

HOW TO COMMENCE AN ARBITRATION UNDER SHOEDAZZLE'S CURRENT ARBITRATION PROVISION

Shoedazzle.com, Inc. ("Shoedazzle") is committed to customer satisfaction. Part of that commitment is ensuring that any dispute a customer may have is resolved in a fair, effective, and efficient manner. Most of the time that you have a concern, that concern can be resolved quickly and to your satisfaction by calling our Client Services Center at 888-508-1888. If you are still not satisfied, you may have your dispute resolved through binding arbitration before the American Arbitration Association ("AAA"). Alternatively, you may file an action in small claims court.

Shoedazzle's arbitration provision is available in Shoedazzle's Terms and Conditions at (http://www.shoedazzle.com/terms_conditions). This document provides additional information on how to use those procedures. Former Shoedazzle customers may have any dispute resolved under Shoedazzle's current arbitration provision.

What Is Arbitration? Arbitration is a method of binding dispute resolution that is less formal than a lawsuit in court. Arbitration uses a neutral arbitrator instead of a judge or jury, has more limited discovery than in court, and is subject to limited review by courts. Arbitration hearings are typically brief. For claims of \$10,000 or less, you may choose whether the hearing takes place in person, by telephone, or solely on the basis of documents submitted to the arbitrator. (If you choose an in-person hearing, it will take place in the county (or parish) of your contact address or another mutually agreeable location.) You may retain an attorney to represent you in arbitration if you choose. Arbitration under Shoedazzle's arbitration provision will take place on an individual basis. The arbitrator cannot consolidate the claims of more than one person or proceed on a class-wide basis. But arbitration does not affect the substance of your legal claims.

Arbitrations under Shoedazzle's arbitration provision will be administered by the AAA, a leading nonprofit arbitration provider (<http://www.adr.org>). The arbitration will be conducted using the AAA's Commercial Dispute Resolution Procedures and the Supplementary Procedures for Consumer Related Disputes, as modified by Shoedazzle's arbitration provision to make arbitration less expensive and more convenient for our customers. Because the AAA may update those rules from time to time, and because the applicable rules for any particular arbitration will be the ones in force at the time, please check the AAA's website (http://www.adr.org/arb_med) to see the latest version.

For any non-frivolous claim that does not exceed \$75,000, Shoedazzle will pay all costs of arbitration, no matter who wins. In addition, under certain circumstances explained below, Shoedazzle will pay you more than the amount of the arbitrator's award and will pay your attorney (if any) his or her reasonable attorney's fees if the arbitrator awards you an amount that is greater than what Shoedazzle has offered you to settle the dispute.

If you have retained an attorney, he or she may help you answer any further questions you might have about arbitration.

How Do I Arbitrate A Claim? You can arbitrate a claim against Shoedazzle by taking the following steps:

- 1. Mail a Notice Of Dispute to Shoedazzle's Legal Department.** Before beginning an arbitration against Shoedazzle, you must first notify us of your dispute and allow us an opportunity to resolve it without the need for arbitration. Please write us a letter briefly explaining the dispute and identifying the specific relief that you would like. Please provide as much information as you think would be helpful, including dates and specific amounts of money, if possible. Please also include your name, product ordered, and a contact telephone number at which you may be reached during business hours. For your convenience, you may download a Notice of Dispute form from our website (http://www.shoedazzle.com/forms/SHOEDAZZLE_Form_Notice.pdf). Once you have written the letter or filled out the Notice, please send it to us **by U.S. certified mail** at Notice of Dispute, General Counsel, Shoedazzle.com, Inc., 2501 Colorado Ave., #325, Santa Monica, CA 90404. Be sure to keep a copy of the letter or Notice for your records.
- 2. Wait 30 Days to See Whether the Dispute Can Be Resolved Without Arbitration.** If we are not able to resolve your dispute to your satisfaction within 30 days from when we received your Notice of Dispute, you may start arbitration proceedings. Please be sure to keep copies of any written settlement offers that we make, but note that the amount of any settlement offer that you or we make may not be shown to the arbitrator until after the arbitrator has resolved the merits of your claim.
- 3. Complete a Demand For Arbitration.** You can begin the arbitration by submitting a Demand for Arbitration, which contains basic information about the dispute, including: (a) the names, addresses, and phone numbers of the parties involved (you and Shoedazzle, in most cases); (b) a description of the dispute; (c) and a short statement of the relief you are seeking. The AAA provides a form Demand for Arbitration on its website (at <http://www.adr.org/si.asp?id=3477>). (There is a separate form for California residents, also available on the AAA's website at <http://www.adr.org/si.asp?id=3485>.)

