

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT ANCHORAGE

THE STATE OF ALASKA,

Plaintiff,

v.

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

Defendants.

COPY
Original Received

OCT 10 2013

Clerk of the Trial Courts

Case No. 3AN-12-09913 CI

**AGREED FINAL JUDGMENT/CONSENT JUDGMENT
AND PERMANENT INJUNCTION**

WHEREAS Plaintiff, the State of Alaska (“Plaintiff” or “State”), having filed its complaint (“State’s Complaint”) and appearing through the Attorney General of the State of Alaska, and defendants Affinion Group, Inc., Trilegiant Corporation and Webloyalty, Inc. (“Defendants”), appearing individually and through their attorneys Manatt, Phelps & Phillips, LLP, by Clayton Friedman, and Davis & Gilbert, by Ronald R. Urbach, Esq., having stipulated that this Permanent Injunction and Final Judgment (hereafter “Judgment”) may be signed by a judge, commissioner or judge *pro tem* of the Superior Court, Third Judicial District at Anchorage, and

WHEREAS the parties, having consented to the entry of this Judgment for the purpose of settlement only, without this Judgment constituting evidence against or any admission by any party, and without trial of any issue of fact or law, and nothing contained in this Judgment shall constitute an admission or concession by Defendants, nor shall it be evidence or findings supporting any of the allegations of fact or law alleged by the Plaintiff, or of any violation of state

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1 or federal law, rule or regulation, or any other liability or wrongdoing whatsoever, and neither the
2 Judgment, nor any negotiations, statements or documents related thereto, shall be offered or
3 received in any legal or administrative proceeding or action as an admission, evidence or proof of
4 any violation of liability under or wrongdoing in connection with any law, rule or regulation,
5 except in an action by the Attorney General to enforce the terms of this Judgment, and

6 WHEREAS the parties acknowledge that, in addition to this Judgment, Defendants have
7 entered into similar judgments with the Attorneys General of the States identified on Exhibit A
8 and those States filing similar judgments are referred to collectively as "Participating States," and

9 WHEREAS the Court having considered the pleadings and the Stipulation for Entry of
10 Final Judgment and Permanent Injunction executed by the parties and filed herewith, and good
11 cause appearing,

12 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Judgment may be
13 entered in this matter as follows:

14 **I. JURISDICTION**

- 15 1. The Court has jurisdiction over the subject-matter of this action and of the parties.
16 2. Venue is proper in this Court.
17 3. The State's Complaint states a cause of action against the Defendants under the Alaska
18 Unfair Trade Practices and Consumer Protection Act, AS 45.50.471 et seq. ("Consumer
19 Protection Act").

20 **II. THE PARTIES**

21 4. Defendant Affinion Group, Inc. ("Affinion") is a privately-held corporation and is the
22 parent company of Trilegiant Corporation ("Trilegiant") and Webloyalty.com, Inc.
23 ("Webloyalty").

24 5. Defendant Trilegiant is a Delaware corporation marketing to consumers in Alaska and
25 headquartered in Stamford, Connecticut. Trilegiant is a wholly-owned subsidiary and operating
26 company of Affinion.

27 6. Defendant Webloyalty is a Delaware corporation marketing to consumers in Alaska and
28 headquartered in Stamford, Connecticut. Webloyalty is a wholly-owned subsidiary of Affinion.

1 **III. DEFINITIONS**

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

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

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

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

24 10. **“Clear and Conspicuous”** or **“Clearly and Conspicuously”** means a statement that,
25 regardless of the medium in which it is made, is readily understandable and presented in such
26 size, color, contrast, duration and location, compared to the other information with which it is
27 presented, that it is readily apparent, readable and understandable to the person to whom it is
28 disclosed. An audio statement or disclosure shall be delivered in a volume and cadence sufficient

1 for a consumer to hear and understand the entire statement or disclosure, and not be obscured in
2 any manner by, for instance, music or other background noise. A statement may not contradict or
3 be inconsistent with any other information with which it is presented.

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

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

17 13. **“Effective Date”** means the 17th of October, 2013.

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

22 15. **“Fulfillment Materials”** means material provided to consumers after they initially Enroll
23 in a Membership Program that fully describes the complete terms and conditions of a
24 Membership Program, as described herein at Paragraph 52.

25 16. **“Incentive”** refers to any item, service, product, or good, that is offered to a consumer as
26 an inducement to Enroll in a Membership Program. This term includes, but is not limited to,
27 premiums, gift cards, checks, rebate offers, or anything of value, excluding, however, references
28 to an item, service, product, or good that is part of a Membership Program’s benefits.

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

7 18. **“Mail”** means to send by United States Postal Service or other physical delivery method
8 including, but not limited to, courier, UPS or Federal Express that includes address forwarding,
9 but excludes electronic mail.

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

16 20. **“Membership Charge”** means any amount charged pursuant to an Automatic Renewal to
17 an Account for membership in a Membership Program.

18 21. **“Membership Program”** means any program in which a consumer enters into an
19 agreement with Defendants for the provision of benefits, goods or services and for which
20 Defendants charge a Membership Charge. Membership Program excludes insurance policies for
21 which the consumer pays a premium in consideration for insurance coverage under policies
22 regulated by state insurance regulatory agencies.

23 22. **“Proximate”** or **“Proximity”** means on the same page, not in a footnote, and beneath,
24 beside, or adjacent.

25 23. **“Resident”** refers to a consumer who resides in Alaska as of the Effective Date, or who
26 resided in Alaska at the time a consumer Enrolled in a Membership Program.

1 24. “**Trial Offer**” means an offer to a consumer to Enroll in a Membership Program for a
2 Trial Period after which a consumer who does not cancel is automatically charged a Membership
3 Charge.

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

11 **IV. SCOPE**

12 26. The subject matter of this Judgment covers the practices of Defendants and those
13 Marketing Partners identified by Alaska and the other Participating States, and which are not
14 subject to any pending investigation by Alaska or the Participating States as of the Effective Date
15 of this Judgment, (“Covered Marketing Partners”) related to their marketing and sale of
16 Membership Programs by or through Covered Marketing Partners, which the State alleges
17 violates its Consumer Protection Act as it relates to the following practices and any additional
18 acts or practices covered by this Judgment or as alleged in the State’s Complaint (“Subject
19 Matter”):

- 20 A. Defendants’ and their Covered Marketing Partners’ marketing and sales practices relating
21 to the offer for sale and sale of Defendants’ Membership Programs, through direct mail
22 solicitations, including the use of live check, and through online offers and sales,
23 including offers via e-mail. Such marketing and sales practices include, but are not
24 limited to, the following: disclosures of material terms in the solicitations; the use of Data
25 Pass in marketing; the use of Incentives, Trial Offers and audio overlays in solicitations;
26 the use of Covered Marketing Partner names and logos; and references to Covered
27 Marketing Partners in solicitations, including representations regarding the relationship
28 between Defendants and Covered Marketing Partners; and the methods of consent

1 obtained from consumers prior to and during Enrollment in Defendants' Membership
2 Programs:

