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9
10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 COUNTY OF LOS ANGELES

12
13 **THE PEOPLE OF THE STATE OF
CALIFORNIA,**

14
15 Plaintiff,

16 v.

17 **STUBHUB, INC.,** a corporation,

18 Defendant.

Case No. **24STCV21332**

**[PROPOSED] FINAL JUDGMENT AND
PERMANENT INJUNCTION**

Date:
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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

v.

STUBHUB, INC., a corporation,

Defendant.

Case No.

[PROPOSED] FINAL JUDGMENT AND PERMANENT INJUNCTION

Plaintiff, The People of the State of California (“People”), appearing through their attorney, Rob Bonta, Attorney General of the State of California, by Supervising Deputy Attorney General Jon Worm and Deputy Attorney General Timothy Lundgren, and Defendant StubHub, Inc., appearing through its attorneys, Rebecca Harlow and Jonathan Direnfeld of Orrick, Herrington & Sutcliffe LLP, having stipulated to the entry of this Final Judgment and Permanent Injunction (“Judgment”) by the Court without the taking of proof and without trial or adjudication of any fact or law, without this Judgment constituting evidence of or an admission by Defendant regarding any issue of law or fact alleged in the Complaint, without Defendant admitting any liability regarding allegations of violations that occurred prior to entry of this Judgment, and with all parties having waived their right to appeal, and the Court having considered the matter and

1 good cause appearing:
2

3 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**

4 1. This Court has jurisdiction over the allegations and subject matter of the People's
5 Complaint filed in this action, and the parties to this action; venue is proper in this County; and
6 this Court has jurisdiction to enter this Judgment.

7 **I. DEFINITIONS**

8 2. The following definitions shall apply for purposes of this Judgment:

9 A. "Buyer" means any individual who purchased one or more event tickets on
10 StubHub's ticket marketplace: (1) on or before March 25, 2020, and (2) resided in California at
11 the time of purchase or purchased a ticket for an event in California.

12 B. "Clear and Conspicuous" means that a disclosure is made in such size (i.e.,
13 shall be of at least equal prominence to the representation triggering the disclosure), color,
14 contrast, location, duration, and/or audibility that it is difficult to miss (i.e., easily noticeable,
15 readable, understandable, and/or capable of being heard). A disclosure may not contradict or be
16 inconsistent with any other information with which it is presented. If a disclosure modifies,
17 explains or clarifies other information with which it is presented, then the disclosure must be
18 presented in proximity to the information it modifies, explains, or clarifies, in a manner that is
19 readily noticeable, readable, and understandable, and not obscured in any manner. In addition:

20 (1) The disclosure must be made through the same means, whether
21 audio, visual, or both, through which the representation triggering the disclosure is
22 made.

23 (2) An audio disclosure shall be delivered in a volume and cadence
24 sufficient for a consumer to hear and comprehend it.

25 (3) A visual statement or disclosure by its size, contrast, location, the
26 length of time it appears, and other characteristics, must stand out so that it is
27 easily noticed; shall remain on the screen for a duration sufficient for a consumer
28 to read and comprehend it; and

(4) In a disclosure, the disclosure shall appear in a type-size, font, appearance, and location sufficient for a consumer to read and comprehend it.

C. "Defendant" means StubHub, Inc.

D. "Effective Date" means the date on which this Judgment is entered by the Court.

E. "Eligible Buyer" means any Buyer who: (1) purchased a ticket to a cancelled event prior to StubHub's refund policy change on March 25, 2020; (2) has not already received a full cash refund from StubHub or through a credit card chargeback; (3) was defaulted to a credit refund; and (4) has not used credit equal to 100% of their original order amount.

F. "Express Informed Consent" means an affirmative act or statement giving unambiguous assent following a Clear and Conspicuous disclosure of material facts.

G. "Plaintiff" or "People" means Plaintiff the People of the State of California.

H. "Product or service" means any good or service, including the operation of a ticket marketplace.

II. INJUNCTION

3. The injunctive provisions of this Judgment shall apply to Defendant as well as its subsidiaries, successors, and the assigns of all or substantially all of the assets of its business, and their directors, officers, employees, agents, independent contractors, partners, associates, and representatives of each of them.

4. Defendant shall be and hereby is permanently enjoined and restrained from directly or indirectly engaging in any acts or practices that violate:

A. the Unfair Competition Law (Business and Professions Code section 17200 et seq.);

B. the False Advertising Law (Business and Professions Code section 17500 et seq.).

C. the Consumer Legal Remedies Act (Civil Code section 1750 et seq.); and

D. the ticket seller provisions of Business and Professions Code sections

1 22500 through 22511.

2 5. Defendant shall be and hereby is permanently enjoined and restrained, under
3 Business and Professions Code sections 17203 and 17535, from directly or indirectly engaging in
4 any of the following acts or practices:

5 A. Making any misrepresentations regarding its cancellation or refund
6 policies, including the total costs; any material restrictions, limitations, or conditions; or any other
7 material aspect of the policies.

