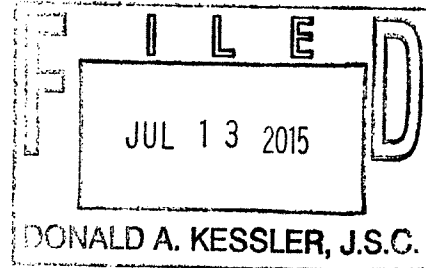


JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY
Division of Law
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101
Attorney for Plaintiffs



By: Natalie Serock (040892010)
Deputy Attorney General
[REDACTED]

SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION
ESSEX COUNTY
DOCKET NO. ESX-C-164-14

JOHN J. HOFFMAN, Acting Attorney General of the State
of New Jersey, and STEVE C. LEE, Acting Director of the
New Jersey Division of Consumer Affairs,

Plaintiffs,

v.

TELEBRANDS CORP.; JANE AND JOHN DOES 1-20,
individually and as officers, directors, shareholders,
founders, owners, managers, agents, servants, employees,
representatives, sales representatives and/or independent
contractors of TELEBRANDS CORP.; and XYZ
CORPORATIONS 1-20,

Defendant.

Civil Action

**FINAL CONSENT JUDGMENT
AND SETTLEMENT AGREEMENT**

The Parties to this Action and Final Consent Judgment and Settlement Agreement (“Consent Judgment and Agreement”) are plaintiffs John J. Hoffman, Acting Attorney General of the State of New Jersey (“Attorney General”), and Steve C. Lee, Acting Director of the New Jersey Division of Consumer Affairs (“Director”), (collectively, “Plaintiffs”), and defendant Telebrands Corp. (“Telebrands”). As evidenced by their signatures below, the Parties do consent to the entry of this

A handwritten signature in black ink, located in the bottom right corner of the page.

Consent Judgment and Agreement and its provisions without trial or adjudication of any issue of fact or law, and without an admission of any liability or wrongdoing of any kind.

PRELIMINARY STATEMENT

Plaintiffs commenced this Action on August 7, 2014, alleging that Telebrands violated the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. (“CFA”), and the Regulations Governing General Advertising, N.J.A.C. 13:45A-9.1 et seq. (“Advertising Regulations”), arising from its Advertisement, offer for Sale and/or Sale of various Merchandise, Including the “Pocket Hose,” “Instabulbs,” and the “Trusty Cane.” Specifically, Plaintiffs alleged, among other things, that Telebrands: (1) engaged in the aggressive solicitation of Consumer orders for additional and/or different merchandise (i.e., upselling); (2) made it very difficult for Consumers to decline additional solicitation of Merchandise; and (3) made it difficult for Consumers to contact and communicate with Telebrands’ Customer Service. Further, Plaintiffs alleged that Telebrands’ conduct was in violation of a Final Consent Judgment and Order filed February 16, 2001, which resolved a prior enforcement action by the Attorney General and Director against Telebrands. Telebrands has denied the allegations.

The Court has reviewed the terms of this Consent Judgment and Agreement and based upon the Parties’ agreement and for good cause shown:

IT IS HEREBY ORDERED, ADJUDGED AND AGREED AS FOLLOWS:

1. JURISDICTION

1.1 The Parties admit jurisdiction of this Court over the subject matter and over the Parties for the purpose of entering into this Consent Judgment and Agreement. The Court retains jurisdiction for the purpose of enabling the Parties to apply to the Court at any time for such further orders and relief as may be necessary for the construction, modification, enforcement, execution or

satisfaction of this Consent Judgment and Agreement.

2. VENUE

2.1 Pursuant to N.J.S.A. 56:8-8, venue as to all matters between the Parties hereto relating to or arising out of this Consent Judgment and Agreement shall lie exclusively in the Superior Court of New Jersey, Chancery Division, Essex County.

3. EFFECTIVE DATE

3.1 This Consent Judgment and Agreement shall be effective on the date that it is entered with the Court (“Effective Date”).

4. NO ADMISSION OF LIABILITY

4.1 The Parties enter into this Consent Judgment and Agreement to settle disputed claims and to avoid the cost, expense, distraction, uncertainty, delay and inconvenience that would be associated with the continuation of this Action. Neither the fact of, nor any provision contained in this Consent Judgment and Agreement nor any action taken thereunder shall constitute, or be construed as: (a) an admission by Telebrands that any of its acts or practices described in or prohibited by this Consent Judgment and Agreement are unfair or deceptive or violate the CFA and/or the Advertising Regulations; (b) a concession by Telebrands as to the validity of the Action; and/or (c) an approval, sanction or authorization by the Attorney General, the Division or any other governmental unit of the State of any act or practice of Telebrands. Neither the existence of, nor the terms of this Consent Judgment and Agreement shall be deemed to constitute evidence or precedent of any kind, except in: (a) any action or proceeding by one of the Parties to enforce, rescind or otherwise implement or affirm any or all of the terms of this Consent Judgment and Agreement; and/or (b) any action or proceeding involving a Released Claim (as defined in Section 13) to support a defense of res judicata, collateral estoppel, release of other theory of claim preclusion, issue

preclusion or similar defense.

