

NORTH CAROLINA DEPARTMENT OF INSURANCE  
RALEIGH, NORTH CAROLINA

STATE OF NORTH CAROLINA  
COUNTY OF WAKE

BEFORE THE COMMISSIONER  
OF INSURANCE

IN THE MATTER OF

LIFELOCK, INC.

VOLUNTARY SETTLEMENT  
AGREEMENT

NOW COME LifeLock, Inc. (hereinafter "LifeLock") and the North Carolina Department of Insurance (hereinafter "the Department"), and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement");

WHEREAS, the Department has the authority and responsibility for enforcement of the insurance laws of this State; and

WHEREAS, LifeLock is a corporation organized under the laws of the State of Delaware and not licensed as an insurance company in the State of North Carolina; and

WHEREAS, the Department has determined that LifeLock marketed and sold identity theft prevention services within the State of North Carolina and guaranteed to indemnify its customers for losses sustained as a result of identity theft, including "lost wages, long-distance calls, postage and other miscellaneous costs in addition to any funds that are actually stolen;" and

WHEREAS, LifeLock contends that it has not sold its products in North Carolina for the past sixty days, a contention which has not been verified by the Department; and

WHEREAS, LifeLock has adopted and implemented revised Terms and Conditions for its services, a copy of which accompanies this agreement and which the Department has determined do not constitute an insurance product within the regulatory jurisdiction of the Department, ("the Revised Services"); and

WHEREAS, the officers signing this agreement on behalf of LifeLock are fully authorized to execute this agreement; and

WHEREAS, pursuant to N.C. Gen. Stat. § 58-2-70(g), the Commissioner and the Department have the express authority to negotiate a mutually acceptable agreement with any person as to the status of the person's license or certificate or as to any civil penalty or restitution;

NOW THEREFORE, in consideration of the promises and agreements set out herein, the Department and LifeLock hereby agree to the following:

1. The Department alleges that LifeLock's marketing and sale of identity theft prevention services with the guarantee to indemnify its customers for losses sustained as a result of identity theft, including "lost wages, long-distance calls, postage and other miscellaneous costs in addition to any funds that are actually stolen" as described above, before making the amendments contained within the Revised Services, constituted the unauthorized sale of insurance and a violation of N.C. Gen. Stat. § 58-28-5.

2. The Revised Services and the marketing thereof to North Carolina residents, do not constitute the business of insurance or a contract of insurance, do not provide for indemnity or reimbursement for loss or injury, and do not violate Article 28 of the North Carolina General Statutes.

3. LifeLock will immediately amend the Terms and Conditions of all of its contracts with North Carolina residents in accordance with the Terms and Conditions stated in the Revised Services.

4. Neither LifeLock, nor any agent, proprietorship, corporation, partnership, or other entity acting on behalf of LifeLock, will advertise, publicize or solicit business on behalf of LifeLock for any LifeLock product except the amended product as described in the Revised Services .

5. LifeLock will notify within 10 days all current North Carolina customers that the Terms and Conditions of the LifeLock product have changed. A copy of the Revised Services will be provided to each current customer and the changes will be summarized in detail in a cover letter.

6. LifeLock will notify within 10 days all North Carolina residents who have applied or enrolled since July 1, 2007, that the Terms and Conditions have changed. A copy of the Revised Services will be provided to each customer and the changes will be summarized in detail in a cover letter. Each such North Carolina resident will be given an opportunity to reject the amended terms and conditions and receive a full refund of all funds remitted to LifeLock.

7. LifeLock will immediately modify all of its marketing materials, advertising materials and marketing efforts for its products to reflect the terms of this Agreement.

8. LifeLock will immediately modify its company website and any other websites under its control to conform to each agreed item in this Agreement.

9. LifeLock will provide confirmation to the Department that each agreed item in this Agreement has been fully completed no later than December 14, 2007.

