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FILED
Superior Court of California
County of Los Angeles

OCT 21 2013

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Received

OCT 10 2013

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

D-50

BC524092

PEOPLE OF THE STATE OF
CALIFORNIA,

Plaintiff,

v.

AFFINION GROUP, INC.; TRILEGIANT
CORPORATION; AND
WEBLOYALTY.COM, INC.,

Defendants.

Case No.

**FINAL JUDGMENT and PERMANENT
INJUNCTION**

Plaintiff, the People of the State of California, by its attorney, Kamala D. Harris, Attorney General of the State of California, by Michele Van Gelderen, Supervising Deputy Attorney General and Catherine Z. Ysrael, Deputy Attorney General, and Defendants Affinion Group, Inc., Trilegiant Corporation and Webloyalty.com, Inc. ("Defendants" or "Affinion"), appearing individually and through their attorneys Manatt, Phelps & Phillips, LLP, by Clayton S. Friedman, and Davis & Gilbert, by Ronald R. Urbach, Esq., have stipulated and consented to the entry of this Final Judgment and Permanent Injunction ("Judgment") in the above-captioned action,

10/23/2013

1 without this Judgment constituting evidence against or any admission by Defendants, and without
2 trial of any issue of fact or law, and

3 Plaintiff and Affinion acknowledging that, in addition to entry of this Judgment, Defendants
4 have entered into similar judgments with the Attorneys General of the States identified in Exhibit
5 A attached hereto, and that those Attorneys General filing similar judgments are referred to in this
6 Judgment collectively as "Participating States,"

7 The Court having considered the pleadings and the Stipulation for Entry of Final Judgment
8 executed by the Plaintiff and Affinion, filed concurrently herewith, and good cause appearing,

9 IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

10 **I. PARTIES**

11 1. Plaintiff in this case is The People of the State of California.

12 2. Defendant Affinion Group, Inc. ("Affinion") is a privately-held corporation and is the
13 parent company of Trilegiant Corporation ("Trilegiant") and Webloyalty.com, Inc.
14 ("Webloyalty"). Affinion Group, Inc., engages in business in San Diego County and throughout
15 California.

16 3. Defendant Trilegiant is a Delaware corporation is headquartered in Stamford,
17 Connecticut, and it markets to consumers in San Diego County and throughout California.
18 Trilegiant is a wholly-owned subsidiary and operating company of Affinion.

19 4. Defendant Webloyalty is a Delaware corporation, headquartered in Stamford,
20 Connecticut, and it markets to consumers in San Diego County and throughout California.
21 Webloyalty is a wholly-owned subsidiary of Affinion.

22 **II. JURISDICTION and VENUE**

23 5. The Court has jurisdiction over the subject matter of this action and jurisdiction over
24 the parties to this action. The People's Complaint states causes of action against the Defendants
25 under California Business and Professions Code Section 17200 *et seq.*, predicated, in part, on
26 California's Discount Buying Club law under California Civil Code Section 1812.100 *et seq.*, and
27 Business and Professions Code Section 17500 *et seq.* ("Consumer Protection Laws.")
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1 6. Venue is proper in this Court.

2 **III. DEFINITIONS**

3 For purposes of this Judgment only, the following definitions apply:

4 7. **"Account"** means any account to which a charge relating to a Membership Program
5 can be made, including but not limited to, a credit card account, debit card account, checking
6 account, savings account, loan account, mortgage account, telecommunications account, utility
7 account, or other similar account.

8 8. **"Automatic Renewal"** means a plan or arrangement under which an Account (i) is
9 automatically charged a Membership Charge at the end of a Trial Period and thereafter charged
10 continually for successive membership terms, unless the consumer affirmatively cancels the
11 membership or, in the case of a fixed-membership term with a Trial Period, where the
12 Membership Charge is automatically paid starting at the end of the Trial Period and on an
13 installment basis throughout the term of the membership, or (ii) if there is no Trial Period, is
14 automatically charged a Membership Charge continually for successive membership terms, unless
15 the consumer affirmatively cancels the membership or, in the case of a fixed-membership term
16 with no Trial Period, the Membership Charge is automatically paid on an installment basis
17 throughout the term of the membership.

18 9. **"Billing Information"** means unique Account information that enables any person to
19 charge a consumer's Account, including (i) encrypted Account information or a unique identifier
20 related to an Account where Defendants do not receive or possess a key to unencrypt the Account
21 or otherwise obtain the Account number or (ii) any other technological equivalent that enables
22 any person to charge a consumer's Account. Billing Information does not include consumer's
23 name, mailing address, e-mail address, and telephone number, if such information is not used to
24 incur a Membership Charge.

25 10. **"Clear and Conspicuous"** or "Clearly and Conspicuously" means a statement that,
26 regardless of the medium in which it is made, is readily understandable and presented in such
27 size, color, contrast, duration and location, compared to the other information with which it is
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1 presented, that it is readily apparent, readable and understandable to the person to whom it is
2 disclosed. An audio statement or disclosure shall be delivered in a volume and cadence sufficient
3 for a consumer to hear and understand the entire statement or disclosure, and not be obscured in
4 any manner by, for instance, music or other background noise. A statement may not contradict or
5 be inconsistent with any other information with which it is presented.

6 11. **"Complaint"** is any written statement by a consumer who has Enrolled in a
7 Membership Program received directly or indirectly by Defendants from a federal, state, or local
8 governmental agency, including but not limited to the Federal Trade Commission or a State
9 Attorney General, or a Better Business Bureau, in which the consumer expresses dissatisfaction in
10 connection with the advertisement, sale, or services of the Membership Program.

11 12. **"Data Pass "** refers to the transfer of a consumer's Billing Information from a
12 Marketing Partner to Defendants, or from Defendants to a Marketing Partner, for purposes of
13 billing a Membership Charge for a Membership Program, provided that, for purposes of this
14 Judgment, with regard to consumers who enroll in a Membership Program offered by or through
15 a financial institution, as defined in the Gramm-Leach-Bliley Act, 15 USC § 6809, Data Pass
16 does not include the transfer of encrypted Account information or a unique identifier related to an
17 Account where Defendants do not receive or possess a key to unencrypt the Account or otherwise
18 obtain the Account number.

19 13. **"Effective Date"** means the 17th of October, 2013.

20 14. **"Enrollment"** or "Enroll" means when a consumer provides the Affirmative Assent
21 required in Paragraph 33 of this Judgment and such enrollment in a Membership Program is
22 processed and accepted by Defendants. The date of Enrollment is the date when the Enrollment
23 is processed and accepted by Defendants, whichever date is the later to occur.

24 15. **"Fulfillment Materials"** means material provided to consumers after they initially
25 Enroll in a Membership Program that fully describes the complete terms and conditions of a
26 Membership Program, as described herein at Paragraph 52.
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1 16. **"Incentive"** refers to any item, service, product, or good, that is offered to a
2 consumer as an inducement to Enroll in a Membership Program. This term includes, but is not
3 limited to, premiums, gift cards, checks, rebate offers, or anything of value, excluding, however,
4 references to an item, service, product, or good that is part of a Membership Program's benefits.

5 17. A **"Live Check"** is a negotiable check, money order, draft, or other negotiable
6 instrument, the presentment or negotiation of which (i) automatically enrolls a consumer in a
7 Membership Program and obligates the consumer to pay for the Membership Program and (ii)
8 requires or permits a Marketing Partner to transfer, release, or otherwise disclose its customers'
9 Billing Information to Defendants for purposes of allowing Defendants to charge the customer a
10 Membership Charge.

11 18. **"Mail"** means to send by United States Postal Service or other physical delivery
12 method including, but not limited to, courier, UPS or Federal Express that includes address
13 forwarding, but excludes electronic mail.

14 19. **"Marketing Partner"** means any entity with whom Defendants contract for purposes
15 of marketing Membership Programs to customers of that entity. Marketing Partner shall not
16 include any entity with which Defendants contract for solicitation of (i) media space or time to
17 market its Membership Programs and which entity offers such media space or time to others (e.g.,
18 such as direct-to-consumer television, radio and internet solicitation space or time) or (ii) any list
19 rental or similar relationship where no joint marketing between such entity and Defendants
20 occurs.

21 20. **"Membership Charge"** means any amount charged pursuant to an Automatic
22 Renewal to an Account for membership in a Membership Program.

23 21. **"Membership Program"** means any program in which a consumer enters into an
24 agreement with Defendants for the provision of benefits, goods or services and for which
25 Defendants charge a Membership Charge. Membership Program excludes insurance policies for
26 which the consumer pays a premium in consideration for insurance coverage under policies
27 regulated by state insurance regulatory agencies.
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1 22. **"Proximate"** or "Proximity" means on the same page, not in a footnote, and beneath,
2 beside, or adjacent.

3 23. **"Resident"** refers to a consumer who resides in California as of the Effective Date, or
4 who resided in California at the time a consumer Enrolled in a Membership Program.

5 24. **"Trial Offer"** means an offer to a consumer to Enroll in a Membership Program for a
6 Trial Period after which a consumer who does not cancel is automatically charged a Membership
7 Charge.

8 25. **"Trial Period"** means a finite time period, after a consumer Enrolls in a Membership
9 Program, in which the consumer is not charged a Membership Charge or is only charged a
10 nominal fee. A Trial Period begins when the consumer receives the Fulfillment Materials.
11 Receipt for Mail shall be deemed either five (5) or nine (9) days after Defendants send the
12 consumer Fulfillment Materials either by first class Mail or any other means of Mail,
13 respectively. Receipt for e-mail shall be deemed the day Defendants send the consumer the e-
14 mail with the Fulfillment Materials.

15 IV. SCOPE

16 26. This Judgment resolves the Plaintiff's claims regarding all matters alleged in the
17 Plaintiff's Complaint, any matter covered by this Judgment and Subject-Matter, including, but not
18 limited to, payment of (1) as to Defendants and all Marketing Partners, consumer restitution or
19 refunds to all eligible consumers who enrolled in Defendants' Membership Programs prior to the
20 Effective Date of this Judgment, regardless of method of enrollment or Marketing Partner, and (2)
21 as to Defendants and Covered Marketing Partners, attorneys' fees, investigation and litigation
22 costs, consumer protection enforcement funds, consumer education, litigation or local consumer
23 aid, civil penalties, fines and/or forfeiture under California's Consumer Protection Laws.
24 However, the Subject-Matter and resolution of this Judgment does not include and does not
25 resolve investigations or claims by the Attorney General related to (i) other marketing practices or
26 conduct of Defendants not included in the Subject-Matter or alleged in the Plaintiff's Complaint
27 or this Judgment, (ii) the conduct of Covered Marketing Partners that is not specifically related to
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1 the marketing, offer for sale, sale, provision or billing of Defendants' Membership Programs, or
2 (iii) Covered Marketing Partners' actions relating to providers other than Defendants of similar
3 programs.