5. DEFINITIONS

As used in this Consent Judgment and Agreement, the following capitalized words or terms shall have the following meanings, which meanings shall apply wherever the words and terms appear in this Consent Judgment and Agreement:

5.1 “Action” shall refer to the matter titled John J. Hoffman, Acting Attorney General of the State of New Jersey, and Steve C. Lee, Acting Director of the New Jersey Division of Consumer Affairs v. Telebrands Corp., Superior Court of New Jersey, Chancery Division, Essex County, Docket No. ESX-C-164-14, and all pleadings and proceedings related thereto, including the Complaint, filed August 7, 2014.

5.2 “Additional Consumer” shall refer to any Consumer who submits to the Division, directly or through another agency, after the Effective Date, a complaint concerning Telebrands’ business practices.

5.3 “ADR Unit” shall refer to the Alternative Dispute Resolution Unit of the Division.

5.4 “Advertisement” shall be defined in accordance with N.J.S.A. 56:8-1(c). For purposes of the Advertising Regulations, “Advertisement” shall be defined in accordance with N.J.A.C. 13:45A-9.1. These definitions apply to other forms of the word “Advertisement,” including “Advertised.”

5.5 “Clearly and Conspicuously” shall mean a statement that, regardless of the medium in which it is made, is presented in such size, color, contrast, duration, location and audibility, compared to the other information with which it is presented, that it is readily apparent and understandable and in language and terms used in accordance with their common or ordinary usage and meaning. If such statement modifies, explains or clarifies other information with which it is

presented, it must be presented in proximity to the information it modifies, explains or clarifies and in a manner that is readily apparent and understandable.

5.6 “Consumer” shall refer to any Person who is offered Merchandise for Sale.

5.7 “Customer Service Representative” shall refer to any employee of Telebrands, or any Person acting or purporting to act on Telebrands’ behalf, engaged in the resolution of Consumer complaints and/or inquiries regarding Merchandise orders and/or shipments from Telebrands.

5.8 “Division” or “Division of Consumer Affairs” shall refer to the New Jersey Division of Consumer Affairs.

5.9 “Including” shall be construed as broadly as possible and shall mean “without limitation.” This definition applies to other forms of the word “Including” such as “Include” and “Included.”

5.10 “IVR System” shall refer to the Interactive Voice Response System through which Merchandise is Advertised, offered for Sale and/or Sold by Telebrands.

5.11 “Merchandise” shall be defined in accordance with N.J.S.A. 56:8-1(c) and/or N.J.A.C. 13:45A-9.1 and shall Include the following: (a) Pocket Hose; (b) Trusty Cane; (c) InstaBulbs; (d) Light Angel; (e) Hurricane Spin Mop; (f) Olde Brooklyn Lantern; and (g) Fresh Sticks.

5.12 “New Jersey” and “State” shall refer to the State of New Jersey.

5.13 “Person[s]” shall be defined in accordance with N.J.S.A. 56:8-1(d).

5.14 “Post-Filing Consumer Complaints” shall refer to Complaints received by the Division and/or the Better Business Bureau from Consumers on or after August 7, 2014.

5.15 “Represent” shall mean to state or imply through claims, statements, questions, conduct, graphics, symbols, lettering, formats, devices, language, documents, messages or any other

manner or means by which meaning might be conveyed. This definition applies to other forms of the word "Represent," Including "Representation."

5.16 "Restitution" shall refer to all methods undertaken by Telebrands to resolve Additional Consumer complaints, Including the issuance of refund checks or other payments.

5.17 "Return Merchandise Authorization Number" shall refer to a Merchandise order number or other number provided by Telebrands in connection with a Consumer's return of Merchandise.

5.18 "Sale" shall be defined in accordance with N.J.S.A. 56:8-1(e).

5.19 "Telebrands Advertisements" Include all mediums through which Telebrands Advertises, offers for Sale and/or sells Merchandise, Including newspapers, television commercials and infomercials, the IVR System and the Telebrands Websites.

5.20 "Telebrands Order Tracking Website" shall refer to the website located at http://shop.telebrands.com/track_order.jsp.

5.21 "Telebrands Product-Devoted Websites" shall refer to websites where Telebrands Advertises, offers for Sale and/or sells specific Merchandise, Including <https://www.hurricanemop.com> and <https://www.trustycane.com>.

5.22 "Telebrands Shopping Website" shall refer to the website located at <http://shop.telebrands.com>.

5.23 "Telebrands Website" shall refer to the website located at <http://www.telebrands.com>.

5.24 "Telebrands Websites" shall refer to the Telebrands Shopping Website and the Telebrands Website as well as any other website operated by or on behalf of Telebrands through which Merchandise is Advertised, offered for Sale and/or sold.