10. LifeLock agrees to pay a civil penalty in the amount of Seventeen Thousand Five Hundred Dollars (\$17,500.00) to the State of North Carolina. LifeLock agrees to satisfy this penalty by submitting a certified check or other certified funds payable to the "North Carolina Department of Insurance" in the agreed-upon amount, at the time that this Settlement Agreement is signed by LifeLock and prior to sending this Agreement to the Department for the Senior Deputy Commissioner's signature. The civil penalty shall be subject to disbursement in accordance with the provisions of Article IX, Section 7 of the North Carolina Constitution for the benefit of public schools

11. The Department agrees that it will not proceed to an administrative hearing against LifeLock, or take any administrative action against LifeLock other than as set forth herein, based on allegations arising out of the Department's investigations of the sale of identity theft prevention services by LifeLock to North Carolina residents prior to the date of this Agreement.

12. By entering into this Voluntary Settlement Agreement, the Department makes no representation and does not take any position as to whether LifeLock must obtain licenses from any other state or federal agency to lawfully market or sell its Revised Services, even as amended.

13. This Voluntary Settlement Agreement shall not prejudice the rights of any third parties against LifeLock, nor does it constitute approval of the Revised Services by the Department or any other agency of the State of North Carolina

14. If LifeLock breaches any of the terms of this Agreement, the parties agree that the Department may, upon five business days' notice to LifeLock and its counsel, declare that LifeLock shall cease and desist the sale of any identity theft prevention or similar services within the State of North Carolina and LifeLock will agree to cease and desist such activity.

15. This Agreement shall have the full force and effect of an Order of the Commissioner of Insurance for the State of North Carolina.

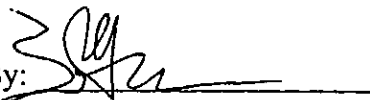
16. This Voluntary Settlement Agreement, when finalized, will be a public record and is not confidential. The Department is free to disclose the contents of this Agreement to third parties upon request or pursuant to any law or policy providing for such disclosure.

17. LifeLock alleges that payment of the civil penalty expressed above is not an express or implied admission of negligence, misconduct, responsibility or liability on the part of the parties herein or of anyone else, and that LifeLock expressly and specifically denies all such claims.

18. This Agreement shall become effective when signed by LifeLock and the Department.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed.

LIFELOCK, INC.

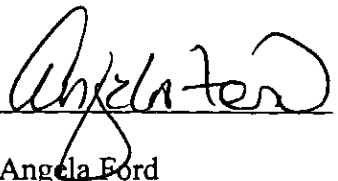
By: 

Printed Name: Brad Greer

Title: General Counsel

Date: 12/06/2007

NORTH CAROLINA DEPARTMENT OF INSURANCE

By: 

Angela Ford  
Senior Deputy Commissioner

Date: 12-20-07

## REVISED TERMS and CONDITIONS

THESE ARE THE TERMS OF OUR AGREEMENT WITH EACH OTHER. WHILE WE TRIED TO MAKE IT NOT TOO FULL OF LEGALESE, ALL OF IT IS IMPORTANT SO TAKE A FEW MOMENTS TO READ IT. BY ACCEPTING LIFELOCK'S SERVICE, YOU ACKNOWLEDGE THAT YOU HAVE READ, UNDERSTOOD, AND AGREE TO THESE TERMS AND CONDITIONS.

This Terms and Conditions Agreement ("Agreement") identifies what you can expect from LifeLock, Inc. and its subsidiaries ("LifeLock") and what LifeLock expects from you. These terms and conditions apply to your purchase of any service offered by LifeLock.

If you do not agree, we can not allow you to subscribe or continue to use our service.