3 B. Defendants and their Covered Marketing Partners billing practices relating to Defendants'
4 Membership Programs: the use of Data Pass; disclosures regarding billing and Data Pass;
5 the recurring billing of Membership Fees; and the use of Automatic Renewal and negative
6 option marketing and billing;

7 C. Defendants' communications with consumers who enroll in Defendants' Membership
8 Programs: post-enrollment communications regarding the material terms of the
9 Membership Programs sent to consumers who enrolled via online or direct mail;
10 communications regarding the benefits associated with and change in terms for
11 Defendants' Membership Programs to consumers regardless of the method of enrollment;
12 and notices on third-party billing statements to consumers regardless of the method of
13 enrollment; and

14 D. Defendants' customer service, cancellation, saves and refund practices and procedures.

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

1 **V. INJUNCTIONS**

2 27. Pursuant to AS 45.50.501, Defendants and its agents, directors, officers, and employees,
3 in their capacity as an agent, director, officer, or employee ("Representatives") of Defendants,
4 and by any successor, subsidiary or division and their Representatives through which it acts or
5 hereafter acts, shall comply with the following provisions with respect to (i) direct mail and
6 online marketing of Membership Programs, as set forth in Paragraphs 31 through 54, and 74(D),
7 and (ii) all methods of marketing of Membership Programs, including online, direct mail, point-
8 of-sale and telemarketing, as set forth in Paragraphs 28 through 30, 55 through 73, 74(A) through
9 74(C), and 75.

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

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

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

17 ***Marketing Partner Contracts regarding Live Check Solicitations***

18 29. Defendants shall not enter into any contract or arrangement with a Marketing Partner that
19 does not comply with Paragraph 28, nor shall Defendants provide any Live Check solicitations to
20 any consumers in connection with any existing contract or arrangement with a Marketing Partner.

21 ***Marketing Partner Contracts regarding Automatic Enrollment Incentives***

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

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

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

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

5 ***Affirmative Assent before Enrolling a Consumer in a Membership Program***

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

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

16 "Unless I contact [Affinion/Membership Program] to cancel before my Trial
17 Period ends, I authorize [Membership Program/Affinion] to [electronically]
18 charge my [type of account] \$[PRICE] automatically every [Membership
19 Term] (or a greater amount, if I am notified), for my purchase of a
20 membership in [Membership Program] until I cancel."

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

23 1. State the name of the Membership Program and contact information for the
24 Membership Program (including, at a minimum, a toll-free telephone
25 number and website), describe the goods or services being offered, disclose
26 that the Membership Program is offered by Defendants, disclose that
27 Defendants, and not the Marketing Partner, own and operate the
28 Membership Program, and, for online solicitations marketed with a

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- 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:

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

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- (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:
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

1 Defendants, Defendants shall require the consumer to provide a signature
2 that indicates the consumer's consent to be charged the amount disclosed,
3 in a box set-off from all other text that only contains (i) the disclosure
4 required by Paragraph 32(A) in bold font and (ii) space for the affirmative
5 action of providing a signature.

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

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

15 36. For all direct mail and online solicitations pursuant to Defendants' agreements or
16 arrangements with Marketing Partners, Defendants shall not misrepresent the reason why the
17 consumer is being asked to provide his or her Billing Information, contact information, or
18 Affirmative Assent.

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

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

27 39. For all direct mail and online solicitations pursuant to Defendants' agreements or
28 arrangements with Marketing Partners in which a Marketing Partner's logo, mark, or name

1 appears, Defendants shall Clearly and Conspicuously disclose on the first page and in the main
2 body of the solicitation and, for online solicitations, above the fold of the screen if viewed on a
3 standard 1024x768 resolution monitor if the Marketing Partner's logo, mark or name appears
4 there as well, that it is Defendants, and not the Marketing Partner, that own and operate the
5 Membership Program.

6 **REQUIREMENTS WHEN CONSUMER IS REDIRECTED FROM MARKETING**
7 **PARTNER WEBSITE**

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

- 12 A. Clearly and Conspicuously disclose, in a separate web page prior to the consumer
13 being directed to the Membership Program page, that the consumer is leaving the
14 website of the Marketing Partner and being re-directed to the Membership
15 Program website. The separate web page shall remain on the consumer's screen
16 for a minimum of three seconds for the first line of disclosure and one second for
17 every additional line; or
- 18 B. Defendants shall Clearly and Conspicuously disclose at the very top of the
19 Membership Program's initial or landing web page that the consumer has left the
20 Marketing Partner's website and is now on the Membership Program website.

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

26 **ADDITIONAL REQUIREMENTS FOR ONLINE AND DIRECT MAIL**
27 **SOLICITATIONS**

28 42. For all direct mail and online solicitations pursuant to Defendants' agreements or

1 arrangements with Marketing Partners where Defendants offer an Incentive to a consumer to
2 Enroll in one of their Membership Programs. Defendants shall Clearly and Conspicuously
3 disclose in the solicitation any material conditions relating to a consumer's ability to claim or
4 qualify for any such Incentive. Such disclosure shall include, as applicable, a Clear and
5 Conspicuous disclosure of whether the Incentive applies to a current or a future purchase.

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

11 44. For all direct mail and online solicitations pursuant to Defendants' agreements or
12 arrangements with Marketing Partners, Defendants shall not misrepresent the reason or purpose
13 for which a consumer is receiving a solicitation or Incentive from Defendants or any of its
14 Marketing Partners; provided, however, that disclosing the mere existence of a relationship
15 between a consumer and the Marketing Partner does not violate this Paragraph.

16 45. For all online solicitations pursuant to Defendants' agreements or arrangements with
17 Marketing Partners where Defendants use audio overlays to reference any Incentive or offer, the
18 overlay shall not be misleading and any statements regarding material terms of the Incentive or
19 offer, or disclosures related thereto, included in the audio overlay shall be made Clearly and
20 Conspicuously, and also shall be Clearly and Conspicuously disclosed visually in the
21 Membership Program solicitation.

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

1 **REQUIREMENTS FOR POST-ENROLLMENT MATERIALS FOR DIRECT MAIL AND**
2 **ONLINE ENROLLEES**

3 47. A consumer who Enrolls via an online or a direct mail Membership Program solicitation
4 marketed with a financial institution Marketing Partner and provides the Affirmative Assent
5 described in Paragraphs 33(A)(2) and 33(B)(2) will be deemed to be a “Non-Account
6 Enrollment.”

