



Office of the
Illinois Attorney General
Kwame Raoul



ATTORNEY GENERAL RAOUL SECURES SETTLEMENT WITH ONLINE CLOTHING RETAILER OVER DECEPTIVE ADVERTISING, BILLING PRACTICES

October 23, 2025

Chicago — Attorney General Kwame Raoul today announced a bipartisan multistate [settlement](#) with TFG Holding Inc. (TFG Holding), an online clothing retailer that offers shoes, clothing and accessories across several different brands, including JustFab, ShoeDazzle and FabKids. The settlement resolves claims that the company deceptively marketed its VIP Membership Program to consumers and made it difficult for consumers to cancel memberships.

“I am pleased that this bipartisan settlement holds TFG Holding accountable for engaging in deceptive marketing and automatically enrolling customers into a recurring payment without properly notifying them or obtaining their consent,” Raoul said. “Consumers deserve to know all of the details, including how to cancel, before agreeing to enroll in a membership, and I will continue to ensure that Illinois consumers are treated fairly.”

TFG Holding offers consumers discounted pricing if they enroll in the company’s VIP Membership Program. Once enrolled, consumers are charged \$49.95 a month, unless they either make a purchase or log into their accounts to “skip” the charge before sixth day of each month. Otherwise, the monthly charges accrue as store credits, which can be used on future purchases.

However, the settlement alleges that the company failed to clearly disclose to customers that joining the program was a condition for receiving the discount and that they would automatically be enrolled in the membership program upon making a purchase. This resulted in many customers being unaware that they had been signed up for recurring charges. The attorneys general also allege that once TFG Holding automatically enrolled consumers into VIP Membership Programs with recurring charges, the company’s cancellation policies made it difficult for consumers to cancel the membership.

As part of the settlement, TFG Holding will be required to provide automatic restitution to all consumers who enrolled in a VIP Membership Program prior to May 31, 2016, made an initial purchase with no subsequent purchases and never skipped a charge. The company will also be required to pay restitution to consumers who have an unresolved eligible complaint or who file a new written complaint with the company or the Attorney General’s office within 90 days of the effective date of the settlement. In addition to restitution, TFG Holding will be required to pay \$1 million to states to cover investigative costs or to be used for future consumer protection purposes.

The settlement also includes important injunctive relief that requires TFG Holding to:

- Clearly disclose the terms of its VIP Membership Program, including but not limited to, the fact that consumers will be enrolled in the program, the amount and frequency of all applicable recurring charges, and consumers’ right to cancel.
- Obtain express informed consent prior to enrolling any consumer in the VIP Membership Program.
- Provide a simple online mechanism for consumers to cancel their VIP membership, to promptly process any consumer’s request to cancel their membership, and to stop the billing and collecting of payments for any recurring charge.
- Provide all consumers with the opportunity to request and obtain a refund of any recurring charge balance accrued within the preceding year.
- End recurring charges to any consumer who enrolled in the VIP Membership Program prior to May 31, 2016, unless the consumer previously skipped a payment, redeemed a credit, received a refund or made an additional purchase.
- Refrain from representing its offers or sales of its products as time sensitive when they are not, including but not limited to the use of countdown timers to imply that such offers or sales will soon expire, unless the offers are in fact time limited.

Joining Attorney General Raoul in this settlement are attorneys general of Alabama, Arkansas, Connecticut, the District of Columbia, Georgia, Idaho, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Vermont, Washington and Wisconsin.

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