

# RENTRAK CORP

## FORM 10-Q (Quarterly Report)

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 10-Q**

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(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **September 30, 2009**

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: **000-15159**

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**RENTRAK CORPORATION**

(Exact name of registrant as specified in its charter)

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**Oregon**  
(State or other jurisdiction of  
incorporation or organization)

**93-0780536**  
(I.R.S. Employer  
Identification No.)

**7700 NE Ambassador Place, Portland, Oregon**  
(Address of principal executive offices)

**97220**  
(Zip Code)

**Registrant's telephone number, including area code: 503-284-7581**

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

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**Common stock \$0.001 par value**  
(Class)

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**10,498,037**  
(Outstanding at November 2, 2009)

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FORM 10-Q  
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**Condensed Consolidated Balance Sheets**  
**(Unaudited)**  
**(In thousands, except per share amounts)**

	September 30,	March 31,
	<u>2009</u>	<u>2009</u>
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 7,894	\$ 4,601
Marketable securities	30,252	29,874
Accounts and notes receivable, net of allowances for doubtful accounts of \$558 and \$597	12,995	16,406
Taxes receivable and prepaid taxes	532	1,231
Deferred income tax assets	—	135
Other current assets	982	960
Total Current Assets	52,655	53,207
Property and equipment, net of accumulated depreciation of \$10,543 and \$9,472	6,629	6,128
Other assets	531	543
Total Assets	<u>\$ 59,815</u>	<u>\$59,878</u>
<b>Liabilities and Stockholders' Equity</b>		
Current Liabilities:		
Accounts payable	\$ 5,475	\$ 6,738
Accrued liabilities	631	499
Accrued compensation	1,160	1,100
Deferred revenue	600	1,530
Other current liabilities	121	96
Total Current Liabilities	7,987	9,963
Deferred rent, long-term portion	956	982
Deferred income tax liabilities	603	714
Taxes payable, long-term	1,094	1,242
Total Liabilities	10,640	12,901
Commitments and Contingencies		
	—	—
Stockholders' Equity:		
Preferred stock, \$0.001 par value; 10,000 shares authorized; none issued	—	—
Common stock, \$0.001 par value; 30,000 shares authorized; shares issued and outstanding: 10,491 and 10,421	11	11
Capital in excess of par value	46,338	45,504
Accumulated other comprehensive income (loss)	203	(203)
Retained earnings	2,623	1,665
Total Stockholders' Equity	49,175	46,977
Total Liabilities and Stockholders' Equity	<u>\$ 59,815</u>	<u>\$59,878</u>

See accompanying Notes to Condensed Consolidated Financial Statements.

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**Rentrak Corporation and Subsidiaries**  
**Condensed Consolidated Income Statements**  
**(Unaudited)**  
**(In thousands, except per share amounts)**

	For the Three Months Ended September 30,		For the Six Months Ended September 30,	
	2009	2008	2009	2008
Revenue	\$ 21,323	\$ 24,327	\$ 42,960	\$ 49,680
Cost of sales	12,902	16,351	27,139	33,163
Gross margin	8,421	7,976	15,821	16,517
Operating expenses:				
Selling and administrative	7,792	6,655	14,909	13,435
Provision for doubtful accounts and notes	127	42	298	122
	7,919	6,697	15,207	13,557
Income from operations	502	1,279	614	2,960
Other income (expense):				
Interest income, net	206	206	505	374
Income before income taxes	708	1,485	1,119	3,334
Provision for income taxes	32	643	161	1,456
Net income	\$ 676	\$ 842	\$ 958	\$ 1,878
Basic net income per share	\$ 0.06	\$ 0.08	\$ 0.09	\$ 0.18
Diluted net income per share	\$ 0.06	\$ 0.08	\$ 0.09	\$ 0.17
Shares used in per share calculations:				
Basic	10,478	10,614	10,466	10,611
Diluted	11,040	11,166	10,954	11,153

See accompanying Notes to Condensed Consolidated Financial Statements.

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**Rentrak Corporation and Subsidiaries**  
**Condensed Consolidated Statements of Cash Flows**  
**(Unaudited)**  
**(In thousands)**

	<b>For the Six Months Ended September 30,</b>	
	<b>2009</b>	<b>2008</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 958	\$ 1,878
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation and amortization	1,072	799
Stock-based compensation	808	260
Other adjustments	240	192
(Increase) decrease in:		
Accounts receivable	3,190	(2,027)
Taxes receivable and prepaid taxes	699	450
Other assets	(305)	383
Increase (decrease) in:		
Accounts payable	(1,016)	3,590
Deferred revenue	(930)	749
Other liabilities	19	(132)
<b>Net cash provided by operating activities</b>	<b>4,735</b>	<b>6,142</b>
<b>Cash flows from investing activities:</b>		
Maturity of marketable securities	—	4,986
Purchase of marketable securities	—	(30,006)
Purchase of property and equipment	(1,639)	(1,219)
<b>Net cash used in investing activities</b>	<b>(1,639)</b>	<b>(26,239)</b>
<b>Net cash provided by financing activities</b>		
	19	135
Effect of foreign exchange translation on cash	178	(13)
Increase (decrease) in cash and cash equivalents	3,293	(19,975)
<b>Cash and cash equivalents:</b>		
Beginning of period	4,601	26,862
End of period	<u>\$ 7,894</u>	<u>\$ 6,887</u>
<b>Supplemental non-cash information:</b>		
Deferred gain related to forgiven loan for capital assets	\$ —	\$ 219
Unrealized gains (losses) on investments, net of tax of \$159 and \$(82)	221	(108)

See accompanying Notes to Condensed Consolidated Financial Statements.

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**Rentrak Corporation and Subsidiaries**  
**Condensed Consolidated Statements of Stockholders' Equity**  
**(Unaudited)**  
**(In thousands, except share amounts)**

	Common Stock		Capital In Excess of Par Value	Cumulative Other Comprehensive	Retained Earnings (Accumulated)	Total Stockholders'
	Shares	Amount		Income (Loss)	Deficit	Equity
<b>Balance at March 31, 2007</b>	10,723,728	\$ 11	\$ 48,155	\$ 132	\$ (6,963)	\$ 41,335
Net income	—	—	—	—	4,594	4,594
Reclassification adjustment relating to substantial liquidation of foreign investment				(181)		(181)
Unrealized gain on foreign currency translation	—	—	—	219	—	219
Comprehensive income						4,632
Common stock issued pursuant to stock plans	170,563	—	1,027	—	—	1,027
Common stock used to pay for option exercises and taxes	(15,828)	—	(208)	—	—	(208)
Common stock issued in exchange for deferred stock units	9,000	—	—	—	—	—
Deferred stock units granted to Board of Directors, net	—	—	650	—	—	650
Stock-based compensation expense – options	—	—	325	—	—	325
Common stock repurchased	(282,799)	—	(3,253)	—	—	(3,253)
Cumulative effect of adoption of FIN 48	—	—	—	—	(1,329)	(1,329)
Income tax benefit from stock-based compensation	—	—	493	—	—	493
<b>Balance at March 31, 2008</b>	10,604,664	11	47,189	170	(3,698)	43,672
Net income	—	—	—	—	5,363	5,363
Unrealized loss on foreign currency translation	—	—	—	(299)	—	(299)
Unrealized loss on investments, net of tax	—	—	—	(74)	—	(74)
Comprehensive income						4,990
Common stock issued pursuant to stock plans	39,175	—	201	—	—	201
Common stock used to pay for option exercises	(5,684)	—	(51)	—	—	(51)
Deferred stock units granted to Board of Directors	—	—	213	—	—	213
Stock-based compensation expense – options	—	—	274	—	—	274
Common stock repurchased	(217,218)	—	(2,291)	—	—	(2,291)
Income tax effect from stock-based compensation	—	—	(31)	—	—	(31)
<b>Balance at March 31, 2009</b>	10,420,937	11	45,504	(203)	1,665	46,977
Net income	—	—	—	—	958	958
Unrealized gain on foreign currency translation	—	—	—	185	—	185
Unrealized gain on investments, net of tax	—	—	—	221	—	221
Comprehensive income						1,364
Common stock issued pursuant to stock plans	33,950	—	314	—	—	314
Common stock issued in exchange for deferred stock units	66,000	—	—	—	—	—
Deferred stock units granted to Board of Directors	—	—	459	—	—	459
Stock-based compensation expense – options	—	—	161	—	—	161
Stock-based compensation expense – restricted stock units	—	—	188	—	—	188
Common stock repurchased	(29,850)	—	(302)	—	—	(302)
Income tax effect from stock-based compensation	—	—	14	—	—	14
<b>Balance at September 30, 2009</b>	10,491,037	\$ 11	\$ 46,338	\$ 203	\$ 2,623	\$ 49,175

See accompanying Notes to Condensed Consolidated Financial Statements.



**RENTRAK CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**Note 1. Basis of Presentation**

The accompanying unaudited Condensed Consolidated Financial Statements of Rentrak Corporation have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures normally included in financial statements prepared in accordance with the accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations. The results of operations for the three and six-month periods ended September 30, 2009 are not necessarily indicative of the results to be expected for the entire fiscal year ending March 31, 2010. The Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and footnotes thereto included in our 2009 Annual Report to Shareholders.

The Condensed Consolidated Financial Statements reflect, in the opinion of management, all material adjustments (which include only normal recurring adjustments) necessary to present fairly our financial position, results of operations and cash flows. Certain reclassifications have been made to the prior period financial statements to conform to the current period presentation.

**Note 2. Net Income Per Share**

Basic net income per share (“EPS”) and diluted EPS are computed using the methods prescribed by Accounting Standards Codification (“ASC”) 260, “Earnings per Share.” Following is a reconciliation of the shares used for the basic EPS and diluted EPS calculations (in thousands):

	<u>Three Months Ended Sept. 30,</u>		<u>Six Months Ended Sept. 30,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<b>Basic EPS:</b>				
Weighted average number of shares of common stock outstanding and vested deferred stock units (“DSUs”)	10,478 <sup>(1)</sup>	10,614	10,466 <sup>(1)</sup>	10,611
<b>Diluted EPS:</b>				
Effect of dilutive DSUs and stock options	<u>562</u>	<u>552</u>	<u>488</u>	<u>542</u>
	<u>11,040</u>	<u>11,166</u>	<u>10,954</u>	<u>11,153</u>
Options not included in diluted EPS because the exercise price of the options was greater than the average market price of the common shares for the period	<u>—</u>	<u>—</u>	<u>300</u>	<u>—</u>
Performance-based grants not included in diluted EPS	<u>599</u>	<u>—</u>	<u>599</u>	<u>—</u>

(1) Includes 48,500 vested DSUs that will not be issued until the directors holding the DSUs retire from our Board of Directors.

**Note 3. Business Segments**

We operate in two business segments, our Pay-Per-Transaction (“PPT”) Division and Advanced Media and Information (“AMI”) Division, and, accordingly, we report certain financial information by individual segment under this structure. The PPT Division manages our business operations that deliver home entertainment content products and related rental and sales information for that content to our Participating Retailers on a revenue sharing basis. The AMI Division manages our Essentials Suite™ of business information services, primarily offered on a recurring subscription basis, which are no longer in the early stages. The Other Division is a non-operating segment and includes revenue and expenses relating to products and/or services that are still in early stages, as well as corporate expenses and other expenses that are not allocated to a specific segment. We did not have any revenues from our Other Division in the fiscal 2010 or fiscal 2009 periods.

Assets are not specifically identified by segment as the information is not used by the chief operating decision maker to measure the segments’ performance.

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Certain information by segment was as follows (in thousands):

	<u>PPT</u>	<u>AMI</u>	<u>Other</u> <sup>(1)</sup>	<u>Total</u>
<b>Three Months Ended September 30, 2009</b>				
Sales to external customers	\$16,299	\$5,024	\$ —	\$21,323
Gross margin	4,812	3,609	—	8,421
Income (loss) from operations	2,951	1,354	(3,803)	502
<b>Three Months Ended September 30, 2008</b>				
Sales to external customers	\$21,240	\$3,087	\$ —	\$24,327
Gross margin	5,543	2,433	—	7,976
Income (loss) from operations	3,521	282	(2,524)	1,279
<b>Six Months Ended September 30, 2009</b>				
Sales to external customers	\$34,365	\$8,595	\$ —	\$42,960
Gross margin	9,951	5,870	—	15,821
Income (loss) from operations	6,077	1,132	(6,595)	614
<b>Six Months Ended September 30, 2008</b>				
Sales to external customers	\$43,550	\$6,130	\$ —	\$49,680
Gross margin	11,647	4,870	—	16,517
Income (loss) from operations	7,440	560	(5,040)	2,960

(1) Includes revenue and expenses relating to products and/or services that are still in early stages, as well as corporate expenses and other expenses that are not allocated to a specific segment.

### Note 4. Stock-Based Compensation

#### *Amendments to 2005 Stock Incentive Plan*

At our Annual Meeting of Shareholders in August 2009, our shareholders approved amendments to our 2005 Stock Incentive Plan (the “2005 Plan”). Significant amendments included the following:

- increased the total number of shares of common stock available for issuance under the 2005 Plan to 2,000,000 total shares;
- limited the number of shares available for grants of incentive stock options over the life of the 2005 Plan to 800,000;
- increased the maximum number of shares available for grants of stock options or stock appreciation rights (“SARs”) under the 2005 Plan to a single participant in any fiscal year to 300,000;
- limited the number of shares available for grants of (a) restricted stock or units or (b) performance awards under the 2005 Plan to a single participant in any fiscal year to 300,000 each; and
- increased the maximum number of shares available for grants of restricted stock or units over the life of the 2005 Plan to 750,000.

#### *Equity Awards granted to William P. Livek*

During the first quarter of fiscal 2010, we granted equity awards to our Chief Executive Officer, William P. Livek, who was appointed in June 2009. He received stock options to purchase 200,000 shares of our common stock and stock-settled stock appreciation rights (“SSARs”) relating to 75,000 shares of our common stock, which have an exercise or base price, respectively, of \$14.50 per share, vest in equal amounts over four years and have a 10-year term. The fair value of these awards was determined to be \$1.5 million using the Black-Scholes valuation model. Of this amount, \$0.1 million was recognized in the second quarter of fiscal 2010 and \$0.4 million will be recognized in all of fiscal 2010. Upon termination without cause or for good reason, up to 100,000 stock options and two annual installments of the SSARs will vest to the extent not previously vested. If a change in control of Rentrak occurs on or after December 15, 2009, the awards will vest in full. If a change in control occurs prior to December 15, 2009, 50% of the awards will vest.