7 **Post-Enrollment Notices**

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

- 11 A. If a consumer Enrolls in a Membership Program via online, Defendants may send
12 communications required by this Judgment via:
- 13 1. E-mail, so long as the communications comply with Paragraph 49; or
 - 14 2. U.S. Mail if, in addition to complying with the requirements of Paragraph
15 50, Defendants also Clearly and Conspicuously disclose to the consumer
16 prior to Enrollment and Proximate to the area where the consumer provides
17 Affirmative Assent that notices may be sent via U.S. Mail.
- 18 B. If a consumer Enrolls in a Membership Program via direct mail, Defendants may
19 send communications required by this Judgment via:
- 20 1. U.S. Mail, so long as the communications comply with Paragraph 50; or
 - 21 2. E-mail if, in addition to complying with the requirements of Paragraph 49,
22 Defendants also (i) obtain an e-mail address from the consumer at the time
23 of Enrollment and (ii) provide a Clear and Conspicuous disclosure
24 proximate to the area where the consumer provides Affirmative Assent
25 notifying the consumer that notices may be sent via e-mail.
- 26 C. While Defendants may reserve the right to send notices required under this
27 Judgment to members who Enroll via online and direct mail via either e-mail or
28 U.S. Mail if the requirements of 48(A) or (B), as applicable, are met, Defendants

1 must disclose to members the means (e.g., e-mail or U.S. Mail) by which they will
2 receive the Fulfillment Materials required by Paragraph 52 if Defendants intend to
3 send the Fulfillment Materials (i) by U.S. Mail to members who Enrolled online or
4 (ii) by e-mail to members who Enrolled via direct mail, subject to the obligations
5 of Paragraph 49(C)(2).

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

8 **Requirements for Electronic Communications**

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

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

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

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

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

- 20 1. Ensure that e-mail is not sent to "junk" or "spam" folders or otherwise
21 filtered; and
22 2. Track returned or hard-bounced back Fulfillment Material and Billing
23 Notice e-mails indicating that the e-mail address may be invalid. If
24 Defendants receive a returned or hard-bounced back Fulfillment Material
25 or Billing Notice e-mail, Defendants shall comply with the mailing
26 requirements set forth in Paragraph 50.

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

28 50. The following shall apply to the communications sent by U.S. mail to consumers who

1 Enroll in Membership Programs pursuant to Defendants' agreements or arrangements with
2 Marketing Partners beginning 180 days after the Effective Date of this Judgment:

- 3 A. The outside of the envelope or in print visible through a window on the envelope,
4 or if there is no envelope, the front or outside of the mailing, shall Clearly and
5 Conspicuously identify the sender as the Membership Program.
- 6 B. If Defendants learn that Fulfillment Materials or Billing Notices are not delivered
7 to a consumer, Defendants shall (i) check the address against the National Change
8 of Address Database ("NCOA"), (ii) contact the consumer via telephone to verify
9 another means for delivery (*e.g.*, alternate address or e-mail) and resend the notice
10 within two to three weeks of receipt of notice of non-delivery, and/or (iii) cancel
11 the membership, unless Defendants' business records indicate that the consumer
12 used or obtained benefits from the Membership Program in the preceding year. If
13 Defendants subsequently learn that the re-mailing of a Fulfillment Material or
14 Billing Notice is not delivered to a consumer, Defendants shall cancel the
15 consumer's membership, unless Defendants' business records indicate that the
16 consumer used or obtained benefits from the Membership Program in the
17 preceding year.

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

- 26 A. That the consumer has chosen to join a Membership Program;
- 27 B. The name of the Membership Program;
- 28 C. The amount of the Membership Charge and the frequency of billing;

- 1 D. The terms of the cancellation policy for the Membership Program, and contact
- 2 information for the Membership Program (including, at a minimum, a toll-free
- 3 telephone number and a website address) that a consumer may use to cancel his or
- 4 her membership;
- 5 E. If a Trial Offer is included, the time period in which a consumer must cancel in
- 6 order to avoid being charged for the Membership Charge;
- 7 F. The length of the membership term, that the Membership Charge has been or will
- 8 automatically be charged to the consumer's Account, and that the consumer's
- 9 membership will be renewed and the Membership Charge will be automatically
- 10 charged to the consumer's Account for each successive period unless the consumer
- 11 cancels the membership; and
- 12 G. A notice informing the consumer to print and retain a copy of the Confirmation
- 13 Notice for his or her records.

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

- 18 A. Fulfillment Materials Via E-mail. For a consumer who Enrolls via an online
- 19 solicitation or who Enrolls via a direct mail solicitation and receives notice that
- 20 Fulfillment Materials will be delivered via e-mail, Defendants shall send an e-mail
- 21 with the Fulfillment Materials no more than 3 business days after the consumer's
- 22 Enrollment. The Fulfillment Materials shall:
 - 23 1. State as the subject line: "Materials For Membership You Purchased," or
 - 24 substantially similar words.
 - 25 2. Include a Clear and Conspicuous statement (i) informing the consumer that
 - 26 he or she has purchased a Membership Program, (ii) setting forth the
 - 27 information required to be included in the Confirmation Notice, as set forth
 - 28 at Paragraph 51(A) through (G), (iii) providing information on how to

1 redeem the Incentive, if applicable, and (iv) providing the consumer's
2 membership number in the Membership Program. The disclosures
3 required by Paragraph 51(A) and (B) and the consumer's membership
4 number shall be displayed above the fold of the screen if viewed on a
5 standard 1024x768 resolution monitor.

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

11 1. Defendants shall Clearly and Conspicuously disclose in 14-point bold type
12 on the outside of the envelope or in 14-point bold type visible through a
13 window on the envelope containing the Fulfillment Materials, or if there is
14 not an envelope, on the front or outside of the mailing in 14-point bold
15 type, the following statement or substantially similar words: "Materials For
16 Membership You Purchased."

17 2. The Fulfillment Materials shall include, on the first page or as a stand-
18 alone document, a Clear and Conspicuous statement informing the
19 consumer that he or she has purchased a Membership Program, as well as a
20 Clear and Conspicuous statement setting forth the information required to
21 be included in the Confirmation Notice, as set forth at Paragraph 51(A)
22 through (G). In addition, the Fulfillment Materials shall include (i)
23 information describing the Incentive, if applicable, including information
24 on how to redeem the incentive, and (ii) the consumer's membership
25 number in the Membership Program.

26 53. **Incentive Notice.** Defendants shall send to any Non-Account Enrollment who Enrolls in
27 a Membership Program, beginning 180 days after the Effective Date via an online solicitation
28 where an Incentive was offered with the solicitation, an Incentive Notice that Clearly and

1 Conspicuously describes to the consumer the terms of how the consumer can receive his or her
2 Incentive. Defendants shall send the Incentive Notice via e-mail at least seven (7) business days
3 prior to the expiration of any Trial Period or, if no Trial Period is available, at least seven (7)
4 business days before the consumer incurs a second Membership Charge.

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

- 9 A. The amount the consumer will be charged and the amount of time the consumer
10 has to cancel to avoid being charged any Membership Charge;
- 11 B. The length of the membership term, that the Membership Charge will
12 automatically be charged to the consumer's Account, and that the consumer's
13 membership will be renewed and the Membership Charge will be automatically
14 charged to the consumer's Account for each successive period unless the consumer
15 cancels the membership; and
- 16 C. Contact information for the Membership Program (including, at a minimum, a toll-
17 free telephone number and a website address) that a consumer may use to cancel
18 his or her membership.