### 1. Description of our Service ("Service"):

#### A. For individuals sixteen (16) years of age or older, we will, upon enrollment:

(i) request that Equifax, Experian and TransUnion, or other credit bureau as may become appropriate, place fraud alerts on your consumer reports to the extent permitted by 15 U.S.C. § 1681c-1. Your fraud alert will include up to two telephone numbers provided by you. While you are our client, we will attempt to renew these alerts as often as required to keep them active until such time that you notify us that you no longer have a good faith suspicion that you have been or are about to become a victim of fraud or related crime, including identity theft;

(ii) request, to the extent permitted by 15 U.S.C. § 1681b(e), that your name be removed from pre-approved credit card mailing lists;

(iii) request that your name be removed from junk-mail lists by using the opt-out options established by the Direct Marketing Association;

(iv) order, upon enrollment and once a year thereafter, your free annual credit reports from TransUnion, Experian, and Equifax, or other credit bureau as may become appropriate, as permitted by 15 U.S.C. § 1681j(a).

#### B. For individuals fifteen (15) years of age or younger, we will, upon enrollment:

(i) request that Equifax, Experian and TransUnion, or other credit bureau as may become appropriate, place fraud alerts on their consumer reports to the extent permitted by 15 U.S.C. § 1681c-1. If a consumer report is found to match, we will attempt to renew these alerts as often as required, while you subscribe for this particular service, to keep them active until such time that you, or the particular individual, notify us that there is no longer a good faith suspicion that the individual has been or is about to become a victim of fraud or related crime, including identity theft. If a consumer report is not found to

match for the individual, LifeLock will confirm every one hundred, eighty (180) days that no matching consumer report has been created;

(ii) order, upon enrollment and once a year thereafter, the individual's annual free credit reports from TransUnion, Experian, and Equifax, or other credit bureau as may become appropriate, as permitted by 15 U.S.C. § 1681j(a), to the extent that they exist and to the extent that the information provided to us matches such a report;

(iii) annually prepare a request to the Social Security Administration for a copy of the individual's Social Security Earnings Report. This request will be forwarded to the individual's parent or guardian who will then be responsible for its submission to the Social Security Administration.

C. In addition, individuals under eighteen (18) years of age must have our Service administered by a parent or legal guardian.

2. Our Service Guarantee (Warranty) is in support of our Service under this Agreement and is provided without additional charge:

A. If you are our client when someone accesses your personal identifying information and subsequently uses it without your authorization to commit a fraud, due to a failure or defect in our Service, and you have complied with this Agreement, subject to the terms herein, we will pay professionals to assist in restoring any such loss or recover such expenses, as required, provided however that the maximum limit of our Service Guarantee is \$1 (one) million per lifetime for all incidents in the aggregate.

B. You must be truthful with us and you must tell us of the use of your personal identifying information without your authorization to commit a fraud within 30 days of first learning of it. You agree to cooperate with those we hire to help you.

C. If you need professional assistance to help remediate damages caused by the failure or defect in our Service, we will arrange for, and cover the expense of, that assistance to be provided to you through persons or firms we select; we will not reimburse fees of professionals or other service providers unless we choose those providers for your particular matter. Any such professionals, if required or applicable, will be licensed in the jurisdiction where your particular matter resides.

D. We will cure any failure or defect in our Service, resulting in damages you incur, subject to the terms of this Agreement as follows:

(i) If the amount involved is over \$1,000, we reserve the right to investigate the Service Guarantee request in order to determine whether the request is valid before we do anything else. We will perform our investigation as promptly as we can. If our investigation shows that a reasonable person would conclude that your personal identifying information was used without your authorization to commit a fraud while you

were our client and you have complied with all this Agreement, we will perform as described herein.

E. If we find that you intentionally misrepresented damages or committed a fraud related crime and misrepresented that you were our client when your information was misused, you agree to pay us back upon demand any amount we have paid in connection with your claim, including any costs we incur to collect the money from you. Being found guilty of a crime related to the loss which you attributed to identity theft is sufficient evidence to conclude that we are entitled to recover all amounts paid on your behalf as described above, but it is not the only basis upon which we may so conclude.

F. Similarly, should we decline your Service Guarantee request following our investigation and that decision subsequently is determined to have been wrong, we will honor our Service Guarantee.