6. INJUNCTIVE RELIEF AND REQUIRED BUSINESS PRACTICES

6.1 Telebrands shall not engage in any unfair or deceptive acts or practices in the conduct of any business in the State and shall comply with such State and/or Federal laws, rules and regulations as now constituted, Including the CFA and the Advertising Regulations.

Telebrands Advertisements:

6.2 In the Telebrands Advertisements for free or discounted Merchandise (e.g., “Double Offer!,” “Buy One Get One,” “Special Offer”), Telebrands shall Clearly and Conspicuously disclose any additional fees and/or conditions that apply to the Merchandise offered for Sale (e.g., “just pay separate fee”).

6.3 In the Telebrands Advertisements, Telebrands shall Clearly and Conspicuously disclose the meaning of any “Expedited Shipping” offered (e.g., “Expedited Shipping” means processing Merchandise for shipment from Telebrands’ warehouse on an expedited basis).

6.4 In the Telebrands Advertisements, Telebrands shall Clearly and Conspicuously disclose which Merchandise orders, if any, qualify for “Free Shipping” as well as any conditions related to such orders (i.e., purchasing additional Merchandise).

IVR System and Telebrands Product-Devoted Websites:

6.5 Telebrands shall inform Consumers of the cost of their Merchandise order, Including any shipping and handling charges, prior to Consumers authorizing payment.

6.6 Telebrands shall provide Consumers with an option to speak with a live Customer Service Representative when a Merchandise order is placed through the IVR System (e.g., press “0” to speak with a live Customer Service Representative).

6.7 Telebrands shall not repeat an offer to purchase additional Merchandise, once a Consumer has declined to purchase such additional Merchandise.

6.8 Telebrands shall provide a means for Consumers to decline solicitations for additional Merchandise through the IVR System (e.g., press “1” to accept the offer and press “2” to decline the offer).

6.9 Telebrands shall only charge and/or ship to Consumers Merchandise for which Consumers authorized payment.

6.10 Telebrands shall Clearly and Conspicuously disclose to Consumers the point at which they are completing a Merchandise order and authorizing payment for that order.

6.11 Telebrands shall provide Consumers with a means to edit their primary order on the Telebrands Product-Devoted Websites before confirming their purchase and authorizing payment for that order.

6.12 Telebrands shall provide Consumers with a means to edit any order, in addition to the primary order, on the Telebrands Product-Devoted Websites prior to the Consumer’s confirmation of his/her purchase and authorization of payment for that order.

6.13 Telebrands shall not process any Merchandise order (e.g., primary order, additional order) prior to the Consumer’s confirmation of his/her purchase and authorization of payment for that order.

6.14 Telebrands shall Clearly and Conspicuously display a link or other means through which Consumers may opt-out from additional Merchandise solicitations through the Telebrands Product-Devoted Websites.

6.15 In the event a Consumer chooses to view additional Merchandise solicitations on the Telebrands Product-Devoted Websites, Telebrands shall Clearly and Conspicuously display a link or other means through which Consumers may decline such additional Merchandise solicitations.

6.16 Telebrands shall ensure that on the Telebrands Product Devoted Websites, Consumers must affirmatively select any items to be added to their Merchandise order before Telebrands actually adds such items to their order.

6.17 All prices and costs associated with a Consumer's Merchandise order shall be reflected on a page (e.g., confirmation page) of the Telebrands Product-Devoted Websites prior to the Consumer's confirmation of the Merchandise order. Telebrands shall only charge a Consumer for the prices and costs reflected on that page.

Everyday Savings:

6.18 Prior to enrolling a Consumer in the "Everyday Savings" program, and automatically charging a monthly enrollment fee, Telebrands shall Clearly and Conspicuously disclose prior to completing the Merchandise order: (a) that the Consumer will be charged a monthly enrollment fee; and (b) how the Consumer can withdraw from the "Everyday Savings" program and avoid incurring fees.

Shipping and Handling:

6.19 Prior to a Consumer's authorization of payment for his/her Merchandise order, Telebrands shall Clearly and Conspicuously disclose to the Consumer any applicable shipping and handling charges applied to that order.

Tracking of Merchandise Orders:

6.20 Through the Telebrands Order Tracking Website or otherwise, Telebrands shall provide Consumers with information necessary to track the status of any Merchandise order placed through the Telebrands Websites, Telebrands Product-Devoted Websites and/or the IVR System, or otherwise.

Cancellation and/or Refund of Merchandise Orders:

6.21 On the Telebrands Websites and Telebrands Product-Devoted Websites, Telebrands shall Clearly and Conspicuously disclose its purchasing, return, refund and cancellation policies in a uniform manner.

6.22 Telebrands shall Clearly and Conspicuously Include in invoices and packing slips accompanying Merchandise orders, instructions as to returns, Including: (a) the time period within which a Consumer can return Merchandise for a refund; (b) the return address where a Consumer should forward Merchandise to be returned; and (c) a list of any documents, Including invoices, Return Merchandise Authorization Number and packing slips, that the Consumer must enclose with the Merchandise to be returned.