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

20 55. **Billing Notice.**

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

- 25 1. For consumers who are billed quarterly or more frequently than quarterly
26 and did not provide their Billing Information directly to Defendants,
27 Defendants shall send a Billing Notice to the consumer no less than 15
28 days before the 13th monthly billing, and on the same periodic schedule

1 going forward (e.g., once every 12 billings for Accounts billed monthly);

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

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

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

- 11 1. Billing Notices Sent by E-Mail. If sent by e-mail, the Billing Notice shall
12 state as the subject line: “IMPORTANT MEMBERSHIP AND BILLING
13 INFORMATION,” “MEMBERSHIP RENEWAL NOTICE,” or
14 substantially similar words.

- 15 2. Billing Notices Sent by U.S. Mail. If sent by U.S. Mail, the Billing Notice
16 shall have the following Clear and Conspicuous statement or substantially similar words
17 in 14-point bold type on the outside of the envelope or in 14-point type visible through the
18 envelope or, if there is not an envelope, on the front or outside of the mailing, in 14-point
19 bold type: “IMPORTANT MEMBERSHIP AND BILLING INFORMATION,”
20 “MEMBERSHIP RENEWAL NOTICE,” or substantially similar words.

21 C. Content of Billing Notice. The Billing Notice shall Clearly and Conspicuously
22 state:

- 23 1. That the consumer is a member of Defendants’ Membership Program;
24 2. The name of the Membership Program in which the consumer is enrolled;
25 3. The amount of the Membership Charge and the frequency of billing;
26 4. The contact information for the Membership Program (including, at a
27 minimum, a toll-free telephone number and a website address) that a
28 consumer may use to cancel his or her membership;

1 5. The length of the membership term that the Membership Charge has been
2 or will automatically be charged to the consumer's Account and that the
3 consumer's membership will be renewed and the Membership Charge will
4 be automatically charged to the consumer's Account for each successive
5 period unless the consumer cancels the membership; and

6 6. The consumer's membership number in the Membership Program.

7 **Change in Terms Notices**

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

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

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

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

28 1. That the consumer is a member of Defendants' Membership Program;

- 1 2. The name of the Membership Program in which the consumer is enrolled;
- 2 3. The nature of the change in terms (e.g., the amount of the new Membership
- 3 Charge, billing frequency, etc.). If there is a change in the Membership
- 4 Charge, when the new charge goes into effect and the frequency of billing
- 5 of the new charge and the fact that the charge will automatically renew;
- 6 and
- 7 4. The contact information for the Membership Program (including, at a
- 8 minimum, a toll-free telephone number and a website address) that a
- 9 consumer may use to cancel his or her membership.

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

12 57. **Periodic Communications with Members.** Defendants shall send periodic
13 communications (“Periodic Communications”) to consumers who enroll beginning 180 days after
14 the Effective Date in a Membership Program pursuant to Defendants’ agreements or
15 arrangements with Marketing Partners, regardless of the type of solicitation or method of
16 obtaining affirmative assent, at least twice a calendar year, inclusive of the Billing Notice, if
17 applicable. The Periodic Communications shall set forth, in a Clear and Conspicuous manner, the
18 following information: (i) that the consumer is a member of Defendants’ Membership Program;
19 (ii) the name of the Membership Program in which the consumer is enrolled; and (iii) the contact
20 information for the Membership Program (including, at a minimum, a toll-free telephone number
21 and a website address) that a consumer may use to cancel his or her membership. The Periodic
22 Communications shall be required for each Membership Program in which a member is enrolled.

23 **REQUIREMENTS FOR ENVELOPES USED IN MAILINGS REQUIRED BY THIS**
24 **JUDGMENT**

25 58. For all envelopes used in mailings required by this Judgment, Defendants shall identify
26 the Membership Program as the addressee in all instances on the envelope or outer wrapping
27 containing a mailing, and shall not use the words “Redemption Center” or other substantially
28 similar words.

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

4 **CANCELLATION PROCEDURES**

5 60. Defendants shall permit a consumer who enrolled in a Membership Program pursuant to
6 Defendants' agreements or arrangements with Marketing Partners to cancel his or her membership
7 at any time, including during or after any Trial Period, with no restrictions placed on his or her right to
8 cancel his or her membership and regardless of the method of enrollment. In order to cancel a
9 membership, Defendants shall only require a consumer to give his or her name and address, e-mail
10 address, or membership number. If Defendants cannot identify the membership based on this
11 information, Defendants shall ask the consumer for the minimum amount of additional information
12 necessary for Defendants to identify the Membership Program account. Defendants shall not
13 require a consumer to provide a membership number in order to cancel his or her membership
14 unless it is necessary to identify the consumer's Membership Program account.

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

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

28 A. A toll-free number to contact Defendants:

- 1 B. A mailing address to contact Defendants; and
- 2 C. An e-mail address to contact Defendants or an online cancellation option.
- 3 63. For all consumers who enrolled in a Membership Program pursuant to Defendants’
- 4 agreements or arrangements with Marketing Partners, Defendants shall not initiate a Membership
- 5 Charge for a future term after the date a consumer contacts Defendants to cancel and Defendants
- 6 process the cancellation.
- 7 64. For all consumers who enrolled in a Membership Program pursuant to Defendants’
- 8 agreements or arrangements with Marketing Partners, Defendants shall adequately staff its
- 9 customer service department, including providing adequate staffing to respond to customer service
- 10 phone calls during its hours of operation.
- 11 65. Defendants shall allow a consumer who enrolled in a Membership Program pursuant to
- 12 Defendants’ agreements or arrangements with Marketing Partners to cancel his or her
- 13 membership via telephone. In those instances when live customer service lines are closed,
- 14 Defendants shall promptly process and cancel the membership when notified of the
- 15 cancellation, consistent with the requirements of Paragraph 61. If Defendants need additional
- 16 information to identify and cancel the consumer’s membership Defendants shall promptly
- 17 contact the consumer and obtain the information. Defendants shall treat the Membership
- 18 Program as canceled as of the date the consumer provides Defendants with the cancellation
- 19 information required in Paragraph 60 and the cancellation is processed.
- 20 66. For all consumers who enrolled beginning 90 days after the Effective Date in
- 21 a Membership Program pursuant to Defendants’ agreements or arrangements with Marketing
- 22 Partners, Defendants shall maintain records of cancellations for their Membership Programs,
- 23 regardless of the method of enrollment, for at least 24 months following the date that the
- 24 cancellation request was processed and upon written request, shall make such records available
- 25 to the Attorney General. The cancellation records required by this Paragraph shall include
- 26 originals, copies or electronic copies of Defendants’ internal records of such cancellations.
- 27 Defendants, upon written request, shall also create an electronically-searchable cancellation
- 28 database that includes, if known: (1) name, address, e-mail and telephone number of consumer;

1 (2) method of solicitation; (3) Marketing Partner; (4) date of enrollment; (5) date that
2 cancellation request was processed; (6) cancellation method; (7) the total amount of
3 Membership Charges paid by consumer; and (8) the amount, if any, of any refund provided to
4 the consumer. Defendants shall maintain such data so that it includes the information
5 concerning each cancellation for at least 24 months following the date that the cancellation
6 request was processed and shall, upon written request, make such database available to the
7 Attorney General.