**G. OUR SERVICE GUARANTEE IS SIMPLE, BUT IT IS LIMITED. WE WILL PAY UP TO \$1,000,000 TO CURE THE FAILURE OR DEFECT IN OUR SERVICE, PER CLIENT, PER LIFETIME FOR ALL INCIDENTS IN THE AGGREGATE, REGARDLESS OF CIRCUMSTANCE (‡ IN NORTH CAROLINA, WE WILL MAKE PAYMENTS TO PROFESSIONALS WE CHOOSE). WE WILL NOT MAKE PAYMENTS TO YOU FOR ANY LOSS YOU MAY INCUR. OTHER THAN OUR SERVICE GUARANTEE, AND EXCEPT AS OTHERWISE SET OUT HEREIN WE MAKE NO REPRESENTATION OR WARRANTY ABOUT OUR SERVICE OF ANY KIND, AND WE DISCLAIM ANY IMPLIED WARRANTIES OUTSIDE OF OUR SERVICE GUARANTEE, SUCH AS A WARRANTY OF MERCHANTABILITY OR FITNESS OF OUR SERVICE FOR ANY PARTICULAR PURPOSE.**

3. **Renewal:** Your account will be automatically renewed for one month or one year, depending on the term you initially select, on the anniversary date of your enrollment.

4. **Cancellation:** There is no long-term commitment with LifeLock. You can cancel at any time by calling us at 877 LIFELOCK (543-3562) and notifying us of your intention to cancel. If you are an annual subscriber, we will refund any unused amount.

5. **Privacy Policy:** We respect your privacy. Please see on <http://www.LifeLock.com/privacy> or on the "TrustE" button on the home page of our website to review our Privacy Policy, the terms and conditions of which are incorporated into this Agreement. If you do not have access to the website location, please inform us so that we may provide you a hardcopy. You agree to accept the terms of the Privacy Policy as a condition of acceptance of this Agreement.

6. **Information Sharing:** In order to fulfill our services, LifeLock must provide your personal identifying information with third parties including, but not limited to: TransUnion, Experian and Equifax, or other credit bureau as may become appropriate. You agree that LifeLock may provide your information to these third parties. Therefore, you waive any and all claims against LifeLock for the acts and omissions of these

companies with regard to the use or disclosure of such information. However, LifeLock will cover any resulting failures that arise from any misuse of your information whether or not attributable to acts of such third parties to the extent covered by the terms set forth in our Service Guarantee.

7. Refusal of Service: We will determine whether or not to accept you as a client and provide to you the Service, and we may refuse to provide to you our Service for any reason. These reasons include, but are not limited to, credit review, the unavailability of the Service, and errors in the prices and descriptions pertaining to the Service.

8. Payment Terms/Taxes: Payment for the Service may be made by bank cards or other mutually agreed upon payment instrument. You are personally responsible for any applicable state and/or federal sales or other taxes that may be associated with the purchase of our Service.

9. Authorization: By accepting these terms and conditions, you expressly authorize LifeLock's authorized employees to: complete and execute on your behalf documents required to provide the Service; speak to parties on your behalf as required to provide the Service; and, act as your personal representative under 15 U.S.C. § 1681c-1, under which consumers or their authorized representatives have the right to obtain fraud alerts. In addition, in the event of, and as a condition to, you exercising your right to our Service Guarantee, you agree to execute a Limited Power of Attorney authorizing LifeLock's performance. Consistent with this Agreement, when you invoke our Service Guarantee, LifeLock shall promptly provide you such Limited Power of Attorney document and shall begin such assistance after we receive your executed Limited Power of Attorney authorizing our assistance.

10. Disclaimers and Limitation of Liability: LifeLock assumes no responsibility for errors or omissions in the information or other documents which are referenced by or linked to LifeLock's web site. As noted above, and except as otherwise set out herein, we will not be liable for any special, incidental, indirect or consequential damages of any kind, nor any damages whatsoever other than as set forth in our Service Guarantee. LifeLock will not be liable for any failure or delay resulting from fire, explosion, flood, storm, act of God, government acts, orders or regulations, hostilities, civil disturbance, strike, labor difficulties, machinery breakdown, Internet or telecommunications failure, or any other similar event beyond the reasonable commercial control of LifeLock.