6.23 Telebrands shall not charge Consumers for Merchandise, as well as shipping and handling or other fees, if a Consumer has contacted customer service and cancelled a Merchandise order prior to shipping.

6.24 For any Consumer who receives and returns Merchandise after cancelling a Merchandise order and/or after advising Telebrands that he/she has attempted to cancel a Merchandise order prior to shipping, Telebrands shall provide a refund of the Merchandise price and shipping and handling or other fees, as well as any costs incurred by the Consumer to return the Merchandise to Telebrands.

6.25 In the event Telebrands requires Consumers to provide a credit card number in order to obtain a Return Merchandise Authorization Number or to otherwise return Merchandise, such requirement shall be Clearly and Conspicuously referenced in Telebrands' return policy, whether posted on the Telebrands Websites and the Telebrands Product-Devoted Websites or otherwise.

“Deluxe” Merchandise:

6.26 Telebrands shall Clearly and Conspicuously disclose in all Telebrands Websites and the IVR System the differences between versions of Merchandise, Including any “deluxe,” “basic” and/or “standard” versions.

Out-of-Stock/Unavailable Merchandise:

6.27 Telebrands shall only ship and charge Consumers for substitute Merchandise that is of equal or greater value to the out-of-stock and/or unavailable Merchandise that was ordered by the Consumers.

6.28 Telebrands shall Clearly and Conspicuously disclose to Consumers who receive substitute Merchandise that they can return such Merchandise and will receive a refund of the Merchandise price and any shipping and handling or other fees, as well as any costs incurred by the Consumer to return the Merchandise to Telebrands.

6.29 When shipping substitute Merchandise to Consumers, Telebrands’ charge for such Merchandise shall not exceed the price of the out-of-stock or unavailable Merchandise.

Training of Customer Service Representatives:

6.30 Telebrands shall develop and implement training materials to ensure that its Customer Service Representatives are familiar with the terms of this Consent Judgment and Agreement. Such training shall Include, at a minimum, the specific practices that are required and prohibited pursuant to Section 6 of this Consent Judgment and Agreement.

6.31 Telebrands shall ensure that all current Customer Service Representatives receive the training referenced in Section 6.30 within thirty (30) days of the Effective Date.

6.32 Telebrands shall have a continuing obligation to ensure that all new Customer Service Representatives receive the training referenced in Section 6.30 within thirty (30) days of their commencement of employment with Telebrands.

6.33 Telebrands shall ensure that each Customer Service Representative signs a form acknowledging that he/she has received the training materials and attended the training referenced in Section 6.30.

6.34 Telebrands shall ensure that its Customer Service Representatives provide Clear and Conspicuous disclosure of Telebrands' purchasing, return, refund and cancellation policies to Consumers in response to any Consumer inquiries as to any such policies.

Internal Auditing of Sales Practices:

6.35 Telebrands shall: (a) record all telephone calls between its Customer Service Representatives and Consumers; (b) ensure that the IVR System also memorializes such calls, whether or not such calls result in the sale of Merchandise; and (c) maintain such recordings for a period of one (1) year.

6.36 Subject to Section 8, Telebrands shall conduct a prompt and thorough investigation of all Consumer complaints arising from Representations made by Customer Service Representatives and/or the IVR System as to an offer for Sale, Sale, the processing of cancelled orders and/or the provision of refunds. With respect to each complaint, Telebrands shall resolve the Consumer's complaint in a fair and expeditious manner.

6.37 Subject to Section 8, Telebrands shall maintain information and documents concerning any Consumer complaint and the resolution thereof for a period of no less than three (3) years from the date of Telebrands' receipt of the Consumer complaint.

Internal Compliance:

6.38 Within thirty (30) days of the Effective Date, Telebrands shall provide a copy of this Consent Judgment and Agreement to each of its officers, directors, owners, trustees, supervisors, independent contractors and managers.

6.39 Within forty-five (45) days of the Effective Date, Telebrands shall provide Plaintiffs with acknowledgment that the Persons referenced in Section 6.38 have been provided with the Consent Judgment and Agreement along with a list of the names, titles and business addresses of such persons.

7. REPRESENTATIONS AND WARRANTIES

7.1 Telebrands Represents that it has implemented the following changes to its IVR System:

- (a) Consumers are informed of the cost of the Merchandise in addition to any shipping and handling charges, prior to their authorization of payment for such Merchandise;
- (b) After authorizing payment for a primary order, Consumers have the option to hear additional Merchandise offers or to terminate the call; and
- (c) Inclusion of a prompt for Consumers to accept or decline an offer to purchase additional Merchandise (e.g., press "1" to accept the offer and press "2" to decline the offer).

7.2 Telebrands Represents that it has made the following changes to its customer service:

- (a) The IVR System Includes a prompt that gives Consumers the option of: (i) placing a Merchandise order; (ii) receiving more information about Merchandise; or (iii) inquiring about the status of a Merchandise order;v
- (b) For Consumers who select option (3), the IVR System provides a direct link to Telebrands' customer service and informs the Consumers that they may check the status of a Merchandise order by visiting a website (e.g., www.getorderstatus.com); and
- (c) Telebrands has expanded its customer service hours to 7:00 a.m. to 12:00 a.m. EST, Monday through Friday, and 8:00 a.m. to 8:00 p.m., Saturday and Sunday.