4 V. INJUNCTIONS

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6 27. Pursuant to California Business and Professions Code sections 17203 and 17535,
7 Defendants and their agents, directors, officers, and employees, in their capacity as an agent,
8 director, officer, or employee ("Representatives") of Defendants, or any of them, and by any
9 successor, subsidiary or division and their Representatives through which Defendants, or any of
10 them, acts or hereafter acts, shall comply with the following provisions with respect to (i) direct
11 mail and online marketing of Membership Programs, as set forth in Paragraphs 31 through 54,
12 and 74(D), and (ii) all methods of marketing of Membership Programs, including online, direct
13 mail, point-of-sale and telemarketing, as set forth in Paragraphs 28 through 30, 55 through 73,
14 74(A) through 74(C), and 75.

15 **LIVE CHECK OR AUTOMATIC ENROLLMENT INCENTIVE SOLICITATIONS**

16 **Prohibition on Live Check or Automatic Enrollment Incentives**

17 28. Defendants shall not utilize a Live Check in any solicitation, and shall not accept any
18 new memberships Enrolled by Live Check. Defendants shall not utilize any Incentive, if the act
19 of using such Incentive automatically Enrolls the consumer in a Membership Program. This shall
20 not prohibit Defendants from using Incentives in the marketing of its Membership Programs, if
21 using that Incentive does not automatically Enroll a consumer in a Membership Program.

22 Marketing Partner Contracts regarding Live Check Solicitations

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24 29. Defendants shall not enter into any contract or arrangement with a Marketing Partner
25 that does not comply with Paragraph 28, nor shall Defendants provide any Live Check
26 solicitations to any consumers in connection with any existing contract or arrangement with a
27 Marketing Partner.
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1. **Marketing Partner Contracts Regarding Automatic Enrollment Incentives**

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3 30. Defendants shall not enter into any contract or arrangement with a Marketing Partner
4 that does not comply with Paragraph 28, nor shall Defendants provide any solicitations containing
5 Incentives, to any consumer in connection with any existing contract or arrangement with a
6 Marketing Partner, where the act of using such Incentives automatically enrolls a consumer in a
7 Membership Program.

8 **DATA PASS MARKETING IN DIRECT MAIL AND ONLINE SOLICITATIONS**

9 31. For all direct mail and online solicitations pursuant to Defendants' agreements or
10 arrangements with Marketing Partners, Defendants shall not engage in Data Pass.

11 **REQUIREMENTS FOR ALL DIRECT MAIL AND ONLINE SOLICITATIONS**

12 **Affirmative Assent Before Enrolling a Consumer in a Membership Program**

13 32. For all direct mail and online solicitations pursuant to Defendants' agreements or
14 arrangements with Marketing Partners, Defendants shall comply with the following requirements
15 before Enrolling a consumer in a Membership Program.

16 A. On the page where a consumer Enrolls in a Membership Program and in direct
17 Proximity to the space provided for consumers to accept the offer as required in Paragraph
18 33, Defendants shall Clearly and Conspicuously set forth the following statement, except
19 that substantially similar language may be used (1) in instances where the language does
20 not accurately reflect the terms of the Membership Program solicitation (i.e., no free trial
21 period) or (2) where additional language is required by law:

22 "Unless I contact [Affinon/Membership Program] to cancel before my Trial Period
23 ends, I authorize [Membership Program/Affinon] to [electronically] charge my [type
24 of account] \$[PRICE] automatically every [Membership Term] (or a greater amount,
25 if I am notified), for my purchase of a membership in [Membership Program] until I
26 cancel."

27 B. Defendants shall Clearly and Conspicuously disclose the following, to the
28 extent not covered by the disclosure required by Paragraph 32(A):

1. State the name of the Membership Program and contact information for the Membership Program (including, at a minimum, a toll-free telephone number and website), describe the goods or services being offered, disclose that the Membership Program is offered by Defendants, disclose that Defendants, and not the Marketing Partner, own and operate the Membership Program, and, for online solicitations marketed with a Marketing Partner after the consumer has made a purchase or transaction using Billing Information immediately prior to viewing the online solicitation for a Membership Program, disclose that the offer is unrelated to the purchase or transaction using Billing Information just completed;
2. State, if true, that any offer or Incentive is contingent upon Enrollment in the Membership Program;
3. State, if true, that the consumer can cancel his or her membership at any time, without limiting his or her ability to obtain or use any offer or Incentive;
4. State, if true, that a consumer must remain a member of his or her Membership Program as a requirement to obtain or use any offer or Incentive;
5. If there is a Trial Period, state the time period in which a consumer must cancel in order to avoid incurring any Membership Charge; and
6. State that the consumer may cancel his or her membership at any time by contacting Defendants.

33. To Enroll a consumer in a Membership Program via any direct mail or online solicitation pursuant to Defendants' agreements or arrangements with Marketing Partners, Defendants shall obtain a consumer's affirmative assent in the manner described below ("Affirmative Assent"):

A. For online solicitations:

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1. Marketed pursuant to Defendants' agreements or arrangements with a Marketing Partner after the consumer has made a purchase or transaction using Billing Information immediately prior to viewing the online solicitation for the Membership Program, Defendants shall, Proximate to the statement described in Paragraph 32(A):

(a) obtain from the consumer:

(i) the full Account number of the Account to be charged or other Billing Information, and

(ii) the consumer's name and address; and

(b) require the consumer to perform an additional affirmative action, such as clicking on a confirmation button or checking a box that indicates the consumer's consent to be charged the amount disclosed; or

2. Marketed in conjunction with a financial institution Marketing Partner pursuant to Defendants' agreements or arrangements where the consumer did not make a purchase or a transaction using Billing Information immediately prior to viewing the online solicitation for a Membership Program solicitation, Defendants shall require the consumer to (1) insert his or her name or e-mail address, in a box set-off from all other text that only contains (i) the disclosure required by Paragraph 32(A) in bold font and (ii) an area to perform the affirmative action of inserting his or her name or e-mail address, and (2) click on a confirmation button or check a box that authorizes the charge to the consumer's Account for Enrollment.

3. Notwithstanding any provision of this Judgment, Defendants shall comply with the Restore Online Shoppers' Confidence Act ("ROSCA").

B. For direct mail solicitations:

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1. Marketed pursuant to Defendants' agreements or arrangements with a Marketing Partner, Defendants shall, Proximate to the disclosure required by Paragraph 32(A):

(a) obtain from the consumer the full Account number of the Account to be charged, or other Billing Information, and

(b) shall require the consumer to perform the affirmative act of placing his or her signature on a line that authorizes the charge to the consumer's Account for Enrollment; or

2. Marketed with a financial institution Marketing Partner pursuant to Defendants' agreements or arrangements where a consumer is not required in the solicitation to provide his or her Billing Information directly to Defendants, Defendants shall require the consumer to provide a signature that indicates the consumer's consent to be charged the amount disclosed, in a box set-off from all other text that only contains (i) the disclosure required by Paragraph 32(A) in bold font and (ii) space for he affirmative action of providing a signature.

34. The disclosures set forth in Paragraph 32 shall be in a form that the consumer can easily copy, print, download, or retain at the time they are made.

35. For consumers who Enroll in a Membership Program via direct mail and online solicitations pursuant to Defendants' agreements or arrangements with Marketing Partners, Defendants shall retain proof of Affirmative Assent while the consumer is an active member of the Membership Program and for at least 24 months following cancellation of the membership. Defendants shall maintain the proof in a manner that ensures access to such record reasonably promptly and, upon written request, Defendants shall make such record available to the California Attorney General and to consumers disputing their Enrollment.

36. For all direct mail and online solicitations pursuant to Defendants' agreements or arrangements with Marketing Partners, Defendants shall not misrepresent the reason why the

1 consumer is being asked to provide his or her Billing Information, contact information, or
2 Affirmative Assent.

3 37. For all direct mail and online solicitations pursuant to Defendants' agreements or
4 arrangements with Marketing Partners, Defendants shall not misrepresent its relationships with its
5 Marketing Partners, including, but not limited to, misrepresenting the entity offering the
6 Membership Program.

7 38. For all direct mail and online solicitations pursuant to Defendants' agreements or
8 arrangements with Marketing Partners, Defendants shall not include a Marketing Partner's name
9 in the title of any Membership Program in a manner that misrepresents the entity offering the
10 Membership Program.

11 39. For all direct mail and online solicitations pursuant to Defendants' agreements or
12 arrangements with Marketing Partners in which a Marketing Partner's logo, mark, or name
13 appears, Defendants shall Clearly and Conspicuously disclose on the first page and in the main
14 body of the solicitation and, for online solicitations, above the fold of the screen if viewed on a
15 standard 1024x768 resolution monitor if the Marketing Partner's logo, mark or name appears
16 there as well, that it is Defendants, and not the Marketing Partner, that own and operate the
17 Membership Program.

18 **REQUIREMENTS WHEN CONSUMER IS REDIRECTED FROM MARKETING**
19 **PARTNER WEBSITE**

20 40. In all online solicitations where a Marketing Partner customer has been directed from
21 the Marketing Partner's web page to Defendants' Membership Program solicitation web page
22 after the completion of a purchase or transaction using Billing Information with a Marketing
23 Partner, Defendants shall:

24 A. Clearly and Conspicuously disclose, in a separate web page prior to the
25 consumer being directed to the Membership Program page, that the consumer is leaving the
26 website of the Marketing Partner and being re-directed to the Membership Program
27 website. The separate web page shall remain on the consumer's screen for a minimum
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1 of three seconds for the first line of disclosure and one second for every additional line; or

2 B. Defendants shall Clearly and Conspicuously disclose at the very top of the
3 Membership Program's initial or landing web page that the consumer has left the Marketing
4 Partner's website and is now on the Membership Program website.

5 41. On any web page of an online solicitation pursuant to Defendants' agreements or
6 arrangements with Marketing Partners where there is a "Yes" or similar button that, when
7 clicked, results in the Enrollment of a consumer in a Membership Program, Affinion shall have a
8 Clear and Conspicuous "No Thanks" or similar button directly Proximate to the "Yes" or similar
9 button.

