ATTORNEY GENERAL OF THE STATE OF NEW YORK
BUREAU OF CONSUMER FRAUDS & PROTECTION

In the Matter of the | Assurance No. 18-003

Investigation by ERIC T. SCHNEIDERMAN,
Attorney General of the State of New York, of

ADORE ME, INC.,

Respondent.

ASSURANCE OF DISCONTINUANCE

The Office of the Attorney General of the State of New York ("NYAG") has conducted an investigation, pursuant to Executive Law § 63(12), General Business Law Article 22-A, and the Restore Online Shoppers' Confidence Act, 15 U.S.C. § 8403, of the business practices of Adore Me, Inc. (hereinafter, "Adore Me") concerning the company's Membership Program that includes Recurring Charges. This Assurance of Discontinuance ("Assurance") contains the findings of the NYAG, and the relief agreed to by the NYAG and Adore Me (collectively, "the parties").

DEFINITIONS

For purposes of this Assurance, the following definitions shall apply:

1. "Clear and Conspicuous" or "Clearly and Conspicuously" shall mean that the statement, representation, or term being disclosed is of such size, color, contrast, and/or audibility and is so presented so that the ordinary consumer can readily notice or hear and understand it. If such statement is necessary as a modification, explanation, or clarification to other information with which it is presented, it must be presented in close proximity to the information it modifies, in a manner so as to be readily noticed or heard and understood. In addition to the foregoing, in interactive media, the disclosures shall be presented directly on a webpage.

In communications disseminated orally or through audio, the disclosures must be delivered in a volume, cadence, language, and syntax sufficient for an ordinary consumer to hear and comprehend them. In communications disseminated by video: (a) the written disclosures must appear on the screen for a duration sufficient for any ordinary consumer to read and comprehend them, and be in the same language as the predominant language that is used in the communication; and (b) audio disclosures must be delivered in a volume, cadence, language, and syntax sufficient for an ordinary consumer to hear and comprehend them.

2. “Membership Program” shall mean any program in which a consumer enters into an agreement with Adore Me for the provision of benefits, goods, or services for which the consumer will be charged a Recurring Charge.

3. “Membership Terms” as used in this Assurance shall mean: (a) the fact that the consumer will be enrolled in a Membership Program; (b) the existence, amount, and frequency of a Recurring Charge or any fee required to join in or participate in the Membership Program; (c) the deadline by which a consumer may choose to skip the Recurring Charge; and (d) the consumer’s right to cancel his or her enrollment in the Membership Program.

4. “Recurring Charge” shall mean one or more charges placed on a consumer’s account after the consumer’s initial purchase that is made without further authorization from the consumer, and which is charged unless the consumer takes an affirmative step to prevent the charge.

5. “Pay As You Go” shall mean the purchase option whereby the consumer pays the listed price, subject to promotions or savings, without any future obligation on the part of the consumer.

6. “Payment Vacation” shall mean a feature of the Membership Program that allows the consumer to remain enrolled in the Membership Program without requiring the consumer to pay

the monthly Recurring Charge for a certain period of time (which period is and shall be set by Adore Me).

7. "Save the Sale" means the process, or the result of a process, utilized by Adore Me for the purpose of retaining a consumer who contacts Adore Me to cancel a membership.

8. "Third Party Marketer" shall mean any individual or entity, or group of individuals or entities, that is authorized, either directly or indirectly, to market Adore Me's products on Adore Me's behalf.

FINDINGS OF THE NYAG

9. Adore Me is a Delaware corporation with its principal place of business located at 16 East 34th Street, 14th Floor, NY, NY 10016.

10. Adore Me is an online retailer that primarily sells women's lingerie, sleepwear, swimwear, activewear, and accessories. Adore Me markets its products throughout the United States and Canada.

11. Since approximately January 2013, at various times, Adore Me has advertised its products on the internet through its own website, social media advertisements, search engines, and through other media channels such as television commercials and print media.

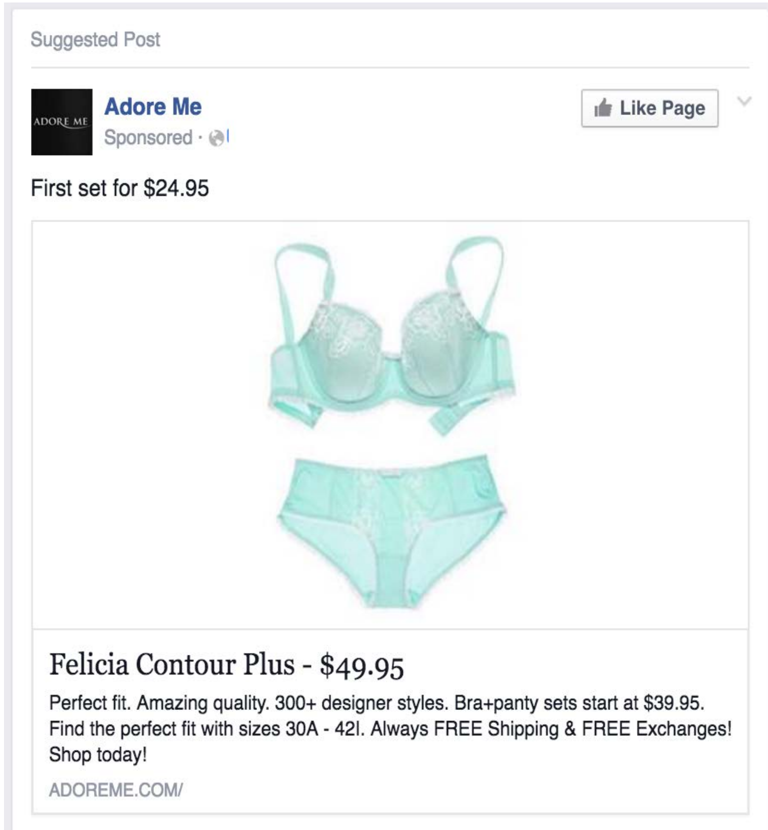
12. In April 2015, Adore Me opened its first physical showroom at its corporate headquarters in New York City. Customers can voluntarily register online for an in-person consultation at the physical showroom. After their consultation, customers can place orders through Adore Me's website, either with the help of a consultant at the physical showroom or at a later time, after which the products are shipped to consumers directly. In June 2016, Adore Me started selling its products in select Nordstrom department store locations throughout the United States.