We also granted 213,750 restricted stock units (“RSUs”) to Mr. Livek. Each of the RSUs represents a contingent right to receive one share of our common stock and will vest upon satisfaction of performance goals tied to achievement of either (a) specified levels of earnings before interest, taxes, depreciation and

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amortization, as modified by subtracting certain other expenditures, over the current and next two fiscal years (the “EBITDA Condition”), or (b) trading-price targets for our common stock ranging from \$20 to \$40 per share for 65 consecutive trading days during the period of June 15, 2009 through March 31, 2013 (the “Market Condition”). The fair value of the RSUs relating to the Market Condition was estimated to be \$1.3 million, based on a Monte Carlo simulation, \$0.2 million of which was recognized in the second quarter of fiscal 2010 and \$0.5 million of which is expected to be recognized in all of fiscal 2010. As of September 30, 2009, no compensation expense had been recognized for the EBITDA Condition as we do not currently believe the condition is likely to be achieved.

Vesting of a portion or all of the RSUs will also occur if a change in control of Rentrak occurs at price levels ranging from \$20 to \$40 per share prior to March 31, 2013. Upon termination without cause or for good reason, 60,000 RSUs will vest if termination is on or prior to March 31, 2010, 90,000 RSUs will vest if termination occurs on or after April 1, 2010 and prior to April 1, 2011, and 120,000 RSUs will vest if termination occurs on or after April 1, 2011 and on or prior to March 31, 2012.

### *Deferred Stock Units*

During the first half of fiscal 2010, we granted 81,000 DSUs to members of our Board of Directors, which vest in three equal annual installments, beginning one year after the date of grant. The total value of the DSUs granted was \$0.9 million and will be recognized over the three-year vesting period. Of this amount, \$0.1 million was recognized in the second quarter of fiscal 2010.

During the second quarter of fiscal 2010, in connection with the departure of two members of our Board of Directors, we accelerated the vesting of awards representing 24,000 DSUs and recognized \$0.3 million of compensation expense related to these transactions in the second quarter of fiscal 2010.

### *Equity Awards Granted to David I. Chemerow*

In connection with the hiring of David I. Chemerow as our Chief Operating Officer and Chief Financial Officer effective October 1, 2009, we issued stock options to purchase 121,750 shares of our common stock with an exercise price of \$17.22 per share, a four-year vesting period and a ten-year term. The fair value of these stock options was determined to be \$0.8 million using the Black-Scholes valuation model. Of this amount, \$0.1 million will be recognized in fiscal 2010. Upon termination without cause or for good reason, two annual installments of stock options will vest to the extent not previously vested. If a change in control of Rentrak occurs on or after April 1, 2010, the stock options will vest in full.

Mr. Chemerow was also granted 131,173 RSUs, each of which represents a contingent right to receive one share of our common stock. The RSUs will vest upon satisfaction of performance goals which are similar to Mr. Livek’s RSU award. The fair value of the RSUs relating to the Market Condition is estimated not to exceed \$2.3 million. Vesting of a portion or all of the RSUs will also occur if a change in control of Rentrak occurs at price levels ranging from \$20 to \$40 per share prior to June 15, 2013. Upon termination without cause or for good reason, 36,000 RSUs will vest if termination is on or prior to June 30, 2010, 54,000 RSUs will vest if termination occurs on or after July 1, 2010 and prior to July 1, 2011, and 72,000 RSUs will vest if termination occurs on or after July 1, 2011 and on or prior to June 30, 2012.

### *Other*

In addition, certain other immaterial stock-based awards were granted during the first two quarters of fiscal 2010. We recognized \$3,000 of expense related to these awards during the second quarter of fiscal 2010.

## **Note 5. Marketable Securities and Fair Market Value Disclosures**

We provide information related to the fair value measurements of our assets and liabilities in accordance with the provisions of ASC 820-10, “Fair Value Measurements and Disclosures – Overall,” and ASC 320-10, “Investments – Debt and Equity Securities – Overall.”

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Inputs used in measuring the fair value of our financial assets and liabilities are summarized into three broad categories:

- Level 1 – quoted prices in active markets for identical securities;
- Level 2 – other significant observable inputs, including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.; and
- Level 3 – significant unobservable inputs, including our own assumptions in determining fair value.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Following are the disclosures related to our financial assets (in thousands):

	September 30, 2009	
	Fair Value	Input Level
<u>Available for sale marketable securities</u>		
Municipal tax exempt bond fund	\$ 30,252	Level 1

The fair value of our available for sale securities is determined based on quoted market prices for identical securities on a quarterly basis. All of our other current assets and liabilities approximate their fair value.

### Note 6. Stock Repurchases

During the six-month period ended September 30, 2009, we repurchased a total of 29,850 shares of our common stock, at an average price of \$10.13 per share, which totaled approximately \$0.3 million. All of these shares were repurchased during the first quarter of fiscal 2010. The stock repurchase plan, approved by our Board of Directors in January 2006, authorizes the purchase of up to 1,000,000 shares of our common stock and does not have an expiration date. Following these repurchases, a total of 723,367 shares had been repurchased pursuant to this plan at an average price of \$10.78 per share and 276,633 shares remained available for repurchase under this plan.

### Note 7. New Accounting Pronouncements

#### *Codification*

Effective July 1, 2009, the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") became the single official source of authoritative, nongovernmental generally accepted accounting principles ("GAAP") in the United States. The historical GAAP hierarchy was eliminated and the ASC became the only level of authoritative GAAP, other than guidance issued by the Securities and Exchange Commission. Our accounting policies were not affected by the conversion to ASC. However, references to specific accounting standards in the footnotes to our consolidated financial statements have been changed to refer to the appropriate section of ASC.

#### *Subsequent Events*

In May 2009, the FASB issued guidance that defines subsequent events as transactions that occur after the balance sheet date but before financial statements are issued or are available to be issued. Two types of subsequent events have been defined: (i) events or transactions that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements (that is, recognized subsequent events); and (ii) events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after that date (that is, nonrecognized subsequent events). In addition, the guidance requires an entity to disclose the date through which subsequent events have been evaluated, as well as whether that date is the date the financial statements were issued or the date the financial statements were available to be issued. The adoption of this guidance, effective June 30, 2009, did not have any effect on our financial position, results of operations or cash flows.

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### *Fair Value Disclosures*

In April 2009, the FASB issued guidance requiring disclosures about the fair value of financial instruments for interim reporting periods as well as in annual financial statements. The adoption of this guidance, effective June 30, 2009, did not have any impact on our financial position, results of operations or cash flows, nor were any additional interim disclosures required.

### **Note 8. Related Party Transaction**

In connection with the hiring of Mr. Livek as our CEO in June 2009, we amended our employment agreement with Paul A. Rosenbaum, our former CEO, for his continued employment in a non-executive capacity as Chairman of the Board. The agreement expires on September 30, 2011, and provides for an annual salary of \$489,000 through September 30, 2010, and \$325,000 for the ensuing 12 months, a car allowance of up to \$900 per month through December 31, 2009 and fringe benefits. The agreement provides for severance upon termination of employment for specified reasons, including death, voluntary termination by Mr. Rosenbaum for good reason, or involuntary termination without cause; monthly payments of salary and benefits would continue to be made based on the above annual amounts through the term of the agreement. Additionally, if Mr. Rosenbaum dies during the term of the agreement, his estate will be entitled to a lump sum payment of \$500,000 less any amounts payable under any life insurance policies purchased by us for the benefit of Mr. Rosenbaum's dependents.

Upon expiration of his agreement, we will continue to provide Mr. Rosenbaum with all medical, dental, group life, long-term care and long-term disability insurance benefits through September 30, 2013, the amount of which is estimated to be \$38,000. This postretirement benefit will be recognized over the term of the employment agreement.

### **Note 9. Organizational Changes**

During the second quarter of fiscal 2010, we made organizational changes relating to the expansion of our AMI Division and other business needs. As a result of these changes, we recognized severance related costs of approximately \$0.4 million during the quarter, as well as legal costs of \$0.1 million. We anticipate incurring additional costs in the third quarter of fiscal 2010 totaling approximately \$0.2 million relating to relocation expenses associated with hiring our new Chief Operating Officer and Chief Financial Officer, David I. Chemerow.

### **Note 10. Subsequent Events**

We have considered all events that have occurred subsequent to September 30, 2009 and through November 9, 2009, the date the financial statements as of and for the period ended September 30, 2009 were available to be issued.

See Note 4 for a discussion of equity awards made to Mr. Chemerow in October 2009.

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### ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

#### Forward Looking Statements

Certain information included in this Quarterly Report on Form 10-Q (including Management's Discussion and Analysis of Financial Condition and Results of Operations regarding revenue growth, gross profit margin and liquidity) constitute forward-looking statements that involve a number of risks and uncertainties. Forward-looking statements may be identified by the use of forward-looking words such as "may," "will," "expects," "intends," "anticipates," "estimates" or "continues" or the negative thereof or variations thereon or comparable terminology. The following factors are among the factors that could cause actual results to differ materially from the forward-looking statements: our ability to retain and grow our customer base of retailers participating in the Pay-Per-Transaction system (the "PPT System") ("Participating Retailers") and customers for our business intelligence software and services; the financial stability of the Participating Retailers and their performance of their obligations under our PPT System; business conditions and growth in the video industry and general economic conditions, both domestic and international; customer demand for movies in various media formats; competitive factors, including increased competition, expansion of revenue sharing programs other than the PPT System by motion picture studios or other licensees or owners of the rights to certain video programming content ("Program Suppliers") and new technology; the continued availability of home entertainment content products (DVDs, Blue-ray Discs, etc.) (collectively "Units") leased/licensed to home video specialty stores and other retailers from Program Suppliers; the loss of significant Program Suppliers; our ability to successfully develop and market new services, including our business intelligence services, to create new revenue streams; and the development of similar business intelligence services by competitors with substantially greater financial and marketing resources than our company. This Quarterly Report on Form 10-Q further describes some of these factors. In addition, some of the important factors that could cause actual results to differ from our expectations are discussed in Item 1A to our fiscal 2009 Form 10-K, which was filed with the Securities and Exchange Commission on June 11, 2009. These risk factors have not significantly changed since the filing of the fiscal 2009 Form 10-K.

#### Business Trends

Our corporate structure includes separate Pay-Per-Transaction ("PPT") and Advanced Media and Information ("AMI") operating divisions and, accordingly, we report certain financial information by individual segment under this structure.

Our PPT Division manages our business operations that deliver Units and related rental and sales information for the content to home video specialty stores and other retailers, on a revenue sharing basis. We lease product from various suppliers, typically motion picture studios. Under our PPT System, retailers sublease that product from us and rent it to consumers. Retailers then share a portion of the revenue from each retail rental transaction with us and we share a portion of the revenue with the studio. Since we collect, process and analyze rental and sales information at the title level, we report that information to both the studio and the respective retailers.

Our PPT Division also includes our Traditional and Digital Direct Revenue Sharing ("DRS") services, which encompasses the collection, tracking, auditing and reporting of transaction and revenue data generated by DRS retailers, such as Blockbuster Entertainment, Movie Gallery and Netflix, to our respective DRS clients, for rented entertainment content received both on physical product as well as digitally, under established agreements on a fee for service basis.

Our AMI Division manages our Essentials Suite™ of business information services. Our Essentials Suite™ software and services, offered primarily on a recurring subscription basis, provide unique data collection, management, analysis and reporting functions, resulting in business information valuable to our clients.

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### *The PPT Division*

The financial results from the PPT Division continue to be affected by the changing dynamics in the home video rental market as well as overall economic trends and conditions. This market is highly competitive and influenced greatly by consumer spending patterns and behaviors. The end consumer has a wide variety of choices from which to select their entertainment content and can easily shift from one provider to another. Some examples include renting Units of product from our Participating Retailers or other Retailers, purchasing previously viewed Units from our Participating Retailers or other Retailers, ordering product via online subscriptions and/or online distributors (mail delivery), renting or purchasing product from kiosk locations, subscribing to at-home movie channels, downloading or streaming content via the Internet, purchasing and owning the Unit directly, or selecting an at-home “pay-per-view” or “on demand” option from a satellite or cable provider. Our PPT system focuses on the traditional “brick and mortar” retailer. We believe that our system successfully addresses the many choices available to consumers and affords our Participating Retailers the opportunity to stock their stores with a wider selection of titles and a greater supply of popular box office releases. Many of our arrangements are structured so that the Participating Retailers pay minimal upfront fees and lower per transaction fees in exchange for ordering Units of all titles offered by a particular Program Supplier (referred to as “output” programs). Since these programs usually result in more overall Units rented, our Participating Retailers’ revenue and the corresponding share with the studios also increase.

In an effort to stabilize and maintain our current level of overall PPT revenue and earnings, we have implemented strategies to obtain new Participating Retailers, as well as assist in the retention and growth of our current Participating Retailers. The popularity of other choices an end consumer has to obtain entertainment content has been growing and our Participating Retailers’ market share has been negatively affected. Thus, for the foreseeable future, we expect their market share to experience low to mid single digit annual percentage declines and we are evaluating other initiatives to offset the effect this trend has on our PPT revenue and earnings.

We continue to be in good standing with our Program Suppliers and we make on-going efforts to strengthen those business relationships through enhancements to our current service offerings and the development of new service offerings, such as the addition of Blu-ray product.

We are also continually seeking to develop business relationships with new Program Suppliers. Our relationships with Program Suppliers typically may be terminated without cause upon thirty days’ written notice by either party.

### *AMI and Other Divisions*

We continue to allocate significant resources towards our business information service offerings, both those services that are currently operational as well as those that are in various stages of development. Our suite of business information services has been well received in the various targeted markets to date, as our offerings fit well with the needs identified by those market participants. Our Essentials™ business information service offerings that are fully operational and no longer in significant stages of development, realized a revenue increase of \$2.5 million, or 40.2%, in the first six months of fiscal 2010 compared to the first six months of fiscal 2009. During the second quarter of fiscal 2010, we completed a long-term contract and recognized \$1.1 million of revenue, which had previously been deferred.

The AMI Division lines of business which contribute most of the revenues currently are Box Office Essentials™, which reports domestic and international gross receipt theatrical ticket sales, and Multi-Screen Essentials™, which includes OnDemand Essentials™, which measures and reports anonymous video on demand (“VOD”) usage data, TV Essentials™ and Mobile Essentials™. We are making significant investments in TV Essentials™, which provides our clients with the ability to analyze anonymous audience viewing of programming and advertising across linear and interactive television and Digital Video Recorder (“DVR”), and have begun generating corresponding revenues.