4. **Send Us a Copy of Your Demand for Arbitration.** Complete the Demand for Arbitration and make at least **four (4)** copies. Keep one copy for your records. Send one copy to us at Demand for Arbitration, General Counsel, Shoedazzle.com, Inc., 2501 Colorado Ave., #325, Santa Monica, CA 90404.
5. **Submit Two Copies of Your Demand to the AAA.** Send the remaining two copies of the Demand for Arbitration to the AAA Case Management Center for the state in which your contact address is located. Please be sure to include (1) a copy of Shoedazzle's arbitration provision (you may obtain a copy from our website: http://www.shoedazzle.com/terms_conditions#demand); and (2) the appropriate AAA filing fee. We will promptly reimburse you for the filing fee when we receive a copy of your Demand for Arbitration, unless your claim is for more than \$75,000. The filing fee is currently \$125 for claims under \$10,000, but the AAA may change the amount of the fee. You may determine the amount of the fee by consulting the AAA's rules. Those rules may be obtained from the AAA's website (http://www.adr.org/arb_med), or by calling the AAA at 800-778-7879. If you are unable to pay the AAA's filing fee, please inform us by writing a letter to the above address and we will arrange to pay it directly if your claims are for less than \$75,000. The current contact information for each of the AAA's Case Management Centers is as follows:

Western Case Management Center Administers cases in AK, AZ, CA, CO, HI, ID, MT, NV, NM, OR, UT, WA, WY
Jeffrey Garcia
Vice President, Western Case Management Center
6795 N. Palm Avenue, 2nd Floor Fresno, CA 93704
877-528-0880 Fax: 855-270-8400
Email: GarciaJ@adr.org

Central Case Management Center Administers cases in AR, IL, IA, KS, LA, MN, MS, MO, NE, ND, OK, SD, TX, WI
Molly Bargaquest Vice President, Case Management Center
1750 Two Galleria Tower 13455 Noel Road
Dallas, TX 75240-6636 972-702-8222 Fax: 855-267-4082 Email: BargaquestM@adr.org

Northeast Case Management Center Administers cases in CT, DE, ME, MA, MI, NH, NY, NJ, PA, RI, VT, WV
Chris Fracassa Vice President, Case Management Center
950 Warren Avenue East Providence, RI 02914
866-293-4053 Fax: 401-435-6529 Email: FracassaC@adr.org

Southeast Case Management Center Administers cases in AL, DC, FL, GA, IN, KY, MD, NC, OH, SC, TN, VA
John M. Bishop Vice President, Southeast Case Management Center
American Arbitration Association
2200 Century Parkway, Suite 300
Atlanta, GA 30345-3203 404-325-0101 Fax: 404-325-8034 Email: BishopJ@adr.org

The AAA may change this form; please confirm it by calling the AAA at 800-778-7879 or visiting the AAA's website at <http://www.adr.org/sp.asp?id=29019>.

6. **Case Manager Assignment.** Once the AAA receives your Demand for Arbitration, the AAA will assign your case to a Case Manager. The Case Manager will then send us both a confirmation letter and give Shoedazzle.com 10 days to respond to your Demand.
7. **Appointment of an Arbitrator.** If no claim in the arbitration exceeds \$75,000, the AAA will appoint an arbitrator and notify us both of that arbitrator's name and qualifications. The AAA requires all arbitrators to check for any past or present relationships with the parties, potential witnesses, and the parties' attorneys. If the arbitrator has any such relationships, the AAA will tell both you and us. If either you or we object to the AAA's choice of arbitrator, we will have seven days to inform the AAA. Note that all arbitrators must swear an oath for each case promising to be impartial and to abide by the AAA's Code of Ethics for Arbitrators in Commercial Disputes. A copy of that Code of Ethics may be obtained from the AAA's website (at <http://www.adr.org/sp.asp?id=32124>).
8. **Choose The Kind Of Hearing You Would Like.** Unless you and we agree to have any arbitration hearings somewhere else, they will take place in the county (or parish) of your contact address. If your claim is for \$10,000 or less, you may choose whether any hearings are conducted in person or by telephone. If you choose to proceed either in person or by telephone, we may choose to respond only by telephone or submission. Alternatively, you may choose to proceed by a "desk" arbitration, which does not involve an interactive hearing. Instead, the arbitrator resolves the dispute solely on the basis of the documents that you and we submit. Once the AAA has commenced the arbitration, you have 10 days to inform the AAA of your choice of hearing. If you do not make a choice, the AAA will assume that you want a desk arbitration. If your claim exceeds \$10,000, the right to a hearing will be determined by the AAA rules. Those rules currently provide for an in-person hearing if the consumer's claim exceeds \$10,000, but you and we may agree whether that hearing is in person or by telephone, or whether to instead proceed with a desk arbitration.