13. Adore Me's Membership Program offers consumers a discount on their initial purchase of merchandise, as well as discounted prices on future purchases, with "[n]o obligation to buy every month, [and] no membership fee." Each month, Adore Me charges consumers enrolled in the Membership Program $39.95, unless, within the first five days of the month, the consumer "shops" and purchases merchandise or "skips" buying merchandise that month via a one-click skip that the consumer receives in an email. For those consumers who do not "shop" or "skip" during the required five-day period, Adore Me charges their credit or debit cards $39.95, which is then reflected as a store credit in the consumers' Adore Me account. Additionally, consumers enrolled in the Membership Program can take a Payment Vacation, which allows consumers to avoid having to "shop," "skip," or pay for store credit for up to two consecutive months.

Deceptive Promotional Prices

14. Until approximately June 2016, Adore Me at times advertised promotional prices that were available only to consumers who were members of its Membership Program and not to consumers who selected the Pay As You Go option, without Clearly and Conspicuously disclosing this fact.

15. For example, certain of Adore Me's television advertisements prominently featured a promotional price available only to consumers who enrolled in the Membership Program. These television advertisements contained a disclosure that was of a type size and screen duration that made it difficult to read and failed to disclose material information. Certain other Adore Me advertisements appeared as follows, with no disclosure that the price was available only to consumers who enrolled in the Membership Program:

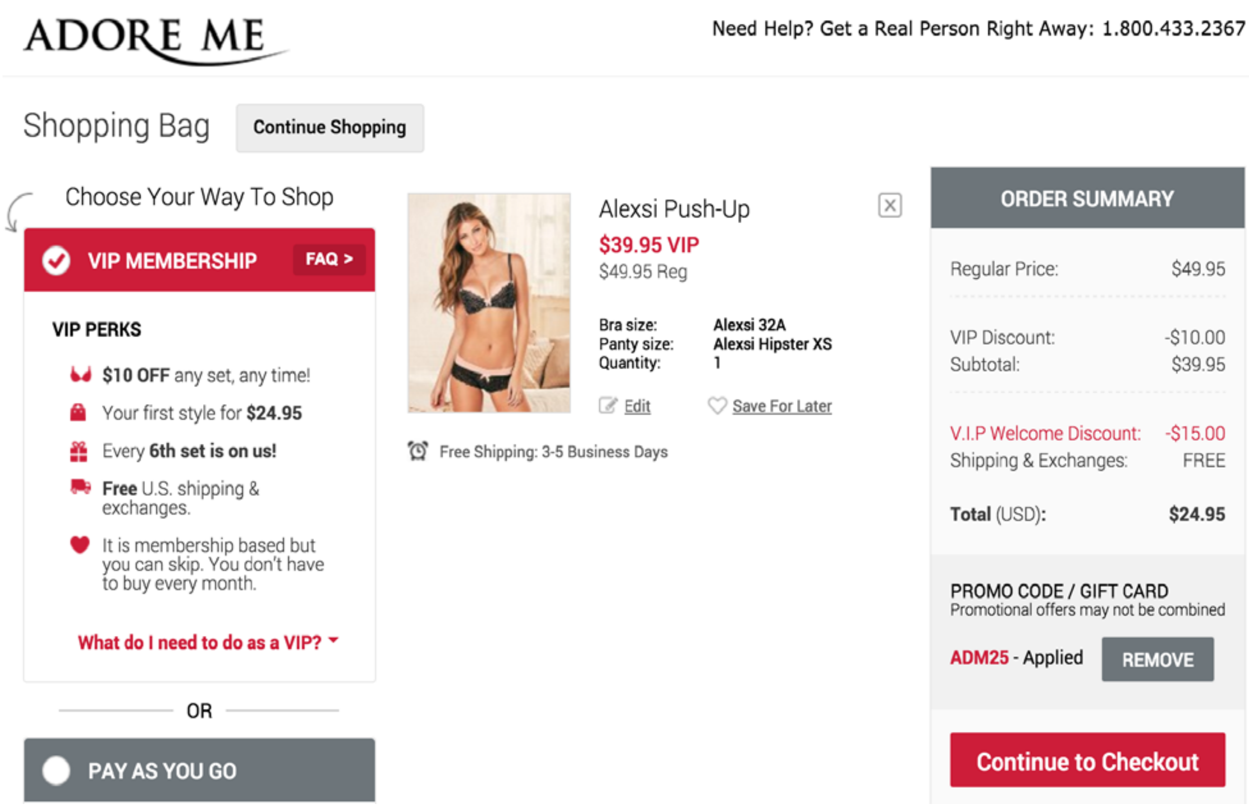


16. Prior to June 2016, consumers who logged onto Adore Me's website and selected products to purchase were automatically placed into the Membership Program without any affirmative action on their part and without an adequate Clear and Conspicuous disclosure that they would be charged $39.95 per month going forward. As of the Effective Date of this Assurance, consumers can purchase Adore Me's products through the company's website by either making a one-time Pay As You Go purchase or by enrolling in Adore Me's Membership Program that includes a Recurring Charge.