Box Office Essentials™ primarily reports domestic and international theatrical gross receipt ticket sales to motion picture studios and movie theater owners. We provide studios with access to box office performance data pertaining to specific motion pictures and movie theater circuits, both real-time and

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historical. Data is currently collected for virtually all movie theaters in North America, Guam and Puerto Rico and is primarily obtained via electronic connectivity to theater box offices. We continue to make on-going efforts to strengthen our business relationships with our existing clients as well as focus on our syndication services and international expansion plans and recently expanded into Russia.

OnDemand Essentials™ provides multi-channel operators, content providers (including broadcast/cable networks and studios) and advertisers with a transactional tracking and reporting system to view and analyze the viewership of on demand content. We currently have over 100 OnDemand Essentials™ service clients and 33 operator partners representing over 70 million set-top boxes (“STBs”), including the top 25 cable operators that offer video on demand programming. One of our new operator partners is Rogers Communications, the largest multi-channel provider in Canada, opening up further sales opportunities. We are well positioned to continue to grow this business by adding new clients and adjusting rates as the business activity increases and as advanced advertising technology is rolled out by the industry.

TV Essentials™ comprehensive suite of research tools enables customers to analyze anonymous audience viewing of programming and advertising across linear and interactive television, video on demand and DVR across all three TV platforms – cable, satellite and telecommunications. Utilizing proprietary technology to process massive amounts of click-stream data, our TV Essentials™ system is able to aggregate and report second-by-second information from 100 million digital STBs. Today, based on data from our current operator partners, we are translating viewing patterns from over 14 million digital STBs into insights for our clients. We have announced 7 national network subscribers and expect continued success and growth.

Our development of TV Essentials™ has yielded commercial relationships with AT&T and, recently, a trial agreement with Charter Communications. We are making progress in expanding our data partners and also have a relationship with DISH Network (“Dish”) to provide TV Essentials™ for its internal use for a subscription fee as we work toward commercialization of that relationship. The Dish relationship has resulted in the creation of our DVR and iTV reporting, which can be rolled out to other partners once the data to drive those services becomes available to us. We are also working on securing national ad occurrence data in order to launch the ad module of TV Essentials™ services and are building research capabilities to begin creating syndicated products for our measurement service.

Mobile Essentials™ has been developed to provide a comprehensive system to track usage and consumer dynamics in the mobile sector including video, video clips, games, music, mobile web, small message servicing (“SMS”) data (also known as text messaging), ring tones, wallpaper and other mobile content. We recently announced our first Mobile Essentials™ customer, NBC Universal (“NBCU”). In August 2009, FLO TV and Rentrak announced the launch of the first comprehensive audience measurement and reporting system for multicast mobile TV in the U.S. To serve the video Internet space, we have launched Internet TV Essentials™ and Digital Download Essentials. We have announced a trial with NBCU for Digital Download Essentials and have another content provider as a beta user of Internet TV Essentials™. Our multi-platform product is in active development and will serve as the link tying all products together as we work toward measuring and comparing entertainment consumption across multiple platforms, which will help us expand our Multi-Screen Essentials™ suite of services.

We intend to continue to invest in our existing, as well as new, business information services in the near-term as we expand the markets we serve and our service lines. The cost of these investments will likely lower our earnings in the short-term. For example, during the first six months of fiscal 2010, we invested heavily in our Multi-Screen Essentials™ line of businesses, including expansion of our executive, sales and marketing team located in New York City, New York, which reduced our gross margin as a percentage of sales. Our income from operations within our AMI Division has increased due to completion of the long-term contract noted above. Longer-term, we believe we will be able to leverage these investments in order to provide significant future revenue and earnings streams and contribute to our overall success.

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### Sources of Revenue

Revenue by segment includes the following:

#### *PPT Division*

- transaction fees generated when retailers rent Units to consumers; additionally, certain arrangements include guaranteed minimum revenues from our customers; we recognize the guaranteed minimum revenue on the street (release) date in accordance with ASC 926-10, "Entertainment – Films – Overall," provided all other revenue recognition criteria are met;
- sell-through fees generated when retailers sell previously-viewed rental Units to consumers and/or buy-out fees generated when retailers purchase Units at the end of the lease term;
- Traditional and Digital DRS fees from data tracking and reporting services provided to Program Suppliers; and
- Other fees, which primarily include order processing fees generated when Units are ordered by, and distributed to, retailers.

#### *AMI Division*

Subscription fee revenues from:

- Box Office Essentials™;
- Home Entertainment Essentials™; and
- Multi-Screen Essentials™, which includes OnDemand Essentials™, TV Essentials™ and Mobile Essentials™.

#### *Other Division*

- revenue relating to other products and/or services that are still in the development stage, including AdEssentials™, which will capture census-level data regarding viewing patterns of on demand advertising for reporting to marketers and advertising agencies.

### Results of Operations

Certain information by segment was as follows (in thousands):

	<u>PPT</u>	<u>AMI</u>	<u>Other <sup>(1)</sup></u>	<u>Total</u>
<b><u>Three Months Ended September 30, 2009</u></b>				
Sales to external customers	\$16,299	\$5,024	\$ —	\$21,323
Gross margin	4,812	3,609	—	8,421
Income (loss) from operations	2,951	1,354	(3,803)	502
<b><u>Three Months Ended September 30, 2008</u></b>				
Sales to external customers	\$21,240	\$3,087	\$ —	\$24,327
Gross margin	5,543	2,433	—	7,976
Income (loss) from operations	3,521	282	(2,524)	1,279
<b><u>Six Months Ended September 30, 2009</u></b>				
Sales to external customers	\$34,365	\$8,595	\$ —	\$42,960
Gross margin	9,951	5,870	—	15,821
Income (loss) from operations	6,077	1,132	(6,595)	614
<b><u>Six Months Ended September 30, 2008</u></b>				
Sales to external customers	\$43,550	\$6,130	\$ —	\$49,680
Gross margin	11,647	4,870	—	16,517
Income (loss) from operations	7,440	560	(5,040)	2,960

- (1) Includes revenue and expenses relating to products and/or services that are still in early stages, as well as corporate expenses and other expenses that are not allocated to a specific segment.

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### Revenue

Revenue decreased \$3.0 million, or 12.3%, to \$21.3 million in the three-month period ended September 30, 2009 (the “second quarter of fiscal 2010”) compared to \$24.3 million in the three-month period ended September 30, 2008 (the “second quarter of fiscal 2009”). Revenue decreased \$6.7 million, or 13.5%, to \$43.0 million in the six-month period ended September 30, 2009 compared to \$49.7 million in the six-month period ended September 30, 2008. The decreases in revenue were primarily due to lower PPT Division revenues as described more fully below.

#### *PPT Division*

Transaction fees and sell-through fees are the largest components of our PPT Division revenue. The remainder of our PPT Division revenue includes DRS fees and other as detailed in the following tables (dollars in thousands):

	Three Months Ended Sept. 30,		Dollar Change	% Change
	2009	2008		
Transaction fees	\$ 10,695	\$ 14,260	\$(3,565)	(25.0)%
Sell-through fees	2,538	3,175	(637)	(20.1)%
DRS	1,318	1,424	(106)	(7.4)%
Other	1,748	2,381	(633)	(26.6)%
	<u>\$ 16,299</u>	<u>\$ 21,240</u>	<u>\$(4,941)</u>	<u>(23.3)%</u>

  

	Six Months Ended Sept. 30,		Dollar Change	% Change
	2009	2008		
Transaction fees	\$ 22,303	28,681	\$(6,378)	(22.2)%
Sell-through fees	5,541	6,784	(1,243)	(18.3)%
DRS	2,976	3,168	(192)	(6.1)%
Other	3,545	4,917	(1,372)	(27.9)%
	<u>\$ 34,365</u>	<u>\$ 43,550</u>	<u>\$(9,185)</u>	<u>(21.1)%</u>

The decreases in transaction fees were primarily due to fewer rental transactions at our Participating Retailers, which decreased 15.8% and 13.9%, respectively, while the rate per transaction decreased 1.9% for both periods, excluding the impact of minimum guarantees. The decreases in transactions were due in part to volume decreases as a result of fewer theatrical releases by our Program Suppliers, as well as continued changing market conditions, including changes in consumer behavior, technological advances in entertainment content delivery and the perceived value of other home video entertainment alternatives.

The decreases in sell-through fees were primarily due to a 24.4% and a 17.8% decrease, respectively, in the number of sell-through transactions as a result of an overall decline in Units available for sale. Units shipped decreased 16.4% and 21.5%, respectively.

The decreases in DRS fees were primarily due to a change in the mix of titles released.

#### *AMI Division*

Revenues from our AMI division increased \$1.9 million, or 62.7%, and \$2.5 million, or 40.2%, respectively, in the three and six-month periods ended September 30, 2009 compared to the same periods of the prior fiscal year.

Box Office Essentials™ revenues increased \$0.04 million, or 2.4%, and \$0.1 million, or 3.5%, respectively, in the three and six-month periods ended September 30, 2009 compared to the same periods of the prior fiscal year, primarily as a result of international expansion. OnDemand Essentials™ increased \$0.3 million, or 23.4%, and \$0.5 million, or 20.7%, respectively, due to a combination of obtaining new clients and rate increases to existing clients.

TV Essentials™, which began generating recurring revenue for us in the second half of fiscal 2009, contributed \$1.6 million and \$1.8 million, respectively, to the revenue increases. During the fourth quarter of fiscal 2008 when TV Essentials™ was still in development, we entered into a long-term agreement with

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a customer/supplier relating to this line of business, in which we began to develop reporting tools specifically relating to their unique business requirements. We deferred this revenue in accordance with ASC 605-35 "Construction-Type and Production-Type Contracts," applying the completed-contract method. During the second quarter of fiscal 2010, we substantially completed this contract and recognized the \$1.1 million of revenue and \$0.1 million of related costs.

Revenues related to our Essentials™ business information service offerings have increased primarily due to our continued investment in and successful marketing of these offerings and successful retention of clients. We expect continued future increases in our Essentials™ revenues as a result of further investments and additional successful launches of those services.

### Other Division

We did not have any revenues from our Other Division in the fiscal 2010 or fiscal 2009 periods.

### **Cost of Sales**

Cost of sales consists of Unit costs, transaction costs, sell-through costs, handling and freight costs in the PPT Division and costs in the AMI Division associated with certain Essentials™ business information service offerings. These expenditures represent the direct costs to produce revenues.

In the PPT Division, Unit costs, transaction costs and sell through costs represent the amounts due to the Program Suppliers that hold the distribution rights to the Units. Freight costs represent the cost to pick, pack and ship orders of Units to the Participating Retailers. Our cost of sales can also be impacted by the release dates of Units with guarantees. We recognize the guaranteed minimum costs on the release date. The terms of some of our agreements result in 100% cost of sales on titles in the first month in which the Unit is released, which results in lower margins during the initial portion of the revenue sharing period. Once the Unit's rental activity exceeds the required amount for these guaranteed minimums, margins generally expand during the second and third months of the Unit's revenue sharing period. However, since these factors are highly dependent upon the quality, timing and release dates of all new products, margins may not expand to any significant degree during any period. As a result, it is difficult to predict the impact these Program Supplier Revenue Sharing programs with guaranteed minimums will have on future results of operations in any reporting period.

In the AMI Division, a portion of the Essentials™ business information service offerings costs represent costs associated with the operation of a call center for our Box Office Essentials™ services, as well as costs associated with amortizing capitalized internally developed software used to provide the corresponding services and direct costs incurred to obtain, cleanse and process data and maintain our systems.

Cost of sales decreased \$3.4 million, or 21.1%, and \$6.0 million, or 18.2%, respectively, in the three and six-month periods ended September 30, 2009 compared to the same periods of the prior fiscal year. Cost of sales as a percentage of revenue was 60.5% and 63.2%, respectively, in the three and six-month periods ended September 30, 2009 compared to 67.2% and 66.8%, respectively, in the same periods of the prior fiscal year.

The decreases in cost of sales were primarily due to lower PPT Division revenues as discussed above. The decreases in cost of sales as a percentage of revenue were primarily due to a larger percentage of our revenue being generated by our AMI Division during the first six months of fiscal 2010 compared to the same periods of the prior fiscal year. We achieve higher gross margins on our AMI Division revenue than on our PPT Division revenue. However, in the three and six-month periods ended September 30, 2009, we realized increases in cost of sales within the AMI Division, as a percentage of AMI revenues, as compared to the same periods of the prior fiscal year. These increases were due to increased costs associated with purchasing data within OnDemand and Multi-Screen Essentials™ services, increased costs associated with amortizing capitalized internally developed software used to provide those services and deferred costs associated with the completion of the long-term contract noted above.

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### *Selling and Administrative*

Selling and administrative expenses consist primarily of compensation and benefits, development, marketing and advertising costs, legal and professional fees, communications costs, depreciation and amortization of tangible fixed assets and software, real and personal property leases, as well as other general corporate expenses.

Selling and administrative expenses increased \$1.1 million, or 17.1%, to \$7.8 million in the second quarter of fiscal 2010 compared to \$6.7 million in the second quarter of fiscal 2009 and increased \$1.5 million, or 11.0%, to \$14.9 million in the six-month period ended September 30, 2009 compared to \$13.4 million in the same period of the prior fiscal year.

The increases in selling and administrative expenses in the three and six-month periods ended September 30, 2009 compared to the same periods of the prior fiscal year were primarily due to the continued expansion of our Multi-Screen Essentials™ line of business, including the expansion of our executive, marketing and sales team and office in New York, as well as costs incurred as a result of hiring our new Chief Executive Officer, such as legal fees. Of the increases in the three and six-month periods ended September 30, 2009, \$0.3 million related to non-cash, stock-based compensation expense recognized for equity awards granted to our new Chief Executive Officer and \$0.3 million related to increased non-cash compensation expense associated with two directors who departed from the board. Please refer to Note 4 of Notes to Condensed Consolidated Financial Statements. In addition, we incurred \$0.5 million related to one-time costs associated with certain organizational changes. Please refer to Note 9 of Notes to Condensed Consolidated Financial Statements.

