



# News Release

## Office of the Attorney General

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### **ATTORNEY GENERAL HERBERT SLATERY ANNOUNCES \$3.8 MILLION MULTISTATE SETTLEMENT WITH SIRIUS XM**

Attorney General Herbert Slatery on behalf of Bill Giannini, the acting Director of the Tennessee Division of Consumer Affairs (DCA), along with the attorneys general of 44 states and the District of Columbia, announced today that Sirius XM Radio Inc. of New York has agreed to pay \$3.8 million to the states and provide restitution to eligible consumers to resolve claims that the satellite radio company engaged in misleading advertising and billing practices. Tennessee will receive \$233,000.

Consumers who have not previously filed a complaint with their attorney general or state complaint handling entity such as DCA for the practices covered by this settlement have until May 3, 2015 to file a complaint to be considered for restitution.

“I am pleased that part of the settlement includes restitution to eligible consumers and I encourage those who have had difficulties with Sirius XM to file a complaint with the Division of Consumer Affairs on or before May 3, 2015 so they can be considered for a refund,” said Attorney General Slatery.

The states’ investigation focused on consumer complaints involving allegations of difficulty canceling contracts; cancellation requests that were not honored; misrepresentations that the consumer’s Sirius XM service would be canceled and not renewed; contracts that were automatically renewed without consumers’ notice or consent; unauthorized fees; higher, unanticipated rates after a low introductory rate; and Sirius XM failing to provide timely refunds. Sirius XM has denied wrongdoing in the settlement.

The settlement requires Sirius XM to make significant changes to its business practices. Specifically, Sirius XM agrees to:

- Clearly and conspicuously disclose all terms and conditions at the point of sale, such as billing frequency, term length, automatic renewal date, and cancellation policy;
- Make no misrepresentations about the available plans in advertisements;
- Provide advance notice via mail or email about upcoming automatic renewals for plans lasting longer than six months;
- Revise the cancellation procedures to make it easier for consumers to cancel; and,

- Prohibit incentive compensation for customer service representatives based solely on “saves,” or retaining current customers who attempt to cancel.

“We are satisfied with the terms of the settlement and believe Tennesseans will benefit from the changes that Sirius XM has agreed to make,” said Bill Giannini, Department of Commerce and Insurance Deputy Commissioner/Acting Director of Consumer Affairs. “Customers who believe they are entitled to be part of the settlement should contact the Tennessee Division of Consumer Affairs for more information.”

Consumers who have a complaint regarding Sirius XM’s business practices addressed by this settlement are urged to contact DCA at [www.tn.gov/consumer](http://www.tn.gov/consumer) or 615-741-4737 or 800-342-8385 (inside Tennessee) by May 3, 2015. Consumers who have complained to Sirius XM directly and believe that their complaint remains unresolved can file complaints at [www.siriusxm.com/settlementprogram](http://www.siriusxm.com/settlementprogram) or by mail to PO Box 33059, Detroit, MI 48232-5059. In addition, consumers should retain a copy of the complaint they file to be considered for the restitution along with proof of the date of filing of the complaint.

Consumers may contact DCA at [www.tn.gov/consumer](http://www.tn.gov/consumer) or 615-741-4737 or 800-342-8385 (inside Tennessee) if they feel they have been the subject of an unfair or deceptive business practice.