuster Inc. and bind the same to the terms hereof.

N.P. Shepherd

Signature
Title: President U.S. Store Operations Blockbuster Inc.

Address: Blockbuster Inc.
1201 Elm Street
Dallas, Texas 75270

SUBSCRIBED AND SWORN to before me this 23rd day of March, 2005.

ALIDA E. DUGGAN
MY COMMISSION EXPIRES
March 28, 2006

Notary Public

EXHIBIT A

In-store

Membership rules apply for rentals. Rentals are due back at the date and time stated on the transaction receipt. There is no additional rental charge if a member keeps a rental item up to 7 days beyond the pre-paid rental period. **After 7 days beyond the due date, Blockbuster will automatically convert the rental to a purchase on the 8th day and will charge the member the selling price for the item in effect at the time of the rental, minus the rental fee paid. Member then has 30 days to return the product and receive a credit for the selling price charged, less a $1.25 restocking fee. These terms available at participating stores only.** Franchisee restocking fees may vary. See policy endcap for complete terms and conditions.

Newsletter Direct Mail

Membership rules apply for rentals. Rentals are due back at the date and time stated on the transaction receipt. There is no additional rental charge if a member keeps a rental item up to 7 days beyond the pre-paid rental period. **After 7 days beyond the due date, Blockbuster will automatically convert the rental to a purchase on the 8th day and will charge the member the selling price for the item in effect at the time of the rental, minus the rental fee paid. Member then has 30 days to return the product and receive a credit for the selling price charged, less a $1.25 restocking fee. These terms available at participating stores only.** Franchisee restocking fees may vary. See store or blockbuster.com for complete terms and conditions.

Postcard or One-Sheet Foldover Direct Mail

Participating stores only. Rental product kept more than 7 days after the due date is converted to a sale. Sale may be reversed by returning the product within 30 days of the sale date and paying a restocking fee.

In the Matter of
BLOCKBUSTER INC.

Assurance of Discontinuance

MICHAEL A. COX
Attorney General of the State of Michigan

Dated: March 16, 2005

By: _____
Kathy Fitzgerald (P31454)
Assistant Attorney General
Consumer Protection Division
P.O. Box 30213
Lansing, MI 48909
(517) 335-0855

IN THE MATTER OF
BLOCKBUSTER, INC.

ASSURANCE OF VOLUNTARY COMPLIANCE

DATED: MARCH 18, 2005

TROY KING, Attorney General
of the State of Alabama

Alice M. Maples (MAP007)
Chief, Consumer Protection
and Antitrust Section
Assistant Attorney General
Alabama Attorney General's Office
11 South Union Street
Montgomery, Alabama 36130
334-353-3763 Direct Line
334-242-2433 Facsimile

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

DATED THIS 14TH DAY OF MARCH, 2005

STATE OF ALASKA
SCOTT J NORDSTRAND
Acting Attorney General

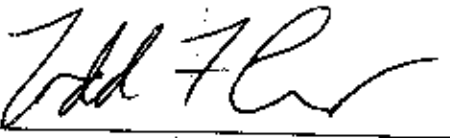
CLYDE E. SNIFFEN, JR
Assistant Attorney General
Commercial and Fair Business Section
Alaska Attorney General's Office
1031 W. 4th. Avenue # 200
Anchorage, Alaska 99501
Telephone: 907-269-5200

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

DATED: MARCH 21, 2005

TERRY GODDARD, Attorney General
of the State of Arizona



by Todd F. Lang, Unit Chief Counsel
Consumer Litigation Unit
Arizona Attorney General's Office
1275 W. Washington Street
Phoenix, AZ 85007

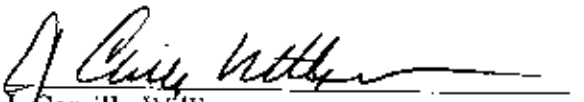
896252

IN THE MATTER OF
BLOCKBUSTER, INC.