Inadequate Disclosure of Membership Program with a Recurring Charge

17. In addition, Adore Me marketed its Membership Program to consumers without Clearly and Conspicuously disclosing the material terms and conditions of the offer, including that consumers must take affirmative action to avoid a Recurring Charge, such as choosing to (a) "skip" buying merchandise that month, (b) go on a Payment Vacation, or (c) cancel their membership.

18. The order summary page did not Clearly and Conspicuously disclose that a $39.95 Recurring Charge applied if consumers did not take affirmative action by a certain date each month. For example, at various times prior to June 2016, the order summary page stated, "It is membership based but you can skip. You don't have to buy every month," This quoted language caused some consumers to believe that enrollment in the Membership Program did not result in monthly charges. Consumers had to scroll down the page to see the statement regarding the Recurring Charge.



Misrepresentations as to Store Credit

19. Prior to June 2016, members of the Membership Program could spend or forfeit accrued store credits when they cancelled their membership, or seek a refund by contacting Adore Me's customer service within 30 days. This program detail was not Clearly and Conspicuously disclosed to consumers but was instead disclosed in, among other places, the company's Terms &

Conditions, which required consumers to scroll to the bottom of the home page and click the Terms & Conditions link.

Cancellation Policies and Practices

20. Prior to 2016, Adore Me also implemented and maintained cancellation policies and practices that frustrated some consumers' ability to cancel their membership. For example, at various points in time prior to June 2016, consumers who wanted to cancel their Membership Program through Adore Me's website had to complete a quiz before cancelling, and a number of consumers who attempted to cancel their membership via telephone reported difficulty getting through to a customer service representative.

21. As a result of these practices, Adore Me has retained substantial amounts that it obtained from certain consumers who did not knowingly authorize Adore Me to bill them for a Membership Program, unwillingly forfeited or spent down their store credit, or were delayed in cancelling their memberships.

22. New York Executive Law § 63(12) prohibits persons or business entities from engaging in repeated fraudulent or illegal acts or otherwise demonstrating persistent fraud or illegality in the carrying on, conducting, or transaction of business.

23. New York General Business Law ("GBL") Article 22-A prohibits deceptive acts or practices (GBL § 349), and false advertising in the conduct of any business, trade or commerce in this State (GBL § 350).

24. The Restore Online Shoppers' Confidence Act, 15 U.S.C. § 8403, requires a seller marketing a negative option feature over the internet to, among other things, Clearly and Conspicuously disclose all material terms of the transaction before obtaining a consumer's billing information.

25. The NYAG finds that the practices described above constitute repeated violations of GBL Article 22-A, §§ 349 and 350, the Restore Online Shoppers' Confidence Act, 15 U.S.C. § 8403, and repeated violations of Executive Law § 63(12).

26. Adore Me neither admits nor denies the NYAG's Findings (10)-(25) above.

27. The NYAG is willing to accept the terms of this Assurance pursuant to Executive Law § 63(15) in lieu of commencing a statutory proceeding and to discontinue its investigation.

28. The parties each believe that the obligations imposed by this Assurance are prudent, appropriate, and in the public interest.

PROSPECTIVE RELIEF

General Business Practices

29. Adore Me shall comply with any applicable federal and state laws in connection with its marketing and sales of products or services to New York consumers.

30. When advertising a price that is available only to consumers enrolled in a Membership Program, Adore Me shall Clearly and Conspicuously disclose that fact.

31. When advertising a price that is available only to consumers enrolled in a Membership Program, Adore Me shall Clearly and Conspicuously disclose the fact that there is a Recurring Charge associated with enrollment in the Membership Program.

32. Any incentive or offer by Adore Me provided to consumers that is contingent on enrolling in a Membership Program shall Clearly and Conspicuously disclose the fact that receipt of the incentive or offer is contingent on the consumer's enrollment in a Membership Program that includes a Recurring Charge, unless the consumer skips making a purchase or opts to take a Payment Vacation within the required time period for doing so. The requirements in this paragraph are in addition to the requirements for express informed consent set forth in paragraph 34 below.

33. Adore Me shall, prior to billing any consumer for a Membership Program that includes a Recurring Charge, Clearly and Conspicuously disclose all fees and costs; all material terms and conditions, limitations, or restrictions applicable to the purchase or receipt of an Adore Me Membership Program, including, but not limited to:

a. The dollar amount of the first payment and when it will be charged, withdrawn, or become due; the dates or frequency of all subsequent charges or payments; and the dollar amount or range of costs of all subsequent charges or payments;

b. The fact that a charge will be submitted for payment every month unless the consumer takes affirmative action each month within the first five (5) days of the month (or other time period Adore Me may adopt in the future) to shop for products (*i.e.*, make a purchase) or to skip making a purchase that month (*i.e.*, not make a purchase and receive a store credit), or the consumer cancels his or her membership; and

c. The specific steps and means by which a cancellation request must be submitted and the date or time period by which a cancellation request must be received to avoid a charge.