10 **ADDITIONAL REQUIREMENTS FOR ONLINE AND DIRECT MAIL**

11 **SOLICITATIONS**

12 42. For all direct mail and online solicitations pursuant to Defendants' agreements or
13 arrangements with Marketing Partners where Defendants offer an Incentive to a consumer to
14 Enroll in one of their Membership Programs, Defendants shall Clearly and Conspicuously
15 disclose in the solicitation any material conditions relating to a consumer's ability to claim or
16 qualify for any such Incentive. Such disclosure shall include, as applicable, a Clear and
17 Conspicuous disclosure of whether the Incentive applies to a current or a future purchase.

18 43. For all direct mail and online solicitations pursuant to Defendants' agreements or
19 arrangements with Marketing Partners that use Trial Offers, Defendants shall not misrepresent the
20 nature of the Trial Offer, including representing that (i) a product or service is offered on a "free",
21 "trial", or "bonus" basis, or (ii) a purchase is "risk free" or "without risk" when such is not the
22 case.

23 44. For all direct mail and online solicitations pursuant to Defendants' agreements or
24 arrangements with Marketing Partners, Defendants shall not misrepresent the reason or purpose
25 for which a consumer is receiving a solicitation or Incentive from Defendants or any of its
26 Marketing Partners; provided, however, that disclosing the mere existence of a relationship
27 between a consumer and the Marketing Partner does not violate this Paragraph.
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1 45. For all online solicitations pursuant to Defendants' agreements or arrangements with
2 Marketing Partners where Defendants use audio overlays to reference any Incentive or offer, the
3 overlay shall not be misleading and any statements regarding material terms of the Incentive or
4 offer, or disclosures related thereto, included in the audio overlay shall be made Clearly and
5 Conspicuously, and also shall be Clearly and Conspicuously disclosed visually in the
6 Membership Program solicitation.

7 46. For all direct mail and online solicitations pursuant to Defendants' agreements or
8 arrangements with Marketing Partners, Defendants shall not misrepresent that any Membership
9 Program, Incentive, or benefit offered through any solicitation is offered by any entity other than
10 Defendants.

11 **REQUIREMENTS FOR POST-ENROLLMENT MATERIALS FOR DIRECT MAIL AND**
12 **ONLINE ENROLLEES**

13 47. A consumer who Enrolls via an online or a direct mail Membership Program
14 solicitation marketed with a financial institution Marketing Partner and provides the Affirmative
15 Assent described in Paragraphs 33(A)(2) and 33(B)(2) will be deemed to be a "Non-Account
16 Enrollment."

17 **Post-Enrollment Notices**

18 48. The following shall apply to all consumers who Enroll beginning 180 days after the
19 Effective Date in a Membership Program via direct mail and/or online solicitations pursuant to
20 Defendants' agreements or arrangements with Marketing Partners:

21 A. If a consumer Enrolls in a Membership Program via online, Defendants may
22 send communications required by this Judgment via:

- 23 1. E-mail, so long as the communications comply with Paragraph 49; or
24 2. U.S. Mail if, in addition to complying with the requirements of Paragraph
25 50, Defendants also Clearly and Conspicuously disclose to the consumer prior to
26 Enrollment and Proximate to the area where the consumer provides Affirmative
27 Enrollment and Proximate to the area where the consumer provides Affirmative
28 Enrollment and Proximate to the area where the consumer provides Affirmative

1 Assent that notices may be sent via U.S. Mail.

2 B. If a consumer Enrolls in a Membership Program via direct mail, Defendants
3 may send communications required by this Judgment via:

- 4 1. U.S. Mail, so long as the communications comply with Paragraph 50; or
5 2. E-mail if, in addition to complying with the requirements of Paragraph
6 49, Defendants also (i) obtain an e-mail address from the consumer at the time of
7 Enrollment and (ii) provide a Clear and Conspicuous disclosure proximate to the area
8 where the consumer provides Affirmative Assent notifying the consumer that notices
9 may be sent via e-mail.

10 C While Defendants may reserve the right to send notices required under this
11 Judgment to members who Enroll via online and direct mail via either e-mail or U.S. Mail
12 if the requirements of 48(A) or (B), as applicable, are met, Defendants must disclose to
13 members the means (e.g., e-mail or U.S. Mail) by which they will receive the Fulfillment
14 Materials required by Paragraph 52 if Defendants intend to send the Fulfillment Materials

- 15 1. By U.S. Mail to members who Enrolled online; or
16 2. By e-mail to members who Enrolled via direct mail, subject to the
17 obligations of Paragraph 49(C)(2).

18 D. Nothing in this Paragraph shall prohibit Affinion from providing consumers a
19 means by which to change delivery preferences post-Enrollment.

20 **Requirements for Electronic Communications**

21 49. The following shall apply to the communications sent by e-mail to consumers who
22 Enroll in Membership Programs pursuant to Defendants' agreements or arrangements with
23 Marketing Partners beginning 180 days after the Effective Date of this Judgment:

24 A. The sender or "From" line of the e-mail shall contain the name of the
25 Membership Program.

26 B. The e-mail shall Clearly and Conspicuously:

- 27 1. State that the consumer is Enrolled in the Membership Program; and
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1 2. Set forth contact information for the Membership Program (including, at
2 a minimum, a toll-free telephone number and a website address) that a consumer may
3 use to cancel his or her membership.

4 C. Defendants shall use commercially-reasonable efforts to:

5 1. Ensure that e-mail is not sent to "junk" or "spam" folders or otherwise
6 filtered; and

7 2. Track returned or hard-bounced back Fulfillment Material and Billing
8 Notice e-mails indicating that the e-mail address may be invalid. If Defendants
9 receive a returned or hard-bounced back Fulfillment Material or Billing Notice e-
10 mail, Defendants shall comply with the mailing requirements set forth in Paragraph
11 50.

12 **Requirements for Communications Sent by U.S. Mail**

13 50. The following shall apply to the communications sent by U.S. mail to consumers who
14 Enroll in Membership Programs pursuant to Defendants' agreements or arrangements with
15 Marketing Partners beginning 180 days after the Effective Date of this Judgment:

16 A. The outside of the envelope or in print visible through a window on the
17 envelope, or if there is no envelope, the front or outside of the mailing, shall Clearly and
18 Conspicuously identify the sender as the Membership Program.

19 B. If Defendants learn that Fulfillment Materials or Billing Notices are not
20 delivered to a consumer, Defendants shall (i) check the address against the National Change
21 of Address Database ("NCOA"), (ii) contact the consumer via telephone to verify another
22 means for delivery (e.g., alternate address or e-mail) and resend the notice within two to
23 three weeks of receipt of notice of non-delivery, and/or (iii) cancel the membership, unless
24 Defendants' business records indicate that the consumer used or obtained benefits from the
25 Membership Program in the preceding year. If Defendants subsequently learn that the re-
26 mailing of a Fulfillment Material or Billing Notice is not delivered to a consumer,
27 Defendants shall cancel the consumer's membership, unless Defendants' business records
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1 indicate that the consumer used or obtained benefits from the Membership Program in the
2 preceding year.

3 51. **Confirmation Notice.** Defendants shall send a Confirmation Notice to any consumer
4 who enrolls in a Membership Program beginning 180 days after the Effective Date via an online
5 solicitation pursuant to Defendants' agreements or arrangements with Marketing Partners. The
6 Confirmation Notice may be sent either in the form of a separate webpage displayed to the
7 consumer immediately after the consumer provides Affirmative Assent or as a separate e-mail.
8 The heading or subject line of the Confirmation Notice shall state: "Thank You for Your
9 Membership Purchase" or substantially similar language. The Confirmation Notice shall Clearly
10 and Conspicuously state the following:

- 11 A. That the consumer has chosen to join a Membership Program;
12 B. The name of the Membership Program;
13 C. The amount of the Membership Charge and the frequency of billing;
14 D. The terms of the cancellation policy for the Membership Program, and contact
15 information for the Membership Program (including, at a minimum, a toll-free telephone
16 number and a website address) that a consumer may use to cancel his or her membership;
17 E. If a Trial Offer is included, the time period in which a consumer must cancel in
18 order to avoid being charged for the Membership Charge;
19 F. The length of the membership term, that the Membership Charge has been or
20 will automatically be charged to the consumer's Account, and that the consumer's
21 membership will be renewed and the Membership Charge will be automatically charged to
22 the consumer's Account for each successive period unless the consumer cancels the
23 membership; and
24 G. A notice informing the consumer to print and retain a copy of the Confirmation
25 Notice for his or her records.

26 52. **Fulfillment Materials.** Defendants shall send Fulfillment Materials to any consumer
27 who Enrolls in a Membership Program beginning 180 days after the Effective Date via an online
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1 or direct mail solicitation pursuant to Defendants' agreements or arrangements with Marketing
2 Partners.

3 A. Fulfillment Materials Via E-mail. For a consumer who Enrolls via an online
4 solicitation or who Enrolls via a direct mail solicitation and receives notice that Fulfillment
5 Materials will be delivered via e-mail, Defendants shall send an e-mail with the Fulfillment
6 Materials no more than 3 business days after the consumer's Enrollment. The Fulfillment
7 Materials shall:

8 1. State as the subject line: "Materials For Membership You Purchased," or
9 substantially similar words.

10 2. Include a Clear and Conspicuous statement (i) informing the consumer
11 that he or she has purchased a Membership Program, (ii) setting forth the information
12 required to be included in the Confirmation Notice, as set forth at Paragraph 51(A)
13 through (G), (iii) providing information on how to redeem the Incentive, if applicable,
14 and (iv) providing the consumer's membership number in the Membership Program.
15 The disclosures required by Paragraph 51(A) and (B) and the consumer's
16 membership number shall be displayed above the fold of the screen if viewed on a
17 standard 1024x768 resolution monitor.

18 B. Fulfillment Materials Via U.S. Mail. For consumers who Enroll via direct mail
19 solicitation, or who Enroll via an online solicitation but receive notice that the Fulfillment
20 Materials will be delivered via U.S. Mail pursuant to Paragraph 48, Defendants shall send
21 Fulfillment Materials by U.S. Mail within 2 to 3 weeks of Enrollment.

22 1. Defendants shall Clearly and Conspicuously disclose in 14-point bold
23 type on the outside of the envelope or in 14-point bold type visible through a window
24 on the envelope containing the Fulfillment Materials, or if there is no envelope, on
25 the front or outside of the mailing in 14-point bold type, the following statement or
26 substantially similar words: "Materials For Membership You Purchased."
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1 2. The Fulfillment Materials shall include, on the first page or as a stand-
2 alone document, a Clear and Conspicuous statement informing the consumer that he
3 or she has purchased a Membership Program, as well as a Clear and Conspicuous
4 statement setting forth the information required to be included in the Confirmation
5 Notice, as set forth at Paragraph 51(A) through (G). In addition, the Fulfillment
6 Materials shall include (i) information describing the Incentive, if applicable,
7 including information on how to redeem the incentive, and (ii) the consumer's
8 membership number in the Membership Program.