Selling and administrative expenses also increased as a percentage of revenue to 36.5% and 34.7%, respectively, for the three and six-month periods ended September 30, 2009 compared to 27.4% and 27.0%, respectively, for the comparable periods of the prior fiscal year as a result of the higher overall costs combined with lower revenues. We expect selling and administrative expenses to continue to increase with the additional non-cash, stock-based compensation expense that will be recognized in future quarters related to awards made in connection with the hiring of our new Chief Operating Officer and Chief Financial Officer.

### *Provision for Doubtful Accounts and Notes*

Our provision for doubtful accounts and notes increased \$0.1 million, or 202.4%, to \$127,000 in the second quarter of fiscal 2010 compared to \$42,000 in the second quarter of fiscal 2009 and increased \$0.2 million, or 144.3%, to \$0.3 million in the six-month period ended September 30, 2009 compared to \$0.1 million in the same period of the prior fiscal year. The increases were primarily due to increases in accounts written off because the amounts owed were determined to be uncollectible and those amounts exceeded the amount we could recover from our Program Suppliers. We expect this trend to continue during the remainder of fiscal 2010.

### *Income Taxes*

Our effective tax rate was 14.4% and 43.7% in the six-month periods ended September 30, 2009 and 2008, respectively. The fiscal 2010 rate was positively impacted by federal and state research and experimentation credits, earnings on marketable securities that are exempt from federal income taxes, and a tax benefit of \$0.2 million relating to a reduction in our tax contingencies due to a lapse of the applicable statute of limitations on tax positions taken in prior fiscal years. Our effective tax rate differs from the federal statutory tax rate primarily due to state income taxes, offset by the favorable adjustments noted above.

### *Liquidity and Capital Resources*

Our sources of liquidity include our cash and cash equivalents, marketable securities, cash expected to be generated from future operations and investment income and our \$15.0 million line of credit. Based on our current financial projections and projected cash needs, we believe that our available sources of liquidity will be sufficient to fund our current operations, the continued current development of our business information services and other cash requirements through at least September 30, 2010.

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Cash and cash equivalents and marketable securities increased \$3.6 million to \$38.1 million at September 30, 2009 compared to \$34.5 million at March 31, 2009. This increase resulted primarily from \$4.7 million provided by operating activities and \$0.3 million provided from the issuance of our common stock from the exercise of stock options, partially offset by \$1.6 million used for the purchase of equipment and capitalized IT costs and by \$0.3 million used for the repurchase of our common stock.

Accounts and notes receivable, net of allowances, decreased \$3.4 million to \$13.0 million at September 30, 2009 compared to \$16.4 million at March 31, 2009, primarily due to lower PPT Division revenues.

During the first six months of fiscal 2010, we spent \$1.6 million on property and equipment, including \$1.4 million for the capitalization of internally developed software for our business information service offerings. We anticipate spending a total of approximately \$4.1 million on property and equipment in all of fiscal 2010, including approximately \$3.4 million for the capitalization of internally developed software, primarily for our business information service offerings as we expand our Multi-Screen Essentials™ lines of business. The remaining capital expenditures in fiscal 2010 will be primarily for computer equipment.

Accounts payable decreased \$1.2 million to \$5.5 million at September 30, 2009 compared to \$6.7 million at March 31, 2009, primarily due to the timing of payments due to Program Suppliers.

Deferred revenue of \$0.6 million at September 30, 2009 and \$1.5 million at March 31, 2009 included amounts related to quarterly or annual subscriptions to our services. The March 31, 2009 balance also included amounts related to a long-term agreement with a customer/supplier relating to our TV Essentials™ line of business noted previously. As of September 30, 2009, we had received payments totaling \$1.1 million and incurred related costs of \$0.1 million, both of which were recognized during the quarter ended September 30, 2009.

Deferred rent, current and long-term, of \$1.1 million at September 30, 2009 represents amounts received for qualified renovations on our corporate headquarters and free rent for the first three months of the lease terms. The deferred rent is being amortized against rent expense over the term of the related lease at the rate of approximately \$24,000 per quarter.

In January 2006, our board of directors adopted a share repurchase program authorizing the purchase of up to 1.0 million shares of our common stock. We repurchased 29,850 shares in the first six months of fiscal 2010 at an average price of \$10.13 per share, all of which occurred during the first quarter of fiscal 2010. Through September 30, 2009, a total of 723,367 shares had been repurchased under this plan at an average price of \$10.78 per share and 276,633 shares remained available for purchase. No additional shares have been repurchased since September 30, 2009. This plan does not have an expiration date. We do not have an established plan for definitive repurchases of shares in any period.

We currently have a revolving line of credit for \$15.0 million, with a maturity of December 1, 2011. Interest on the line of credit is LIBOR plus 1.5 percent. The credit line is secured by substantially all of our assets. The line of credit includes certain financial covenants. At September 30, 2009, we had no outstanding borrowings under this agreement.

### Critical Accounting Policies and Estimates

We reaffirm the critical accounting policies and estimates as reported in our fiscal 2009 Annual Report on Form 10-K, which was filed with the Securities and Exchange Commission on June 11, 2009.

### New Accounting Pronouncements

See Note 7 of Notes to Condensed Consolidated Financial Statements.

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### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK.

There have been no material changes in our reported market risks since the filing of our fiscal 2009 Annual Report on Form 10-K, which was filed with the Securities and Exchange Commission on June 11, 2009.

### ITEM 4. CONTROLS AND PROCEDURES

#### *Disclosure Controls and Procedures*

Our management has evaluated, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (Exchange Act). Based on that evaluation our Chief Executive Officer and our Chief Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective in ensuring that information required to be disclosed in our Exchange Act reports is (1) recorded, processed, summarized and reported in a timely manner, and (2) accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

#### *Changes in Internal Control Over Financial Reporting*

There has been no change in our internal control over financial reporting that occurred during our last fiscal quarter that has materially affected or is reasonably likely to materially affect our internal control over financial reporting.

## PART II – OTHER INFORMATION

### ITEM 1A. RISK FACTORS

Our Annual Report on Form 10-K for the fiscal year ended March 31, 2009 includes a detailed discussion of our risk factors. There have been no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K. Accordingly, the information in this Form 10-Q should be read in conjunction with the risk factors and information disclosed in our fiscal 2009 Form 10-K, which was filed with the Securities and Exchange Commission on June 11, 2009.

### ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Our annual meeting of shareholders was held on August 20, 2009, at which time the shareholders elected eight nominees for director to our Board of Directors and voted on one additional proposal.

The eight directors elected, along with the voting results, were as follows:

<u>Name</u>	<u>No. of Shares</u>	<u>No. of Shares Withheld</u>
	<u>Voting For</u>	<u>From Voting</u>
Thomas D. Allen	8,072,596	1,361,341
Richard Hochhauser	9,314,827	119,110
George H. Kuper	8,887,112	546,825
William P. Livek	9,314,827	119,110
Anne MacDonald	9,314,827	119,110
Paul A. Rosenbaum	9,096,067	337,870
Brent Rosenthal	9,309,061	124,876
Ralph R. Shaw	9,045,001	388,936

In addition, the shareholders voted on the amendment and restatement of the 2005 Stock Incentive Plan as follows:

<u>Number of Shares</u> <u>Voting For:</u>	<u>Number of Shares</u> <u>Voting Against:</u>	<u>Number of Shares</u> <u>Abstaining:</u>	<u>Number of Broker</u> <u>Non-Votes:</u>
4,016,322	1,870,777	448,650	3,098,188

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### ITEM 6. EXHIBITS

The following exhibits are filed herewith and this list is intended to constitute the exhibit index:

- 3.1 Bylaws of Rentrak Corporation as amended through June 15, 2009. <sup>(1)</sup>
- 10.1 Employment Agreement, dated June 15, 2009, between Rentrak Corporation and William P. Livek. <sup>(2)</sup>
- 10.2 Non-Qualified Stock Option Award Agreement, dated June 15, 2009, between Rentrak Corporation and William P. Livek. <sup>(3)</sup>
- 10.3 Restricted Stock Unit Award Agreement, dated June 15, 2009, between Rentrak Corporation and William P. Livek. <sup>(4)</sup> \*
- 10.4 Stock-Settled Stock Appreciation Rights Award Agreement, dated June 15, 2009, between Rentrak Corporation and William P. Livek. <sup>(5)</sup>
- 10.5 Amended and Restated Employment Agreement, dated June 15, 2009, between Rentrak Corporation and Paul A. Rosenbaum. <sup>(6)</sup>
- 10.6 Amended and Restated Employment Agreement, dated October 15, 2009, between Rentrak Corporation and David I. Chemerow.
- 10.7 Non-Qualified Stock Option Award Agreement, dated October 1, 2009, between Rentrak Corporation and David I. Chemerow.
- 10.8 Restricted Stock Unit Award Agreement, dated October 1, 2009, between Rentrak Corporation and David I. Chemerow.\*
- 10.9 Rentrak Corporation Amended and Restated 2005 Stock Incentive Plan. <sup>(7)</sup>
- 31.1 Certification of Chief Executive Officer pursuant to Rule 13a-14(a).
- 31.2 Certification of Chief Financial Officer pursuant to Rule 13a-14(a).
- 32.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.
- 32.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.

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(1) Incorporated by reference to Exhibit 3.2 to Form 8-K as filed with the Securities and Exchange Commission on June 19, 2009.

(2) Incorporated by reference to Exhibit 10.1 to Form 10-Q as filed with the Securities and Exchange Commission on August 7, 2009.

(3) Incorporated by reference to Exhibit 10.2 to Form 10-Q as filed with the Securities and Exchange Commission on August 7, 2009.

(4) Incorporated by reference to Exhibit 10.3 to Form 10-Q as filed with the Securities and Exchange Commission on August 7, 2009.

(5) Incorporated by reference to Exhibit 10.4 to Form 10-Q as filed with the Securities and Exchange Commission on August 7, 2009.

(6) Incorporated by reference to Exhibit 10.5 to Form 10-Q as filed with the Securities and Exchange Commission on August 7, 2009.

(7) Incorporated by reference to Exhibit 10.1 to Form 8-K as filed with the Securities and Exchange Commission on August 26, 2009.

\* Portions omitted pursuant to a request for confidential treatment filed with the Securities and Exchange Commission.



**AMENDED AND RESTATED EMPLOYMENT AGREEMENT**

This Amended and Restated Employment Agreement between **DAVID I. CHEMEROW** (“Executive”) and **RENTRAK CORPORATION**, an Oregon corporation (“Corporation”), initially entered into as of September 14, 2009, is being amended and restated as set forth herein, effective October 15, 2009.

**1. SERVICES**

1.1 Employment Position. Corporation agrees to employ Executive as Chief Operating Officer and Chief Financial Officer, and Executive accepts such employment, under the terms and conditions of this Agreement. Executive also agrees to serve, if elected, without separate compensation, as an officer and/or director of any subsidiary or affiliate of Corporation. For purposes of this Agreement, an “affiliate” of Corporation is a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, Corporation. “Subsidiary” means (i) a “subsidiary corporation” of Corporation, within the meaning of Section 424(f) of the Internal Revenue Code (the “IRC”), namely, any corporation in which Corporation directly or indirectly controls 50% or more of the total combined voting power of all classes of stock having voting power, and (ii) any partnership, limited liability company, or other business entity of which Corporation owns or controls 50% or more of the voting interests.

1.2 Term. The term of this Agreement (the “Term”) commenced on October 1, 2009, and will expire on September 30, 2013.

1.3 Duties. During the Term, Executive will serve in an executive capacity as Chief Operating Officer and Chief Financial Officer of Corporation. Executive will report directly to Corporation’s Chief Executive Officer. Executive will perform such duties commonly incident to the offices of chief operating officer and chief financial officer and will exercise such powers as may from time to time be assigned to Executive by Corporation’s Chief Executive Officer or Board of Directors (the “Board”). Executive will also serve as and perform the duties of secretary and principal accounting officer of Corporation; provided that the Board of Directors may assign the duties of one or both of these positions to another officer of the Corporation from time to time in its sole discretion. Executive’s primary work location will be at Corporation’s headquarters in Portland, Oregon, and his primary residence will be in the Portland metropolitan area. Executive will do such traveling as may be required in the performance of his duties under this Agreement.

1.4 Outside Activities. During his employment under this Agreement, Executive will devote his full business time, energies, and attention to the business and affairs of Corporation and to the promotion and advancement of its interests. Executive will perform his services faithfully, competently, and to the best of his abilities and will not engage in professional or personal business activities that may require an appreciable portion of Executive’s time or effort. Corporation acknowledges that Executive may continue to be the non-executive chairman of the board of Playboy Enterprises, Inc., and a director of Dunham’s Athleisure Corporation, in each case so long as holding such position does not interfere with Executive’s duties to Corporation.

1.5 Application of Corporate Policies. Executive will, except as otherwise provided in this Agreement, be subject to Corporation’s rules, practices, and policies applicable generally to Corporation’s directors and employees, as such rules, practices, and policies may be revised from time to time by the Board, as well as to all policies that apply to the Chief Operating Officer or Chief Financial Officer.

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## 2. COMPENSATION AND EXPENSES

2.1 Base Salary. As compensation for services under this Agreement, Corporation will pay to Executive an initial annual base salary of \$150,000 per year, which will be increased by 10 percent on each April 1 during the Term of this Agreement, unless Executive's employment has been terminated earlier pursuant to this Agreement, payable in a manner consistent with Corporation's payroll practices for management employees, as such practices may be revised from time to time. (In no event will Executive's base salary be payable less often than monthly.)

2.2 Bonus Compensation. For the initial period of the Term ending March 31, 2010, Executive will be eligible to receive a prorated cash bonus of up to \$100,000 on an annual basis based on the achievement of performance measures (weighted at 20% each) attached as Appendix 2.2. Such cash bonus, if any, will be paid no later than May 30, 2010. For each additional fiscal year in the Term beginning with the fiscal year ending March 31, 2011, Executive will be eligible for an annual bonus of up to \$100,000 payable in cash within 60 days following the end of each fiscal year based on the achievement of performance measures developed through discussions between the Chief Executive Officer and Executive and subject to the approval of the Compensation Committee of the Board. The Compensation Committee, after receiving input from Executive, will determine the extent, if any, to which the applicable performance measures for a given period or fiscal year have been achieved in its sole discretion.

### 2.3 Equity-Based Compensation.

2.3.1 Stock Option Grant. On October 1, 2009, Executive was granted a nonqualified stock option (the "Stock Option") to purchase an aggregate of 121,750 shares of Corporation's common stock with an exercise price equal to the fair market value of the stock on the date of the grant, subject to the vesting and other provisions set forth in the Stock Option Award Agreement attached as Appendix 2.3.1. The Compensation Committee approved the grant of the Stock Option.