ASSURANCE OF VOLUNTARY COMPLIANCE

DATED: MARCH 16, 2005

MIKE BEEBE, Attorney General
of the State of Arkansas



J. Camille Williams
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Arkansas Attorney General's Office
323 Center Street, Suite 200
Little Rock, Arkansas 72201
501.682.3638 Direct Line
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CEDK2719

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

DATED: MARCH 23, 2005

BILL LOCKYER, Attorney General
of the State of California

ALBERT NORMAN SHELDEN
Senior Assistant Attorney General
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110 West A Street, Suite 1100
P.O. Box 85266
San Diego, California 92186-5266

In the Matter of
BLOCKBUSTER INC.

Assurance of Voluntary Compliance

DATED: MARCH 16, 2005

JOHN W. SUTHERS,
ATTORNEY GENERAL
STATE OF COLORADO

MARIA E. BERKENKOTTER
First Assistant Attorney General

CLAIRE M. LARGESSE
Assistant Attorney General
Consumer Protection Section
1525 Sherman Street, Fifth Floor
Denver, Colorado 80203

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

STATE OF CONNECTICUT

EDWIN RODRIGUEZ
COMMISSIONER OF CONSUMER PROTECTION

RICHARD BLUMENTHAL
ATTORNEY GENERAL

DATED: MARCH 21, 2005

BY: Garry Desjardins

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CEDK2719

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

DATED: MARCH 11, 2005

M. JANE BRADY, Attorney General
of the State of Delaware

OLHA N. MERYBAKOFF
Deputy Attorney General and Director,
Consumer Protection Division
Department of Justice
820 N. French Street, 5th Floor
Wilmington, Delaware 19801
(302) 577-8600

In the Matter of
BLOCKBUSTER, INC.

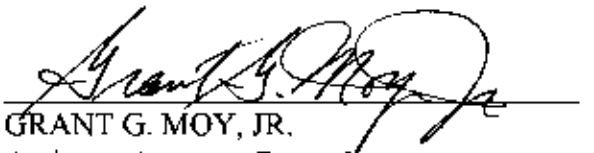
Assurance of Voluntary Compliance

DATED: March 16, 2005

ROBERT J. SPAGNOLETTI
Attorney General for the District of Columbia

DAVID M. RUBENSTEIN
Deputy Attorney General
Public Safety Division

BENNETT RUSHKOFF
Chief, Consumer and Trade Protection Section



GRANT G. MOY, JR.
Assistant Attorney General
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441 Fourth Street, N.W., Suite 450 North
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(202) 727-6337

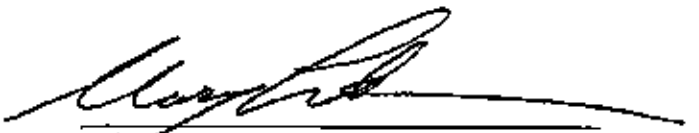
Attorneys for the District of Columbia

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

DATED: MARCH 24, 2005

CHARLES J. CRIST, JR.
Attorney General of the State of Florida

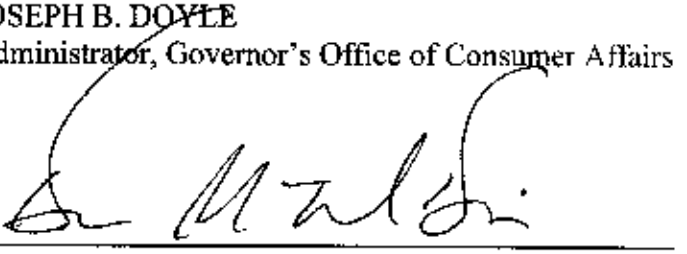


MARY LEONTAKIANAKOS
Director of Economic Crimes
Florida Attorney General's Office
PL-01 The Capitol
Tallahassee, Florida 32399-1050

In the Matter of BLOCKBUSTER, INC.
ASSURANCE OF VOLUNTARY COMPLIANCE

DATED: MARCH 15, 2005

JOSEPH B. DOYLE
Administrator, Governor's Office of Consumer Affairs



Dana M. Tucker Davis
Attorney Designee
Governor's Office of Consumer Affairs
2 Martin Luther King, Jr. Drive, Suite 356
Atlanta, GA 30334-4600

In the Matter of
BLOCKBUSTER INC.

Assurance of Voluntary Compliance

DATED: MARCH 14 , 2005

STEPHEN H. LEVINS, Executive Director
Office of Consumer Protection of the State
of Hawaii

Jeffrey E. Brunton

JEFFREY E. BRUNTON
Staff Attorney
Office of Consumer Protection
State of Hawaii
235 South Beretania Street, Suite 801
Honolulu, Hawaii 96813

In the Matter of
BLOCKBUSTER INC.