8 **Cancellation Saves**

9 67. For all consumers who enrolled in a Membership Program pursuant to Defendants'
10 agreements or arrangements with Marketing Partners:

- 11 A. For purposes of this Judgment, a consumer who enrolled beginning 90 days after
12 the Effective Date in a Membership Program pursuant to Defendants' agreements
13 or arrangements with Marketing Partners who contacts Defendants to cancel, but
14 decides not to cancel his or her membership after being offered an incentive to
15 continue the Membership Program, such as a lower price, is referred to as having
16 his or her membership "saved."
- 17 B. Prior to treating a membership as saved, Defendants must Clearly and
18 Conspicuously reaffirm his or her decision to remain enrolled in a Membership
19 Program.
- 20 C. Defendants shall notify each consumer who indicates that he or she did not
21 consent to, authorize, or understand that he or she would be assessed a
22 Membership Charge and subsequently consents to be saved (i) the amount the
23 consumer will be billed and frequency of billing, and (ii) information related to
24 accessing the benefits of the Membership Program. Such notification shall take
25 place during the conversation when the consumer consents to be saved.

26 68. Defendants shall notify each consumer who calls to dispute a Membership Charge or
27 otherwise indicates that he or she did not consent to, authorize, or understand that he or she
28 would be assessed a Membership Charge, of Defendants' cancellation policy. If such consumer

1 elects to cancel his or her membership in the Membership Program, Defendants shall use best
2 efforts to identify the account, honor the cancellation request and provide any and all credits or
3 refunds that are provided for under the cancellation policy for that Membership Program,
4 provided that Defendants are given sufficient information to identify the account being canceled.

5 **NOTICES REQUIRED ON BILLING STATEMENTS**

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

- 9 A. Disclose information on the consumers' billing statements sufficient to identify the
10 name of the Membership Program, a clearly identifiable toll-free telephone
11 number for customer service on each billing statement or invoice, and, if sufficient
12 space, the membership number;
- 13 B. If the Membership Charge is billed to a mortgage, loan, utility, or
14 telecommunications account, Clearly and Conspicuously disclose on the
15 consumers' billing statement or invoice that the charge is not related to the
16 services provided;
- 17 C. Not use the term "Optional Product" or similar terms to describe Membership
18 Charges on consumers' billing statements without Clearly and Conspicuously
19 disclosing on the first page of the billing statement or invoice that the Optional
20 Product is a Membership Program purchased by the consumer and without
21 providing a toll-free telephone number the consumer may call to cancel the
22 Membership Charge or receive a refund; and
- 23 D. Not include solicitations with consumers' billing statements, unless they Clearly
24 and Conspicuously distinguish the solicitation from the billing statement provided
25 that the fact that a solicitation is included in the same envelope as a consumer's
26 billing statement shall not be in and of itself deemed to be a violation of this
27 provision.
- 28 E. If Defendants are notified of material changes to the billing practices of any

1 applicable billing entities whose consumers' billing statements contain
2 Membership Charges that would affect the requirements of this Paragraph,
3 Defendants shall notify the State in writing.

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

5 70. Defendants shall not charge a consumer who enrolled in a Membership Program pursuant
6 to Defendants' agreements or arrangements with Marketing Partners a fee if the consumer
7 requests a copy of the consumer's payment authorization (e.g., copy of the Live Check or proof of
8 Affirmative Assent, or other proof that the consumer authorized the Membership Charges) or the
9 terms and conditions of the consumer's membership. Defendants shall provide such copy or
10 terms within thirty (30) days of the consumer's request; provided, however, if Defendants need
11 more time because they cannot identify the membership based on the information provided by the
12 consumer, Defendants shall ask the consumer for the minimum amount of additional information
13 necessary for Defendants to identify the Membership Program account. Defendants shall then
14 provide such copy or terms to the consumer after receiving sufficient additional information to
15 identify the Membership Program. Defendants shall allow consumers to update their contact
16 information by telephone and/or e-mail.

17 **COMPLIANCE MONITORING**

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

- 23 A. Enrollments. Except for consumers who enroll via telemarketing, for a period of
24 not less than two (2) years from the date of cancellation, Defendants shall record
25 and retain, if supplied by the consumer at the time of enrollment, the name,
26 address, e-mail address, and phone number of each consumer enrolled into any of
27 Defendants' Membership Programs. In addition, for each of these consumers,
28 Defendants shall record and retain (1) proof of affirmative assent; (2) the fee

1 charged to the consumer; (3) type of solicitation; (4) name of the Membership
2 Program; (5) date of enrollment; (6) method of enrollment; and (7) to the extent
3 identifiable, Marketing Partner. For consumers who enroll via telemarketing,
4 Defendants shall maintain consumer records as required by the TSR.

5 B. Complaints. For every Complaint received by Defendants, whether received
6 directly or forwarded from a third-party including but not limited to a Marketing
7 Partner, Defendants shall record and retain (1) the complaining consumer's name,
8 address, e-mail address (if available), and phone number (if available); (2) the
9 subject of the Complaint; (3) the Membership Program the consumer is enrolled
10 in; (4) the type of solicitation; (5) the date and method of enrollment; (6) the
11 Marketing Partner, to the extent identifiable; and (7) the resolution of the
12 Complaint. Defendants shall retain this data for a period of three (3) years after
13 the date of the Complaint.

14 C. Solicitations. For every materially-different solicitation used by Defendants or its
15 Marketing Partner to market any Membership Program, Defendants shall retain a
16 representative copy of that solicitation for three (3) years after the last use of that
17 solicitation.

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

23 TRAINING REQUIREMENTS

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

28 A. All business and creative personnel responsible for creating solicitations, post-

- 1 enrollment materials, and websites;
- 2 B. All customer service personnel who interact with consumers; and
- 3 C. All business development personnel responsible for creating new Marketing
- 4 Partner relationships.

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

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

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

- 11 A. Shall direct that Defendants review Membership Program solicitations that are to
12 be sent, presented, or displayed to a Marketing Partner's customers by or on behalf
13 of Defendants;
- 14 B. Shall direct the Marketing Partner to provide a consumer who contacts the
15 Marketing Partner with questions regarding a Membership Program or to cancel
16 his or her Membership Program, with a toll-free telephone number that may be
17 used to contact Defendants regarding the Membership Program;
- 18 C. Shall direct that Defendants provide all Membership Program solicitations to the
19 Marketing Partner and shall further provide that the Marketing Partner has the
20 opportunity to review and approve the content and form of the solicitations before
21 they are provided to customers of the Marketing Partner; and
- 22 D. Shall direct that Defendants provide, on at least a quarterly basis, to Marketing
23 Partners with whom Defendants continue to market at the time of reporting, the
24 number of customers of the Marketing Partner who joined a Membership Program
25 and the number of Complaints received by Defendants regarding the customers of
26 the Marketing Partner who had Enrolled as Non-Account Enrollees beginning 90
27 days after the Effective Date of the Judgment.