2.3.2 Restricted Stock Unit Award. On October 1, 2009, Executive was granted a restricted stock unit award ("Restricted Stock Award") relating to up to 131,173 shares of Corporation's common stock, subject to the vesting and other provisions set forth in the Restricted Stock Unit Award Agreement attached as Appendix 2.3.2. The Compensation Committee approved the grant of the Restricted Stock Award.

2.3.3 Balance of Term. Executive shall not be entitled to receive grants of any additional equity-based compensation during the Term.

2.4 Additional Employee Benefits. Executive may take vacation for up to four weeks during each 12-month period during the Term at such time or times as may be approved in advance by the Chief Executive Officer. Subject to the foregoing sentence, vacation and personal time off may be taken in accordance with Corporation's rules, practices, and policies applicable to Corporation's senior executive employees, as such rules, practices, and policies may be revised from time to time by the Board or the Compensation Committee. Also, at all times during the Term, Executive will be entitled to any other employee benefits approved by the Board or the Compensation Committee, or available to officers and other management employees generally, including any life and medical insurance plans, disability insurance plans, 401(k) and other similar plans, and other health and welfare plans, each whether now existing or hereafter approved by the Board or the Compensation Committee ("Benefit Plans"). The foregoing will not be construed to require Corporation to establish any other such plans or to prevent Corporation from modifying or terminating any such Benefit Plans. In addition, within 10 business days following delivery of appropriate expense receipts by Executive, Corporation will reimburse Executive's expenses of relocating to the Portland, Oregon, metropolitan area as follows: (a) Executive's reasonable expenses to relocate him, his spouse and their possessions from Atlanta, Georgia, up to a maximum of \$30,000; (b) the amount of the real estate brokerage commission paid by Executive on the sale of his residence in Atlanta, Georgia, provided that the Corporation shall provide such reimbursement only if and to the extent that the net sales price (that is, the gross sales price minus the brokerage commission) realized by Executive upon the sale of the residence is less than \$2,200,000, and provided further that such reimbursement shall not exceed \$125,000; and (c) the costs associated with weekly travel by Executive or his spouse between Atlanta, Georgia and Portland, Oregon, including airfare and hotel accommodations and meals in Portland, incurred on or before March 31, 2010.

2.5 Expenses. Subject to review and approval by the Chief Executive Officer, Corporation will reimburse Executive for reasonable expenses actually incurred by Executive in connection with the business of Corporation. Executive will submit to Corporation such substantiation for such expenses as may be reasonably required by Corporation. All domestic commercial air travel will be reimbursed at the coach class fare level unless otherwise approved in advance. International travel (other than to or from Canada) will be reimbursed at the business class fare level.

### 3. CONFIDENTIAL INFORMATION

3.1 Definition. "Confidential Information" is all nonpublic information relating to Corporation or its business that is disclosed to Executive, that Executive produces, or that Executive otherwise obtains during employment. Confidential Information also includes information received from third parties that Corporation has agreed to treat as confidential; provided that Executive has knowledge that Corporation has agreed to treat such information as confidential. Examples of Confidential Information include, without limitation, marketing plans, customer lists or other customer information, product design and manufacturing information, and financial information. Confidential Information does not include any information that (a) is within the public domain other than as a result of disclosure by Executive in violation of this Agreement, (b) was, on or before the date of disclosure to Executive (whether such disclosure was made on, prior to, or subsequent to the date of this Agreement), already known by Executive, or (c) Executive is required to disclose in any governmental, administrative, judicial, or quasi-judicial proceeding, but only to the extent that Executive is so required to disclose and provided that Executive takes reasonable steps to request confidential treatment of such information in such proceeding.

3.2 Access to Information. Executive acknowledges that in the course of his employment he will have access to Confidential Information, that such information is a valuable asset of Corporation, and that its disclosure or unauthorized use will cause Corporation substantial and irreparable harm.

3.3 Ownership. Executive acknowledges that all Confidential Information will continue to be the exclusive property of Corporation (or the third party that disclosed it to Corporation), whether or not prepared in whole or in part by Executive and whether or not disclosed to Executive or entrusted to his custody in connection with his employment by Corporation.

3.4 Nondisclosure and Nonuse. Unless authorized or instructed in advance in writing by Corporation, or required by law (as determined by licensed legal counsel or judicial or quasi-judicial order), Executive will not, except as required in the course of Corporation's business, during or after his employment, disclose to others or use any Confidential Information, unless and until, and then only to the extent that, such items become available to the public through no fault of Executive.

3.5 Return of Confidential Information. Upon request by Corporation during or after his employment, and without request upon termination of employment pursuant to this Agreement, Executive will deliver immediately to Corporation all written, stored, saved, or otherwise tangible materials containing Confidential Information without retaining any excerpts or copies.

3.6 Duration. The obligations set forth in this Section 3 will continue beyond the term of employment of Executive by Corporation and for so long as Executive possesses Confidential Information.

### 4. NONCOMPETITION

4.1 Definition of Competitive Entity. For purposes of this Agreement, a Competitive Entity is any firm, corporation, partnership, limited liability company, business trust, or other entity that is directly competitive with a business activity engaged in by Corporation (or an activity specifically identified in Corporation's strategic business plan approved from time to time by the Board subsequent to the date of this Agreement) as of the date of termination of Executive's employment with Corporation.

4.2 Covenant. During the Term and for a period ending on the last day of the applicable Noncompete Period described in Section 5.7, Executive will not, within any geographical area where Corporation engages in business:

(a) Directly or indirectly, alone or with any individual, partnership, limited liability company, corporation, or other entity, become associated with, render services to, invest in, represent, advise, or otherwise participate in any Competitive Entity; provided, however, that nothing contained in this Section 4.2 will prevent Executive from owning less than 5 percent of any class of equity or debt securities listed on a national securities exchange or market, provided such involvement is solely as a passive investor;

(b) Solicit any business on behalf of a Competitive Entity from any individual, firm, partnership, corporation, or other entity that is a customer of Corporation during the 12 months immediately preceding the date Executive's employment with Corporation is terminated; or

(c) Employ or otherwise engage or offer to employ the services of any person who has been an employee, sales representative, or agent of Corporation during the 12 months preceding the date Executive's employment with Corporation is terminated.

For purposes of this Section 4, "Corporation" means Corporation and its subsidiaries (whether now existing or subsequently created) and their successors and assigns.

4.3 Severability; Reform of Covenant. If, in any judicial proceeding, a court refuses to enforce this covenant not to compete because it covers too extensive a geographic area or is too long in its duration, the parties intend and agree that it be reformed and enforced to the maximum extent permitted under applicable law.

## 5. TERMINATION

Executive's employment under this Agreement will terminate prior to the end of the Term as follows:

5.1 Death. Executive's employment will terminate automatically upon the date of Executive's death.

5.2 Disability. Corporation may, at its option, terminate Executive's employment under this Agreement upon written notice to Executive if Executive becomes eligible to receive a "Total Disability Monthly Benefit" under Corporation's long-term disability insurance program.

5.3 Termination by Corporation for Cause. Corporation may terminate Executive's employment under this Agreement for Cause at any time. For purposes of this Agreement, "Cause" means: (a) a material breach of this Agreement by Executive; (b) Executive's refusal, failure, or inability to comply with any of the material and lawful policies or standards of Corporation or to perform any material job duties of Executive set forth in this Agreement; (c) any act of fraud by Executive, (d) any act of dishonesty or moral turpitude by Executive involving Corporation or its business; (e) Executive's conviction of or a plea of nolo contendere to a felony; or (f) the commission of any act in direct or indirect competition with or materially detrimental to the best interests of Corporation that is in breach of Executive's fiduciary duties of care, loyalty and good faith to Corporation. Cause will not, however, include any actions or circumstances constituting Cause under (a) or (b) above if Executive cures such actions or circumstances within 30 days of receipt of written notice from Corporation setting forth the actions or circumstances constituting Cause; provided that Executive will have only one opportunity to make any such cure. If Corporation seeks to terminate Executive for Cause under clauses (c), (d), (e), or (f) above, Executive may submit the issue of whether Cause exists to expedited arbitration as provided in Section 8 below; provided that Executive must give notice of his intent to do so within 15 days of the written notice referred to above.

5.4 Termination by Executive for Good Reason. Executive may terminate his employment with Corporation under this Agreement for “Good Reason” if Corporation has not cured the actions or circumstances which are the basis for such termination within 30 days following receipt by the Board of written notice from Executive setting forth the actions or circumstances constituting Good Reason, which notice must be delivered to the Board within 90 days of the initial existence of such actions or circumstances. In that event, Corporation may submit the issue of whether Good Reason exists to expedited arbitration as provided in Section 8 below; provided that Corporation must give notice of its intent to do so within 15 days of the written notice referred to above. For purposes of this Agreement, “Good Reason” means:

- (a) Failure of Corporation to comply with the material terms of this Agreement; or
- (b) The occurrence (without Executive’s express written consent) of any of the following acts by Corporation or failures by Corporation to act:
  - (i) A substantial adverse alteration in the nature or status of Executive’s title, position, duties, or reporting responsibilities as an executive of Corporation;
  - (ii) A material reduction in Executive’s base salary specified in Section 2.1 above; or
  - (iii) The failure by Corporation to continue to provide Executive with benefits and participation in Benefit Plans as provided in Section 2.4.

5.5 Termination by Corporation Without Cause. Corporation may terminate Executive’s employment with Corporation without Cause at any time by written notice to Executive.

5.6 Termination by Executive Other than for Good Reason. Executive may terminate Executive’s employment with Corporation other than for Good Reason at any time by written notice to the Chief Executive Officer.

5.7 Applicable Noncompete Periods upon Termination. The duration of Executive’s obligations under Section 4 (the “Noncompete Period”) will be as follows:

- (a) In the event Executive terminates his employment with Corporation voluntarily under Section 5.6, the Noncompete Period will be one year from the date of termination.
- (b) In the event Corporation terminates Executive’s employment for Cause under Section 5.3, the Noncompete Period will be two years from the date of termination.
- (c) In the event Executive’s employment is terminated for any other reason, there will be no Noncompete Period.
- (d) Executive acknowledges receipt of a draft of this Agreement setting forth Sections 4 and 5.7 at least 14 days prior to the first day of his employment with Corporation.

## **6. COMPENSATION UPON TERMINATION**

6.1 Death or Disability. Upon termination of Executive’s employment pursuant to Section 5.1 or Section 5.2, all obligations of Corporation under this Agreement will cease, except that Executive will be entitled to:

- (a) Accrued base salary and previously earned but unpaid bonuses through the date of Executive’s termination of employment;

(b) Other benefits under Benefit Plans to which Executive was entitled upon such termination of employment in accordance with the terms of such Benefit Plans; and

(c) Unused and unpaid accrued vacation and other personal time off through the date of termination in accordance with Corporation's policies generally applicable to salaried employees.

In the event of Executive's death, the payments described in this Section 6.1 will be payable to the death beneficiary designated by Executive in writing for purposes of this Agreement. If there is no effective death beneficiary designation, Executive's death beneficiary will be the personal representative of Executive's estate.

6.2 Termination Without Cause or by Executive for Good Reason. In the event that prior to the expiration of the Term, Corporation terminates Executive's employment with Corporation without Cause under Section 5.5 or Executive terminates his employment for Good Reason under Section 5.4, Executive will be entitled to the amounts described in Section 6.1. Executive will also be entitled to \$150,000 in cash in a lump sum to be paid within 30 days following termination. Executive will also be entitled to be paid, in a lump sum payable within 30 days following termination, all or a portion of the cash bonus described in Section 2.2 above for the fiscal year in which such termination occurs based on the extent to which the applicable performance measures for that fiscal year had been achieved on or before the date of termination, as determined by the Compensation Committee as provided in Section 2.2. Corporation also will continue to provide or will arrange to provide (at Corporation's cost) Executive with medical and dental insurance benefits substantially similar to those to which Executive was entitled as of the date of termination for a period of 12 months following the date of termination; provided, however, that if Executive is employed with another employer and is eligible to receive medical and dental insurance benefits under another employer-provided plan, Corporation's obligation to provide such medical and dental benefits will terminate automatically. In addition, to the extent not previously vested and as reflected in the Stock Option Award Agreement and the Restricted Stock Unit Award Agreement, (a) the portion of the Stock Option scheduled to vest in the year of termination and in the following year shall vest in full and any additional unvested portions shall be cancelled and (b) restricted stock units covered by the Restricted Stock Award shall vest and shares of Common Stock will be issued to Executive, subject to Sections 6.4 and 6.5 below, free of any restrictions, in the amount of (i) 36,000 shares of Common Stock if termination occurs on or prior to June 30, 2010, (ii) 54,000 shares of Common Stock if termination occurs on or after July 1, 2010, and on or prior to June 30, 2011, and (iii) 72,000 shares if termination occurs on or after July 1, 2011, and on or prior to June 30, 2012, less any shares of Common Stock that had previously vested under the terms of the Restricted Stock Unit Award Agreement. Corporation's obligations to make the \$150,000 lump-sum payment, to provide medical and dental benefits, and to accelerate vesting of the Stock Option and Restricted Stock Award as described above are expressly conditioned on (i) Executive's execution, within 30 days following termination of Executive's employment, of a release (in the form attached to this Agreement as Appendix 6.2, with such modifications specifically in response to changes in applicable law as counsel for Corporation determines to be reasonably necessary or desirable to ensure effective release of all claims) of any and all claims that Executive may hold through the date such release is executed against Corporation or any of its subsidiaries or affiliates, and (ii) the expiration of any applicable revocation period specified in such release without revocation of the release by Executive. Corporation's obligation to provide medical and dental insurance benefits to Executive will terminate if Executive breaches a provision of Section 3.

6.3 Termination For Cause or by Executive Other than for Good Reason. In the event that, prior to the expiration of the Term, Corporation terminates Executive's employment with Corporation for Cause under Section 5.3, or Executive terminates his employment with Corporation voluntarily under Section 5.6, Corporation's obligations under this Agreement will cease and Executive will be entitled to that portion of his base salary and employment benefits for which he is qualified as of the date of termination and Executive will not be entitled to any other compensation or consideration.

