

ASSURANCE OF VOLUNTARY COMPLIANCE

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STATE OF IOWA

In the matter of Stauer, LLC

The undersigned state and agree as follows:

1. The State of Iowa ex rel. Thomas J. Miller, Iowa Attorney General enters into this Assurance of Voluntary Compliance (“Assurance”) with NextTenStauer, LLC (“Stauer”) to resolve the Attorney General’s concerns regarding Stauer’s compliance with Iowa Code Ch. 552A, the Buying Club Memberships Law (“BCL”), and Iowa Code § 714.16, the Iowa Consumer Fraud Act (“CFA”), in connection with Stauer’s marketing of memberships in Iowa.

2. Stauer denies wrongdoing or liability or any kind and denies that the BCL applies to its marketing of memberships, but has agreed to enter into this Assurance in order to resolve all issues raised during the Attorney General’s inquiry into such marketing.

3. The effective date of this Assurance is the date of the last signature below.

IT IS THEREFORE AGREED that Stauer and Stauer’s employees, officers, directors, successors and assigns shall comply with the BCL when enrolling customers residing in the State of Iowa in its membership program. Without limiting the foregoing, this Assurance requires compliance with all notice, disclosure, and other requirements of Iowa Code §§555A.1 through 555A.5 (incorporated by section 552A.3 of the BCL) and with all requirements relating to contracts set forth in Iowa Code §§552A.3 and 552A.4, as applicable, in connection with the advertising, marketing or sale of Buying Club Memberships as defined in the BCL (“BCL programs”) to consumers residing in the State of Iowa.

IT IS FURTHER AGREED that Stauer and Stauer’s employees, officers, directors, successors, and assigns shall immediately cancel all enrollments of customers residing in the State of Iowa in memberships that were effected at any time prior to the effective date of this

Assurance, provided, however, that no cancellation is required of an enrollment of a customer residing in the State of Iowa who has made more than one purchase of merchandise (other than the purchase of the membership) over the life of the membership. This provision does not preclude the re-enrollment of cancelled memberships of customers residing in the State of Iowa, provided that such re-enrollment complies with the BCL and the terms of this Assurance.

IT IS FURTHER AGREED that Stauer and Stauer's employees, officers, directors, successors, and assigns shall comply with the CFA should Stauer continue to enroll consumers residing in the State of Iowa in memberships. Without limiting the foregoing, this paragraph requires each of the following:

A. Clear and conspicuous disclosure to prospective purchasers of a membership of all material aspects of the membership and membership transaction.

B. A mailing reasonably designed to effect actual notice to Iowa consumers whose annual memberships automatically renew of the existence of the membership, the amount and manner of the membership charges associated with the impending renewal, and how to cancel, such mailing to be received at or about one month prior to renewal.

IT IS FURTHER AGREED that Stauer pay to the State of Iowa, within 14 days of the effective date of this Assurance and in the manner the Attorney General directs, the sum of \$9,834.00, to be applied by the Attorney General in its discretion to making full or partial payments to Iowa consumers of amounts they spent for Stauer's membership program, to the extent payment in full for such amounts has not previously been made, pursuant to the BCL and the CFA (Iowa Code § 714.16(7)). Stauer agrees to cooperate with reasonable requests from the Attorney General for last known contact information (full name, mailing or billing address, email address, and telephone number) and prior payments information for Iowa residents in connection

with efforts to effect such payments. To the extent that consumers eligible for payments cannot be located through reasonable efforts, the money that is not paid to consumers shall be retained by the Attorney General to be used by the Attorney General for the administration and implementation of the CFA, pursuant to Iowa Code § 714.16(7), and shall be deposited into the fund created by Iowa Code §714.16A (2011). No part of this payment shall be deemed a penalty of any kind. This payment to the Attorney General for payments to Iowa consumers for amounts spent for Stauer's memberships shall not affect Stauer's established pre-Assurance policy regarding consumer-requested refunds or payments as it applies to Iowans, which policy the Attorney General neither approves nor disapproves. This requirement shall not be interpreted to limit in any way refunds or payments to consumers by Stauer in circumstances in which a refund or payment is not expressly required.

IT IS FURTHER AGREED that a violation of this AVC is deemed a violation of the CFA for purposes of enforcement by the Attorney General, and that in any enforcement action in an Iowa District Court in which one or more violations of this AVC are established by the Attorney General by a preponderance of the evidence, the Court shall apply the remedies provided in the CFA, in addition to any other remedies provided by law.

IT IS FURTHER AGREED that, pursuant to Iowa Code § 714.16, Stauer pay to the Attorney General, within 14 days of the effective date of this Assurance and in the manner the Attorney General directs, the sum of \$5,000.00, to be deposited in the consumer fraud enforcement fund referred to in Iowa Code §714.16C (2013).

IT IS FURTHER AGREED, that this Assurance shall serve to release Stauer from any and all claims that the State of Iowa may have under the BCL or CFA against Stauer, its employees, officers, directors, successors, or assigns arising from or related to Stauer's marketing of memberships in Iowa prior to the effective date of this AVC.

The Undersigned who have the authority to consent and sign on behalf of the Attorney General of Iowa and Stauer hereby consent to the form and contents of this AVC, which is to take effect immediately upon execution by all signatories indicated below.

Dated: 06/24/2013


NEXTTENSTAUER, LLC

By: Michael Bisceglia - President

Dated: 06/27/2013


Steve St. Clair, Assistant Attorney General