28 75. Defendants shall not enter into or renew any contract with any Marketing Partner

1 regarding the marketing of Membership Programs that do not comply with the injunctive
2 provisions of this Judgment.

3 **MISCELLANEOUS INJUNCTIVE PROVISIONS**

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

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

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

13 79. Upon reasonable prior written notice, any duly authorized representative of the Attorney
14 General of Alaska shall be permitted to inspect and copy such records as may be reasonably
15 necessary to determine whether Defendants are in compliance with this Judgment. Nothing
16 herein shall prohibit Defendants from filing an action in court to limit or set aside any such
17 request to inspect and copy such records beyond those permitted by law. For requests related to
18 Complaints, Defendants shall provide the requesting party an electronically-searchable database.

19 80. Provisions of this Judgment that specifically permit Defendants to make required
20 statements in “substantially similar” words require Defendants to make such statements in words
21 that have the same substantive meaning and do not materially change any of the terms of the
22 statement.

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

27 82. Defendants shall comply with the terms in Paragraphs 28 to 31, 60 to 76, and 78 to 81 no
28 later than 90 days after the Effective Date of the Judgment, unless otherwise noted. Defendants

1 shall comply with the terms in Paragraphs 32 to 59, and 77 no later than 180 days after the
2 Effective Date of the Judgment.

3 **VI. CONSUMER RESTITUTION**

4 83. Defendants shall provide refunds to all “Eligible Notice Consumers,” “Eligible
5 Complainants,” “Eligible Non-Notice Consumers” and “Additional Eligible Complainants”
6 (each as defined below), in accordance with Paragraphs 84-101 below.

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

8 84. “Eligible Notice Consumers” refers to a Resident who (1) enrolled in an Affinion or
9 Trilegiant Membership Program, via online Data Pass between January 15, 2008, and the
10 Effective Date of this Judgment; (2) enrolled in an Affinion or Trilegiant Membership Program
11 via Live Check between January 15, 2008, and the Effective Date of this Judgment; or (3)
12 enrolled in a Webloyalty Membership Program via online Data Pass between September 30, 2008
13 and the Effective Date, and who:

- 14 A. As of the Effective Date has not canceled the Membership Program and received a
15 full refund of his or her Membership Charges; and
- 16 B. For consumers who Enrolled in a Webloyalty Membership Program, did not take
17 any of the following actions after the expiration of the Trial Period, if there is one,
18 or after Enrollment, if there is no Trial Period:
- 19 1. File a claim for a protection benefit offered by the Membership Program in
20 which the consumer was enrolled;
 - 21 2. Download a coupon from that Membership Program’s website;
 - 22 3. Make a purchase from or through that Membership Program; or
 - 23 4. Purchase a gift card from that Membership Program.

24 85. Within five (5) business days after the Effective Date of this Judgment, Defendants shall
25 place \$19,387,162.38 (“Participating States’ Fund”) in an escrow account for restitution payments
26 to consumers in the Participating States. The Participating States’ Fund shall be held in an
27 escrow account by a mutually-agreeable third-party escrow agent (“Escrow Agent”) and in
28 accordance with a mutually-agreeable escrow agreement (“Escrow Agreement”). In the amount

1 specified, such funds shall be disbursed by Escrow Agent to Defendants, upon notice to Escrow
2 Agent by representatives of the Attorneys General of the States of California and Texas. The
3 disbursed amount shall only be used for payments pursuant to the requirements of this Judgment
4 and the Escrow Agreement. No payments shall be made pursuant to Paragraphs 84 and 99 until
5 and unless Defendants have received all claims and are able to ascertain refund amounts, as
6 further described in Paragraph 95. Defendants shall not be in violation of this Judgment for a
7 failure of the representatives of the Attorneys General of the States of California and Texas to
8 give notice in a timely manner of a distribution under this Paragraph.

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

- 13 A. Name;
- 14 B. Telephone number;
- 15 C. Street address;
- 16 D. City;
- 17 E. State;
- 18 F. Zip or postal code;
- 19 G. Membership Number;
- 20 H. Name of the Membership Program;
- 21 I. Name of the Marketing Partner;
- 22 J. The date of Enrollment;
- 23 K. The amount of the Membership Charge paid by the Eligible Notice Consumer
24 to Defendants; and
- 25 L. Total amount of Membership Charges refunded to Eligible Notice Consumers.

26 A copy of the State's database of Eligible Notice Consumers shall be made available to the
27 State upon request.

1 *Time Period for Mailing Notices*

2 87. Within 30 days after Defendants compile the database described in Paragraph 86,
3 Defendants shall send to all Eligible Notice Consumers a Notice Letter, a copy of which is
4 attached as Exhibit B hereto, and a Claim Form, a copy of which is attached as Exhibit C
5 hereto. The Claim Form shall have the name, address and/or member number pre-populated
6 prior to issuance.

7 88. Defendants shall send the Notice Letters and Claim Forms to Eligible Notice Consumers
8 by First Class U.S. Mail to Eligible Notice Consumers who Enrolled via direct mail and by e-mail
9 to Eligible Notice Consumers who Enrolled via online. In the case of First Class U.S. Mail,
10 Defendants shall use NCOA to update the mailing address prior to sending the Notice Letters and
11 Claim Forms. Defendants shall use commercially-reasonable efforts to ensure that e-mail is not
12 sent to “junk” or “spam” folders and track returned or hard-bounced back e-mail. If Defendants
13 receive a returned or hard-bounced back e-mail they shall resend the Notice Letter and Claim
14 Form via First Class U.S. Mail, if a physical address is available. The Notice Letter shall state, in
15 the subject line of the e-mail, and, for mailings, in 14-point bold type on the outside of or visible
16 through the envelope: “IMPORTANT SETTLEMENT NOTICE REGARDING YOUR PAID
17 MEMBERSHIP(S).” The “From” field of the e-mail shall state “Marketing Settlement
18 Restitution Program” and, for mailings, the return address on the envelope shall be the
19 “Marketing Settlement Restitution Program”.

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

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

26 90. To be eligible for restitution pursuant to this Judgment, Claim Forms must be (i)
27 properly completed by Eligible Notice Consumers, (ii) postmarked within 90 days of the date
28 Defendants mailed the notice to Eligible Notice Consumers, and (iii) received by Defendants

1 within 105 days of the date Defendants mailed such notice. For purposes of this Judgment, a
2 Claim Form is not properly completed if (i) based upon the information submitted by the
3 consumer, together with Defendant's own records, Defendants are unable to identify the
4 consumer requesting restitution; (ii) the consumer failed to check the required box or
5 checked the box indicating that the consumer knowingly consented to be charged for a
6 Membership Program from Defendants on his or her credit or debit card or other account;
7 (iii) the consumer failed to sign the Claim Form; or (iv) the consumer already received a full
8 refund of charges with respect to the specific Membership Program(s) for which the
9 consumer is seeking restitution.

10 **Claim Form Processing Procedures**

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

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

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

28 94. If the Claim Form is not approved, Defendants shall notify the Eligible Notice

1 Consumer, within 90 days of the deadline for returning the Claim Form, that the Eligible
2 Notice Consumer is ineligible for restitution and why.

