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News Release

FOR IMMEDIATE RELEASE

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Attorney General Settles with David's Bridal, Inc.

Company Changes Policy, Agrees to Stop Charging Excessive Forfeiture Fees

BALTIMORE, MD (February 15, 2008) - Attorney General Douglas F. Gansler today announced that his Consumer Protection Division has reached a settlement with Pennsylvania-based David's Bridal, Inc. The company, which operates stores in Bowie, Glen Burnie, Hagerstown, Rockville and Waldorf, makes layaway sales of bridal gowns to consumers. The Division alleged that David's Bridal violated the Maryland Consumer Protection Act and the Maryland Layaway Sales Act by charging consumers excessive amounts if they cancelled a layaway purchase or defaulted under a layaway agreement.

Under the Layaway Sales Act, if a consumer either cancels or defaults under a layaway sales agreement, a business may charge the consumer liquidated damages not to exceed 10% of the layaway price or the total amount paid by the consumer prior to the default or cancellation, whichever is less. The Division alleged that David's Bridal violated the Act by charging consumers a 25% forfeiture fee if they did not fully pay for their bridal gowns or cancelled their purchase. David's Bridal denied that it had violated the law, but agreed to a settlement with the Division.

Under the settlement, David's Bridal agreed to stop charging consumers cancellation or forfeiture fees that exceeded the limitations imposed by the Layaway Sales Act. It also agreed to pay restitution to the Division equal to the amounts it charged Maryland consumers in excess of the limits contained in the Layaway Sales Act. The Division estimates the amount of the restitution that it will receive under the settlement to be more than \$33,000. David's Bridal will also pay the Division \$30,000 for its costs and penalties.

"Businesses cannot charge consumers who cancel layaway purchases fees in excess of those permitted by law," said Attorney General Gansler. "I am pleased that consumers will be receiving refunds and that David's Bridal has changed its practices."

Consumers eligible for restitution under the settlement will be contacted by the Consumer Protection Division.