7.3 Telebrands Represents that it has instructed its IVR System vendors that until further notice they shall not transfer Telebrands' customers to other third-party vendors that are not associated with Telebrands.

7.4 To the extent that Telebrands in the future allows its IVR System vendors to transfer Telebrands' customers to other third-party vendors that are unrelated to Telebrands, Telebrands Represents that it shall instruct both the IVR System vendors and other third-party vendors: (a) to Clearly and Conspicuously inform Consumers that the third-party vendors' Merchandise is unrelated to Telebrands; and (b) Consumers should not be obligated to pay for any Merchandise without providing verbal authorization for such purchase.

7.5 Telebrands Represents that it shall continue to ensure that all calls with third-party vendors through the IVR System are recorded.

7.6 Telebrands Represents that it has installed visual breadcrumbs on the primary order webpages of the Telebrands Product-Devoted Websites and the Telebrands Shopping Website which are visual indicators at the top of the webpages that inform Consumers of his/her location in the checkout process.

7.7 Telebrands Represents that it has implemented a confirmation pop-up that appears on all Telebrands Product-Devoted Websites and the Telebrands Shopping Website after the Consumer selects the "Checkout" button. The pop-up: (a) identifies all of the Merchandise ordered by the Consumer and the total cost of the Merchandise; (b) confirms the Consumer's order; and (c) provides the Consumer with the option to learn about additional Merchandise offers or to be sent to an order confirmation page.

7.8 Telebrands Represents that it has installed a "reset cart" button on the order form of all Telebrands Product-Devoted Websites and the Telebrands Shopping Website which allows

Consumers to reset their primary order prior to authorizing payment.

7.9 Telebrands Represents that it has installed an edit button on the order form of all Telebrands Product-Devoted Websites and the Telebrands Shopping Website which allows Consumers to reset and remove any additional Merchandise that the Consumer selected prior to the Consumer's authorization of payment.

7.10 Telebrands Represents that it has instructed its Customer Service Representatives to refund both the purchase price and any charges for shipping and handling as long as the Consumer informs the Customer Service Representative that he/she previously attempted to cancel his/her Merchandise order prior to shipping.

7.11 Telebrands Represents that it has implemented a new Data Exchange Services System ("DES System") which utilizes software and cloud technology capable of looking up and determining essential Consumer information, and transmitting Merchandise orders within an hour of the order being placed.

7.12 Telebrands Represents that it has modified the packing slip Included with every Merchandise order to Clearly and Conspicuously display Telebrands' return policy and to provide Consumers with instructions as to how they may return Merchandise and/or contact customer service.

7.13 Telebrands Represents and warrants that it will make all reasonable efforts to resolve the Post-Filing Consumer Complaints.

7.14 Telebrands Represents and warrants that it will resolve the Post-Filing Consumer Complaints within thirty (30) days of receiving copies of such complaints from the Division.

8. ADDITIONAL CONSUMER COMPLAINTS

8.1 For a period of one (1) year from the Effective Date, the Division shall forward to

Telebrands copies of any Additional Consumer complaints. The Division shall forward to Telebrands such complaints within thirty (30) days of the Division's receipt thereof.

8.2 After forwarding to Telebrands the complaint of an Additional Consumer, the Division shall notify the Additional Consumer, in writing, of the following: (a) that his/her complaint has been forwarded to Telebrands; (b) that he/she should expect a response from Telebrands within thirty (30) days from the date of this notice; and (c) the right to refer his/her complaint to the ADR Unit for binding arbitration if Telebrands disputes the complaint and/or requested relief.

8.3 Within thirty (30) days of receiving the Additional Consumer complaint from the Division, Telebrands shall send a written response to the Additional Consumer, with a copy sent by first class mail, fax or email to the following:

New Jersey Division of Consumer Affairs,
Office of Consumer Protection
Case Initiation and Tracking Unit
124 Halsey Street, P.O. Box 45025
Newark, New Jersey 07101
Fax: (973) 648-3139
E-mail: cmt@dca.lps.state.nj.us.

8.4 If Telebrands does not dispute the Additional Consumer's complaint and requested relief, Telebrands shall provide written notification to the Additional Consumer. Where Restitution concerns a refund or other payment, such shall be made to the Additional Consumer by check or credit card refund.

8.5 If Telebrands disputes the Additional Consumer's complaint and/or requested relief, Telebrands' written response shall include copies of all documents concerning Telebrands' dispute of the complaint.