3 95. In the event that the Participating States Fund is not sufficient to provide full
4 restitution to all consumers eligible to receive restitution pursuant to Paragraphs 84 and 99
5 of this Judgment, then restitution shall be distributed on a pro rata basis.

6 96. No later than 270 days after the Effective Date of this Judgment, Defendants shall
7 submit an electronically searchable report to the State that includes, with a breakdown of:
8 (a) the total amount of restitution; (b) the number and identification of consumers provided
9 with restitution; and (c) the number and identification of Claim Forms that were rejected as
10 ineligible and the reasons they were rejected. With respect to checks that Defendants have
11 sent to Alaska consumers but which are not cashed or deposited, Defendants shall comply
12 with the Alaska unclaimed property laws, AS 34.45.110 to 34.45.760. Upon request by the
13 Alaska Attorney General's Office, Defendants shall, after the date that non-cashed checks
14 mailed pursuant to this restitution program are voided, provide a report, of consumers of that
15 State who failed to cash restitution checks.

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

1 **OTHER RESTITUTION PROVISIONS**

2 98. Defendants shall treat all Complaints from consumers who enrolled via online Data
3 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 other
14 than online Data Pass or Live Check, submitted by consumers to any federal, state or local
15 agency 18 months prior to July 1, 2012, and forwarded to Defendants prior to execution of
16 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 Alaska who (i) had previously
24 submitted written complaints directly to Defendants, (ii) had been canceled prior to the
25 Effective Date, (iii) contact Defendants within 120 days after the Effective Date seeking a
26 refund, and had enrolled in an (1) Affinion or Trilegiant Membership Program via online Data
27 Pass between January 15, 2008 and the Effective Date of this Judgment; (2) Affinion or
28 Trilegiant Membership Program via Live Check between January 15, 2008 and the Effective

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

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

12 **Costs for Restitution**

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

17 **VII. PAYMENT TO THE STATE**

18 103. Within seven (7) business days after the Effective Date of this Judgment, Defendants,
19 after receiving wire instructions from the State, shall pay \$450,000.00 to the State, as payment
20 for attorneys' fees and investigation and litigation costs, and/or consumer protection enforcement
21 funds, consumer education, litigation or local consumer aid, and other uses permitted by state
22 law, at the discretion of the State's Attorney General. Specifically, the Court awards the State of
23 Alaska judgment in the amount of Four Hundred Fifty Thousand Dollars (\$450,000.00) which
24 shall be used for consumer protection enforcement, education, and investigation. No part of this
25 payment shall be designated as a civil penalty, fine and/or forfeiture.

26 **VIII. OTHER PROVISIONS**

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

1 105. Defendants understand and acknowledge that pursuant to the provisions of AS
2 45.50.551(a), any violation of the terms of this Judgment shall be punishable by civil penalties of
3 not more than Fifty Thousand Dollars (\$50,000.00) for each violation, in addition to any other
4 authorized sanctions.

5 106. Upon full and final payment of the amount required under Paragraph 103, this Judgment
6 constitutes a complete settlement and release of any and all civil claims, causes of actions,
7 restitution, costs, penalties and disgorgement based on conduct, acts or omissions for conduct
8 alleged in the State's Complaint or that relates to the Subject Matter or terms of this Judgment
9 and the State's Complaint, under the Alaska Consumer Protection Act (the "Released Claims"),
10 by the Office of the Alaska Attorney General against Defendants and their principals, successors,
11 and assigns and on behalf of each of their respective agents, representatives, directors, officers,
12 employees and by any corporation, subsidiary or division through which they act or hereafter act.
13 Released Claims do not include: (i) claims pursuant to any other statute or regulation (including,
14 without limitation, antitrust laws, environmental laws, tax laws, credit repair/service organization
15 laws, and criminal statutes and codes), (ii) claims occurring after the Effective Date, or (iii)
16 claims under the Alaska Consumer Protection Act unrelated to the Subject-Matter.

17 107. The Court retains jurisdiction as the ends of justice may require for the purpose of
18 enabling any party to this Judgment to apply to the Court at any time for such further orders and
19 directions as may be necessary or appropriate. Subject to the terms of Paragraph 108 below, this
20 includes Affinion's right to petition the Court to modify the injunctive terms of the Final
21 Judgment, upon giving at least 45 days written notice to the Alaska Attorney General.

22 108. In the event that any statute, rule or regulation pertaining to the subject matter of
23 this Judgment is modified, enacted, promulgated or interpreted by Alaska, the federal government
24 or any federal agency in conflict with any provision of this Judgment, or a court of competent
25 jurisdiction holds that a statute, rule or regulation is in conflict with any provision of this
26 Judgment, Defendants may comply with such statute, rule or regulation and such action shall
27 constitute compliance with the counterpart provision of this Judgment. Defendants shall provide
28 advance written notice to the Attorney General of the inconsistent provision of the statute, rule or

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

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

8 A. If to Defendants:

9 General Counsel
10 Affinion Group
11 6 High Ridge Park
12 Stamford CT 06905

13 and

14 Clayton S. Friedman
15 Manatt, Phelps and Phillips
16 695 Town Center Dr
17 Fourteenth Floor
18 Costa Mesa, CA 92626

19 B. If to the State:

20 Cynthia C. Drinkwater
21 Assistant Attorney General
22 Office of the Attorney General
23 State of Alaska
24 1031 West 4th Ave., Suite 200
25 Anchorage, AK 99501

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

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

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

5 113. This Judgment sets forth the entire agreement between the parties, and there are no
6 representations, agreements, arrangements, or understanding, oral or written, between the parties
7 relating to the subject matter of this Judgment which are not fully expressed hereto or attached
8 hereto.

9 114. This Judgment shall not be construed against the “drafter” because the parties all
10 participated in the drafting of the Judgment.

11 115. This Judgment shall not be construed or used as a waiver or any limitation of any defense
12 otherwise available to Defendants in any pending or future legal or administrative action or
13 proceeding relating to Defendants’ conduct prior to the Effective Date of this Judgment or of
14 Defendants’ right to defend themselves from, or make any arguments in, any individual or class
15 claims or suits relating to the existence, subject matter, or terms of this Judgment.

16 116. Except as otherwise set forth herein, if the State receives a request for documents provided
17 by Defendants relating to the State’s investigation of Defendants, negotiations of this Judgment,
18 any reports specified or required herein, or information obtained by the Defendants or Claims
19 Administrator in connection with this Judgment, the State shall comply with applicable public
20 disclosure laws and provide reasonable notice to Defendants consistent with the framework of the
21 State’s public disclosure law(s). Defendants have asserted that such documents include
22 confidential or proprietary information and have specifically designated such documents as
23 confidential. To the extent permitted by law, the Attorney General shall notify Defendants of (a)
24 any legally enforceable demand for, or (b) the intention of any Attorney General to disclose to a
25 third party, such information, records, or documents at least thirty (30) business days, or such
26 shorter period as required by state law, in advance of complying with the demand or making such
27 disclosure, in order to allow Defendants the reasonable opportunity to intervene and assert any
28 legal exemptions or privileges they believe to be appropriate.