9 53. **Incentive Notice.** Defendants shall send to any Non-Account Enrollment who
10 Enrolls in a Membership Program, beginning 180 days after the Effective Date via an online
11 solicitation where an Incentive was offered with the solicitation, an Incentive Notice that Clearly
12 and Conspicuously describes to the consumer the terms of how the consumer can receive his or
13 her Incentive. Defendants shall send the Incentive Notice via e-mail at least seven (7) business
14 days prior to the expiration of any Trial Period or, if no Trial Period is available, at least seven (7)
15 business days before the consumer incurs a second Membership Charge.

16 54. **Pre-Bill Notice.** Defendants shall send to any Non-Account Enrollee who Enrolls in
17 a Membership Program beginning 180 days after the Effective Date via an online solicitation with
18 a Trial Offer, at least 14 days before the first billing to a consumer following Enrollment, a Pre-
19 Bill Notice that contains the following Clear and Conspicuous disclosures:

20 A. The amount the consumer will be charged and the amount of time the consumer
21 has to cancel to avoid being charged any Membership Charge;

22 B. The length of the membership term, that the Membership Charge will
23 automatically be charged to the consumer's Account, and that the consumer's membership
24 will be renewed and the Membership Charge will be automatically charged to the
25 consumer's Account for each successive period unless the consumer cancels the
26 membership; and

27 C. Contact information for the Membership Program (including, at a minimum, a
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1 toll-free telephone number and a website address) that a consumer may use to cancel his or
2 her membership.

3 **REQUIREMENTS FOR POST-ENROLLMENT MATERIALS FOR ALL ENROLLEES**

4 **55. Billing Notice.**

5 A. Frequency of Billing Notice. Beginning 180 days after the Effective Date,
6 Defendants shall send a Billing Notice to the following consumers who are Enrolled in a
7 Membership Program pursuant to Defendants' agreements or arrangements with Marketing
8 Partners, regardless of method or date of Enrollment, and in the following manner:

9 1. For consumers who are billed quarterly or more frequently than quarterly
10 and did not provide their Billing Information directly to Defendants, Defendants shall
11 send a Billing Notice to the consumer no less than 15 days before the 13th monthly
12 billing, and on the same periodic schedule going forward (e.g., once every 12 billings
13 for Accounts billed monthly);

14 2. For consumers who are billed less frequently than quarterly, Defendants
15 shall send a Billing Notice no less than 15 days before the next subsequent billing,
16 and on the same periodic schedule going forward (e.g., once a year for annually billed
17 Accounts).

18 This Billing Notice obligation shall continue until the consumer cancels or otherwise
19 terminates his or her membership. For purposes of this Paragraph, consumers who Enrolled via a
20 telemarketing solicitation that complies with the Telemarketing Sales Rule ("TSR") are not
21 covered by this Paragraph, except for those billed less frequently than quarterly.

22 B. Subject Line or Heading/Title of Billing Notice.

23 1. Billing Notices Sent by E-Mail. If sent by e-mail, the Billing Notice shall
24 state as the subject line: "IMPORTANT MEMBERSHIP AND BILLING
25 INFORMATION," "MEMBERSHIP RENEWAL NOTICE," or substantially similar
26 words.

27 2. Billing Notices Sent by U.S. Mail. If sent by U.S. Mail, the Billing
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1 Notice shall have the following Clear and Conspicuous statement or substantially
2 similar words in 14-point bold type on the outside of the envelope or in 14-point type
3 visible through the envelope or, if there is not an envelope, on the front or outside of
4 the mailing, in 14-point bold type: "IMPORTANT MEMBERSHIP AND BILLING
5 INFORMATION," "MEMBERSHIP RENEWAL NOTICE," or substantially similar
6 words.

7 C. Content of Billing Notice. The Billing Notice shall Clearly and Conspicuously
8 state:

- 9 1. That the consumer is a member of Defendants' Membership Program;
- 10 2. The name of the Membership Program in which the consumer is enrolled;
- 11 3. The amount of the Membership Charge and the frequency of billing;
- 12 4. The contact information for the Membership Program (including, at a
13 minimum, a toll-free telephone number and a website address) that a consumer may
14 use to cancel his or her membership;
- 15 5. The length of the membership term that the Membership Charge has been
16 or will automatically be charged to the consumer's Account and that the consumer's
17 membership will be renewed and the Membership Charge will be automatically
18 charged to the consumer's Account for each successive period unless the consumer
19 cancels the membership; and
- 20 6. The consumer's membership number in the Membership Program.

21 **Change in Terms Notices**

22 56. Beginning 180 days after the Effective Date, Defendants shall send, for all members
23 enrolled in a Membership Program pursuant to Defendants' agreements or arrangements with
24 Marketing Partners, regardless of the method or date of enrollment, a Change in Terms Notice
25 whenever there is a material change in the terms and conditions of any Membership Program,
26 including any increase in the Membership Charge or any change in the frequency of assessing the
27 Membership Charge, such as a change from annual to monthly billing. Defendants shall, prior to
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1 instituting such change, send a Change in Terms Notice to effected consumers between 30 and 60
2 days prior to the effective date of any such change.

3 A. If sent by e-mail, the Change in Terms Notice shall state as the subject line, of
4 the e-mail: "IMPORTANT CHANGE OF [BILLING] INFORMATION FOR YOUR
5 MEMBERSHIP," "MEMBERSHIP [CHARGE] CHANGE NOTICE," or substantially
6 similar words.

7 B. If sent by U.S. mail, the Change in Terms Notice shall have the following Clear
8 and Conspicuous statement or substantially similar words in 14-point bold type on the
9 outside of the envelope or in 14-point bold type visible through the envelope or, if there is
10 not an envelope, on the front or outside of the mailing, in 14-point bold type:
11 "IMPORTANT CHANGE OF [BILLING] INFORMATION FOR YOUR
12 MEMBERSHIP," "MEMBERSHIP [CHARGE] CHANGE NOTICE," or substantially
13 similar words.

14 C. The Change in Terms Notice shall Clearly and Conspicuously state:

- 15 1. That the consumer is a member of Defendants' Membership Program;
- 16 2. The name of the Membership Program in which the consumer is enrolled;
- 17 3. The nature of the change in terms (e.g., the amount of the new
18 Membership Charge, billing frequency, etc.). If there is a change in the Membership
19 Charge, when the new charge goes into effect and the frequency of billing of the new
20 charge and the fact that the charge will automatically renew; and
- 21 4. The contact information for the Membership Program (including, at a
22 minimum, a toll-free telephone number and a website address) that a consumer may
23 use to cancel his or her membership.

24 Provided, however, nothing in this Paragraph shall be interpreted as allowing Defendants to
25 engage in any acts or practices prohibited by state or federal law, regulation, or rule.

26 57. **Periodic Communications with Members.** Defendants shall send periodic
27 communications ("Periodic Communications") to consumers who enroll beginning 180 days after
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1 the Effective Date in a Membership Program pursuant to Defendants' agreements or
2 arrangements with Marketing Partners, regardless of the type of solicitation or method of
3 obtaining affirmative assent, at least twice a calendar year, inclusive of the Billing Notice, if
4 applicable. The Periodic Communications shall set forth, in a Clear and Conspicuous manner, the
5 following information: (i) that the consumer is a member of Defendants' Membership Program;
6 (ii) the name of the Membership Program in which the consumer is enrolled; and (iii) the contact
7 information for the Membership Program (including, at a minimum, a toll-free telephone number
8 and a website address) that a consumer may use to cancel his or her membership. The Periodic
9 Communications shall be required for each Membership Program in which a member is enrolled.

10 **REQUIREMENTS FOR ENVELOPES USED IN MAILINGS REQUIRED BY THIS**
11 **JUDGMENT**

12 58. For all envelopes used in mailings required by this Judgment, Defendants shall
13 identify the Membership Program as the addressee in all instances on the envelope or outer
14 wrapping containing a mailing, and shall not use the words "Redemption Center" or other
15 substantially similar words.

16 59. For all envelopes used in mailings required by this Judgment, Defendants shall not
17 use language on its envelopes that expressly or impliedly misrepresents the purpose of the
18 solicitation.

19 **CANCELLATION PROCEDURES**

20 60. Defendants shall permit a consumer who enrolled in a Membership Program pursuant
21 to Defendants' agreements or arrangements with Marketing Partners to cancel his or her
22 membership at any time, including during or after any Trial Period, with no restrictions placed on his
23 or her right to cancel his or her membership and regardless of the method of enrollment. In order to
24 cancel a membership, Defendants shall only require a consumer to give his or her name and address,
25 e-mail address, or membership number. If Defendants cannot identify the membership based on
26 this information, Defendants shall ask the consumer for the minimum amount of additional
27 information necessary for Defendants to identify the Membership Program account. Defendants
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1 shall not require a consumer to provide a membership number in order to cancel his or her
2 membership unless it is necessary to identify the consumer's Membership Program account.

3 61. Defendants shall accept and promptly process any cancellation request they receive
4 from a consumer who enrolled in a Membership Program pursuant to Defendants' agreements or
5 arrangements with Marketing Partners no later than five (5) business days from receipt of a
6 written request for cancellation and two (2) business days from receipt of all other requests for
7 cancellation, provided that the request contains sufficient information for Defendants to determine
8 that the purpose of the communication from the consumer was a request to cancel the consumer's
9 membership and that Defendants are able to identify the consumer's membership.

10 62. On Defendants' corporate websites and on the website of any of their Membership
11 Programs accessed by consumers who enrolled in a Membership Program pursuant to Defendants'
12 agreements or arrangements with Marketing Partners, Defendants shall provide a link on the
13 homepage that directs the consumer to a web page related to Membership Program customer
14 service and contact information that shall Clearly and Conspicuously disclose all of the following
15 information, which Defendants shall allow consumers to use to cancel their memberships:

- 16 A. A toll-free number to contact Defendants;
17 B. A mailing address to contact Defendants; and
18 C. An e-mail address to contact Defendants or an online cancellation option.

19 63. For all consumers who enrolled in a Membership Program pursuant to Defendants'
20 agreements or arrangements with Marketing Partners, Defendants shall not initiate a Membership
21 Charge for a future term after the date a consumer contacts Defendants to cancel and Defendants
22 process the cancellation.