Assurance of Voluntary Compliance

DATED: MARCH 15, 2005

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STATE OF IDAHO

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Consumer Protection Unit
Office of the Attorney General
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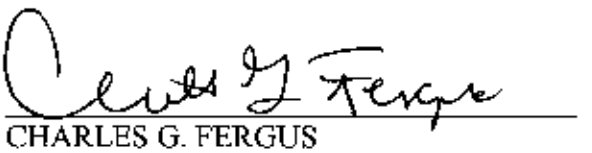
jane.hochberg@ag.idaho.gov

In the Matter of
BLOCKBUSTER, INC.

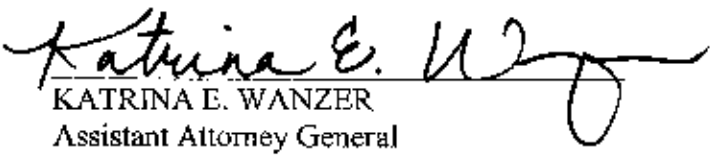
Assurance of Voluntary Compliance

DATED: MARCH 17, 2005

LISA MADIGAN, Attorney General
of the State of Illinois



CHARLES G. FERGUS
Chief, Consumer Fraud Bureau



KATRINA E. WANZER
Assistant Attorney General
Consumer Fraud Bureau
100 West Randolph St., 12th Floor
Chicago, IL 60614

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

DATED: MARCH 18, 2005

STEVE CARTER, Attorney General
of the State of Indiana

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Deputy Attorney General
Indiana Attorney General's Office
Indiana Government Center South, 5th floor
302 W. Washington Street
Indianapolis, IN 46204

CEDK2719

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

DATED: MARCH 11, 2005

TOM MILLER, Attorney General
of the State of Iowa

WILLIAM L. BRAUCH
Special Assistant Attorney General
Director-Consumer Protection Division
Iowa Attorney General's Office
1305 E. Walnut Street
Des Moines, IA 50319

CEDK2719

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

DATED: MARCH 18, 2005

PHILL KLINE, Attorney General
of the State of Kansas

Bryan J. Brown, KS Bar No. 17634
Deputy Attorney General
Consumer Protection/Antitrust Division
Office of Attorney General Phill Kline
120 SW 10th Avenue
Topeka, KS 66612-2215

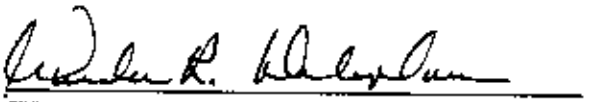
CEDK2719

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

DATED: MARCH 16, 2005

GREGORY D. STUMBO,
Attorney General
of the Commonwealth of Kentucky



WANDA R. DELAPLANE
Assistant Attorney General
Kentucky Attorney General's Office
1024 Capital Center Drive
Frankfort KY 40601
(502) 696-5389

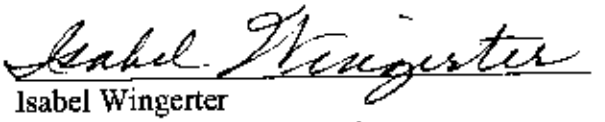
CEDK2719

IN THE MATTER OF
BLOCKBUSTER, INC.

ASSURANCE OF VOLUNTARY COMPLIANCE

DATED: MARCH 16, 2005

CHARLES C. FOTI, JR., Attorney General
of the State of Louisiana



Isabel Wingerter
Assistant Attorney General
Louisiana Attorney General's Office
1885 Third St.
Baton Rouge, LA 70802
225 326 6464 Direct Line
225 326 6499 Facsimile

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

DATED: March 14, 2005

G. STEVEN ROWE, Attorney General
of the State of Maine

Linda J. Conti
Assistant Attorney General
Maine Attorney General's Office
6 State House Station
Augusta, ME 04333-0006

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

Dated: March 17, 2005

J. JOSEPH CURRAN, JR.,
Attorney General of the State of Maryland

WILLIAM D. GRUHN
Assistant Attorney General
Maryland Attorney General's Office
Consumer Protection Division
200 Saint Paul Place
Baltimore, MD 21202

In the Matter of:

BLOCKBUSTER INC.