34. Adore Me shall, prior to billing any consumer for a Membership Program that includes a Recurring Charge, obtain the consumer's express informed consent to enroll in the Membership Program. Adore Me must obtain express informed consent, as follows:

a. For all written offers (including over the Internet or other web-based applications or services), consent may be obtained through a check box, signature, or other substantially similar method that the consumer must affirmatively select (*i.e.*, it cannot be pre-checked). Immediately adjacent to such check box, signature, or other method that the consumer must affirmatively select, Adore Me shall disclose all costs associated with the Membership Program that includes a Recurring Charge, that the consumer is agreeing to pay such costs, and that consumers can take affirmative steps (*i.e.*, to skip the month, go on a Payment Vacation, or cancel his or her membership) to avoid being charged. This disclosure shall contain no additional information, and shall be Clear and Conspicuous in relation to any other information provided on the page related to costs, risks, or obligations associated with any Membership Program that includes a Recurring Charge. Prior to obtaining the consumer's express informed consent, Adore Me shall Clearly and Conspicuously disclose the Membership Terms. The requirements of this paragraph may not be satisfied solely by the requirement that a consumer check a box indicating that they have read the terms and conditions of the Membership Program.

b. For all oral offers (if applicable), make a recording of the entire transaction, including the sales representations, evidencing the consumer's agreement to the Membership Program that includes a Recurring Charge. The recording must demonstrate that the consumer has provided billing information, such as the last four (4) digits of the account to be charged, specifically for the purpose of participating in the Membership Program that includes a Recurring Charge and that Adore Me has disclosed to the consumer all costs associated with the Membership Program, that the consumer is agreeing to pay such costs, the length of any trial period, and that consumers must cancel to avoid being charged.

35. Adore Me shall retain, for at least two (2) years after any New York consumer terminates a Membership Program, proof of the express informed consent required by paragraph 34, including the date that the consent was provided, the email address of the consumer, a recording of the telephone call, if applicable, and, if such consent is provided online, the IP address of the consumer and technical documentation (*e.g.*, by screenshot or other method) of the consent, and shall, upon written request, make such proof available to the NYAG and to any consumer who disputes his or her enrollment in a Membership Program.

36. Adore Me shall send an invoice to consumers for each shipment containing products delivered to consumers enrolled in a Membership Program. The invoice shall Clearly and Conspicuously disclose the Membership Terms, the material terms of the consumer's ability to return those products, and include with the statement a link to the Account Management page as defined in paragraph 42, and if Adore Me offers the ability to cancel enrollment in a Membership Program by telephone, the telephone number for consumers to call to cancel their membership.

37. Adore Me shall Clearly and Conspicuously disclose under what circumstances store credit is issued and all material limitations on how or when the credit can be used or refunded, including, but not limited to, any time period by which consumers must request a refund of a credit.

38. Adore Me shall promptly and thoroughly investigate consumer complaints and designate a person to act as a direct contact for the NYAG for resolution of consumer complaints. Within thirty (30) days of the Effective Date of this Assurance, Adore Me shall provide the NYAG with the name and address of the direct contact designated to handle consumer complaints filed with the NYAG.

39. Within three (3) months of the Effective Date of this Assurance, Adore Me shall

employ a compliance officer or designate an employee with specific responsibility for ensuring that the terms of the Assurance are satisfied.

40. Adore Me shall Clearly and Conspicuously disclose any mandatory arbitration clause in its contracts with New York consumers or in its Terms & Conditions.

Cancellations and Refunds

41. Adore Me shall provide a simple online mechanism for consumers to cancel their membership, and shall promptly accept and process any request by a consumer to cancel his or her membership and stop billing and collecting payments for any Recurring Charge. The online mechanism must not be difficult, costly, confusing, or time consuming. For purposes of this provision, a one-click way to cancel Recurring Charges associated with enrollment in a Membership Program that includes a Recurring Charge is a sufficiently simple mechanism. Nothing in this paragraph shall diminish Adore Me's ability to Save the Sale pursuant to paragraph 46.

42. Adore Me shall include on its website a link to a secure webpage where consumers can access and manage the account information associated with the consumer's Membership Program (the "Account Management page"). Adore Me shall Clearly and Conspicuously display, on the first visible section of the Account Management page, a hyperlink or button labeled "Cancel My Account," or words of similar import, that directs the consumer to the simple online mechanism to cancel. If Adore Me provides consumers the ability to cancel their membership via telephone, the telephone number for consumers to call to cancel shall also be listed on the first visible section of the Account Management page.

43. Adore Me shall include in all transactional emails concerning the Membership Program (*i.e.*, emails confirming the joining of a Membership Program and emails confirming the

processing of a Recurring Charge) sent to consumers enrolled in a Membership Program with a Recurring Charge a Clear and Conspicuous statement that consumers may cancel their membership at any time without penalty and include with the statement a link to the Account Management page.

44. If Adore Me's Customer Relationship team receives a cancellation request via email, telephone, or other means, then Adore Me shall promptly, but no later than five (5) business days: (a) cancel the consumer's membership or (b) provide the consumer a link or web address to the simple online mechanism to cancel. Adore Me shall train any employees that receive, or may receive, consumer cancellation requests via email, telephone, or other means, to provide consumers with a link to Adore Me's simple online mechanism as part of a response to a request to cancel. If any other Adore Me personnel receives a cancellation request, then such personnel shall exercise best efforts to promptly forward requests to the Customer Relationship team.

45. Adore Me shall promptly honor consumer cancellation requests, including requests from consumers who are on a Payment Vacation from a Membership Program, and Adore Me shall cease further billing, including providing a refund of any inadvertently billed amounts.