9. **Arbitrator's Decision.** Within 14 days from the conclusion of the in-person or telephone hearing, or from the submission of all written evidence to the arbitrator if you chose a desk arbitration, the arbitrator will render a written decision. That decision will include the essential findings and conclusions on which the arbitrator based his or her award.
10. **The Alternative Payment.** If the arbitrator grants you relief that exceeds Shoedazzle.com's last written settlement offer before the arbitrator is appointed, then Shoedazzle.com will pay you the amount of the award, or \$2,000, whichever is greater. If Shoedazzle.com did not make a written offer to settle the dispute, you will be entitled to receive this alternative payment if the arbitrator awards you any relief at all on the merits.
11. **Your Attorney's Fees.** If you are entitled to the alternative payment, Shoedazzle.com will also pay your attorney, if any, the amount of attorney's fees, and reimburse any expenses (including expert witness fees and costs) that your attorney reasonably incurred for investigating, preparing, and pursuing your claim in arbitration. Even if you are not entitled to attorney's fees under this provision, Shoedazzle.com will still reimburse you for your reasonable attorney's fees and expenses if it is required to do so under applicable law. However, you may not receive both attorneys' fees under this provision and an award of attorney's fees under a statute. Instead, you will receive the greater of the two amounts. Shoedazzle.com will not attempt to collect from you the attorney's fees it incurs in arbitration, even when this is permissible under applicable law.
12. **Arbitration Costs in Frivolous Cases.** If the arbitrator not only rules against you, but also rules that either the substance of your claim or the relief you requested in your Demand for Arbitration was either frivolous or brought for an improper purpose (as measured by the standards of Federal Rule of Civil Procedure 11(b)), the AAA's rules will determine responsibility for the costs of arbitration. For frivolous cases in which your demand is \$10,000 or less, your share of the costs would currently be limited to \$125, although the AAA may change that amount. If the arbitrator makes this determination, you may be required to reimburse Shoedazzle.com for its payment of your share of the arbitration costs.
13. **Arbitration Costs for Claims Exceeding \$75,000.** If you initiate an arbitration in which you seek more than \$75,000 in damages, the AAA rules will govern the payment of AAA filing, administration, and arbitrator fees. Those rules may be downloaded from the AAA's website (at www.adr.org/arb_med). If Shoedazzle.com initiates the arbitration, it will pay these costs regardless of the amount of its claim.

Questions and Answers Related to the Shoedazzle.com Arbitration Program Administered by the American Arbitration Association

Q. What is arbitration?

A. Arbitration is a process, not unlike court (but much less formal), in which an independent neutral person hears evidence and issues a decision on a dispute, known as an "award". This award is generally final and binding on the parties in the case.

Q. What is the American Arbitration Association and what role does it play?

A. The American Arbitration Association (the "AAA") is a not-for-profit, public service organization committed to the resolution of disputes through arbitration, mediation, and other voluntary procedures. Every year, more than 200,000 disputes are resolved by the AAA in a range of areas, including finance, construction, labor and employment, insurance, and technology. The AAA has 30 offices in the United States and Europe. As an administrative agency, the AAA processes a case from filing to closing, appointing arbitrators, setting hearings, transmitting documents, and scheduling conference calls. Its goal is to keep cases moving through a fair and impartial process until completion.

