

DEPARTMENT OF CONSUMER AFFAIRS  
CITY OF NEW YORK

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NYC DEPARTMENT OF CONSUMER  
AFFAIRS

Complainant, SETTLEMENT AGREEMENT

-against-

Violation Nos. CL000205130; CL000205138;  
CL000208799; CL000208871; CL000208872;  
CL000209503; CL000209505; CL000205131

Interactive Communications International, Inc.

Respondent  
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1. Respondent Interactive Communications International, Inc. markets and distributes certain types of stored-value gift and prepaid products, some of which fall within the definition of gift certificates as set forth in Section 396-i of the New York State General Business ("GBL") § 396-i (such products which fall within the definition of gift certificates under GBL 396-i, collectively, the "Gift Cards"). For the avoidance of doubt, this Settlement Agreement covers such stored-value gift and prepaid products marketed and distributed by Respondent that are covered under the definition of gift certificates in Section 396-i of the GBL.

2. The Department of Consumer Affairs ("the Department") served the above-captioned Notices of Violations upon several CVS retail stores ("the Retailer"), at the locations and dates as listed in Exhibit A, citing the Retailer with violations of New York City Administrative Code ("Code") § 20-700 and GBL § 396-i, regarding the sale of Gift Cards (the "Alleged Violations").

3. Since Respondent is responsible for distributing the Gift Cards to the Retailer, Respondent has entered into this Settlement Agreement ("Settlement Agreement") with the Department, on its own behalf and to settle the Alleged Violations for the Retailer, without admitting or denying the Department's findings, to settle the above captioned Alleged Violations and any charges the Department might bring with regard to the sale of Gift Cards marketed or distributed by Respondent prior to January 31, 2011.

4. Phil Graves, as Executive Vice President of Respondent is duly authorized to enter into this Settlement Agreement on behalf of Respondent.

5. The parties are entering this Settlement Agreement to dispose of the above captioned Alleged Violations and any charges the Department might bring with regard to the sale of gift cards distributed by Respondent prior to January 31, 2011, without the necessity of any further legal proceedings.

6. Respondent confirms that it has posted conspicuously at the New York City retail locations of the Retailer, the sign attached as Exhibit B, which may be removed from each such location at any time after January 30, 2011.

7. Respondent shall remit payment to Metro NY for publication of the advertisement attached as Exhibit C on each of the following days: January, 18, 19, 20, 23, 24, 25, 26, 27, 30, 31 in the Metro NY newspaper. The advertisement shall be a full page advertisement in the design and format of Exhibit C. Respondent shall arrange for prompt payment directly with Metro NY.

8. After January 31, 2011, Respondent shall comply fully with Code § 20-700 and GBL § 396-i with regard to its marketing and distribution of Gift Cards in New York City. Respondent shall post or ask the Retailer to post the signage attached as Exhibit D, and shall use good faith efforts to create and distribute to the Retailer, or work with the Retailer to create and distribute itself, replacement signage made from cardstock or other form of durable paper or plastic signage (including, for example, by use of lamination).

9. Nothing in this Agreement diminishes the obligations of the Retailer under Code § 20-700 and GBL § 396-i with regard to their marketing, distribution and sale of stored-value gift and prepaid products that are covered under the definition of gift certificates in Section 396-i of the GBL or the right of the Department of Consumer Affairs to enforce Code 20-700 and GBL § 396-i.

10. Respondent shall provide a copy of this Settlement Agreement to the Retailer and shall inform the Retailer, in writing, that they may have certain obligations under Code § 20-700 and GBL § 396-i with regard to its marketing, distribution and sale of stored-value gift and prepaid products that are covered under the definition of gift certificates in Section 396-i of the GBL.

11. The Department, in its discretion, may continue to inspect, investigate and prosecute the Retailer with regard to their marketing, distribution and sale of stored-value gift and prepaid products that are covered under the definition of gift certificates in Section 396-i of the GPL and may continue to issue citations directly to the Retailer for violations subsequent to January 31, 2011.

12. Respondent shall appoint an employee to whom the Department can send consumer complaints relating to the Gift Cards for response. Respondent shall advise the Department of the identity of the employee within 10 days of execution of this Settlement Agreement or change of such designee. To the extent any such consumer complaints relate to stored-value gift and prepaid products that are covered under the definition of gift certificates in Section 396-i of the GBL and that are marketed, distributed or sold by the Retailer and not by

Respondent, Respondent and the Department will discuss the matter and determine how to proceed including by forwarding such consumer complaints to the Retailer for handling.

13. Notwithstanding anything else in this Settlement Agreement, if compliance with any provision of this Settlement Agreement by Respondent would render compliance with any provision of any law, regulation, regulatory directive or guidance, or any modification to or amendment thereof, relating to the same subject matter impossible, then compliance with such provision of such law, regulation, regulatory directive or guidance shall be deemed compliance with the relevant provision of this Settlement Agreement; provided, however, that compliance with any provision of any law, regulation, regulatory directive or guidance, or any modification to or amendment thereof, with a less stringent standard than set forth in this Settlement Agreement shall not render compliance with this Settlement Agreement impossible.

14. This Settlement Agreement is not intended for use by any third party in any other proceeding and is not intended, and should not be construed, as an admission of wrongdoing or liability by Respondent.

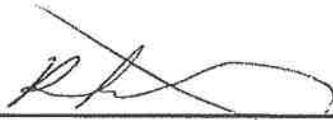
15. This Settlement Agreement may not be amended except by an instrument in writing signed on behalf of all the parties to this Settlement Agreement.