46. Adore Me shall not require consumers to complete an online quiz or survey in order to cancel their membership and shall not make more than one attempt to Save the Sale once a consumer had indicated an intent to cancel.

47. Adore Me shall not compensate, evaluate or promote its employees based on the rate or percentage of consumers who are "Saved" after requesting to cancel their membership.

48. Adore Me shall provide all consumers the opportunity to request and obtain a refund of any Recurring Charge balance accrued within the preceding thirty (30) days via an electronic one-click refund option. Any refund requested under this paragraph shall be processed by Adore

Me and set up for payment to the consumer within three (3) business days.

49. Adore Me shall provide all consumers the opportunity to request and obtain a refund of any Recurring Charge balance accrued within the prior year, but outside the preceding thirty (30) days, via a simple mechanism accessible over the Internet or through such other web-based application or service that consumers can easily use to cancel their membership and to immediately stop all further Recurring Charges. This simple mechanism shall be labeled "Request a Refund," or words of similar import, and shall generate an electronic claims form allowing the consumer to request a refund of any such amounts based on the month accrued, unless Adore Me suspects or confirms, in good faith, that the consumer may be engaged in fraud or other unlawful conduct. Any refund requested under this paragraph shall be processed by Adore Me or set up for payment to the consumer within three (3) business days.

50. Adore Me shall Clearly and Conspicuously display, on the first visible section of the Account Management page, a link that directs consumers to a webpage from which consumers can request the refunds called for in paragraphs 48-49 above (the "Refunds Page").

51. Adore Me shall cease making Recurring Charges to any consumer enrolled in a Membership Program who has accumulated twelve (12) months of store credit via Recurring Charges.

Third Party Marketers

52. If Adore Me contracts with any Third Party Marketer to provide marketing services that would be covered by this Assurance, then Adore Me shall contractually require the Third Party Marketer to comply with all applicable laws and the requirements of this Assurance in advertising or marketing any Membership Program. Moreover, Adore Me shall require that the Third Party Marketer contractually impose the foregoing requirement on any of the Third Party Marketer's

sub-contractors (*e.g.*, affiliates, marketing networks, marketing agencies).

53. Adore Me shall take reasonable steps to monitor the advertising and Internet content of, and promptly investigate complaints regarding, any Third Party Marketers to ensure that such advertising and Internet content complies with any relevant terms of this Assurance and shall promptly take appropriate remedial action if Adore Me reasonably concludes that the advertising does not comply with the terms of this Assurance, including directing the Third Party Marketers to immediately remove the relevant advertising and Internet content.

54. Upon determining that any Third Party Marketer has engaged in, or is engaging in, acts or practices prohibited by this Assurance, Adore Me shall take appropriate corrective action against the Third Party Marketer that has engaged in repeated violations, which may include additional training for the first violation, or suspension or termination following repeated violations of material provisions of this Assurance.

Prohibited Practices

55. Adore Me shall not make any deceptive claims on its website, in its written and verbal communications with consumers and in all forms of media under Adore Me's control, when advertising, marketing, or promoting any product or service.

56. Adore Me shall not automatically place consumers into a Membership Program that includes a Recurring Charge without Clearly and Conspicuously disclosing that consumers have the option to choose the Pay As You Go (or any other) program that does not require a Recurring Charge.

57. Adore Me shall not represent that a consumer may obtain a discount, a particular price, or other benefit, if such discount, price, or benefit can only be obtained by joining a Membership Program with a Recurring Charge, without Clearly and Conspicuously disclosing that

the discount, price, or other benefit can only be obtained through enrollment in such Membership Program, and the existence, amount, and frequency of the Recurring Charge resulting from that enrollment.

58. Adore Me shall not misrepresent, either orally or in writing, expressly or by implication, any material fact in connection with the marketing or sale of any Adore Me Membership Program, including, but not limited to:

a. That a good, product, program, or service is "free" or requires "no commitment," or words of similar import, denoting or implying the absence of an obligation on the part of the recipient of the offer to affirmatively act in order to avoid a charge including where a charge will be assessed pursuant to the offer unless the consumer takes affirmative action to cancel;

b. The purpose for which a consumer's credit or debit card billing information will be used; and

c. The material terms and conditions of any policies and practices regarding cancellations and refunds.

59. Adore Me shall not cause consumers to lose unused credit when consumers cancel their enrollment in the Membership Program.

Compliance and Monitoring

60. At twelve (12) months from the Effective Date of this Assurance, Adore Me shall file with the NYAG a report, under penalty of perjury, setting forth in detail the manner and form in which it has complied with this Assurance and include representative exemplars of its advertising. Adore Me shall also include a spreadsheet listing all New York consumers to whom restitution was paid, along with the amount of restitution paid to each consumer.

61. Adore Me shall, upon request by the NYAG, provide the NYAG with copies of records and documents sufficient to demonstrate Adore Me's compliance with the requirements of the Assurance.

RELIEF TO CONSUMERS

Refunds for Consumers with More Than 12 Months of Store Credit

62. No later than fifteen (15) days after the Effective Date of this Assurance, Adore Me shall send a notice in a form substantially similar to that attached as Exhibit A to all New York consumers who, as of the Effective Date of this Assurance, have a Recurring Charge balance in an amount greater than twelve (12) months of charges, notifying those consumers that they have an opportunity to obtain a refund of twelve (12) months of Recurring Charges. The notice shall be sent to these New York consumers by electronic mail or, for consumers for which electronic mail is returned as undeliverable, by first-class mail.