Assurance of Voluntary Compliance

DATED: March 15, 2005

COMMONWEALTH OF MASSACHUSETTS
THOMAS F. REILLY
ATTORNEY GENERAL

By: _____
Jesse M. Caplan
Assistant Attorney General
Consumer Protection and Antitrust Division
One Ashburton Place
Boston, MA 02108-1698
(617) 727-2200

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

Dated: March 21, 2005

Respectfully submitted,

MIKE HATCH
Attorney General
State of Minnesota

PRENTISS COX
Assistant Attorney General
Atty. Reg. No. 218844

445 Minnesota Street, #1400
St. Paul, Minnesota 55101-2131
(651) 297-4606 (Voice)
(651) 297-7206 (TTY)

ATTORNEYS FOR
STATE OF MINNESOTA

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

DATED: MARCH 18, 2005

JIM HOOD, Attorney General
of the State of Mississippi

BRIDGETTE WIGGINS, MS Bar No. 9676
Special Assistant Attorney General
Mississippi Attorney General's Office
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Jackson, MS 39225
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(601) 359-4231 (Fax)
BWILL@ago.state.ms.us

In the Matter of
BLOCKBUSTER, INC.
and State Attorneys General
Negotiations Regarding Advertising Practices

SIGNATURE PAGE

The State of Missouri, by and through its Attorney General, hereby agrees to accept from Blockbuster, Inc., and to sign and file with the Missouri courts, the attached proposed Assurance of Voluntary Compliance, and to file a Petition seeking approval of same, in the final format negotiated by representatives of Oregon and California, etc., ("the negotiating states"), contemporaneous and in conjunction with similar filings by other states.

JEREMIAH (JAY) NIXON
Missouri Attorney General

Forest W. Hanna III

Forest W. Hanna, III, Mo. Bar # 36614
Assistant Missouri Attorney General
3100 Broadway, Suite 609
Kansas City, Missouri 64111
(816) 889-5000
Fax No. (816) 889-5006

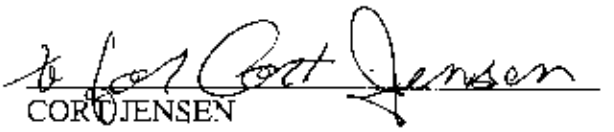
To be affixed to Assurance of Voluntary Compliance

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

DATED: MARCH 17, 2005

Office of Consumer Protection
State of Montana



CORY JENSEN
Special Assistant Attorney General
Montana Department of Administration
1219 8th Ave
Helena, MT 59620

In the Matter of
BLOCKBUSTER, INC.

ASSURANCE OF VOLUNTARY COMPLIANCE

Date: March 18, 2005

BY: JON BRUNING, #20351
Attorney General of Nebraska

BY:
Leslie C. Levy, #20673
Assistant Attorney General
2115 State Capitol
Lincoln, NE 68509-8920
Tel: (402) 471-2683
Fax: (402) 471-3297

In the Matter of:

BLOCKBUSTER INC.
Assurance of Voluntary Compliance.

DATED this 15th day of March, 2005.

SUBMITTED BY:

BRIAN SANDOVAL
Attorney General

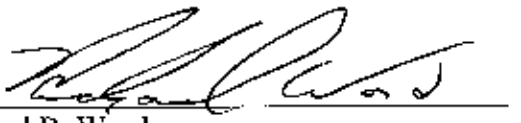
By: _____
JO ANN GIBBS
Senior Deputy Attorney General
Nevada Bar # 005324
555 E. Washington Avenue, #3900
Las Vegas, Nevada 89101
(702) 486-3789
Attorneys for Plaintiff, State of Nevada

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

DATED: MARCH 18, 2005

PATRICIA A. MADRID, Attorney General
of the State of New Mexico



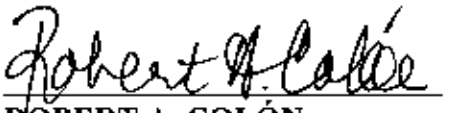
Richard B. Word
Assistant Attorney General
New Mexico Attorney General's Office
P.O. Drawer 1508
Santa Fe, New Mexico 87504-1508