6.4 Compliance with IRC § 409A. To the extent required by IRC § 409A and the regulations promulgated thereunder, payment of severance benefits to Executive under any provision of Section 6 of this Agreement will not be paid or commenced until the expiration of six months following the date of termination of Executive's employment with Corporation. If payments are deferred pursuant to this Section 6.4, all such deferred amounts will be paid in a lump sum on the expiration of the six-month period.

6.5 Excess Parachute Payments.

6.5.1 Reduction. In the event that any portion of the payments and benefits payable to Executive under Section 6.2 would constitute an "excess parachute payment" within the meaning of IRC § 280G(b) that is subject to the excise tax imposed on so-called excess parachute payments pursuant to IRC § 4999 (an "Excise Tax"), the severance otherwise payable under Section 6.2 will be reduced to the extent necessary to avoid such Excise Tax (and only to such extent) if, and only if, such reduction would result in a larger after-tax benefit to Executive, taking into account all applicable federal, state, and local income and excise taxes, until no portion of the severance payments is subject to such Excise Tax.

6.5.2 Application. For purposes of this Section 6.5:

(a) No portion of any severance or other compensation, the receipt or enjoyment of which Executive has effectively waived in writing prior to the date of payment of any post-termination compensation, will be taken into account;

(b) No portion of any severance or other compensation will be taken into account which, in the opinion of tax counsel selected by Corporation and reasonably acceptable to Executive ("Tax Counsel"), does not constitute a "parachute payment" within the meaning of IRC § 280G;

(c) If Executive and Corporation disagree whether any payment will result in an Excise Tax or whether a reduction in any payments will result in a larger after-tax benefit to Executive, the matter will be conclusively resolved by an opinion of Tax Counsel;

(d) Executive agrees to provide Tax Counsel with all financial information necessary to determine the after-tax consequences of payments for purposes of determining whether, or to what extent, such payments are to be reduced pursuant to Section 6.5.1; and

(e) The value of any noncash benefit or any deferred payment or benefit, and whether or not all or a portion of any payment or benefit is a "parachute payment" for purposes of this Section 6.5, will be determined by Corporation's independent accountants in accordance with the principles of IRC § 280(G)(d)(3) and (4).

6.5.3 Effect on Other Agreements. In the event that any other agreement, plan, or arrangement provides for payments or benefits to Executive in connection with a change in control ("Other Agreements"), including without limitation the Stock Option Award Agreement and the Restricted Stock Unit Award Agreement, Corporation and Executive agree that the payments and benefits governed by such Other Agreements will be subject to the reduction in payments under Section 6.5.1 (even if post-termination payments are not to be made under this Agreement). To the extent possible, Corporation and Executive agree that reductions in benefits under any plan, program, or arrangement of Corporation will be reduced (only to the extent described in Section 6.5.1) in the following order of priority:

(a) Post-termination payments under this Agreement;

(b) Any cash payments under any Other Agreement; and

(c) The acceleration of the exercisability or vesting of any stock option or other stock related award granted by Corporation.

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## **7. INJUNCTIVE RELIEF AND OTHER REMEDIES**

Executive acknowledges that any breach or threatened breach of Section 3 of this Agreement will cause irreparable harm to Corporation and that any remedy at law would be inadequate to protect the legitimate interests of Corporation. Executive agrees that Corporation will be entitled to seek specific performance, or to seek any other form of injunctive relief, to enforce its rights under Section 3 of this Agreement. Such remedies will be in addition to any other remedy available to Corporation at law or in equity.

## **8. ARBITRATION**

Any dispute or claim arising out of or brought in connection with this Agreement, other than a claim by Corporation under Section 7, shall be submitted to final and binding arbitration as follows:

(a) Before proceeding to arbitration, the parties shall first attempt, in good faith, to resolve the dispute or claim by informal meetings and discussions between them and/or their attorneys. The Chief Executive Officer will act on behalf of Corporation at these meetings and discussions. This informal dispute resolution process will be concluded within 30 days or such longer or shorter period as may be mutually agreed by the parties.

(b) After exhausting the informal dispute resolution process under Section 8(a) above, upon the request of any party, the matter will be submitted to and settled by final and binding confidential arbitration pursuant to the rules of the United States Arbitration and Mediation Service (or under any other form of arbitration mutually acceptable to the parties). The arbitration will be conducted in Portland, Oregon. Any arbitration relating to a dispute arising under Section 4, 5.3, or 5.4 will be conducted on an expedited basis. Any award rendered in arbitration will be final and will bind the parties, and a judgment on it may be entered in the highest court of the forum having jurisdiction.

## **9. SEVERABILITY OF PROVISIONS**

The provisions of this Agreement are severable, and if any provision of this Agreement is held invalid, unenforceable, or unreasonable, it will be enforced to the maximum extent permissible, and the remaining provisions of the Agreement will continue in full force and effect.

## **10. NONWAIVER**

Failure of a party at any time to require performance of any provision of this Agreement will not limit the right of that party to enforce the provision. No provision of this Agreement or breach of this Agreement may be waived by either party except in writing signed by that party. A waiver of any breach of a provision of this Agreement will be construed narrowly and will not be deemed to be a waiver of any succeeding breach of that provision or a waiver of that provision itself or of any other provision.

## **11. NOTICES**

All notices required or permitted under this Agreement must be in writing and will be deemed to have been given if delivered by hand, or by overnight courier to the respective party as follows (or to such other address as any party may indicate by a notice delivered to the other party hereto): (a) if to Executive, at:

355 Londonberry Road, NW  
Atlanta, GA 30327

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With a copy to:

Howard Adler  
Dewey & LeBoeuf  
1301 Avenues of the Americas  
New York, NY 10019

and (ii) if to Corporation, to the address of the principal office of Corporation at:

One Airport Center  
7700 N.E. Ambassador Place  
Portland, Oregon 97220

With a copy to:

Mary Ann Frantz  
Miller Nash LLP  
111 SW Fifth Avenue, Suite 3400  
Portland, Oregon 97204

## **12. GOVERNING LAW**

This Agreement will be construed in accordance with the laws of the state of Oregon, without regard to any conflicts of laws rules. Any suit or action arising out of or in connection with this Agreement, or any breach of this Agreement, must be brought and maintained in the Circuit Courts of the State of Oregon. The parties hereby irrevocably submit to the jurisdiction of such court for the purpose of such suit or action and hereby expressly and irrevocably waive, to the fullest extent permitted by law, any claim that any such suit or action has been brought in an inconvenient forum.

## **13. GENERAL TERMS AND CONDITIONS**

This Agreement, the Stock Option Award Agreement and the Restricted Stock Unit Award Agreement constitute the entire understanding of the parties relating to the employment of Executive by Corporation, and supersede and replace all written and oral agreements heretofore made or existing by and between the parties relating thereto. Executive acknowledges that he has read and understood all of the provisions of this Agreement, that the restrictions contained in Sections 4 and 5.7 of this Agreement are reasonable and necessary for the protection of Corporation's business and that Executive entered into this contract in connection with the initial employment of Executive by Corporation. This Agreement will inure to the benefit of any successors or assigns of Corporation. All captions used in this Agreement are intended solely for convenience of reference and will in no way limit any of the provisions of this Agreement.

*[signature page follows]*

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The parties have executed this Amended and Restated Employment Agreement as of the date stated above.

**RENTRAK CORPORATION**

/s/ David I. Chemerow  
**David I. Chemerow**

By /s/ William P. Livek  
Name: William P. Livek  
Its: Chief Executive Officer

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## APPENDIX 2.2

### Performance Criteria for Fiscal 2010 Cash Bonus

Subject to the approval of the Board of Directors:

- Integrate the back office functions at Rentrak into one support group by December 31, 2009
- Work with the Chief Executive Officer to create a bottom-up business plan for the company by December 31, 2009
- Terminate outside investor relations firm by November 1, 2009
- Establish a project plan matching sales needs and IT development by March 31, 2010
- Perform a companywide expense study including requests for information relating to all material expense categories by March 31, 2010, with the objective of reducing run rate expenses by \$2,000,000

Each of the above performance criteria will count 20% for purposes of determining the amount of the cash bonus Executive may receive for fiscal 2010 under Section 2.2 of his Employment Agreement.

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## APPENDIX 6.2

### AGREEMENT AND RELEASE

THIS AGREEMENT AND RELEASE (“Release”) is made on this \_\_\_day of \_\_\_\_, 20 \_\_, by and between **Rentrak Corporation**, an Oregon corporation (“Corporation”), and **David I. Chemerow** (“Executive”). Corporation and Executive agree as follows:

#### **1. Payment to Executive.**

(a) Upon the execution of this Release, and after expiration of the revocation period specified in Paragraph 10 of this Release, Corporation will make the \$150,000 payment described in Section 6.2 of Executive’s Amended and Restated Employment Agreement dated October 15, 2009 (the “Employment Agreement”), less normal deductions and withholdings.

(b) Executive specifically acknowledges and agrees that Corporation has paid Executive all wages and other compensation and benefits to which Executive is entitled except those described in Paragraph 1(a) of this Release, the extension of medical and dental insurance benefits and the acceleration of vesting of the Stock Option and Restricted Stock Award as described in Section 6.2 of the Employment Agreement, and that the execution of this Release within 30 days following termination of Executive’s employment with Corporation is a condition precedent to Corporation’s obligation to make the payment described in Paragraph 1(a), to extend medical and dental insurance benefits and to accelerate vesting of the Stock Option and Restricted Stock Award as described in Section 6.2 of the Employment Agreement.

#### **2. Mutual Release.**

In consideration for the benefits provided by this Release, Corporation and Executive, on behalf of themselves and each of their respective past, present, and future shareholders, officers, directors, members, managers, partners, agents, employees, insurers, successors, heirs and assigns, each completely releases and forever discharges the other and each of its past, present, and future related entities and each of their respective past, present, and future shareholders, officers, directors, members, managers, partners, agents, employees, insurers, successors, heirs and assigns from any and all claims, rights, demands, actions, liabilities, and causes of action of every kind and character, whether known or unknown, matured or unmatured, which either of them may now have or has ever had, including without limitation the conditions of employment or the termination thereof, whether based on tort, contract (express or implied), other common law, or any federal, state, or local statute, regulation, ordinance, or other law, including, but not limited to, a release of claims arising under Title VII of the Civil Rights Act of 1964; the Age Discrimination in Employment Act; the Americans with Disabilities Act; the Family and Medical Leave Act; the Employee Retirement Income Security Act; the Worker Adjustment and Retraining Notification Act; and ORS chapters 652, 653, and 659A, and any amendments to any of such laws. Execution of this Release does not bar any claims for breach of this Release or its terms by either party.

#### **3. Indemnification.**

Notwithstanding the termination of his employment with Corporation, Executive will continue to be entitled to indemnification under the Articles of Incorporation or Bylaws of Corporation, as well as under other organizational documents, contractually or at law, with respect to acts occurring prior to termination of Executive’s service as an officer or director of Corporation. In addition, Corporation will continue to cover Executive under Corporation’s directors’ and officers’ liability insurance policies on the same basis as other officers and directors of Corporation while liability exists with respect to acts occurring prior to termination of Executive’s service as a director or officer of Corporation.

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#### **4. Return of Corporation Property.**

Executive represents and warrants that Executive has returned to Corporation all property belonging to Corporation, including, but not limited to, all documents or other media containing confidential or proprietary information of Corporation (including without limitation customer, production, and pricing information), any motor vehicle owned or leased by Corporation, and all Corporation credit cards, keys, cellular telephones, and computer hardware and software.

#### **5. No Liability or Wrongdoing.**

Corporation specifically denies any liability or wrongdoing whatsoever. Neither this Release nor any of its provisions, terms, or conditions constitute an admission of liability or wrongdoing or may be offered or received in evidence in any action or proceeding as evidence of an admission of liability or wrongdoing.

#### **6. Severability.**

If any provision of this Release is found by any court to be illegal or legally unenforceable for any reason, the remaining provisions of this Release will continue in full force and effect.

#### **7. Attorney Fees.**

If any action is brought to interpret or enforce this Release or any part of it, the prevailing party will be entitled to recover from the other party its reasonable attorney fees and costs incurred therein, including all attorney fees and costs on any appeal or review.

#### **8. Choice of Law.**

This Release will be governed by the laws of the state of Oregon, without regard to its principles of conflicts of laws.

#### **9. Consideration of Agreement.**

Executive acknowledges that Corporation has advised him in writing to consult with an attorney before signing this Release and that he has been given at least 21 days to consider whether to execute this Release. For purposes of this 21-day period, Executive acknowledges that this Release was delivered to him on \_\_\_\_, 20 \_\_, that the 21-day period will expire \_\_\_\_, 20 \_\_, and that he may have until that date to consider the Release.

#### **10. Revocation.**

Executive may revoke this Release by written notice, delivered to the Chief Executive Officer of Corporation within seven days following his date of signature as set forth below. This Release becomes effective and enforceable after such seven-day period has expired.

#### **11. Knowing and Voluntary Agreement.**

Executive acknowledges and agrees that: (a) the only consideration for this Release is the consideration expressly described in this document; (b) he has carefully read the entire Release; (c) he has had the opportunity to review this Release and to have it reviewed and explained to him by an attorney of his choosing; (d) he fully understands the final and binding effect; and (e) he is signing this Release voluntarily and with the full intent of releasing Corporation from all claims.

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**12. Miscellaneous.**

The benefits of this Release will inure to the successors and assigns of the parties. This is the entire agreement between Executive and Corporation regarding the subject matter of this Release and neither party has relied on any representation or statement, written or oral, that is not set forth in this Release. Executive represents and warrants that Executive has not assigned any claim that Executive may have against the Released Parties to any person or entity.

*[signature page follows]*



**AWARD AGREEMENT**  
**for**  
**NON-QUALIFIED STOCK OPTION**

(121,750 Shares)

THIS AWARD AGREEMENT (the "Agreement"), effective as of October 1, 2009 (the "Grant Date"), is made by and between **RENTRAK CORPORATION**, an Oregon corporation ("Corporation"), and **DAVID I. CHEMEROW**, an employee of Corporation ("Employee"):

**RECITALS**

A. Corporation wishes to afford Employee the opportunity to purchase Shares of its \$.001 par value Common Stock (the "Common Stock").

B. Corporation has adopted the Amended and Restated 2005 Stock Incentive Plan of Rentrak Corporation (the "Plan").

C. The Committee appointed to administer the Plan has determined that it would be to the advantage and best interest of Corporation and its shareholders to grant the Non-Qualified Stock Option Award (the "Option") provided for in this Agreement to Employee as an inducement to accept employment as Chief Operating Officer and Chief Financial Officer of Corporation and as an incentive to provide high quality services during such employment.