23 64. For all consumers who enrolled in a Membership Program pursuant to Defendants'
24 agreements or arrangements with Marketing Partners, Defendants shall adequately staff its
25 customer service department, including providing adequate staffing to respond to customer service
26 phone calls during its hours of operation.
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1 65. Defendants shall allow a consumer who enrolled in a Membership Program pursuant
2 to Defendants' agreements or arrangements with Marketing Partners to cancel his or her
3 membership via telephone. In those instances when live customer service lines are closed,
4 Defendants shall promptly process and cancel the membership when notified of the cancellation,
5 consistent with the requirements of Paragraph 61. If Defendants need additional information to
6 identify and cancel the consumer's membership Defendants shall promptly contact the consumer
7 and obtain the information. Defendants shall treat the Membership Program as canceled as of
8 the date the consumer provides Defendants with the cancellation information required in
9 Paragraph 60 and the cancellation is processed.

10 66. For all consumers who enrolled beginning 90 days after the Effective Date in
11 a Membership Program pursuant to Defendants' agreements or arrangements with Marketing
12 Partners, Defendants shall maintain records of cancellations for their Membership Programs,
13 regardless of the method of enrollment, for at least 24 months following the date that the
14 cancellation request was processed and upon written request, shall make such records available to
15 the Attorney General. The cancellation records required by this Paragraph shall include originals,
16 copies or electronic copies of Defendants' internal records of such cancellations. Defendants,
17 upon written request, shall also create an electronically-searchable cancellation database that
18 includes, if known: (i) name, address, e-mail and telephone number of consumer; (ii) method of
19 solicitation; (iii) Marketing Partner; (iv) date of enrollment; (v) date that cancellation request was
20 processed; (vi) cancellation method; (vii) the total amount of Membership Charges paid by
21 consumer; and (viii) the amount, if any, of any refund provided to the consumer. Defendants
22 shall maintain such data so that it includes the information concerning each cancellation for at
23 least 24 months following the date that the cancellation request was processed and shall, upon
24 written request, make such database available to the Attorney General.

25 **Cancellation Saves**

26 67. For all consumers who enrolled in a Membership Program pursuant to Defendants'
27 agreements or arrangements with Marketing Partners:
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1 A. For purposes of this Judgment, a consumer who enrolled beginning 90 days
2 after the Effective Date in a Membership Program pursuant to Defendants' agreements or
3 arrangements with Marketing Partners who contacts Defendants to cancel, but decides not
4 to cancel his or her membership after being offered an incentive to continue the
5 Membership Program, such as a lower price, is referred to as having his or her membership
6 "saved."

7 B. Prior to treating a membership as saved, Defendants must Clearly and
8 Conspicuously reaffirm his or her decision to remain enrolled in a Membership Program.

9 C. Defendants shall notify each consumer who indicates that he or she did not
10 consent to, authorize, or understand that he or she would be assessed a Membership Charge
11 and subsequently consents to be saved (i) the amount the consumer will be billed and
12 frequency of billing, and (ii) information related to accessing the benefits of the
13 Membership Program. Such notification shall take place during the conversation when the
14 consumer consents to be saved.

15 68. Defendants shall notify each consumer who calls to dispute a Membership Charge or
16 otherwise indicates that he or she did not consent to, authorize, or understand that he or she would
17 be assessed a Membership Charge, of Defendants' cancellation policy. If such consumer elects to
18 cancel his or her membership in the Membership Program, Defendants shall use best efforts to
19 identify the account, honor the cancellation request and provide any and all credits or refunds that
20 are provided for under the cancellation policy for that Membership Program, provided that
21 Defendants are given sufficient information to identify the account being canceled.

22 **NOTICES REQUIRED ON BILLING STATEMENTS**

23 69. Defendants shall, to the extent practical and permitted under the billing practices of
24 any applicable billing entities whose billing statements contain Membership Charges, request the
25 billing entity in writing to:

26 A. Disclose information on the consumers' billing statements sufficient to identify
27 the name of the Membership Program, a clearly identifiable toll-free telephone number for
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1 customer service on each billing statement or invoice, and, if sufficient space, the
2 membership number;

3 B. If the Membership Charge is billed to a mortgage, loan, utility, or
4 telecommunications account, Clearly and Conspicuously disclose on the consumers' billing
5 statement or invoice that the charge is not related to the services provided;

6 C. Not use the term "Optional Product" or similar terms to describe Membership
7 Charges on consumers' billing statements without Clearly and Conspicuously disclosing on
8 the first page of the billing statement or invoice that the Optional Product is a Membership
9 Program purchased by the consumer and without providing a toll-free telephone number the
10 consumer may call to cancel the Membership Charge or receive a refund; and

11 D. Not include solicitations with consumers' billing statements, unless they
12 Clearly and Conspicuously distinguish the solicitation from the billing statement provided
13 that the fact that a solicitation is included in the same envelope as a consumer's billing
14 statement shall not be in and of itself deemed to be a violation of this provision.

15 E. If Defendants are notified of material changes to the billing practices of any
16 applicable billing entities whose consumers' billing statements contain Membership
17 Charges that would affect the requirements of this Paragraph, Defendants shall notify the
18 Attorney General in writing.

19 **CONSUMERS' REQUESTS FOR MEMBERSHIP DOCUMENTS IN HARD COPY**

20 70. Defendants shall not charge a consumer who enrolled in a Membership Program
21 pursuant to Defendants' agreements or arrangements with Marketing Partners a fee if the
22 consumer requests a copy of the consumer's payment authorization (e.g., copy of the Live Check
23 or proof of Affirmative Assent, or other proof that the consumer authorized the Membership
24 Charges) or the terms and conditions of the consumer's membership. Defendants shall provide
25 such copy or terms within thirty (30) days of the consumer's request; provided, however, if
26 Defendants need more time because they cannot identify the membership based on the information
27 provided by the consumer, Defendants shall ask the consumer for the minimum amount of
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1 additional information necessary for Defendants to identify the Membership Program account.
2 Defendants shall then provide such copy or terms to the consumer after receiving sufficient
3 additional information to identify the Membership Program. Defendants shall allow consumers to
4 update their contact information by telephone and/or e-mail.

5 **COMPLIANCE MONITORING**

6 71. Defendants shall implement a program of internal monitoring to ensure compliance
7 with this Judgment. As part of this program, Defendants shall record the following data for
8 consumers who enroll beginning 90 days after the Effective Date in Membership Programs
9 pursuant to Defendants' agreements or arrangements with Marketing Partners, regardless of
10 method of enrollment:

11 A. Enrollments. Except for consumers who enroll via telemarketing, for a period
12 of not less than two (2) years from the date of cancellation, Defendants shall record and
13 retain, if supplied by the consumer at the time of enrollment, the name, address, e-mail
14 address, and phone number of each consumer enrolled into any of Defendants' Membership
15 Programs. In addition, for each of these consumers, Defendants shall record and retain (1)
16 proof of affirmative assent; (2) the fee charged to the consumer; (3) type of solicitation; (4)
17 name of the Membership Program; (5) date of enrollment; (6) method of enrollment; and
18 (7) to the extent identifiable, Marketing Partner. For consumers who enroll via
19 telemarketing, Defendants shall maintain consumer records as required by the TSR.

20 B. Complaints. For every Complaint received by Defendants, whether received
21 directly or forwarded from a third-party including but not limited to a Marketing Partner,
22 Defendants shall record and retain (1) the complaining consumer's name, address, e-mail
23 address (if available), and phone number (if available); (2) the subject of the Complaint; (3)
24 the Membership Program the consumer is enrolled in; (4) the type of solicitation; (5) the
25 date and method of enrollment; (6) the Marketing Partner, to the extent identifiable; and (7)
26 the resolution of the Complaint. Defendants shall retain this data for a period of three (3)
27 years after the date of the Complaint.
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1 C. Solicitations. For every materially-different solicitation used by Defendants or
2 its Marketing Partner to market any Membership Program, Defendants shall retain a
3 representative copy of that solicitation for three (3) years after the last use of that
4 solicitation.

5 D. Cancellation Procedures. For every materially-different script regarding
6 cancellation procedures or written cancellation policies and procedures provided to their
7 customer service representatives, Defendants shall maintain a representative copy of the
8 script, policy or procedure for three (3) years after the last use of that document.

9 **TRAINING REQUIREMENTS**

10 72. Beginning 60 days after the Effective Date of the Judgment, Defendants shall
11 institute, for a period of three years, annual training approved by outside legal counsel for all
12 relevant current and future employees regarding the relevant requirements of this Judgment
13 within the following categories of employees:

- 14 A. All business and creative personnel responsible for creating solicitations, post-
15 enrollment materials, and websites;
16 B. All customer service personnel who interact with consumers; and
17 C. All business development personnel responsible for creating new Marketing
18 Partner relationships.

19 73. Upon written request from any duly authorized representative of the Attorney
20 General's Office, Defendants shall provide a copy of training materials used during the trainings
21 required by this Judgment and shall certify that these trainings have occurred.

22 **CONTRACT REQUIREMENTS FOR DEFENDANTS' MARKETING PARTNERS**

23 74. Any contract or arrangement that Defendants enter into or re-affirm with a Marketing
24 Partner, at a minimum:

- 25 A. Shall direct that Defendants review Membership Program solicitations that are
26 to be sent, presented, or displayed to a Marketing Partner's customers by or on behalf of
27 Defendants;
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1 B. Shall direct the Marketing Partner to provide a consumer who contacts the
2 Marketing Partner with questions regarding a Membership Program or to cancel his or her
3 Membership Program, with a toll-free telephone number that may be used to contact
4 Defendants regarding the Membership Program;

5 C. Shall direct that Defendants provide all Membership Program solicitations to
6 the Marketing Partner and shall further provide that the Marketing Partner has the
7 opportunity to review and approve the content and form of the solicitations before they are
8 provided to customers of the Marketing Partner; and

9 D. Shall direct that Defendants provide, on at least a quarterly basis, to Marketing
10 Partners with whom Defendants continue to market at the time of reporting, the number of
11 customers of the Marketing Partner who joined a Membership Program and the number of
12 Complaints received by Defendants regarding the customers of the Marketing Partner who
13 had Enrolled as Non-Account Enrollees beginning 90 days after the Effective Date of the
14 Judgment.

15 75. Defendants shall not enter into or renew any contract with any Marketing Partner
16 regarding the marketing of Membership Programs that do not comply with the injunctive
17 provisions of this Judgment.

18 **MISCELLANEOUS INJUNCTIVE PROVISIONS**

19 76. Nothing in this Judgment shall be interpreted as allowing Defendants to engage in
20 any acts or practices prohibited by state or federal law, regulation, or rule.

21 77. Defendants shall not make any representation in any solicitation or notice to
22 consumers, directly or by implication, that is contrary to any of the statements and disclosures
23 required by this Judgment.