8.6 Within forty-five (45) days of receiving from the Division the Additional Consumer's

complaint, Telebrands shall provide the Division with written notification whether the Additional Consumer's complaint has been resolved. Such notification shall include the following:

- (a) The Additional Consumer's name and address;
- (b) Whether the Additional Consumer's complaint has been resolved;
- (c) The Restitution provided to the Additional Consumer;
- (d) Copies of all documents evidencing Restitution provided to the Additional Consumer;
- (e) Confirmation that Telebrands sent all mailings to the Additional Consumer as required by this Section; and
- (f) In the event Telebrands' written response and/or Restitution to the Additional Consumer were/was returned as undeliverable, the efforts Telebrands has undertaken to locate the Additional Consumer.

Following the Telebrands' receipt and verification that an Additional Consumer's complaint has been resolved, the Additional Consumer's complaint shall be deemed closed for purposes of this Consent Judgment and Agreement.

8.7 If within sixty (60) days of Telebrands' receipt of the Additional Consumer's complaint: (a) Telebrands has not notified the Division that the Additional Consumer's complaint has been resolved; (b) Telebrands has notified the Division that the Additional Consumer's complaint has not been resolved; or (c) Telebrands has notified the Division that the Additional Consumer refuses Telebrands' offer of Restitution, the Division shall forward such Additional Consumer complaint to the ADR Unit for binding arbitration. Telebrands agrees herein to consent to this arbitration process and to be bound by the arbitrator's decision. Telebrands further agrees to be bound by the immunity provisions of the New Jersey Arbitration Act, N.J.S.A. 2A:23B-14, and the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq. The Division shall notify any such Additional Consumer and Telebrands of the referral of the complaint to the ADR Unit. Thereafter, the

arbitration shall proceed in accordance with the ADR Guidelines (a copy of which is attached as Exhibit A).

8.8 If Telebrands refuses to participate in the ADR program, the arbitrator may enter a default against Telebrands. Unless otherwise specified in the arbitration award, Telebrands shall pay all arbitration awards within thirty (30) days of the arbitrator's decision.

8.9 Telebrands' failure or refusal to comply with the requirements of Sections 8.3 through 8.6 and/or participate in the arbitration process or pay an arbitration award timely shall constitute a violation of this Consent Judgment and Agreement. Under these circumstances, the Division may unilaterally discontinue the Additional Consumer complaint resolution process upon notice to Telebrands.

8.10 If an Additional Consumer refuses to participate in the ADR program, that Additional Consumer's complaint shall be deemed closed for the purposes of this Consent Judgment and Agreement.

8.11 The Parties may agree in writing to alter any time periods or deadlines set forth in this Section.

8.12 Following the expiration of the one (1) year period, Telebrands may request to continue the Additional Consumer complaint resolution process for up to two (2) successive one (1) year periods, upon written notice by Telebrands to the Division provided not later than thirty (30) days prior to the expiration of the initial or any subsequent one (1) year period. The Division may decline to grant Telebrands' request, at its sole discretion for any reason including those set forth in Section 8.9.

9. APPOINTMENT OF CONSUMER AFFAIRS LIAISON

9.1 Within sixty (60) days of the Effective Date, Telebrands shall retain a Consumer

Affairs Liaison (“Consumer Affairs Liaison”) to perform the functions set forth below. Telebrands shall bear all costs associated with the Consumer Affairs Liaison.

9.2 The Consumer Affairs Liaison shall be an individual whose retention is approved in advance by the Division and who is familiar with the terms of the Consent Judgment and Agreement. The Consumer Affairs Liaison will serve in this capacity for a period of two (2) years from the date of retention (“Monitoring Period”), subject to Sections 9.8 and 9.9.

9.3 The Consumer Affairs Liaison shall not have any direct or indirect interest in, or relationship with, either the Division or Telebrands that would impede, or reasonably be perceived to impede, the Consumer Affairs Liaison’s ability to perform the services under this Consent Judgment and Agreement.

9.4 The Consumer Affairs Liaison shall not be employed by or affiliated with Telebrands, nor any other entity owned or controlled by Telebrands, for a period of at least one (1) year from the termination of the Monitoring Period.

9.5 The Consumer Affairs Liaison shall perform the following functions:

- (a) Monitor Telebrands’ compliance with the terms of this Consent Judgment and Agreement as well as with all applicable State and/or Federal laws and to make any recommendations that the Consumer Affairs Liaison deems reasonably necessary to achieve such compliance;
- (b) Facilitate the resolution of Additional Consumer complaints in accordance with Section 8; and
- (c) Provide written quarterly reports to the Division.

9.6 The Consumer Affairs Liaison’s quarterly reports referenced in Section 9.5 shall be limited to the following:

- (a) Confirming that the Telebrands is in compliance with the injunctive relief and required business practices referenced in Section 6 of this Consent Judgment and Agreement;

- (b) Confirming that Telebrands has implemented the changes to its Advertisements, Telebrands Websites, IVR System and customer service referenced in Section 7 of this Consent Judgment and Agreement; and
- (c) Confirming that Telebrands has addressed the Additional Consumer complaints, in accordance with Section 8.

9.7 Within sixty (60) days of the Effective Date, Telebrands shall send to the Division the full name, business address (street and mailing), telephone number, facsimile number and electronic mail address of the Consumer Affairs Liaison.