Full Refunds of Forfeited Store Credit

63. Adore Me shall provide a full refund to New York consumers who cancelled a Membership Program and forfeited any remaining Recurring Charge balance. Refunds pursuant to this paragraph shall be equal to the consumer's forfeited Recurring Charge balance, less any amounts previously refunded either directly or via a successful chargeback. Within six (6) months of the Effective Date of this Assurance, Adore Me shall contact each consumer entitled to a refund pursuant to this paragraph via email, in a form substantially similar to that attached as Exhibit B. To effectuate refunds pursuant to this paragraph, Adore Me may: (a) refund consumers electronically, transmitting the full amount to the consumer's last-known valid bank account or other financial account on file with Adore Me including by effectuating a reverse charge on the consumer's credit card, or (b) refund consumers via hardcopy check, mailed to each consumer's

last known address on file with Adore Me (via first-class mail, postage prepaid, address correction service requested with forwarding and return postage guaranteed) together with the notice letter in a form substantially similar to that attached as Exhibit C. If Adore Me is unable to refund a consumer electronically pursuant to subparagraph (a), then Adore Me must send a hardcopy check pursuant to subparagraph (b). If a hardcopy mailing is returned undeliverable, then Adore Me must use standard address search methodologies such as re-checking Adore Me's records and the Postal Service's National Change of Address database, and re-mail to any corrected and/or updated address within fifteen (15) days.

Full Refunds of Used Store Credit

64. Adore Me shall provide a full refund to New York consumers who satisfy each of the following criteria:

a. the consumer enrolled in the Membership Program prior to November 1, 2016;

b. the consumer cancelled the Membership Program prior to June 2016;

c. the consumer was enrolled in the Membership Program for at least three (3) months and accumulated store credits due to Recurring Charges;

d. the consumer did not "skip" while enrolled in the Membership Program;

e. the consumer did not utilize the "Payment Vacation" feature;

f. the consumer did not receive a refund of store credits that accumulated due to Recurring Charges; and

g. the consumer's last purchase using store credit and the date on which the consumer cancelled the Membership Program occurred in the same month, and

    i. the consumer placed only two (2) orders (*i.e.*, an initial order upon joining the Membership Program and a subsequent final order), or

ii. the consumer placed any number of orders but indicated to Adore Me's customer service department that he or she was not aware of, or did not understand, the Membership Program

These consumers are hereinafter referred to as "Used Store Credit Refund Consumers."

Other Consumers Entitled to Receive a Full Refund

65. Adore Me shall provide a full refund of the total amount of all store credits accumulated during enrollment in the Membership Program that have not already been refunded or that will not be refunded pursuant to paragraph 63 of this Assurance to each consumer who filed a complaint with the NYAG about Adore Me prior to the Effective Date of this Assurance in which the consumer indicates, in the sole discretion of the NYAG, that the consumer was not aware or did not knowingly consent to be enrolled in a Membership program. These consumers are hereinafter referred to as "NYAG Refund Consumers."

66. Within six (6) months of the Effective Date of this Assurance, Adore Me shall contact each Used Store Credit Refund Consumer and NYAG Refund Consumer via email, in a form substantially similar to that attached as Exhibit D. To effectuate refunds to Used Store Credit Refund Consumers and NYAG Refund Consumers, Adore Me shall use the procedures outlined in paragraph 63 above.

67. No later than one hundred twenty (120) days after Adore Me has complied with the procedures set forth above in relation to "Full Refunds of Forfeited Store Credits," "Full Refunds of Used Store Credits," and "NYAG Refund Consumers" Adore Me shall do the following:

a. deliver to the NYAG a list of all consumers who did not deposit or otherwise cash a refund check; and

b. implement a recordkeeping process for funds from payments to consumers subject to paragraphs 63, 64, and 65 who did not deposit or otherwise cash a refund check, and remit such funds in accordance with New York's unclaimed property laws, and, within sixty (60) days of any final disposition of such funds, if any, provide to the NYAG a final report on the disposition of those funds.

68. No later than four hundred fifty-five (455) days after the Effective Date of this Assurance, Adore Me shall do the following:

a. deliver to the NYAG a list of all consumers eligible for refunds pursuant to paragraphs 48-49 of this Assurance;

b. deliver to the NYAG lists of all consumers to whom notices were sent pursuant to paragraph 62;

c. deliver to the NYAG a list with the name and contact information of each consumer that requested a refund pursuant to paragraphs 48-49 and/or 62 and indicating the amount of the refund requested, and the amount of refund granted; and

d. deliver to the NYAG information confirming all payments made pursuant to paragraphs 62-66, and/or 67.

PAYMENT TO THE STATE

69. In consideration of the making and execution of this Assurance, Adore Me agrees that it will pay by wire transfer, certified check, or bank check payable to the State of New York $300,000 for penalties, fees, and costs as follows:

a. $150,000 as an initial payment within thirty (30) days of the Effective Date of this Assurance; and

b. $150,000 by or before January 2, 2019.

70. If payment is made by check, it shall be payable to the State of New York and delivered to the State of New York Office of the Attorney General, Bureau of Consumer Frauds and Protection, Attention: Melissa O'Neill, Assistant Attorney General, 28 Liberty Street, 20th Floor, New York, NY 10005. Any payments and all correspondence related to this Assurance must reference Assurance #18-003.

MISCELLANEOUS

71. The NYAG has agreed to the terms of this Assurance based on, among other things, the representations made to the NYAG by Adore Me and its counsel and the NYAG's own factual investigation as set forth in the NYAG's Findings (10)-(25) above. To the extent that any material representations made to the NYAG by Adore Me or its counsel during this investigation and the negotiation of this agreement are later found to be inaccurate or misleading, this Assurance is voidable by the NYAG in its sole discretion.