24 78. Nothing in this Judgment shall be construed as limiting or restricting in any way any
25 right that the State, the California Attorney General, or any other State governmental entity may
26 otherwise have to obtain information, documents, or testimony from Defendants pursuant to state
27 or federal law, regulation, or rule.

1 79. Upon reasonable prior written notice, any duly authorized representative of the
2 Attorney General's Office shall be permitted to inspect and copy such records as may be
3 reasonably necessary to determine whether Defendants are in compliance with this Judgment.
4 Nothing herein shall prohibit Defendants from filing an action in court to limit or set aside any
5 such request to inspect and copy such records beyond those permitted by law. For requests
6 related to Complaints, Defendants shall provide the requesting party an electronically-searchable
7 database.

8 80. Provisions of this Judgment that specifically permit Defendants to make required
9 statements in "substantially similar" words require Defendants to make such statements in words
10 that have the same substantive meaning and do not materially change any of the terms of the
11 statement.

12 81. Defendants shall not participate, directly or indirectly, in any activity or form a
13 separate entity or corporation for the purpose of engaging in acts or practices in whole or in part
14 which are prohibited in this Judgment or for any other purpose which would otherwise
15 circumvent any part of this Judgment.

16 82. Defendants shall comply with the terms in Paragraphs 28 to 31, 60 to 76, and 78 to 81
17 no later than 90 days after the Effective Date of the Judgment, unless otherwise noted.
18 Defendants shall comply with the terms in Paragraphs 32 to 59, and 77 no later than 180 days
19 after the Effective Date of the Judgment.

20 **VI. CONSUMER RESTITUTION**

21 83. Defendants shall provide refunds to all "Eligible Notice Consumers," "Eligible
22 Complainants," "Eligible Non-Notice Consumers" and "Additional Eligible Complainants"
23 (each as defined below), in accordance with Paragraphs 84-101 below.

24 **RESTITUTION FOR ONLINE DATA PASS AND LIVE CHECK ENROLLEES**

25 84. "Eligible Notice Consumers" refers to a Resident who (1) enrolled in an Affinion or
26 Trilegiant Membership Program, via online Data Pass between January 15, 2008, and the
27 Effective Date of this Judgment; (2) enrolled in an Affinion or Trilegiant Membership Program
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1 via Live Check between January 15, 2008, and the Effective Date of this Judgment; or (3)
2 enrolled in a Webloyalty Membership Program via online Data Pass between September 30, 2008
3 and the Effective Date, and who:

4 A. As of the Effective Date has not canceled the Membership Program and
5 received a full refund of his or her Membership Charges; and

6 B. For consumers who Enrolled in a Webloyalty Membership Program, did not
7 take any of the following actions after the expiration of the Trial Period, if there is one, or
8 after Enrollment, if there is no Trial Period:

- 9 1. File a claim for a protection benefit offered by the Membership Program
10 in which the consumer was enrolled;
- 11 2. Download a coupon from that Membership Program's website;
- 12 3. Make a purchase from or through that Membership Program; or
- 13 4. Purchase a gift card from that Membership Program.

14 85. Within five (5) business days after the Effective Date of this Judgment, Defendants
15 shall place \$19,387,162.38 ("Participating States' Fund") in an escrow account for restitution
16 payments to consumers in the Participating States. The Participating States' Fund shall be held in
17 an escrow account by a mutually-agreeable third-party escrow agent ("Escrow Agent") and in
18 accordance with a mutually-agreeable escrow agreement ("Escrow Agreement"). In the amount
19 specified, such funds shall be disbursed by Escrow Agent to Defendants, upon notice to Escrow
20 Agent by representatives of the Attorneys General of the States of California and Texas. The
21 disbursed amount shall only be used for payments pursuant to the requirements of this Judgment
22 and the Escrow Agreement. No payments shall be made pursuant to Paragraphs 84 and 99 until
23 and unless Defendants have received all claims and are able to ascertain refund amounts, as
24 further described in Paragraph 95. Defendants shall not be in violation of this Judgment for a
25 failure of the representatives of the Attorneys General of the States of California and Texas to
26 give notice in a timely manner of a distribution under this Paragraph.

1 86. Within 30 days after the Effective Date of this Judgment, Defendants shall compile an
2 electronically searchable database of Eligible Notice Consumers. The database shall contain, for
3 each membership for each Eligible Notice Consumer, the following information, each in a
4 separate field (to the extent each is available):

- 5 A. Name;
6 B. Telephone number;
7 C. Street address;
8 D. City;
9 E. State;
10 F. Zip or postal code;
11 G. Membership Number;
12 H. Name of the Membership Program;
13 I. Name of the Marketing Partner;
14 J. The date of Enrollment;
15 K. The amount of the Membership Charge paid by the Eligible Notice
16 Consumer to Defendants; and
17 L. Total amount of Membership Charges refunded to Eligible Notice
18 Consumers.

19 A copy of California's database of Eligible Notice Consumers shall be made available
20 to the Attorney General upon request.

21 **Time Period for Mailing Notices**

22 87. Within 30 days after Defendants compile the database described in Paragraph 86,
23 Defendants shall send to all Eligible Notice Consumers a Notice Letter, a copy of which is
24 attached as Exhibit B hereto, and a Claim Form, a copy of which is attached as Exhibit C
25 hereto. The Claim Form shall have the name, address and/or member number pre-populated
26 prior to issuance.
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1 88. Defendants shall send the Notice Letters and Claim Forms to Eligible Notice
2 Consumers by First Class U.S. Mail to Eligible Notice Consumers who Enrolled via direct mail
3 and by e-mail to Eligible Notice Consumers who Enrolled via online. In the case of First Class
4 U.S. Mail, Defendants shall use NCOA to update the mailing address prior to sending the Notice
5 Letters and Claim Forms. Defendants shall use commercially-reasonable efforts to ensure that e-
6 mail is not sent to "junk" or "spam" folders and track returned or hard-bounced back e-mail. If
7 Defendants receive a returned or hard-bounced back e-mail they shall resend the Notice Letter
8 and Claim Form via First Class U.S. Mail, if a physical address is available. The Notice Letter
9 shall state, in the subject line of the e-mail, and, for mailings, in 14-point bold type on the outside
10 of or visible through the envelope: "IMPORTANT SETTLEMENT NOTICE REGARDING
11 YOUR PAID MEMBERSHIP(S)." The "From" field of the e-mail shall state "Marketing
12 Settlement Restitution Program" and, for mailings, the return address on the envelope shall be the
13 "Marketing Settlement Restitution Program".

14 89. Upon request, Defendants shall provide to any Eligible Notice Consumer who
15 contacts Defendants any information requested by the consumer pertaining to his or her
16 membership(s) that is reflected on the database specified in Paragraph 86, assuming the
17 Eligible Notice Consumer provides Defendants adequate information to identify the relevant
18 membership(s).

19 **Deadline for Eligible Notice Consumers to Return Claim Forms**

20 90. To be eligible for restitution pursuant to this Judgment, Claim Forms must be (i)
21 properly completed by Eligible Notice Consumers, (ii) postmarked within 90 days of the date
22 Defendants mailed the notice to Eligible Notice Consumers, and (iii) received by Defendants
23 within 105 days of the date Defendants mailed such notice. For purposes of this Judgment, a
24 Claim Form is not properly completed if (i) based upon the information submitted by the
25 consumer, together with Defendant's own records, Defendants are unable to identify the
26 consumer requesting restitution; (ii) the consumer failed to check the required box or
27 checked the box indicating that the consumer knowingly consented to be charged for a
28

1 Membership Program from Defendants on his or her credit or debit card or other account;
2 (iii) the consumer failed to sign the Claim Form; or (iv) the consumer already received a full
3 refund of charges with respect to the specific Membership Program(s) for which the
4 consumer is seeking restitution.

5 **Claim Form Processing Procedures**

6 91. No later than 15 days after receiving a timely returned Claim Form from an
7 Eligible Notice Consumer, Defendants shall cancel any current memberships of such Eligible
8 Notice Consumer, if the Eligible Notice Consumer provides adequate information to identify
9 the membership(s).

10 92. No later than 90 days after the deadline for returning Claim Forms, Defendants
11 shall refund all Membership Charges not previously refunded to the Eligible Notice
12 Consumers who return a properly completed Claim Form except that Defendants are not
13 required to notify Eligible Notice Consumers who checked the box indicating that the
14 consumer knowingly consented to be charged for a membership program from Defendants
15 on his or her credit or debit card or other account.

16 93. If an Eligible Notice Consumer fails to submit a properly completed Claim Form,
17 Defendants shall, if possible, notify the Eligible Notice Consumer and indicate what still
18 needs to be completed and inform him or her of the date (not less than thirty (30) days after
19 Defendants mail back the incomplete Claim Form) by which the Eligible Notice Consumer
20 must provide the properly completed Claim Form to Defendants in order to be eligible for
21 restitution. If the properly completed Claim Form is returned within such time period,
22 Defendants shall comply with Paragraph 92.

23 94. If the Claim Form is not approved, Defendants shall notify the Eligible Notice
24 Consumer, within 90 days of the deadline for returning the Claim Form, that the Eligible
25 Notice Consumer is ineligible for restitution and why.
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27
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1 95. In the event that the Participating States Fund is not sufficient to provide full
2 restitution to all consumers eligible to receive restitution pursuant to Paragraphs 84 and 99 of
3 this Judgment, then restitution shall be distributed on a pro rata basis.

4 96. No later than 270 days after the Effective Date of this Judgment, Defendants shall
5 submit an electronically searchable report to the California Attorney General that includes a
6 breakdown of: (a) the total amount of restitution; (b) the number and identification of
7 consumers provided with restitution; and (c) the number and identification of Claim Forms
8 that were rejected as ineligible and the reasons they were rejected. With respect to checks
9 that Defendants have sent to California consumers but which are not cashed or deposited,
10 Defendants shall comply with the California unclaimed property laws, California Code of
11 Civil Procedure sections 1530-1533. Upon request by the California Attorney General's
12 Office, Defendants shall, after the date that non-cashed checks mailed pursuant to this
13 restitution program are voided, provide a report of California consumers who failed to cash
14 restitution checks.