9.8 At any time after one (1) year from the date of hire of the Consumer Affairs Liaison, Telebrands may make a written request to the Division to terminate the retention of the Consumer Affairs Liaison. Such request shall include a certification under oath by a principal of Telebrands that Telebrands has been in compliance with all applicable State and/or Federal laws, Telebrands' own policies and procedures, and this Consent Judgment and Agreement.

9.9 Within thirty (30) days of the submission of the request referenced in Section 9.8, the Division shall notify Telebrands, in writing, whether it will consent to Telebrands' request to terminate the retention of the Consumer Affairs Liaison.

9.10 Telebrands' failure to timely pay any invoice presented to it by the Consumer Affairs Liaison shall constitute a violation of this Consent Judgment and Agreement.

10. SETTLEMENT PAYMENT

10.1 The Parties have agreed to a settlement of the Action in the amount of Five Hundred Fifty Thousand and 00/100 Dollars (\$550,000.00) ("Settlement Payment"). Telebrands shall make the Settlement Payment on or before the Effective Date.

10.2 The Settlement Payment shall be applied to the reimbursement of Plaintiffs' attorneys' fees and investigative costs and on account of all other monetary relief authorized by the CFA, as well as for the promotion of Consumer protection programs focusing on internet-based

commercial conduct, including privacy concerns, as authorized by the CFA, N.J.S.A. 56:8-11, N.J.S.A. 56:8-13, and N.J.S.A. 56:8-19.

10.3 Telebrands shall make the Settlement Payment by wire transfer, certified or cashier's check, money order or credit card made payable to "New Jersey Division of Consumer Affairs" and forward to:

Natalie Serock, Deputy Attorney General
Consumer Fraud Prosecution Section
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

10.4 Upon making the Settlement Payment, Telebrands shall immediately be fully divested of any interest in, or ownership of, the monies paid and all interest in the monies, and any subsequent interest or income derived therefrom, shall inure entirely to the benefit of the Plaintiffs pursuant to the terms herein.

11. DISMISSAL OF ACTION

11.1 The entry of this Consent Judgment and Agreement constitutes a dismissal with prejudice of the Action, provided however, that the Court shall retain jurisdiction to enforce the terms of the Consent Judgment and Agreement.

12. GENERAL PROVISIONS

12.1 This Consent Judgment is entered into by the Parties as their own free and voluntary act and with full knowledge and understanding of the obligations and duties imposed by this Consent Judgment and Agreement.

12.2 This Consent Judgment and Agreement shall be governed by, and construed and

enforced in accordance with, the laws of the State of New Jersey.

12.3 The Parties have negotiated, jointly drafted and fully reviewed the terms of this Consent Judgment and Agreement and the rule that uncertainty or ambiguity is to be construed against the drafter shall not apply to the construction or interpretation of this Consent Judgment and Agreement.

12.4 This Consent Judgment and Agreement contains the entire agreement among the Parties. Except as otherwise provided herein, this Consent Judgment and Agreement shall be modified only by a written instrument signed by or on behalf of the Plaintiffs and Telebrands.

12.5 Except as otherwise explicitly provided for in this Consent Judgment and Agreement, nothing herein shall be construed to limit the authority of the Attorney General to protect the interests of the State or the people of the State.

12.6 If any portion of this Consent Judgment and Agreement is held invalid or unenforceable by operation of law, the remaining terms of this Consent Judgment and Agreement shall not be affected.

12.7 This Consent Judgment and Agreement shall be binding upon the Parties and their successors in interest. In no event shall assignment of any right, power or authority under this Consent Judgment and Agreement avoid compliance with this Consent Judgment and Agreement.

12.8 Nothing contained in this Consent Judgment and Agreement shall be construed to limit or otherwise affect the rights of any Persons who are not Parties to this Consent Judgment and Agreement with respect to any of the matters contained herein.

12.9 The Parties Represent and Warrant that their signatories to this Consent Judgment and Agreement have authority to act for and bind the Respective Parties.

12.10 Unless otherwise prohibited by law, any signatures by the Parties required for entry of

this Consent Judgment and Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall together be one and the same Consent Judgment and Agreement.

13. RELEASE

13.1 In consideration of the injunctive relief, payments, undertakings, mutual promises and obligations provided for in this Consent Judgment and Agreement and conditioned on Telebrands providing Additional Consumer Restitution pursuant to Section 8 and making the Settlement Payment in the manner specified in Section 10, Plaintiffs hereby agree to release Telebrands from any and all civil claims or Consumer related administrative claims, to the extent permitted by State law, which the Plaintiffs could have brought prior to the Effective Date against Telebrands for violations of the CFA and the Advertising Regulations as alleged in the Action, as well as the matters specifically addressed in Section 6 of the Consent Judgment and Agreement (“Released Claims”).