11. Governing Law: This agreement and any Service provided hereunder will be governed by the laws of the state of Arizona, without regard to any Arizona laws that would direct the choice of another state's laws and, where applicable, to be governed by the federal laws of the United States. Subject to paragraph 12 (which provides for arbitration of claims between us to the maximum extent possible), you irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the federal or state courts in the State of Arizona for any dispute or litigation arising out of, or relating to, the use or purchase of any Service from LifeLock, and waive any objection to the laying of venue of any such litigation in Arizona courts and agree not to claim that such litigation

brought therein has been brought in an inconvenient forum, in other words, if we have a dispute, you agree to resolve it in an Arizona court.

12. **Arbitration:** Both you and we agree that any dispute, controversy or claim arising out of, or relating to, any interpretation, construction, performance or breach of this Agreement or the Service shall be settled by confidential arbitration, in accordance with the American Arbitration Association's ("AAA") Commercial Arbitration Rules (including without limitation the Supplementary Procedures for Consumer-Related Disputes) then in effect. The arbitrator may grant injunctions or other relief in such dispute or controversy. A single arbitrator with knowledge of electronic commerce will conduct the arbitration and the parties will mutually agree upon such arbitrator. In the event that the parties have not agreed on an arbitrator within thirty (30) days of the date of the notice of intention to arbitrate, the arbitrator will be selected by AAA from its list of commercial arbitrators. The arbitrator will conduct a single hearing no longer than one day in duration for the purpose of receiving evidence and will render a decision within fifteen days after the conclusion of the hearing. The decision of the arbitrator will be final, conclusive and binding on the parties to the arbitration. Judgment may be entered on the arbitrator's decision in any state or federal court. Although the cost of the arbitrator will be borne by LifeLock, all other expenses of arbitration will be paid by the party who incurred them. These expenses are not part of our Service Guarantee. In addition to, and separate and apart from, the above agreement to arbitrate any dispute, controversy or claim arising out of, or relating to, any interpretation, construction, performance or breach of this Agreement or the Service, you also agree that you will not participate in any way in any class action in connection with any such dispute, controversy or claim, either as a class representative plaintiff or as a member of a putative class.

13. **Change of Terms:** We may revise this Agreement at any time. However, we may not make any changes retroactive. We will notify you of any changes at the e-mail address or mailing address associated with your account. If you do not contact LifeLock and express your objection to our changes within thirty (30) days of receiving this notice, you shall be deemed a continuing use client and agree to be bound by any such revisions.

If you fail to comply with any of these terms and conditions, we may at any time terminate your rights under this Agreement at our sole discretion and without prior notice. However, we may not void our responsibilities under our Service Guarantee for damages that arise prior to any termination by us of the Service Guarantee.

14. **Indemnification:** You agree to indemnify, defend and hold LifeLock and any of its affiliates and all of their agents, directors, employees, information providers and licensors and licensees harmless from and against any and all liability and costs (including attorneys' fees and costs) incurred by any of these parties in connection with any claim arising out of any willful or intentional breach by you of these terms and conditions. In the event that either (a) you are the subject of claims for which you properly seek damages from us under these terms and conditions, or (b) we are subject to any claim for which we have the right to be indemnified by you, we reserve the right at our expense in

the case of claims in clause (a) and at your expense in the case of claims in clause (b), to assume the exclusive defense and control of any such claim, and you will not in any event settle any such claim without our written consent.

15. Trademarks, Copyrights and Restrictions: LifeLock and the LifeLock logo are trademarks of LifeLock, Inc. Everything you see in any promotional materials is copyrighted by LifeLock unless otherwise specified. All other product names and company logos found on promotional materials are the trademarks of their respective owners. All promotional materials are protected by copyrights, which are owned or licensed by LifeLock. You may not reproduce, perform, create derivative works from, republish, upload, post, transmit, or distribute in any way whatsoever any LifeLock information without the express, written consent of LifeLock, Inc.