**AGREEMENT**

NOW, THEREFORE, in consideration of the mutual covenants in this Agreement and other good and valuable consideration, receipt of which is acknowledged, the parties agree as follows:

**1. GRANT OF OPTION**

1.1 Grant of Option. In consideration of Employee's agreement to become an employee of Corporation or its Subsidiaries and for other good and valuable consideration, effective as of the date of this Agreement, Corporation irrevocably grants to Employee an Option to purchase any part or all of an aggregate of 121,750 Shares of Common Stock upon the terms and conditions set forth in this Agreement.

1.2 Purchase Price. The purchase price of the Shares covered by the Option is \$17.22 per Share, without commission or other charge, subject to adjustment as provided in Section 13 of the Plan.

1.3 Consideration to Corporation. In consideration of the granting of this Option by Corporation, Employee agrees to render faithful and efficient services to Corporation or any Subsidiary, with such duties and responsibilities as set forth in Employee's employment agreement with Corporation. Nothing in this Agreement or the Plan confers upon Employee any right to continue in the employ of Corporation or any Subsidiary or will interfere with or restrict in any way the rights of Corporation and its Subsidiaries, which are expressly reserved, to discharge Employee at any time for any reason whatsoever, with or without cause, except as provided in Employee's employment agreement with Corporation.

1.4 Cause and Good Reason. For purposes of this Agreement, "Cause" and "Good Reason" for termination of employment have the meanings set forth in Employee's employment agreement.

1.5 Adjustments in Option. The Option is subject to adjustment as provided in Section 13 of the Plan.

## 2. PERIOD OF EXERCISABILITY

### 2.1 Commencement of Exercisability.

(a) Unless the Option is otherwise terminated or the time of its exercisability is accelerated in accordance with this Agreement, the Option may be exercised from time to time beginning on the dates indicated to purchase Shares up to the following limits (including any Shares previously purchased pursuant to the Option):

- (i) Beginning October 1, 2010 – 30,437 Shares;
- (ii) Beginning October 1, 2011 – an additional 30,437 Shares;
- (iii) Beginning October 1, 2012 – an additional 30,437 Shares; and
- (iv) Beginning October 1, 2013 – 100 percent of the Shares.

(b) Notwithstanding Section 2.1(a), if Employee's employment is terminated by Corporation without Cause or by Employee for Good Reason, the Option will become exercisable, to the extent it is not then exercisable, as to the installment scheduled to become exercisable in the calendar year in which termination of Employee's employment occurs and the installment scheduled to become exercisable in the following calendar year. Acceleration of vesting under this Section 2.1(b) is conditioned upon execution of the release described in Section 6.2 of Employee's employment agreement within 30 days following termination of Executive's employment with Corporation.

(c) Notwithstanding Section 2.1(a), the Option will become fully and immediately exercisable if an event occurs on or after six months following the Grant Date that constitutes a Change in Control of Corporation before the Option expires pursuant to Section 2.3. For purposes of this Agreement, "Change in Control" is defined as the first occurrence of any of the following:

(i) Any person (including any individual, corporation, limited liability company, partnership, trust, group, association, or other "person," as such term is used in Section 13(d)(3) or 14(d) of the Exchange Act) other than a trustee or other fiduciary holding securities under an employee benefit plan of Corporation, is or becomes a beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of Corporation representing more than 50 percent of the combined voting power of Corporation's then outstanding securities;

(ii) A majority of the directors elected at any annual or special meeting of shareholders are not individuals nominated by Corporation's then incumbent Board; or

(iii) The shareholders of Corporation approve (A) a merger or consolidation of Corporation with any other corporation, other than a merger or consolidation which would result in the Voting Securities (defined as all issued and outstanding securities ordinarily having the right to vote at elections of Corporation's directors) of Corporation outstanding immediately prior to such transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) 50 percent or more of the combined voting power of the Voting Securities of Corporation or of such surviving entity outstanding immediately after such merger or consolidation, (B) a plan of complete liquidation of Corporation, or (C) an agreement for the sale or disposition by Corporation of all or substantially all of its assets.

(d) No portion of the Option which is unexercisable upon termination of Employee's employment with Corporation or any Subsidiary will subsequently become exercisable.

2.2 Duration of Exercisability. Once the Option becomes exercisable pursuant to Section 2.1, it will remain exercisable until it becomes unexercisable under Section 2.3.

2.3 Expiration of Option. To the extent the Option had previously become exercisable, the Option may not be exercised to any extent by anyone after the first to occur of the following events:

- (a) October 1, 2019;
- (b) Immediately upon termination of Employee's employment with Corporation or any Subsidiary for Cause;
- (c) One year following Employee's death or disability;
- (d) Six months following termination of employment for any reason other than Cause, death, or disability; or
- (e) On the date specified in Section 2.4(b) in connection with a Terminating Event (as that term is defined in Section 2.4(b)).

2.4 Adjustments to and/or Cancellation of the Option.

(a) Neither (i) the issuance of additional shares of stock of Corporation in exchange for adequate consideration (including services), nor (ii) the conversion of outstanding preferred shares of Corporation into Common Stock, will be deemed to require an adjustment in the Shares covered by the Option or in the purchase price of Shares subject to the Option pursuant to Section 13 of the Plan. In the event the Committee determines that an event has occurred affecting Corporation such that an adjustment to the Option under Section 13 of the Plan should be made but that it is not practical or feasible to make such an adjustment, such event will be deemed a Terminating Event subject to the following subsection.

(b) Subject to Section 13 of the Plan, in the event of a Change in Control or the occurrence of an event in accordance with the last sentence of the previous subsection (any of such events is herein referred to as a "Terminating Event"), the Committee will determine whether provision will be made in connection with the Terminating Event for an appropriate assumption of the Option by, or substitution of appropriate new options covering stock of, a successor corporation employing Employee or stock of an affiliate of such successor employer corporation. If the Committee determines that such an appropriate assumption or substitution will be made, the Committee will give notice of the determination to Employee and the terms of such assumption or substitution, and any adjustments made (i) to the number and kind of shares subject to the Option outstanding under the Plan (or to options issued in substitution therefor), (ii) to the Option purchase price, and (iii) to the terms and conditions of the Option, will be binding upon Employee. If the Committee determines that no assumption or substitution will be made, the Committee will give notice of this determination to Employee, whereupon Employee will have the right for a period of 30 days following the notice to exercise in full or in part the unexercised and unexpired portion of this Option, which will become exercisable as specified in Section 2.1(b) above. Upon the expiration of this 30-day period, the Option will expire to the extent not earlier exercised.

(c) The Committee will exercise its discretion in connection with the determinations under this Section 2.4 in good faith and in a uniform and nondiscriminatory manner with respect to all participants under the Plan.

### 3. EXERCISE OF OPTION

3.1 Partial Exercise. Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Section 2.3; provided, however, that each partial exercise will be for not less than 100 Shares and must be for whole Shares only.

3.2 Manner of Exercise. The Option, or any exercisable portion thereof, may be exercised solely by delivery to Corporation's Secretary or his office of all of the following prior to the time when the Option or such portion becomes unexercisable under Section 2.3:

(a) A written notice complying with the applicable rules established by the Committee stating that the Option, or a portion thereof, is exercised. The notice must be signed by Employee or other person then entitled to exercise the Option or such portion.

(b) Full payment to Corporation for the Shares with respect to which such Option or portion is exercised, which must be:

(i) In cash; or

(ii) In Shares of Common Stock owned by Employee, duly endorsed for transfer to Corporation, with a Fair Market Value on the date of delivery equal to the aggregate purchase price of the Shares as to which the Option is exercised; or

(iii) In Shares of Common Stock issuable to Employee upon exercise of the Option, with a Fair Market Value on the date of delivery equal to the aggregate purchase price of the Shares as to which the Option is exercised.

(c) A bona fide written representation and agreement, in a form satisfactory to the Committee, signed by Employee or other person then entitled to exercise such Option or portion as the Committee in its discretion, determines is necessary or appropriate to effect compliance with the Securities Act of 1933 and any other federal or state securities laws or regulations.

(d) Full payment to Corporation (or other employer corporation) of all amounts which, under federal, state or local tax law, it is required to withhold upon exercise of the Option. Such payment may be, in whole or in part, in (i) cash, (ii) Shares of Corporation's Common Stock owned by Employee, duly endorsed for transfer, with a Fair Market Value equal to the sums required to be withheld, or (iii) Shares of Corporation's Common Stock issuable to Employee upon exercise of the Option with a Fair Market Value equal to the sums required to be withheld.

(e) In the event the Option or portion is exercised pursuant to Section 4.1 by any person or persons other than Employee, appropriate proof of the right of such person or persons to exercise the Option.

3.3 Rights as Shareholder. The holder of the Option is not, and does not have any of the rights or privileges of, a shareholder of Corporation in respect of any Shares purchasable upon the exercise of any part of the Option unless and until certificates representing such Shares have been issued by Corporation to such holder.

#### 4. OTHER PROVISIONS

4.1 Option Not Transferable. Neither the Option nor any interest or right therein or part thereof may be sold, pledged, assigned, or transferred in any manner other than by will or the laws of descent and distribution, unless and until such Option has been exercised, or the Shares underlying such Option have been issued, and all restrictions applicable to such Shares have lapsed. Neither the Option nor any interest or right in the Option or part thereof will be liable for the debts, contracts or engagements of Employee or his successors in interest or will be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof will be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

4.2 Shares to Be Reserved. Corporation will at all times during the term of the Option reserve and keep available such number of Shares of Common Stock as will be sufficient to satisfy the requirements of this Agreement.

4.3 Notices. Any notice to be given under the terms of this Agreement to Corporation must be addressed to Corporation in care of its Secretary, and any notice to be given to Employee will be addressed to him at the address given beneath his signature. By a notice given pursuant to this Section 4.3, either party may designate a different address for notices to be given. Any notice which is required to be given to Employee will, if Employee is then deceased, be given to Employee's personal representative if such representative has previously informed

Corporation of his status and address by written notice under this Section 4.3. Any notice will be deemed duly given when enclosed in a properly sealed envelope or wrapper addressed as pursuant to this Section, and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

4.4 Titles. Titles are provided in this Agreement for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

4.5 Construction. This Agreement will be administered, interpreted and enforced under the internal laws of the State of Oregon without regard to conflicts of laws thereof.

4.6 Conformity to Securities Laws. Employee acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act of 1933 and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, including without limitation Rule 144 under the Securities Act of 1933 and Rule 16b-3 under the Exchange Act. Notwithstanding anything herein to the contrary, the Plan will be administered, and the Option is granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement will be deemed amended to the extent necessary to conform to such laws, rules and regulations.

4.7 Definition of Terms. All capitalized terms used in this Agreement without definition have the meanings ascribed to such terms in the Plan.

**RENTRAK CORPORATION**

By /s/ William P. Livek  
Chief Executive Officer

/s/ David I. Chemerow  
David I. Chemerow

Address:  
355 Londonberry Road, NW  
Atlanta, GA 30327

Employee's Taxpayer Identification Number: \_\_\_\_\_

\* Portions of this exhibit are considered confidential by the registrant and have been omitted from filing and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment.

**RENTRAK CORPORATION**  
**RESTRICTED STOCK UNIT AWARD AGREEMENT**

THIS RESTRICTED STOCK UNIT AWARD AGREEMENT (“RSU Award Agreement”), effective as of October 1, 2009 (the “Grant Date”), is made by and between **RENTRAK CORPORATION**, an Oregon corporation (“Corporation”), and **DAVID I. CHEMEROW** (“Employee”).

**RECITALS**

A. Corporation has adopted the Amended and Restated 2005 Stock Incentive Plan of Rentrak Corporation (the “Plan”).

B. The Committee appointed to administer the Plan has determined that it would be to the advantage and best interest of Corporation and its shareholders to grant the award of Restricted Stock Units provided for in this Agreement (“RSU Award”) to Employee as an inducement to accept employment as Chief Operating Officer and Chief Financial Officer of Corporation and as an incentive to provide high quality services during such employment.

**AGREEMENT**

NOW, THEREFORE, in consideration of the mutual covenants in this Agreement and other good and valuable consideration, receipt of which is acknowledged, the parties agree as follows:

**1. DEFINITIONS**

1.1 “Change in Control Transaction” means the first occurrence of any of the following:

(a) Any person (including any individual, corporation, limited liability company, partnership, trust, group, association, or other “person,” as such term is used in Section 13(d)(3) or 14(d) of the Exchange Act, other than a trustee or other fiduciary holding securities under an employee benefit plan of Corporation, is or becomes a beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of Corporation representing more than 50 percent of the combined voting power of Corporation’s then outstanding securities;

(b) A majority of the directors elected at any annual or special meeting of shareholders are not individuals nominated by Corporation’s then incumbent Board; or

(c) The shareholders of Corporation approve (i) a merger or consolidation of Corporation with any other corporation, other than a merger or consolidation which would result in the Voting Securities (defined as all issued and outstanding securities ordinarily having the right to vote at elections of Corporation's directors) of Corporation outstanding immediately prior to such transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) 50 percent or more of the combined voting power of the Voting Securities of Corporation or of such surviving entity outstanding immediately after such merger or consolidation, (ii) a plan of complete liquidation of Corporation, or (iii) an agreement for the sale or disposition by Corporation of all or substantially all of its assets.

1.2 "Employment Agreement" means the Employment Agreement between Employee and Corporation dated September 14, 2009, as it may be amended from time to time.

1.3 "Modified EBITDA" means Corporation's Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) reduced (to the extent not already reduced), for a given fiscal year, by (a) Corporation's capital expenditures and (b) payments to third parties to acquire data to the extent that such payments total in excess of \$\*, as determined by Corporation no later than June 15 of that fiscal year.

1.4 "Modified EBITDA Margin" means the percentage obtained by dividing Modified EBITDA by total revenues for a given fiscal year.

## 2. TERMS OF RSU AWARD

2.1 Restricted Stock Units. Effective as of the Grant Date, Corporation has granted to Employee an RSU Award covering 131,173 Restricted Stock Units, subject to the terms, definitions, and provisions of this RSU Award Agreement.