13.2 Notwithstanding any term of this Consent Judgment and Agreement, the following do not comprise Released Claims: (a) private rights of action, provided however, that nothing herein shall prevent Telebrands from raising the defense of set-off against a Consumer who has received Restitution; (b) actions to enforce this Consent Judgment and Agreement; and (c) any claims against Telebrands by any other agency or subdivision of the State.

14. FORBEARANCE ON EXECUTION AND DEFAULT

14.1 In the event Telebrands fails to comply with Sections 6, 7, 8, 9 and 10 of this Consent Judgment and Agreement Plaintiffs shall provide Telebrands with written notice of default or noncompliance (“Notice of Noncompliance”). In any such Notice of Noncompliance, Plaintiffs shall provide Telebrands with the specific details of Telebrands’ alleged default or noncompliance, as well

as any supporting documents. Telebrands shall be afforded a fifteen (15) day period from receipt of such notice within which to cure any such default or noncompliance.

14.2 In the event Telebrands fails to cure any such default or noncompliance Plaintiffs may: (a) move on Notice of Motion or Order to Show Cause to have a judgment entered against Telebrands for any unpaid portion of the Settlement Payment; and/or (b) commence another action in the Superior Court, Chancery Division, whether or not by Order to Show Cause.

14.3 Telebrands agrees that if Telebrands defaults on any monetary payments under Section 10, then the Division shall be able to seek any remedies available at law, including statutory interest.

14.4 Telebrands agrees to pay all reasonable attorneys' fees and costs, including attorneys' fees and investigative costs associated with any successful collection efforts by the Division pursuant to this Consent Judgment and Agreement.

15. PENALTIES FOR FAILURE TO COMPLY

15.1 The Attorney General (or designated representative) shall have the authority to enforce the provisions of this Consent Judgment and Agreement, seek sanctions for violations of this Consent Judgment and Agreement or both.

16. COMPLIANCE WITH ALL LAWS

16.1 Except as provided in this Consent Judgment and Agreement, no provision herein shall be construed as:

- (a) Relieving Telebrands of its obligations to comply with all State and Federal laws, regulations or rules, as now constituted or as may hereafter be amended, or as granting permission to engage in any acts or practices prohibited by any such laws, regulations or rules; or
- (b) Limiting or expanding any right Plaintiffs may otherwise have to obtain information, documents or testimony from Telebrands pursuant to any State or Federal law, regulation or rule, as now constituted or as may hereafter be

amended, or limiting or expanding any right Telebrands may otherwise have pursuant to any State or Federal law, regulation or rule, to oppose any process employed by Plaintiffs to obtain such information, documents or testimony.

17. NOTICES UNDER THIS CONSENT JUDGMENT

17.1 Except as otherwise provided herein, any notices or other documents required to be sent to the Parties pursuant to this Consent Judgment and Agreement shall be sent by the United States Mail, Certified Mail Return Receipt Requested, or other nationally recognized courier service that provides for tracking services and identification of the person signing for the documents. The notices and/or documents shall be sent to the following addresses:

For the Plaintiffs:

Natalie Serock, Deputy Attorney General
Consumer Fraud Prosecution Section
State of New Jersey
Office of the Attorney General
Department of Law and Public Safety
Division of Law
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101

For Telebrands Corp.:

David Stone, Esq.
Stone & Magnanini LLP
100 Connell Drive, Suite 2200
Berkeley Heights, New Jersey 07922

IT IS ON THE 13 DAY OF July 2015, SO ORDERED, ADJUDGED AND
DECREED.

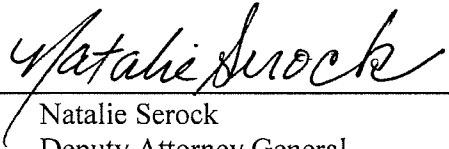


HON. DONALD A. KESSLER, J.S.C.

JOINTLY APPROVED AND
SUBMITTED FOR ENTRY:

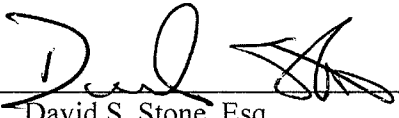
FOR THE PLAINTIFFS:

JOHN J. HOFFMAN
ACTING ATTORNEY GENERAL OF NEW JERSEY

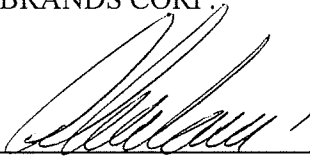
By:  Dated: 7-13, 2015
Natalie Serock
Deputy Attorney General
Consumer Fraud Prosecution Section
124 Halsey Street - 5th Floor
P.O. Box 45029
Newark, New Jersey 07101
Telephone: [REDACTED]

FOR TELEBRANDS CORP.:

STONE & MAGNANINI LLP

By:  Dated: 7-10, 2015
David S. Stone, Esq.
100 Connell Drive
Berkeley Heights, New Jersey 07922
Telephone: (212) 218-1111

TELEBRANDS CORP.

By:  Dated: 7-10 -, 2015
Ajit Khubani, Chief Executive Officer
81 Two Bridges Road
Fairfield, New Jersey 07004