15 97. If the total payment due to consumers eligible to receive restitution pursuant to
16 Paragraphs 84 and 99 of this Judgment is less than the total of the Participating States Fund,
17 the Escrow Agent shall send the remaining amount to each Participating State in the amount
18 for each Participating State as directed by and at the sole discretion of the Attorneys General
19 of California and Texas, in accordance with and for the purposes stated in Paragraph 103 and
20 the Escrow Agreement. That sum shall be provided to each Participating State within five
21 (5) business days after the Escrow Agent distributes the amounts due to consumers to
22 Defendants under Paragraphs 84 and 99 and pursuant to the Escrow Agreement. Defendants
23 shall not be in violation of this judgment for a failure of the representatives of the Attorneys
24 General of the States of California and Texas to give notice in a timely manner of a distribution
25 under this Paragraph.
26
27
28

1 **OTHER RESTITUTION PROVISIONS**

2 98. Defendants shall treat all Complaints from consumers who enrolled via online
3 Data Pass or Live Check submitted by consumers to any federal, state or local governmental
4 agency prior to or within 120 days after the Effective Date of this Judgment, and forwarded
5 to Defendants within 130 days of the Effective Date of this Judgment, ("Eligible
6 Complainants"), in the same manner and provide refunds in the same manner and in the same
7 time frames as refunds provided to Eligible Notice Consumers, except that Eligible
8 Complainants shall not be required to submit a claim form and refunds shall be provided
9 directly by Defendants and not be deducted from the Participating States Fund. Defendants
10 shall also cancel any current memberships of such Eligible Complainants. Defendants may
11 subject Eligible Complainants to the same usage limitations as Eligible Notice Consumers, as
12 provided in Paragraph 84.

13 99. Defendants shall treat all Complaints from consumers who enrolled via any means
14 other than online Data Pass or Live Check, submitted by consumers to any federal, state or
15 local agency 18 months prior to July 1, 2012, and forwarded to Defendants prior to execution
16 of this Judgment ("Additional Eligible Complainants"), in the same manner and provide
17 refunds in the same manner and in the same time frames as refunds provided to Eligible
18 Notice Consumers, except that Additional Eligible Complainants shall not be required to
19 submit a claim form and refunds shall be provided directly by Defendants and not be
20 deducted from the Participating States Fund. Defendants may subject Additional Eligible
21 Complainants to the same usage limitations as Eligible Notice Consumers, as provided in
22 Paragraph 84.

23 100. Defendants also shall provide refunds to Residents of California who (i) had
24 previously submitted written Complaints directly to Defendants, (ii) had been canceled prior
25 to the Effective Date, (iii) contact Defendants within 120 days after the Effective Date
26 seeking a refund, and had enrolled in an (1) Affinion or Trilegiant Membership Program via
27 online Data Pass between January 15, 2008 and the Effective Date of this Judgment; (2) Affinion
28

1 or Trilegiant Membership Program via Live Check between January 15, 2008 and the Effective
2 Date of this Judgment; or (3) Webloyalty Membership Program via online Data Pass between
3 September 30, 2008 and the Effective Date of this Judgment ("Eligible Non-Notice
4 Consumers"). Eligible Non-Notice Consumers shall be eligible for a full refund from the
5 Participating States Fund in the same manner and in the same time frames as refunds
6 provided to Eligible Notice Consumers, except that Eligible Non-Notice Consumers shall not
7 receive notice as required by Paragraph 87, nor shall they be required to submit a Claim
8 Form as required by Paragraph 90.

9 101. No later than 270 days after the Effective Date of this Judgment, Defendants
10 shall submit an electronically searchable report to the California Attorney General that
11 includes: (a) the total amount of refunds paid to Eligible Non-Notice Consumers, and (b) the
12 number of Eligible Non-Notice Consumers provided with such refunds.

13 **Costs for Restitution**

14 102. Defendants shall bear all of the costs incurred in complying with the terms of the
15 Judgment, including restitution and refunds as set forth herein, including the costs of any Escrow
16 Agent or third-party administrator that may be hired to administer the restitution and/or refund
17 process required by this Judgment.

18 **VII. PAYMENT TO PLAINTIFF**

19 103. Within seven (7) business days after the Effective Date of this Judgment, Defendants,
20 after receiving wire instructions from the Attorney General's Office, shall pay \$1,105,000.00 to
21 the California Attorney General's Office, as payment for attorneys' fees and investigation and
22 litigation costs, and/or consumer protection enforcement funds, consumer education, litigation or
23 local consumer aid, and other uses permitted by state law, at the discretion of the Attorney
24 General. No part of this payment shall be designated as a civil penalty, fine and/or forfeiture.

25 **VIII. OTHER PROVISIONS**

26 104. This Judgment supersedes the Judgments and Assurances of Voluntary Compliance
27 identified in Exhibit D.
28

105. Upon full and final payment of the amount required under Paragraph 103, this Judgment constitutes a complete settlement and release of any and all civil claims, causes of actions, restitution, costs, penalties and disgorgement based on conduct, acts or omissions for conduct alleged in the Plaintiff's Complaint or that relates to the Subject Matter or terms of this Judgment and the Plaintiff's Complaint, under California Business and Professions Code sections 17200 *et seq.* and 17500 *et seq.* (the "Released Claims"), by the Office of the California Attorney General against Defendants and their principals, successors, and assigns and on behalf of each of their respective agents, representatives, directors, officers, employees and by any corporation, subsidiary or division through which they act or hereafter act. Released Claims do not include: (i) claims pursuant to any other statute or regulation (including, without limitation, antitrust laws, environmental laws, tax laws, credit repair/service organization laws, and criminal statutes and codes), (ii) claims occurring after the Effective Date, or (iii) claims under California Business and Professions Code sections 17200 *et seq.* and 17500 *et seq.* unrelated to the Subject-Matter.

106. The Court retains jurisdiction as the ends of justice may require for the purpose of enabling any party to this Judgment to apply to the Court at any time for such further orders and directions as may be necessary or appropriate for the construction of or modification of the injunctive provisions or the execution of this Judgment, including the enforcement of compliance herewith and for punishment of violations hereof as permitted by law. Subject to the terms of Paragraph 107 below, this includes Affinion's right to petition the Court to modify the injunctive terms of the Final Judgment, upon giving at least 45 days written notice to the California Attorney General.

107. In the event that any statute, rule or regulation pertaining to the subject matter of this Judgment is modified, enacted, promulgated or interpreted by the State of California, the federal government or any federal agency in conflict with any provision of this Judgment, or a court of competent jurisdiction holds that a statute, rule or regulation is in conflict with any provision of this Judgment, Defendants may comply with such statute, rule or regulation and such action shall constitute compliance with the counterpart provision of this Judgment. Defendants

1 shall provide advance written notice to the Attorney General of the inconsistent provision of the
2 statute, rule or regulation with which Defendants intend to comply pursuant to this Judgment, and
3 the counterpart provision of this Judgment which is in conflict with the statute, rule or regulation.
4 Nothing in this Paragraph shall prohibit the Attorney General from disagreeing with Defendants
5 as to the existence of any conflict and seeking to enforce this judgment accordingly.

6 108. Notices to be given under this Judgment are sufficient if given by nationally
7 recognized overnight courier service or certified Mail (return receipt requested), or personal
8 delivery to the named party at the address below:

9 A. If to Defendants:
10 General Counsel
11 Affinion Group
12 6 High Ridge Park
13 Stamford, CT 06905

14 and

15 Clayton S. Friedman
16 Manatt, Phelps & Phillips, LLP
17 695 Town Center Drive
18 Fourteenth Floor
19 Costa Mesa, CA 92626
20 714.338.2704 (telephone)
21 714.371.2550 (facsimile)
22 cfriedman@manatt.com

23 B. If to the Attorney General:

24 Michele Van Gelderen
25 Supervising Deputy Attorney General
26 300 South Spring Street, Suite 1702
27 Los Angeles, CA 90013
28 Telephone: (213) 897-6027
Fax: (213) 897-4951
E-mail: michele.vangeldereren@doj.ca.gov

109. Notice is effective when delivered personally; or three (3) business days after it is
sent by certified Mail; or on the business day after it is sent by nationally recognized courier
service for next day delivery. Any party may change its notice address by giving notice in
accordance with this Paragraph.

1 110. The acceptance of this Judgment by the Attorney General shall not be deemed
2 approval by the California Attorney General of any of Defendants' advertising or business
3 practices. Further, neither Defendants nor anyone acting on their behalf shall state or imply or
4 cause to be stated or implied that the California Attorney General or any other governmental unit
5 of the State of California has approved, sanctioned or authorized any practice, act, advertisement
6 or conduct of Defendants.

7 111. Except as provided herein, no waiver, modification, or amendment of the terms of
8 this Judgment shall be valid or binding unless made in writing, signed by the party to be charged,
9 approved by this Court and then only to the extent specifically set forth in such written waiver,
10 modification or amendment.

11 112. With respect to solicitations, advertising or marketing which has been used prior to
12 the Effective Date of this Judgment, Defendants shall not be liable for their non-compliance so
13 long as they have made reasonable efforts to locate, withdraw, or amend such solicitations,
14 advertising or marketing to comply with the foregoing requirements. Defendants shall not be
15 liable for failing to prevent the republication of pre-existing solicitation, advertising or marketing
16 that does not comply with this Judgment by independent third-parties or parties who are not
17 subject to Defendants' control so long as Defendants make reasonable efforts to prevent such
18 republication, including, but not limited to, exercising any available contractual rights, and, where
19 no contractual relationship exists, requesting in writing that the third party terminate the
20 republication of such solicitation, advertising or marketing.

21 113. Nothing in this Judgment shall be construed to create, waive or limit any private right
22 of action.

23 114. Upon entry of this Judgment, all claims alleged in Plaintiff's Complaint not otherwise
24 addressed by this Judgment are resolved pursuant to Paragraph 105.

25 115. Each party shall pay its own court costs.

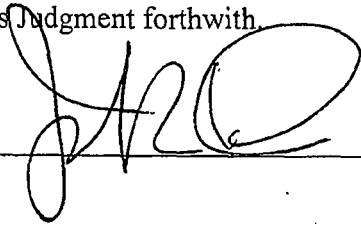
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116. The Clerk is ordered to enter this Judgment forthwith.