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

Dated: March 15, 2005

ELIOT SPITZER, Attorney General
of the State of New York



ROBERT A. COLÓN
Assistant Attorney General
In Charge
NYS Office of the Attorney General
144 Exchange Boulevard, Suite 200
Rochester, New York 14614-2117
Telephone: (585) 546-7430

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

DATED: MARCH 14, 2005

ROY COOPER, Attorney General
of the State of North Carolina

Barbara A. Shaw

BARBARA A. SHAW
Assistant Attorney General
North Carolina Attorney General's Office
114 W. Edenton Street
Raleigh, North Carolina 27602

In the Matter of: BLOCKBUSTER, INC.
ASSURANCE OF VOLUNTARY COMPLIANCE

State of North Dakota
Wayne Stenehjem
Attorney General

BY: Parrell D. Grossman

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Assistant Attorney General
Director, Consumer Protection &
Antitrust Div.
Office of Attorney General
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Bismarck, ND 58502-1054
(701) 328-5570

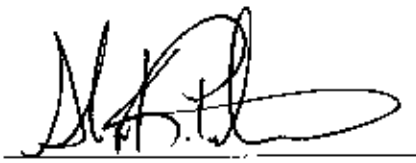
Date: March 14, 2005

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

DATED: MARCH 11, 2005

JIM PETRO, Attorney General
of the State of Ohio



SHAUN K. PETERSEN
Deputy Attorney General
Ohio Attorney General's Office
30 E. Broad St., 14th Floor
Columbus, OH 43215-3666

CEDK2719

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

DATED: MARCH 11, 2005

W.A. DREW EDMONDSON
ATTORNEY GENERAL

Julie A. Bays
Assistant Attorney General
Consumer Protection Unit
4545 N. Lincoln Blvd., Suite 260
Oklahoma City, Oklahoma 73105
Phone: (405) 521-4274
Fax: (405) 528-1867

ACCEPTANCE OF DOJ

Accepted this 20th day of March, 2005.

HARDY MYERS
Attorney General of Oregon

THOMAS K. ELDEN #79036
Assistant Attorney General
(Appearance in Oregon Only)

APPROVAL BY COURT

APPROVED FOR FILING and SO ORDERED this _____day of March, 2005.

Circuit Court Judge

DEPARTMENT OF JUSTICE
1162 Court Street NE
Salem, OR 97301-4096
PHONE: (503) 378-4732

In the Matter of
BLOCKBUSTER INC.

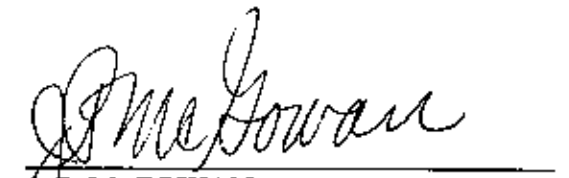
Assurance of Voluntary Compliance

DATED: March 17, 2005

COMMONWEALTH OF PENNSYLVANIA

BY: THOMAS W. CORBETT, JR.
ATTORNEY GENERAL

BY: FRANK T. DONAGHUE
CHIEF DEPUTY ATTORNEY GENERAL

BY: 

J. P. McGOWAN
Senior Deputy Attorney General
Office of Attorney General
Bureau of Consumer Protection
Room 100, Samter Building
101 Penn Avenue
Scranton, PA 18503-2025

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

DATED MARCH 15, 2005

PATRICK C. LYNCH, Attorney General
of the State of Rhode Island

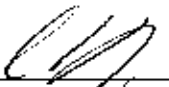
EDMUND F. MURRAY, JR. #3096
Special Assistant Attorney General
Rhode Island Department of Attorney General
150 South Main Street
Providence, Rhode Island 02903

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

DATED: March 14, 2005

HENRY D. McMASTER
Attorney General



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Senior Assistant Attorney General
South Carolina Attorney General's Office
1000 Assembly Street (29201)
P. O. Box 11549
Columbia, SC 29211
(803) 734-3680

In the Matter of:

BLOCKBUSTER INC. - Assurance of Voluntary Compliance

Dated this 14th day of March, 2005, at Pierre, South Dakota.

