

## ASSURANCE OF VOLUNTARY COMPLIANCE

In the matter of

**Amazon.com, Inc. and Amazon Services, LLC**

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The undersigned state and agree as follows:

1. The State of Iowa *ex rel.* Tom Miller, Iowa Attorney General, enters into this Assurance of Voluntary Compliance (“Assurance”) with Amazon.com, Inc. and Amazon Services, LLC (“Respondents”) to resolve the Attorney General’s concerns regarding compliance with Iowa’s Buying Club Law, Iowa Code Chapter 552A (“BCL”) in connection with the marketing of membership programs in Iowa.

2. Respondents deny wrongdoing or liability of any kind but have agreed to enter into this Assurance in order to resolve all issues raised during the Attorney General’s inquiry of Respondents. The Attorney General releases Respondents from any and all liability for violation of any statute currently enforced by the Iowa Consumer Protection Division, including the BCL, in connection with the membership programs marketed by Respondents prior to the effective date of this Assurance. Except as set forth in this paragraph and paragraph 4 below related to notice and an opportunity to cure, neither this release nor anything else in this Assurance shall affect the Attorney General’s ability to enforce hereafter any Iowa law that applies to any aspect of Respondents’ marketing of membership programs in Iowa.

3. Respondents are entering into this Assurance solely for the purpose of settlement and nothing contained herein may be taken as or construed to be an admission or concession of any violation of law, or of any other matter of fact or law, or of any liability or wrongdoing, all of which Respondents expressly deny. No part of this Assurance constitutes

or shall be deemed to constitute an admission by Respondents that they have ever engaged in any conduct proscribed by this Assurance. Further, to the extent that any changes in Respondents' business, advertisements and/or advertising practices are made to achieve or facilitate conformance to the terms of this Assurance, the fact that such changes were made shall not constitute any form of evidence or admission, explicit or implicit, of wrongdoing or failure to comply with any federal or state statute or regulation or the common law. No part of this Assurance constitutes or shall constitute evidence against Respondents in any action brought by any person or entity of any violation of any federal or state statute or regulation or the common law, except in an action brought by the Attorney General to enforce the terms of this Assurance. There is no private right of action, explicit or implicit, created by this Assurance to enforce the terms hereof; however, nothing herein, explicitly or implicitly, otherwise affects any private right of action a consumer might have independent of this Assurance.

4. In the event the Attorney General hereafter believes that any membership program marketed by one or both Respondents has violated or is in violation of this Assurance and warrants an enforcement action, the Attorney General will provide such Respondent(s) written notice and a reasonable opportunity of no less than sixty (60) days (subject to reasonable extensions) to cure the alleged violation by agreeing to curative changes and by establishing a reasonable implementation schedule for any such changes. If Respondent(s) cure the violation in this manner, then no enforcement action may be commenced and the release set forth in paragraph 2 above shall apply in full effect to such alleged violation in periods of time after the effective date of this Assurance. If Respondent disagrees that it has violated this Assurance, it shall so state in writing and the

parties must attempt to negotiate their differences in good faith. If the parties are unable to agree on a cure in the time and manner set forth above, the Attorney General may commence an action to enforce this Assurance.

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

6. IT IS THEREFORE AGREED that each Respondent and each Respondent's employees, successors, and assigns shall comply with the BCL, and any other consumer protection law currently enforced by the Consumer Protection Division, in connection with any enrollment of consumers residing in the State of Iowa in any membership program.

7. IT IS FURTHER AGREED that Respondents will provide a refund to certain Iowa consumers as follows. The "Eligible Recipients" will be all Iowa residents who (a) were Amazon Prime customers whose memberships came up for automatic renewal in 2010, 2011, 2012, or 2013 but whose memberships were not renewed at that time because of inactivity, and (b) had not used any benefits of Amazon Prime at any time prior to such nonrenewal. Each Eligible Recipient shall be entitled to a refund of the amount spent for the Amazon Prime membership which was not renewed and for which no benefits were used, to the extent payment for such amounts has not previously been made to such Eligible Recipient.

A. For Eligible Recipients who have logged on to their Amazon accounts within a twelve-month period preceding the effective date of this Assurance (Active Eligible Recipients), Respondents shall communicate with and provide refunds directly to such Active Eligible Recipients via a credit to their Amazon.com account, such credits to be valid for one year from issuance, and such communication to include a reasonable explanation of the circumstances that gave rise to the credit; however, within thirty (30) days after the one-year expiration Respondents shall deliver a check in the total amount of the refund to each Active Eligible Recipient who has made no affirmative use of any part of such credit at the point of expiration. Within sixty (60) days after the one-year expiration of the credit, Respondents shall certify completion of efforts to make refunds in the manner described in this subparagraph A, which

certification shall include amounts refunded through credits and checks and numbers of consumers affected.

- B. As to Eligible Recipients who have not logged on to their Amazon accounts within a twelve-month period preceding the effective date of this Assurance (Inactive Eligible Recipients), Respondents shall provide to the Attorney General within thirty (30) days after that effective date an Excel spreadsheet with the name of, appropriate contact information for, and the refund amount due to, each such Inactive Eligible Customer, and shall also provide the Attorney General with a payment in the amount of the total refunds due to such Inactive Eligible Customers under this Assurance. Respondents shall provide this information in response to a properly issued subpoena from the Attorney General. To the extent the Attorney General is unable through reasonable efforts to effectuate such refunds, remaining funds may be used by the Attorney General for the administration and implementation of Iowa's consumer protection laws pursuant to Iowa Code § 714.16C.

No part of any refund payment or credit shall be deemed a penalty of any kind. Neither the refunds nor any payment to the Attorney General contemplated under this numbered paragraph shall diminish the benefit to consumers of Respondents' established pre-Assurance policy regarding consumer-requested refunds or payments as it applies to Iowans, which policy the Attorney General neither approves nor disapproves, and nothing herein shall be interpreted to limit in any way refunds or payments to consumers by Respondents in circumstances in which a refund or payment is not expressly required by this Assurance. Respondents agree to respond in a timely manner to reasonable requests from the Attorney General for information relating to Respondents' compliance with this Assurance.

8. IT IS FURTHER AGREED that Respondents pay to the Attorney General, within thirty (30) days of the effective date of this Assurance and in the manner the Attorney General directs, the sum of \$25,000.00, for the administration and implementation of Iowa's consumer protection laws pursuant to Iowa Code § 714.16C.

The Undersigned who have the authority to consent and sign on behalf of the Attorney General of Iowa and Respondents hereby consent to the form and contents of this Assurance.


Date: 10/20/14

  
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Amazon.com, Inc.

Date: 10/20/14

  
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Amazon Services, LLC

Date: 10/23/14

  
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Steve St. Clair  
Assistant Attorney General