Dated: **OCT 21 2013** 2013



JUDGE OF THE SUPERIOR COURT

10/23/2013

10/23/2013

1. Alabama
2. Alaska
3. Arizona
4. Arkansas
5. California
6. Colorado
7. Connecticut
8. Delaware
9. District of Columbia
10. Florida
11. Georgia
12. Idaho
13. Illinois
14. Indiana
15. Iowa
16. Kansas
17. Kentucky
18. Louisiana
19. Maine
20. Maryland
21. Massachusetts
22. Michigan
23. Minnesota
24. Mississippi
25. Missouri
26. Montana
27. Nebraska
28. Nevada
29. New Hampshire
30. New Jersey
31. New Mexico
32. North Carolina
33. North Dakota
34. Ohio
35. Oklahoma
36. Oregon
37. Pennsylvania
38. Rhode Island
39. South Dakota
40. Tennessee
41. Texas
42. Utah
43. Vermont
44. Virginia
45. Washington
46. West Virginia
47. Wisconsin
48. Wyoming

10/23/2013

EXA

10/23/2013

EXHIBIT B

ELIGIBILITY NOTICE

MARKETING SETTLEMENT RESTITUTION PROGRAM

c/o GCG

P.O. Box 35071

Seattle, WA 98124-3508

1 (866) 297-3088

JANE CLAIMANT
123 4TH AVE
CITY, STATE 01234

Dear JANE CLAIMANT:

You are receiving this notice because you may be entitled to a refund in connection with a settlement the Office of the State Attorney General ("OAG") has obtained with Affinion Group, Inc. and its subsidiaries Trilegiant Corporation and Webloyalty.com, Inc. (collectively "Settling Parties"), businesses that solicit consumers for various Membership Programs online using a discount, cash-back or other incentive or rebate offer, or via checks sent in the mail. This notice is being sent from GCG, Inc. ("GCG") on behalf of the Settling Parties as administrator pursuant to a settlement agreement.

According to the Settling Parties' records, you are currently enrolled in and being charged on a credit or debit card, bank account or mortgage account for the following Membership Programs:

Great Fun, Complete Home, Privacy Guard.

The Settling Parties' records show that you were enrolled in the Membership Programs listed above via a solicitation offered to customers of a business with which you had previously transacted. That business shared your account information with the Settling Parties.

An investigation conducted by the OAG has revealed that some consumers who allegedly accepted the Membership Program offers did not understand that by doing so they were agreeing to enroll in a Membership Program for which they would be charged periodically if they failed to cancel during a trial period. On [EFFECTIVE DATE], the OAG entered into a settlement with the Settling Parties to resolve the OAG's investigation. Pursuant to this settlement, consumers receiving this notice who did not knowingly enroll in a Membership Program or knowingly authorize billing for the Membership Program may be eligible for a full refund of all fees paid by them that have not previously been refunded.

To be eligible for a full refund, you must fill out, sign and postmark the enclosed claim form by [DATE] and send it to GCG at the following address:

MARKETING SETTLEMENT RESTITUTION PROGRAM

c/o GCG

P.O. Box 35071

Seattle, WA 98124-3508

Upon receipt of the claim form, your claim will be evaluated, and then you will be contacted by mail as to the disposition of your claim. If your claim is approved, you will be mailed a check.

If you cash, deposit or redeem a refund check sent to you or otherwise avail yourself of a refund in response to this claim form, you will be releasing the Settling Parties from any claims you may have with respect to the specific Membership Program(s) for which you receive a refund or refunds of charges to your account(s).

The OAG believes that the settlement resolving the investigation is in the public interest. However, you are not required to participate in this settlement. We cannot provide you with advice, legal or otherwise, concerning your rights and options in connection with this matter. You may consult a lawyer before making any decisions in this regard.

Please note that your membership is "current" and you are being billed on a periodic basis. If you file a claim, your membership will be cancelled automatically. If you do not file a claim for a refund, you will continue to be periodically billed unless and until you cancel the membership. You can cancel your membership at any time by calling GCG at 1 (866) 297-3088.

If you have specific questions about this notice or the claim form, you can contact the Office of the State Attorney General at 1 (800) 000-0000 or <http://www.stateag.gov/contact-us/>.

Very truly yours,

GCG

EXB

10/23/2013

From: Marketing Settlement Restitution Program
<MarketingSettlementRestitutionProgram@tgccinc.com>
Sent:
To:
Subject: IMPORTANT SETTLEMENT NOTICE REGARDING YOUR PAID MEMBERSHIP(S)

ELIGIBILITY NOTICE

MARKETING SETTLEMENT RESTITUTION PROGRAM

c/o GCG
P.O. Box 35071
Seattle, WA 98124-3508
1 (866) 297-3088

Dear Jane Dough:

You are receiving this notice because you may be entitled to a refund in connection with a settlement the Office of the State Attorney General ("OAG") has obtained with Affinion Group, Inc. and its subsidiaries Trilegiant Corporation and Webloyalty.com, Inc. (collectively "Settling Parties"), businesses that solicit consumers for various Membership Programs online using a discount, cash-back or other incentive or rebate offer, or via checks sent in the mail. This notice is being sent from GCG, Inc. ("GCG") on behalf of the Settling Parties as administrator pursuant to a settlement agreement.

According to the Settling Parties' records, you are currently enrolled in and being charged on a credit or debit card, bank account or mortgage account for the following Membership Programs:

Great Fun, Complete Home, Privacy Guard.

The Settling Parties' records show that you were enrolled in the Membership Programs listed above via a solicitation offered to customers of a business with which you had previously transacted. That business shared your account information with the Settling Parties.

An investigation conducted by the OAG has revealed that some consumers who allegedly accepted the Membership Program offers did not understand that by doing so they were agreeing to enroll in a Membership Program for which they would be charged periodically if they failed to cancel during a trial period. On [EFFECTIVE DATE], the OAG entered into a settlement with the Settling Parties to resolve the OAG's investigation. Pursuant to this settlement, consumers receiving this notice who did not knowingly enroll in a Membership Program or knowingly authorize billing for the Membership Program **may be eligible for a full refund of all fees paid by them that have not previously been refunded.**

To be eligible for a full refund, you must fill out, sign and postmark a claim form by [DATE] and send it to GCG at the following address:

MARKETING SETTLEMENT RESTITUTION PROGRAM

c/o GCG
P.O. Box 35071
Seattle, WA 98124-3508

MARKETING SETTLEMENT RESTITUTION PROGRAM

c/o GCG
P.O. Box 35071
Seattle, WA 98124-3508

To access your personalized claim form, click [here](#). Upon receipt of the claim form, your claim will be evaluated, and then you will be contacted by mail as to the disposition of your claim. If your claim is approved, you will be mailed a check.

If you cash, deposit or redeem a refund check sent to you or otherwise avail yourself of a refund in response to a claim form, you will be releasing the Settling Parties from any claims you may have with respect to the specific Membership Program(s) for which you receive a refund or refunds of charges to your account(s).

The OAG believes that the settlement resolving the investigation is in the public interest. However, you are not required to participate in this settlement. We cannot provide you with advice, legal or otherwise, concerning your rights and options in connection with this matter. You may consult a lawyer before making any decisions in this regard.

Please note that your membership is "current" and you are being billed on a periodic basis. If you file a claim, your membership will be cancelled automatically. If you do not file a claim for a refund, you will continue to be periodically billed unless and until you cancel the membership. You can cancel your membership at any time by calling GCG at 1 (866) 297-3088.

If you have specific questions about this notice or the claim form, you can contact the Office of the State Attorney General at 800-000-0000 or attorney@attorneygeneral.com.

Very truly yours,

GCG

If you wish to UNSUBSCRIBE from future email messages from the Settlement Administrator with regard to this Settlement, please click on this [link](#).

10/23/2013

10/23/2013

EXHIBIT C

MUST BE
POSTMARKED ON
OR BEFORE
XXXXX XX, 2013

MARKETING SETTLEMENT RESTITUTION PROGRAM
c/o GCG
P.O. Box 35071
Seattle, WA 98124-3508
Toll-Free: 1 (866) 297-3088

AFN



Control No:
Claim No:

JANE CLAIMANT
123 4TH AVE
CITY, STATE 01234

Claim Form

To be eligible for a refund, you must complete this form and mail it to the address listed above.
All forms must be completed, signed, and postmarked by _____, 2013, to be accepted.

The following is your current contact information (please update if incorrect):

Customer Name: JANE CLAIMANT
Mailing Address: 123 4TH AVENUE
CITY, STATE 01234

Email Address: janeclaimant@hotmail.com
Telephone: 123-456-7890

Member No	Program Name	Did you knowingly consent to be charged for this Membership Program from the Settling Parties on your credit or debit card or other account?	
98765432	Great Fun	<input type="checkbox"/> Yes	<input type="checkbox"/> No
1234567	Complete Home	<input type="checkbox"/> Yes	<input type="checkbox"/> No
253647	Reservation Rewards	<input type="checkbox"/> Yes	<input type="checkbox"/> No

You are encouraged to check your credit card or debit card account statements for charges for these Membership Programs.

PLEASE READ THE FOLLOWING BEFORE SIGNING. YOU MUST SIGN BELOW AND RETURN THE COMPLETED FORM BY THE ABOVE DATE TO RECEIVE A REFUND.

I understand and agree that by cashing, depositing or redeeming any refund check sent to me in response to this claim form, I am releasing the Settling Parties from any claims I may have with respect to the specific Membership Program(s) for which I receive a refund or refunds of charges to my account(s).

Signature	Date
<div></div>	<div></div>
Name (print)	
<div></div>	

10/23/2013

EXC

10/23/2013

States with a Previous Judgment or an Assurance of Voluntary Compliance

1. Alaska
2. Arkansas
3. California
4. Connecticut
5. Illinois
6. Iowa
7. Louisiana
8. Maine
9. Michigan
10. Missouri
11. New Jersey
12. North Carolina
13. Ohio
14. Oregon
15. Pennsylvania
16. Tennessee
17. Vermont
18. Washington
19. West Virginia

10/23/2013

EXD

DECLARATION OF SERVICE BY U.S. MAIL

Case Name: PEOPLE OF THE STATE OF CALIFORNIA V. AFFINION GROUP, INC.;
TRILEGIANT CORPORATION; AND WEBLOYALTY.COM, INC.

No.:

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter; my business address is 300 South Spring Street, Suite 1702, Los Angeles, CA 90013.

On October 10, 2013, I served the attached

FINAL JUDGMENT AND PERMANENT INJUNCTION

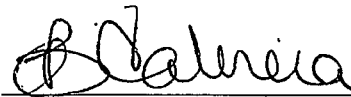
by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the United States Mail at Los Angeles, California, addressed as follows:

Clayton S. Friedman
Manatt, Phelps & Phillips, LLP
695 Town Center Drive, Floor 14
Costa Mesa, CA 92626
Attorneys for Affinion Group, Inc., Trilegiant Corporation, and Webloyalty.com, Inc.

Ronald R. Urbach
Davis & Gilbert, LLP
1740 Broadway
New York, NY 10019
Attorneys for Affinion Group, Inc., Trilegiant Corporation, and Webloyalty.com, Inc.

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on October 10, 2013, at Los Angeles, California.

Blanca Cabrera
Declarant


Signature

SD2009603767
51382627.doc

10/23/2013