### 2.2 Restriction Periods.

2.2.1 Restriction Period 1. Restriction Period 1 commences on the Grant Date and ends on June 15, 2010.

2.2.2 Restriction Period 2. Restriction Period 2 commences on April 1, 2010, and ends on June 15, 2011.

2.2.3 Restriction Period 3. Restriction Period 3 commences on April 1, 2011, and ends on June 15, 2012.

2.2.4 Restriction Period 4. Restriction Period 4 commences on the Grant Date and ends on June 15, 2013.

2.3 Restrictions Prior to Applicable Settlement Date. Employee may not sell, assign, transfer, pledge, encumber, or otherwise dispose of this RSU Award or the shares of Common Stock to be received upon settlement of the Restricted Stock Units governed by this RSU Award and except as set forth in Section 2.5 Employee will not become vested in the Restricted Stock

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\* Confidential portions omitted pursuant to a request for confidential treatment.

Units unless Employee continues to serve as an employee of Corporation until the applicable Settlement Date as provided in Section 3 below, at which time the foregoing restrictions will lapse and be of no further effect as to the shares of Common Stock issued on such Settlement Date; provided that, for purposes of Section 2.4.3, the requirement that Employee remain employed by Corporation shall cease to apply if Employee's employment is terminated while a Change in Control Transaction is pending.

2.4 Vesting of Restricted Stock Units. The RSU Award and the Restricted Stock Units are initially not vested and may become vested and non-forfeitable upon the satisfaction of performance goals specified in Sections 2.4.1, 2.4.2, and 2.4.3; provided that the maximum total number of Restricted Stock Units that may vest with respect to (x) performance goals labeled as "A" in Sections 2.4.1, 2.4.2, and 2.4.3 is 55,231; (y) performance goals labeled as "B" in Sections 2.4.1, 2.4.2, and 2.4.3 is 76,913; and (z) performance goals labeled as "C" in Sections 2.4.1, 2.4.2, and 2.4.3 is 131,173; and further provided that in no event will more than a total of 131,173 Restricted Stock Units become vested and nonforfeitable pursuant to this RSU Award Agreement.

2.4.1 Financial Goals. Subject to the accelerated vesting provisions of Section 2.5, the RSU Award and the Restricted Stock Units may become vested and nonforfeitable upon the satisfaction of goals relating to the Corporation's Modified EBITDA and Modified EBITDA Margin as of the expiration of the applicable Restriction Period, as follows:

(a) A portion of the Restricted Stock Units equal to a maximum of 26,360 of the total Restricted Stock Units subject to this RSU Award are subject to Restriction Period 1 and will become vested and nonforfeitable according to the following schedule:

	0	if Modified EBITDA for fiscal year ending March 31, 2010, is less than \$*
"A":	12,553	if Modified EBITDA and Modified EBITDA Margin for fiscal year ending March 31, 2010, are equal to or greater than \$* and *%, respectively
"B":	16,318	if Modified EBITDA and Modified EBITDA Margin for fiscal year ending March 31, 2010, are equal to or greater than \$* and *%, respectively
"C":	26,360	if Modified EBITDA and Modified EBITDA Margin for fiscal year ending March 31, 2010, are equal to or greater than \$* and *%, respectively

(b) A portion of the Restricted Stock Units equal to a maximum of 37,971 of the total Restricted Stock Units subject to this RSU Award are subject to Restriction Period 2 and will become vested nonforfeitable according to the following schedule:

0 if Modified EBITDA for fiscal year ending March 31, 2011, is less than \$\*

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\* Confidential portions omitted pursuant to a request for confidential treatment.

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- “A”: 15,988 if Modified EBITDA and Modified EBITDA Margin for fiscal year ending March 31, 2011, are equal to or greater than \$\* and \*%, respectively
- “B”: 21,984 If Modified EBITDA and Modified EBITDA Margin for fiscal year ending March 31, 2011, are equal to or greater than \$\* and \*%, respectively
- “C”: 37,971 if Modified EBITDA and Modified EBITDA Margin for fiscal year ending March 31, 2011, are equal to or greater than \$\* and \*%, respectively

(c) A portion of the Restricted Stock Units equal to a maximum of 66,842 of the total Restricted Stock Units subject to this RSU Award are subject to Restriction Period 3 and will become vested and nonforfeitable according to the following schedule:

- 0 if Modified EBITDA for fiscal year ending March 31, 2012, is less than \$\*
- “A”: 25,719 if Modified EBITDA and Modified EBITDA Margin for fiscal year ending March 31, 2012, are equal to or greater than \$\* and \*%, respectively
- “B”: 38,611 if Modified EBITDA and Modified EBITDA Margin for fiscal year ending March 31, 2012, are equal to or greater than \$\* and \*%, respectively
- “C”: 66,842 if Modified EBITDA and Modified EBITDA Margin for fiscal year ending March 31, 2012, are equal to or greater than \$\* and \*%, respectively

2.4.2 Share Price Goals. Subject to the accelerated vesting provisions of Section 2.5, the RSU Award and the Restricted Stock Units may become vested and nonforfeitable from time to time during Restriction Period 4 as follows:

(a) “A”: The first time, if any, that the Common Stock trades at or above \$20.00 per share for 65 consecutive trading days, 55,231 Restricted Stock Units will become vested and nonforfeitable.

(b) “B”: For each \$1.00 above \$20.00 per share up to and including \$30.00 per share that the Common Stock trades for a period of 65 consecutive trading days (in each case only once during Restriction Period 4), an additional 2,071 Restricted Stock Units will vest and become nonforfeitable. As an example, if during Restriction Period 1, the Common Stock trades above \$25.00 per share for a period of 65 consecutive trading days, a total of 65,586 Restricted Stock Units will vest and become nonforfeitable, subject to the overall maximum limit set forth above.

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\* Confidential portions omitted pursuant to a request for confidential treatment.

(c) "C": For each \$1.00 above \$30.00 per share up to and including \$40.00 per share that the Common Stock trades for a period of 65 consecutive trading days (in each case only once during Restriction Period 4), an additional 5,523 Restricted Stock Units will vest and become nonforfeitable.

(d) Corporation will review the cumulative trading history of the Common Stock on the last trading day of each calendar week during Restriction Period 4 to determine to what extent, if any, the Restricted Stock Units have become vested under this Section 2.4.2.

2.4.3 Vesting in Connection With Change in Control Transaction. Subject to the accelerated vesting provisions of Section 2.5, Restricted Stock Units under this RSU Award will become vested and nonforfeitable upon the occurrence of a Change in Control Transaction as defined in Section 1.1(c) above during Restriction Period 4 based on the per share price of the Common Stock as valued for purposes of such Change in Control Transaction or, if there is no such valuation, the Fair Market Value of a share of the Common Stock on the day immediately preceding the date on which such Change in Control Transaction occurs (the "Pre-CIC Value"), as follows:

(a) "A": If the per share price of the Common Stock as valued for purposes of such Change in Control Transaction (or the Pre-CIC Value, if applicable) is \$20.00 or above, 55,231 Restricted Stock Units will become vested and nonforfeitable.

(b) "B": For each \$1.00 above \$20.00 per share up to and including \$30.00 per share that the Common Stock is valued for purposes of such Change in Control Transaction (or the Pre-CIC Value, if applicable), an additional 2,071 Restricted Stock Units will vest and become nonforfeitable.

(c) "C": For each \$1.00 above \$30.00 per share up to and including \$40.00 per share that the Common Stock is valued for purposes of such Change in Control Transaction (or the Pre-CIC Value, if applicable), an additional 5,523 Restricted Stock Units will vest and become nonforfeitable. As an example, if the Change in Control Transaction is valued at \$33.00 per share of Common Stock, Restricted Stock Units previously vested at the \$25.00 price level pursuant to Section 2.4.2(b) and no Restricted Stock Units have vested under Section 2.4.1 above, an additional 26,924 Restricted Stock Units will vest and become nonforfeitable under this Section 2.4.3(b), subject to the overall maximum limit of 131,173 Restricted Stock Units.

(d) Upon the occurrence of a Change in Control Transaction as defined in Section 1.1(c) above, all Restricted Stock Units which have not vested pursuant to Sections 2.4.1, 2.4.2 or this Section 2.4.3 will be forfeited.

2.5 Acceleration of Vesting in Connection with Termination. Notwithstanding Section 2.4, if Employee is terminated by Corporation without Cause or Employee terminates his employment for Good Reason (as defined in the Employment Agreement), Restricted Stock Units will become vested and nonforfeitable as follows: 36,000 Restricted Stock Units if such termination occurs on or prior to June 30, 2010, 54,000 Restricted Stock Units if such termination occurs on or after July 1, 2010, and on or prior to June 30, 2011, and 72,000 Restricted Stock Units if such termination occurs on or after July 1, 2011, and on or prior to June 30, 2012,

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in each case less such number of Restricted Stock Units, if any, that had previously vested. All remaining Restricted Stock Units which have not previously vested under Section 2.4 will be forfeited. Acceleration of vesting under this Section 2.5 is conditioned upon execution of the release described in Section 6.2 of the Employment Agreement within 30 days following termination of Executive's employment with Corporation.

2.6 Forfeiture of Restricted Stock Units. On the earlier of the date that Employee ceases to be an employee of Corporation for any reason and the expiration of Restriction Period 4 (or such later date which is a Settlement Date triggered by an event occurring prior to the expiration of Restriction Period 4), all Restricted Stock Units which have not previously vested under Section 2.4 prior to termination or vested under Section 2.5 on the date of termination will be forfeited.

### 3. SETTLEMENT OF RESTRICTED STOCK UNITS

3.1 Settlement Date. For Restricted Stock Units that vest pursuant to Section 2.4.1, the applicable Settlement Date is the June 15 concurrent with the end of the applicable Restriction Period.

3.2 Accelerated Settlement Date. In the event the vesting of Restricted Stock Units is accelerated pursuant to Section 2.4.2, the Settlement Date will be the 3<sup>rd</sup> business day after the end of the applicable calendar week in which vesting occurs. In the event the vesting of Restricted Stock Units is accelerated pursuant to Section 2.4.3, the Settlement Date will be the date that the Change in Control Transaction occurs. In the event the vesting of Restricted Stock Units is accelerated pursuant to Section 2.5, the Settlement Date will be the date that Employee's employment is terminated.

3.3 Form of Settlement. If all or a portion of the Restricted Stock Units subject to this RSU Award becomes vested, then on the applicable Settlement Date, Corporation will deliver to Employee an unrestricted certificate for a number of shares of Common Stock equal to the number of Restricted Stock Units that became vested as provided in Section 2.4 or 2.5, as applicable.

#### 3.4 Withholding Taxes.

3.4.1 General. Employee will be responsible for payment of all federal, state, and local withholding taxes and Employee's portion of any applicable payroll taxes imposed in connection with the settlement of the RSU Award and the issuance of shares with respect to vested Restricted Stock Units (collectively, the "Applicable Taxes"). Corporation's obligation to issue shares of Common Stock in settlement of the RSU Award is expressly conditioned on Employee's making arrangements satisfactory to Corporation, in its sole and absolute discretion, for the payment of all Applicable Taxes.

3.4.2 Method of Payment. Employee may pay to Corporation (in cash or by check) an amount equal to the Applicable Taxes. In the event that Employee does not submit payment of the entire amount of Applicable Taxes, Employee expressly authorizes Corporation to withhold a number of unrestricted shares (thus reducing the number of unrestricted shares to be issued to Employee) having a fair market value (as of the date the RSU Award is settled) equal to the remaining balance of the Applicable Taxes.

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#### 4. OTHER PROVISIONS

4.1 RSU Award Not Transferable. Neither the RSU Award nor the Restricted Stock Units nor any interest or right in the RSU Award or the Restricted Stock Units may be sold, pledged, assigned, or transferred in any manner other than by will or the laws of descent and distribution, unless and until the Restricted Stock Units have been settled as provided in this RSU Award Agreement. Neither the RSU Award nor any interest or right in the Restricted Stock Units will be liable for the debts, obligations, contracts or engagements of Employee or his successors in interest or will be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition will be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

4.2 Rights as Shareholder. Prior to the issuance of a certificate for shares of Common Stock in settlement of Restricted Stock Units, Employee will have no rights as a shareholder of Corporation with respect to this RSU Award or the Restricted Stock Units.

4.3 Construction. All rights and obligations under this RSU Award Agreement will be governed by and construed in accordance with the laws of the state of Oregon, without regard to principles of conflict of laws.

4.4 Adjustment to RSU Award. The RSU Award is subject to adjustment as provided in Section 13 of the Plan.

4.5 Shares to Be Reserved. Corporation will at all times during the term of the RSU Award reserve and keep available such number of shares of Common Stock as will be sufficient to satisfy the requirements of this RSU Award Agreement.

4.6 Compliance With Securities Laws. Employee acknowledges that the RSU Award is intended to conform to the extent necessary with all provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934 and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, including without limitation Rule 144 under the Securities Act of 1933 and Rule 16b-3 under the Securities Exchange Act of 1934. Notwithstanding anything herein to the contrary, the RSU Award is granted only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, this RSU Award Agreement will be deemed amended to the extent necessary to conform to such laws, rules and regulations.

4.7 Definition of Terms. All capitalized terms used in this Agreement without definition have the meanings assigned to such terms in the Plan.

*[Signature page follows]*

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**RENTRAK CORPORATION**

By /s/ William P. Livek  
William P. Livek  
Chief Executive Officer

/s/ David I. Chemerow  
David I. Chemerow

Address:  
355 Londonberry Road, NW  
Atlanta, GA 30327

Employee's Taxpayer Identification Number: \_\_\_\_\_

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO RULE 13a-14(a)**

I, William P. Livek, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rentrak Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2009

By: /s/ William P. Livek  
William P. Livek  
Director and Chief Executive Officer  
Rentrak Corporation

**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO RULE 13a-14(a)**

I, David I. Chemerow, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rentrak Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2009

By: /s/ David I. Chemerow  
David I. Chemerow  
Chief Operating Officer  
and Chief Financial Officer  
Rentrak Corporation

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the Quarterly Report of Rentrak Corporation (the "Company") on Form 10-Q for the quarter ended September 30, 2009, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William P. Livek, Director and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ William P. Livek

William P. Livek  
Director and Chief Executive Officer  
Rentrak Corporation  
November 9, 2009

**CERTIFICATION OF CHIEF FINANCIAL OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the Quarterly Report of Rentrak Corporation (the "Company") on Form 10-Q for the quarter ended September 30, 2009, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David I. Chemerow, Chief Operating Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ David I. Chemerow

David I. Chemerow  
Chief Operating Officer  
and Chief Financial Officer  
Rentrak Corporation  
November 9, 2009