72. If the Assurance is voided or breached, Adore Me agrees that any statute of limitations or other time-related defenses applicable to the subject of the Assurance and any claims arising from or relating thereto are tolled from and after the date of this Assurance. In the event the Assurance is voided or breached, Adore Me expressly agrees and acknowledges that this Assurance shall in no way bar or otherwise preclude the NYAG from commencing, conducting or prosecuting any investigation, action or proceeding, however denominated, related to the Assurance, against Adore Me, or from using in any way any statements, documents or other materials produced or provided by Adore Me prior to or after the date of this Assurance.

73. No representation, inducement, promise, understanding, condition, or warranty not set forth in this Assurance has been made to or relied upon by Adore Me in agreeing to this

Assurance.

74. Adore Me represents and warrants, through the signatures below, that the terms and conditions of this Assurance are duly approved, and execution of this Assurance is duly authorized. Adore Me shall not take any action or make any statement denying, directly or indirectly, the propriety of this Assurance, or expressing the view that this Assurance is without factual basis. Nothing in this paragraph affects Adore Me's (i) testimonial obligations or (ii) right to take legal or factual positions in defense of litigation or other legal proceedings to which the NYAG is not a party. This Assurance should not be construed as an admission of liability by Adore Me.

75. This Assurance may not be amended except by an instrument in writing signed on behalf of all the parties to this Assurance.

76. This Assurance shall be binding on and inure to the benefit of the parties to this Assurance and their respective successors and assigns, provided that no party, other than the NYAG, may assign, delegate, or otherwise transfer any of its rights or obligations under this Assurance without the prior written consent of the NYAG.

77. It is understood and agreed that this Assurance shall apply to Adore Me, whether acting through its respective directors, officers, employees, representatives, agents, assigns, successors, affiliates, subsidiaries, or other business persons or business entities whose acts, practices, policies are directed, formulated, or controlled by Adore Me.

78. In the event that any one or more of the provisions contained in this Assurance shall for any reason be held to be invalid, illegal, or unenforceable in any respect, in the sole discretion of the NYAG, such invalidity, illegality, or unenforceability shall not affect any other provision of this Assurance.

79. The parties agree that nothing in this Assurance shall create any private rights, causes

of action, third party rights or remedies of any other individual or entity against Adore Me or any of its affiliates.

80. To the extent not already provided under this Assurance, Adore Me shall, upon request by the NYAG, provide all documentation and information necessary for the NYAG to verify compliance with this Assurance.

81. All notices, reports, requests, and other communications to any party pursuant to this Assurance shall be in writing and shall be directed as follows:

If to the NYAG:

Office of the Attorney General of the State of New York
Bureau of Consumer Frauds and Protection
28 Liberty Street, 20th Floor
New York, NY 10005
Attn: Melissa O'Neill
Assistant Attorney General

If to Adore Me:

Adore Me, Inc.
16 East 34th Street, 14th Floor
New York, NY 10016
Attn: Charlotte Morgan
General Counsel

Such notices, statements, and documents shall be deemed to have been given upon mailing.

82. Acceptance of this Assurance by the NYAG shall not be deemed approval by the NYAG of any of the practices or procedures referenced herein, and Adore Me shall make no representation to the contrary.

83. Pursuant to Executive Law § 63(15), evidence of a violation of this Assurance shall constitute *prima facie* proof of violation of the applicable law in any action or proceeding thereafter commenced by the NYAG against Adore Me.

84. If a court of competent jurisdiction determines that Adore Me has breached this

Assurance, Adore Me shall pay to the NYAG the cost, if any, of such determination and of enforcing this Assurance, including without limitation legal fees, expenses, and court costs.

85. Adore Me agrees that the facts alleged in the Assurance establish all elements necessary to sustain an action by the NYAG for non-dischargeability pursuant to Section 523(a)(2)(A) of the Bankruptcy Code, 11 U.S.C. § 523(a)(2)(A).

86. This Assurance shall be governed by the laws of the State of New York without regard to any conflict of laws principles.

87. Nothing contained herein shall be construed to deprive any person of any private right under the law.

88. This Assurance may be executed in multiple counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

89. This Assurance constitutes the entire agreement between the NYAG and Adore Me and supersedes any prior communication, understanding or agreement, whether written or oral, concerning the subject matter of this Assurance.

IN WITNESS WHEREOF, this Assurance is executed by the parties hereto on the 19th day of March 2018.

ERIC T. SCHNEIDERMAN
Attorney General of the State of New York
120 Broadway
New York, NY 10271

By: ______________________
Laura J. Levine
Deputy Bureau Chief
Bureau of Consumer Frauds and Protection

By: Melissa O'Neill

Melissa O'Neill
Assistant Attorney General

ADORE ME, INC.

By:

Morgan Hermand-Waiche
Chief Executive Officer

Exhibit A

The notification must be in substantially the following form, with underlined text completed as directed:

<Date>

Subject: Refund Opportunity Pursuant to Settlement with the NYAG

<Name of Eligible Customer>
<Mailing address of Eligible
<Customer including Zip Code>
<Email address of Eligible Customer>

Hi <Name of Eligible Customer>:

We are writing because you have a store credit saved up in your Adore Me account that is greater than twelve (12) months of recurring monthly charges. The Office of the Attorney General of the State of New York ("NYAG") conducted an investigation into Adore Me's business practices concerning its VIP Membership Program. As a result of this NYAG investigation, we are providing you with an opportunity to obtain a refund of $479.70, which is equal to twelve (12) months worth of store credits. Alternatively, you may keep this amount in your Adore Me account to purchase merchandise at AdoreMe.com at any time—this credit will never expire.