LAWRENCE E. LONG
ATTORNEY GENERAL FOR THE
STATE OF SOUTH DAKOTA

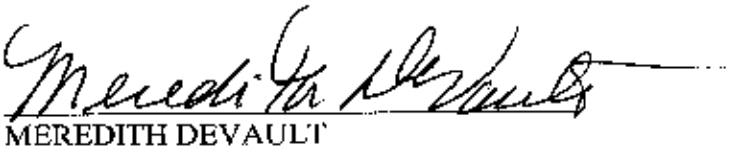
Paul Cremer
Assistant Attorney General
500 East Capitol
Pierre, SD 57501-5070
Telephone: (605) 773-3215

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

DATED: MARCH 14, 2005

PAUL G. SUMMERS, Attorney General
of the State of Tennessee



MEREDITH DEVAULT
Senior Counsel
Tennessee Attorney General's Office
450 Fifth Avenue North
Nashville, TN 37243

83123ic02mdv

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

DATED: MARCH 17, 2005

GREG ABBOTT, Attorney General
of the State of Texas

JOHN OWENS
Assistant Attorney General
Office of the Attorney General
Consumer Protection & Public Health Division
808 Travis, Suite 300
Houston, Texas 77002
SBN: 15379200
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In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

DATED: MARCH 11, 2005

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of the State of Utah

JEFFREY BUCKNER
Assistant Attorney General
Utah Attorney General's Office
160 East 300 South, 5th Floor
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CEDK2719

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

DATED: MARCH 16, 2005

COMMONWEALTH OF VIRGINIA,
EX REL. JUDITH WILLIAMS JAGDMANN,
ATTORNEY GENERAL

Judith Williams Jagdmann
Attorney General

Bernard L. McNamee II
Chief Deputy Attorney General

Maureen R. Matsen
Deputy Attorney General
Civil Division

David B. Irvin
Senior Assistant Attorney General and Chief
Antitrust and Consumer Litigation Section

By: Courtney M. Malveaux

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Antitrust and Consumer Litigation Section
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Richmond, Virginia 23219
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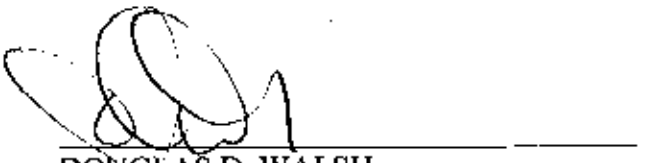
In the Matter of:
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

DATED: MARCH 14, 2005

ROB MCKENNA, Attorney General
of the State of Washington



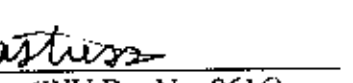
DOUGLAS D. WALSH
Senior Counsel
Consumer Protection Division
Washington Attorney General's Office
1019 Pacific Avenue, 3rd Floor
P.O. Box 2317
Tacoma, Washington 98401-2317

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

DATED: MARCH 11, 2005

DARRELL V. McGRAW, JR.,
Attorney General
of the State of West Virginia



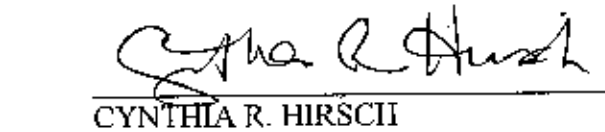
ROB BASTRESS (WV Bar No. 9616)
Assistant Attorney General
West Virginia Attorney General's Office
Consumer Protection / Antitrust Division
P.O. Box 1789
Charleston, West Virginia 25326-1789

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

Dated: March 16, 2005

PEGGY A. LAUTENSCHLAGER, Attorney General
of the State of Wisconsin



CYNTHIA R. HIRSCH
Assistant Attorney General
State Bar #1012870
Wisconsin Department of Justice
Post Office Box 7857
Madison, Wisconsin 53707-7857
(608) 266-3861

In the Matter of
BLOCKBUSTER, INC.

Assurance of Voluntary Compliance

DATED: MARCH 21, 2005

Patrick J. Crank, Attorney General
of the State of Wyoming

BY: Peter Free

PETER FREE
Assistant Attorney General
Wyoming Attorney General's Office
123 State Capitol
Cheyenne, Wyoming 82002

CEDK2719