1 117. With respect to solicitations, advertising or marketing which has been used prior to the
2 Effective Date of this Judgment, Defendants shall not be liable for their non-compliance so long
3 as they have made reasonable efforts to locate, withdraw, or amend such solicitations, advertising
4 or marketing to comply with the foregoing requirements. Defendants shall not be liable for
5 failing to prevent the republication of pre-existing solicitation, advertising or marketing that does
6 not comply with this Judgment by independent third-parties or parties who are not subject to
7 Defendants' control so long as Defendants make reasonable efforts to prevent such republication,
8 including, but not limited to, exercising any available contractual rights, and, where no
9 contractual relationship exists, requesting in writing that the third party terminate the
10 republication of such solicitation, advertising or marketing.

11 118. To the extent that any changes in Defendants' business, advertising materials, and/or
12 solicitations to customers, or customer service practices are made to achieve or to facilitate
13 conformance to the terms of this Judgment, such changes shall not constitute any form of
14 evidence or admission by Defendants, explicit or implicit, of wrongdoing or failure to comply
15 with any federal or state statute or regulation or the common law.

16 119. This Judgment is made without trial or adjudication of any issue of fact or law or finding
17 of liability of any kind. Nothing in this Judgment, including this Paragraph, shall be construed to
18 limit or to restrict Defendants' right to use this Judgment to assert and maintain the defenses of
19 res judicata, collateral estoppel, payment, compromise and settlement, accord and satisfaction, or
20 any other legal or equitable defenses in any pending or future legal or administrative action or
21 proceeding.

22 120. If the Attorney General decides to pursue enforcement of this Judgment because the
23 Attorney General has determined that Defendants have failed to comply with any of the terms of
24 this Judgment, and if, in the Attorney General's sole discretion, the failure to comply does not
25 threaten the health or safety of the citizens of the State and/or does not create an emergency
26 requiring immediate action, the Attorney General will notify Defendants in writing of such failure
27 to comply and Defendants shall thereafter have fifteen (15) business days from receipt of such
28 written notice, prior to the Attorney General initiating any enforcement proceeding, to provide a

1 written response to the Attorney General's notice of failure to comply. The response may
2 include:

- 3 A. A statement explaining why Defendants believe they are in full compliance with
4 the Judgment;
- 5 B. A detailed explanation of how the alleged violation(s) occurred;
- 6 C. A statement that the alleged breach has been cured and how; or
- 7 D. A statement that the alleged breach cannot be reasonably cured within fifteen
8 (15) business days from receipt of the notice, but
- 9 1. Defendants have begun to take corrective action to cure the alleged breach;
- 10 2. Defendants are pursuing such corrective action with reasonable and due
11 diligence; and
- 12 3. Defendants have provided the Attorney General with a detailed and
13 reasonable time table for curing the alleged breach.

14 Nothing herein shall prevent the Attorney General from agreeing in writing to provide Defendants
15 with additional time beyond the fifteen (15) business day period to respond to the notice.

16 121. Nothing in this Judgment shall be construed to create, waive or limit any private right of
17 action.

18 122. Upon entry of this Judgment, all claims alleged in the State's Complaint filed by the
19 Attorney General in the above captioned action, not otherwise addressed by this Judgment are
20 dismissed.

21 123. Each party shall pay its own court costs.

22 The Clerk is ordered to enter this Judgment forthwith.


23 Date: _____, 2013.

24
25 BY THE COURT

26
27 _____
28 Judge

1 JOINTLY APPROVED AND SUBMITTED FOR ENTRY:

2 FOR THE STATE OF ALASKA
3 MICHAEL C. GERAGHTY
4 ATTORNEY GENERAL

5 By: 

Dated: 10/10/13

6 Cynthia C. Drinkwater
7 Assistant Attorney General
8 Office of the Attorney General
9 State of Alaska
10 1031 West 4th Ave., Suite 200
11 Anchorage, AK 99501
12 Phone: (907) 269-5200
13 E-mail: Cynthia.Drinkwater@alaska.gov

AK Bar No. 3805157

11 FOR AFFINION GROUP, INC., TRILEGIANT CORPORATION, AND WEBLOYALTY, INC.

12 By: 

13 Title: Executive Vice President & Secretary
14 Affinion Group, Inc.

15 By: _____

16 Clayton S. Friedman
17 **Manatt, Phelps & Phillips, LLP**
18 695 Town Center Drive, Floor 14
19 Costa Mesa, CA 92626
20 714.338.2704 (telephone)
21 714.371.2573 (facsimile)
22 cfriedman@manatt.com

23 *Counsel for Affinion Group, Inc., Trilegiant Corporation, and Webloyalty, Inc.*

24 By: _____

25 Ronald R. Urbach
26 **Davis & Gilbert, LLP**
27 1740 Broadway
28 New York, NY 10019
212.468.4824 (telephone)
212.621.0922 (facsimile)
RUrbach@dglaw.com

Counsel for Affinion Group, Inc., Trilegiant Corporation, and Webloyalty, Inc.

1 JOINTLY APPROVED AND SUBMITTED FOR ENTRY:
2 FOR THE STATE OF ALASKA

3 MICHAEL C. GERAGHTY
4 ATTORNEY GENERAL

5 By: _____


Dated: _____

6 Cynthia C. Drinkwater
7 Assistant Attorney General
8 Office of the Attorney General
9 State of Alaska
10 1031 West 4th Ave., Suite 200
11 Anchorage, AK 99501
12 Phone: (907) 269-5200
13 E-mail: Cynthia.Drinkwater@alaska.gov

11 FOR AFFINION GROUP, INC., TRILEGIANT CORPORATION, AND WEBLOYALTY, INC.

12 By: _____

13 Title: _____
14 Affinion Group, Inc.

15 By: 
16 Clayton S. Friedman
17 **Manatt, Phelps & Phillips, LLP**
18 695 Town Center Drive, Floor 14
19 Costa Mesa, CA 92626
20 714.338.2704 (telephone)
21 714.371.2573 (facsimile)
22 cfriedman@manatt.com

21 *Counsel for Affinion Group, Inc., Trilegiant Corporation, and Webloyalty, Inc.*

22 By: 
23 Ronald R. Urbach

24 **Davis & Gilbert, LLP**
25 1740 Broadway
26 New York, NY 10019
27 212.468.4824 (telephone)
28 212.621.0922 (facsimile)
RUrbach@dglaw.com

28 *Counsel for Affinion Group, Inc., Trilegiant Corporation, and Webloyalty, Inc.*

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LOCAL COUNSEL:

Stanley T. Lewis
Stanley T. Lewis
Birch, Horton, Bittner & Cherot
1127 West Seventh Avenue
Anchorage, Alaska 99501
(907) 263-7214

EXHIBIT A

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

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

From: Marketing Settlement Restitution Program
<MarketingSettlementRestitutionProgram@tgcginc.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](#).

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
4253647	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:
	/ /
Name (print):	

EXHIBIT D

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