16. This Settlement Agreement shall constitute the final disposition of the above captioned Alleged Violations and any charges the Department might bring with regard to the sale of Gift Cards marketed or distributed by Respondent prior to January 31, 2011 only if this Settlement Agreement is fully executed and received at the Department by January 9, 2012. Nothing in this Settlement Agreement shall waive the Department's right to collect fines on violations issued prior to December 16, 2010.

Agreed to for Respondent Interactive  
Communications International, Inc.

Accepted for Jonathan Mintz,  
Commissioner of Consumer Affairs for  
the City of New York

By:



Phil Graves

By:



[Signature]  
January 10, 2012

[Signature] | D  
January 9, 2012

Please remit a signed copy of this Settlement Agreement to:

Marla Tepper  
General Counsel and Deputy Commissioner for Legal Affairs  
NYC Department of Consumer Affairs  
42 Broadway, 8<sup>th</sup> Floor  
New York, New York 10004  
MTepper@dca.nyc.gov

**Businesses licensed by the Department of Consumer Affairs (DCA) must comply with all relevant local, state and federal laws. Copies of New York City licensing and consumer protection laws are available in person at DCA's Licensing Center, located at 42 Broadway, 5th Floor, New York, NY, by calling 311, New York City's 24 hour Citizen Service Hotline, or by going online at [www.nyc.gov/consumers](http://www.nyc.gov/consumers).**

Exhibit A

<b>Retailer</b>	<b>Address</b>	<b>Violation Number</b>	<b>Date Issued</b>
CVS	97-15 Metropolitan Ave., Queens	CL 000205130	12/15/2010
CVS	79-60 Metropolitan Ave., Queens	CL 000205138	12/15/2010
CVS	83-02 Atlantic Ave., Queens	CL 000208799	12/15/2010
CVS	170-05 Linden Blvd., Queens	CL 000208871	12/15/2010
CVS	170-25 Hillside Ave., Queens	CL 000208872	12/15/2010
CVS	69-80 Grand Ave., Queens	CL 000209503	12/15/2010
CVS	68-02 Myrtle Ave., Queens	CL 000209505	12/15/2010
CVS	118-10 Queens Blvd., Queens	CL 000205131	12/14/2010

**Exhibit B**

**IMPORTANT**

**PREPAID CARD FEE & EXPIRATION DATE INFORMATION**

For each prepaid card sold at this store between 8/22/2010 and 1/30/2011 which states on the card or packaging that:

- the card expires less than 5 years from the date of purchase, or the underlying funds expire prior to the later of 5 years from the date of purchase or the date funds were last loaded onto the card; or
- a dormancy, inactivity or service fee may be applied to the card prior to the 13th month of card inactivity, or that more than one dormancy, inactivity or service fee can be applied in a single calendar month.

the following terms will apply to that card regardless of what is stated on the card or packaging:

- the value associated with the card will never expire;
- the holder may request a free replacement of any card with value remaining as well as any packaging or other materials provided at time of sale;
- no dormancy fee, inactivity fee, or service fee will be charged unless the card has not been used for at least 13 months and the amount of the fee, how often the fee may be charged, and a statement that the fee may be charged for inactivity, as applicable, is clearly and conspicuously stated on the card; and
- no more than one of these fees will be charged in any single calendar month.

**These terms do not apply to any telecommunications cards, prepaid cards that can be reloaded and that are not labeled as a gift card or gift certificate (including any Green Dot reloadable prepaid), loyalty, award or promotional cards, event or venue admission cards, cards which are redeemable for specific goods or services, cards issued in paper form only, other cards not subject to Section 915 of the Electronic Funds Transfer Act, or to other Green Dot products, such as MoneyPaks.**

To get a replacement card or to find out more information, call the toll free phone number or see the website listed on the back of your prepaid card.

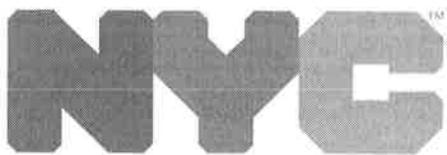
**Exhibit C**

# Did you get a gift card this holiday season? Know your rights.

- Gift card funds cannot expire for **at least five years** from the date the card was purchased or from the last date any additional money was loaded onto the card.
- If your gift card has an **expiration date**, that date must appear on the card.
- All fees deducted from the balance of a gift card or charged for the replacement of a gift card must appear on your card.
- A **dormancy fee** (fee for not using your card) is legal only if you haven't used your card in 13 months. After 13 months of non-use, you can be charged a monthly dormancy fee.
- Other terms and conditions relating to the gift card (such as the expiration date, refund policies, and changes in terms and conditions) must appear on the gift card, packaging, or accompanying printed materials with a toll-free number.
- If you lose your card, a **free replacement card may be provided**.

These rights do not apply to certain prepaid cards, such as telecommunications cards; general purpose reloadable prepaid cards; event or venue admission cards; cards redeemable for specific goods or service; and loyalty, award, or promotional gift cards.

To learn more, **call 311** and ask for Holiday Shopping Tips from the Department of Consumer Affairs or visit **nyc.gov**



**Department of  
Consumer Affairs**

**Exhibit D**

**"TERMS AND CONDITIONS ARE APPLIED TO GIFT  
CERTIFICATES/GIFT CARDS"**