16. CREDIT REPAIR AND INSURANCE: LIFELOCK IS NOT A CREDIT REPAIR ORGANIZATION. LIFELOCK CANNOT IMPROVE YOUR CREDIT HISTORY OR CREDIT RATING. LIFELOCK WILL NOT PROVIDE YOU WITH ADVICE OR ASSISTANCE IN IMPROVING YOUR CREDIT HISTORY OR CREDIT RATING; RATHER WE WILL HIRE PROFESSIONALS TO ASSIST YOU. PLEASE SEE SECTION 2 OF THIS AGREEMENT FOR THE DEFINITION OF OUR SERVICE GUARANTEE.

LifeLock is neither an insurance company nor an agent for any insurance company and does not sell, solicit or negotiate insurance.

17. Miscellaneous: These terms and conditions may not be altered, supplemented, or amended by you by the use of any other document(s). Any attempt to alter, supplement or amend this document or to enter an order for the Service which is subject to additional or altered terms and conditions will be null and void, unless agreed to in writing and signed by you and LifeLock. The section headings used herein are for convenience of reference only and do not form a part of these terms and conditions, and no construction or inference will be derived therefrom. If any provision of this Agreement is held to be unenforceable for any reason, such provision shall be reformed only to the extent necessary to make it enforceable and shall not affect the enforceability of any other provision.

18. Description of your obligations: You agree that you are only providing your own personal information and not the information of any other individual. You agree that the information you provide during the registration process and any subsequent information you provide to LifeLock will be true, accurate, and current. **YOU ARE OBLIGATED TO CONTACT LIFELOCK CLIENT SERVICES IN THE EVENT THAT ANY INFORMATION YOU HAVE PROVIDED LIFELOCK HAS CHANGED.** In addition, you agree that you will not purposely engage in behavior that will put your personal information at unnecessary risk, such as leaving your PIN or passwords in obvious places or publishing your Social Security Number. You additionally agree that you have a good faith suspicion that you have been or are about to become a victim of fraud or related crime, including identity theft, that you want to obtain fraud alerts under 15 U.S.C. §

1681c-1, and that you will notify LifeLock immediately if and when you no longer have such a good faith suspicion. You agree to comply with all applicable laws and regulations and that you are buying the Service for your own use only. You agree that you are eighteen (18) years of age or older.

You agree to pay us the fee we publish for our Service, less any discounts to which you may be entitled.

**19. Agreement Assent: YOU AND LIFELOCK HAVE ENTERED INTO THIS AGREEMENT, WHETHER ELECTRONICALLY, BY RECORDED VOICE AUTHORIZATION, OR VIA PHYSICAL COPY, INTENDING TO BE BOUND BY YOUR ACCEPTANCE OF THE AGREEMENT. IN THE FUTURE, YOU AGREE TO BE BOUND TO THESE SPECIFIC TERMS AND CONDITIONS OF SALES, AND MODIFICATIONS TO THIS AGREEMENT, BY CONTINUING TO USE OUR SERVICE AFTER WE HAVE NOTIFIED YOU OF THOSE TERMS AND CONDITIONS. NOTIFICATIONS, OR ANY OTHER COMMUNICATIONS, INCLUDING BILLING, PAYMENT, AND/OR DISCLOSURES WILL BE MADE VIA THE MAIL, TELEPHONE, OR EMAIL ADDRESS ASSOCIATED WITH YOUR ACCOUNT. THIS AGREEMENT MAY BE PRINTED OR RETAINED BY YOU FOR FUTURE REFERENCE.**

**20. You may withdraw your acceptance of this agreement at any time by notifying LifeLock Client Services by phone or in writing. Upon notification of your withdrawal of acceptance, LifeLock will cancel your service.**

**21. Acknowledgment: The Agreement, including all documents referred to herein, represents the entire understanding between you and LifeLock regarding your relationship with LifeLock and supersedes any prior statements or representations. When using or purchasing the LifeLock Service, you agree to be bound by these terms and conditions. Thank you for your business.**