If you would like to take advantage of this refund opportunity, please email us at <insert Adore Me email address for redress inquiries> or call us at <insert Adore Me phone number for redress inquiries> within the next 21 days. Within three days of receiving your request, we will refund $479.70 to the credit card, debit card, or bank account you use to make purchases from Adore Me. If that account number is no longer valid, then you must provide Adore Me with your updated account information to ensure that you receive the refund.

You do not have to do anything else to get a refund. If someone contacts you about a refund and asks you for money, or asks for your Social Security number or your bank or credit card information, it is a scam.

For more information about our settlement with the NYAG, visit <insert URL to be provided by the NYAG>.If you have a question about your refund, please email us at <insert Adore Me email address for redress inquiries> or call us at <insert Adore Me phone number for redress inquiries>.

Sincerely,

Adore Me Customer Care Team

Exhibit B

The notification must be in the following form, with underlined text completed as directed:

ADORE ME

<Date>

Subject: Refund Pursuant to Settlement with the NYAG

<Name of Eligible Customer>
<Mailing address of Eligible
<Customer including Zip Code>
<Email address of Eligible Customer>

Dear <Name of Eligible Customer>:

We are writing because you had store credit with Adore Me that you forfeited when you cancelled your VIP Membership. The Office of the Attorney General of the State of New York ("NYAG") conducted an investigation into Adore Me's business practices concerning its VIP Membership Program, including failing to make clear that those credits would be forfeited when your membership was cancelled. To settle the NYAG's investigation, we are refunding money to customers who forfeited this store credit.

Within the next three days, we will refund to the credit card, debit card, or bank account you used to make purchases from Adore Me the full amount of store credit you lost. If, for any reason, your refund does not go through – for example, if you have closed that account and your bank is not able to get the money to you – we will mail you a refund check.

You do not have to do anything else to get a refund. If someone contacts you about a refund and asks you for money, or asks for your Social Security number or your bank or credit card information, it is a scam.

If you have a question about your refund, please email us at <insert Adore Me email address for redress inquiries> or call us at <insert Adore Me phone number for redress inquiries>. For more information about our settlement with the NYAG, visit <insert URL to be provided by the NYAG >.

Sincerely,

<Signature>

Morgan Hermand-Waiche

Chief Executive Officer, Adore Me

Exhibit C

The notification must be in the following form, with underlined text completed as directed, and the check attached to the bottom of the letter, not obscuring the letter's text:

ADORE ME

REFUND CHECK ENCLOSED

<Date>

Dear <Name of Eligible Customer>:

We are writing because you have had store credit with Adore Me that you forfeited when you cancelled your VIP Membership. The Office of the Attorney General of the State of New York ("NYAG") conducted an investigation into Adore Me's business practices concerning its VIP Membership Program, including failing to make clear that those credits would be forfeited when your membership was cancelled. To settle the NYAG's investigation, we are refunding money to customers who forfeited their store credit.

- **The attached check refunds the full amount of forfeited store credit we owe you.**

- Please cash or deposit this check by **<180 days from the date of issuance>**.
  After that, your bank may not accept the check or may charge you a fee.

You do not have to pay anything to cash the refund check. If someone contacts you about a refund and asks you for money, or asks for your Social Security number or your bank or credit card information, it is a scam.

If you have a question about your refund, please email us at <insert Adore Me email address for redress inquiries> or call us at <insert Adore Me phone number for redress inquiries>. For more information about our settlement with the NYAG , visit <insert URL to be provided by the NYAG >.

Sincerely,

<Signature>

Morgan Hermand-Waiche

Chief Executive Officer, Adore Me

Exhibit D

The notification must be in the following form, with underlined text completed as directed:

ADORE ME

<Date>

Subject: Refund

<Name of Eligible Customer>
<Mailing address of Eligible
<Customer including Zip Code>
<Email address of Eligible Customer>

Dear <Name of Eligible Customer>:

We are writing because you are entitled to a refund of store credits that you either currently have, or had in the past, with Adore Me. The Office of the Attorney General of the State of New York ("NYAG") conducted an investigation into Adore Me's business practices concerning its VIP Membership Program. To settle the NYAG's investigation, we are refunding money to New York customers who:

- cancelled their VIP Membership Program prior to June 2016 and satisfied certain criteria evidencing that they spent down store credits in order to avoid forfeiture of those store credits; and/or

- filed a complaint with the NYAG between January 1, 2012 and December 31, 2017 stating that they were not aware or did not knowingly consent to being enrolled in the VIP Membership Program.

Within the next three days, we will refund these charges to the credit card, debit card, or bank account you used to make purchases from Adore Me. If, for any reason, your refund does not go through – for example, if you have closed that account and your bank is not able to get the money to you – we will mail you a refund check.

You do not have to do anything else to get a refund. If someone contacts you about a refund and asks you for money, or asks for your Social Security number or your bank or credit card information, it is a scam.

If you have a question about your refund, please email us at <insert Adore Me email address for redress inquiries> or call us at <insert Adore Me phone number for redress inquiries>. For more information about our settlement with the NYAG, visit <insert URL to be provided by the NYAG>.

Sincerely,

<Signature>

Morgan Hermand-Waiche

Chief Executive Officer, Adore Me