Q. What kinds of disputes are covered by the Shoedazzle.com Arbitration Program?

A. The arbitration clause in the Shoedazzle.com Terms and Conditions explains what kinds of disputes are covered. In addition, the AAA would apply its Supplementary Procedures for Consumer-Related Disputes in disputes between you and Shoedazzle.com. The AAA would decide whether or not to apply the Supplementary Procedures and the parties could bring any disputes concerning the application or non-application of the Supplementary Procedures to the attention of the arbitrator. Consumers are not prohibited from seeking relief in a small claims court for disputes or claims within the scope of that court's jurisdiction, even in consumer arbitration cases filed by the business.

Q. Who are the arbitrators?

A. Arbitrators are independent third parties who hear evidence and decide the outcomes of cases. They are independent contractors, and are not employees of the AAA or of Shoedazzle.com. Arbitrators are carefully selected for their expertise and trained extensively by the AAA. In consumer cases, unless the parties agree otherwise, the AAA will appoint an arbitrator who is an attorney. Alternatively (for example, in a case in which there are many financial records), the parties may agree to use an arbitrator who is an accountant or other qualified professional instead of an attorney.

Q. Shoedazzle.com's terms say I have to arbitrate my dispute: does that mean I can't go to court?

A. The AAA's Consumer Due Process Protocol gives either you or Shoedazzle.com the option of going to small claims court, if the amount of money you are seeking falls within the limits set for small claims courts in the state in which you live or operate.

Q. Do I have to hire an attorney?

A. Either you or Shoedazzle.com may be represented by an attorney. However, you are not required to have an attorney to participate in arbitration.

Q. Where can I find more information about arbitration?

A. You can find more arbitration information on the AAA's website.

Q. Why has the AAA developed the Supplementary Procedures for Consumer-Related Disputes?

A. The AAA developed the Supplementary Procedures for Consumer-Related Disputes (the “Supplementary Procedures”) to provide a low-cost, streamlined process to resolve disputes between consumers and businesses whose contracts contain standardized arbitration clauses, where those terms and conditions are nonnegotiable or primarily nonnegotiable in most or all of their terms, conditions, features, and choices. The Supplementary Procedures are intended to reinforce the principles of the Consumer Due Process Protocol.

Q. What is the Consumer Due Process Protocol?

A. The Consumer Due Process Protocol (the “Protocol”) is a statement of principles and standards aimed at promoting fair procedures that protect consumers in arbitrations. The Protocol was developed to address a wide range of consumer transactions, including those involving the purchase or lease of goods or services for personal, family, or household use. A complete copy of the Protocol can be found on the AAA's website.

Q. What if I am having problems with Shoedazzle.com? Will the AAA help me before I file for arbitration?

A. No. The AAA is a neutral administrative agency and cannot act on behalf of either you or Shoedazzle.com, or become involved in a dispute before a case is filed. If you are attempting to resolve a problem with Shoedazzle.com, you should contact Shoedazzle.com directly or seek the assistance of a consumer advocacy group.

Q. Where can I file my claim?

A. AAA's administrative services are available through AAA's Case Management Centers in Atlanta, Dallas, Fresno, and East Providence. Address information can be found above, current as of the last update of this webpage, or on the AAA's website at www.adr.org. In-person hearings, if any are needed, can be held at any location convenient to the parties.

Q. How do I file my claim?

A. To begin the process, either you or Shoedazzle.com can use the Demand for Arbitration form found on the AAA's website. Send the completed form, along with a copy of Shoedazzle.com's arbitration provision (you may obtain a copy from our website: (http://www.shoedazzle.com/terms_conditions#demand)) and the appropriate filing fees and/or deposits to any AAA office. The AAA will notify Shoedazzle.com, advising us that the AAA has received a consumer case under these supplementary procedures.

Q. Can Shoedazzle.com file for arbitration against a consumer?

A. Yes. Either you or Shoedazzle.com can start an arbitration proceeding.

Q. Can I have a hearing?

A. Many consumer disputes can be resolved simply through the review of documents. However you may request a hearing. This request should be made no more than ten days after the AAA has initiated the case. You can request either a telephone hearing or an in-person hearing.

Q. Is mediation available instead of or in addition to arbitration?

A. Mediation is available to assist parties in resolving their disputes. If both parties want to use mediation, they may do so under the AAA's Commercial Mediation Rules. In mediation, an impartial person (the mediator) helps the parties to try and settle their dispute by reaching an agreement together. A mediator does not arbitrate or decide the outcome.