8 B. Making any misrepresentation, expressly or implied, about any material
9 aspect of the nature or terms of any refund, cancellation, exchange, or credit policy, including, but
10 not limited to, the ability of a consumer to obtain a full or partial refund, or the circumstances in
11 which a full or partial refund will be granted to the consumer.

12 C. Failing to honor its refund, cancellation, exchange, credit, or repurchase
13 policy, express or implied, in effect at the time of each sale, unless such refund policy has been
14 subsequently modified by agreement between the Defendant and the consumer with the
15 consumer's Express Informed Consent.

16 **III. CONSUMER RESTITUTION**

17 6. Under Business and Professions Code sections 17203 and 17535, Defendant shall
18 provide restitution to all Eligible Buyers as follows: Within sixty (60) days of Defendant
19 verifying that an event for which an Eligible Buyer purchased tickets prior to March 25, 2020, has
20 been canceled, or that an Eligible Buyer's tickets will not be honored because of capacity
21 restrictions, Defendant shall initiate payment of a cash refund to the Eligible Buyer for the full
22 amount paid by the consumer at the time of the ticket order, including any taxes and fees (less any
23 of the amount already redeemed from the credit), unless, prior to the initiation of the payment of
24 the cash refund, an Eligible Buyer informs Defendant that the Eligible Buyer prefers a credit.
25 Notwithstanding the foregoing, Defendant shall initiate payment of a cash refund within fifteen
26 (15) days of an express request for a cash refund made by an Eligible Buyer through Defendant's
27 standard customer service channels.

28

1 7. No later than ninety (90) days after the Effective Date, Defendant must submit to
2 the People a detailed report regarding the payment of cash refunds or credits to Eligible Buyers.

3 The report shall include, at a minimum, the following information for each Eligible Buyer:

- 4 A. the name, address, email address, and phone number of each Eligible
5 Buyer who purchased the ticket(s);
- 6 B. the name of the event for which the ticket(s) was/were purchased;
- 7 C. the date of the event for which the ticket(s) was/were purchased;
- 8 D. the number of tickets purchased by the Eligible Buyer;
- 9 E. the purchase price of the ticket(s);
- 10 F. the amount of any refund paid to the Eligible Buyer;
- 11 G. the amount of any credit the Eligible Buyer elected to receive; and
- 12 H. the date that any refund or credit was issued.

13 8. In the event that Defendant has already issued the credit or cash refund payment
14 required by paragraph 6 above prior to the Effective Date with respect to an Eligible Buyer,
15 including through any already completed StubHub customer refund program, then Defendant will
16 be deemed in compliance with paragraph 6 with respect to that Eligible Buyer. In the event that
17 Defendant has already issued the credit or cash refund payment required by paragraph 6 above
18 prior to the Effective Date with respect to all Eligible Buyers, then Defendant will be deemed in
19 full compliance with paragraph 6 above. In any event, Defendant shall submit the report required
20 in paragraph 7 with respect to each such Eligible Buyer.

21 9. In the event that Defendant discovers or becomes aware of any Eligible Buyer not
22 provided a refund and omitted from the written report provided pursuant to paragraph 7 above,
23 Defendant shall promptly notify the Attorney General's Office and provide a refund to each
24 identified Eligible Buyer.

25 **IV. COMPLIANCE REPORTING**

26 10. Defendant shall notify the People at least thirty (30) days prior to any change in
27 the corporation that may affect compliance obligations arising under this Judgment, including, but
28 not limited to: a dissolution, assignment, sale, merger, or other action that would result in the

1 emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or
2 affiliate that engages in any acts or practices subject to this Judgment; the proposed filing of a
3 bankruptcy petition; or a change in the corporate name or address.

4 11. One year after the Effective Date, Defendant must submit a compliance report,
5 sworn under penalty of perjury, in which Defendant must:

- 6 A. Identify the primary physical, postal, and email address and telephone
7 number, as designated points of contact, which the People may use to
8 communicate with Defendant;
- 9 B. Identify all of the Defendant's businesses by all of their names, telephone
10 numbers, and physical, postal, email, and Internet addresses;
- 11 C. Describe the activities of each business, including the products and services
12 offered, the means of advertising, marketing, and sales, and refund or credit
13 policies; and,
- 14 D. Describe in detail whether and how Defendant is in compliance with each
15 provision of this Judgment, including a discussion of all of the changes
16 Defendant has made to comply with the Judgment.

17 **V. MONETARY PAYMENT**

18 12. Defendants shall pay Two Hundred Ninety-Five Thousand Dollars (\$295,000)
19 within thirty (30) days of the Effective Date in accordance with Business and Professions Code
20 section 17206. This monetary payment shall be made pursuant to instructions provided by the
21 Attorney General's Office. Defendants are responsible for any fees related to wire transfer,
22 issuance of a check, or any other method of payment chosen by the Attorney General's Office.

23 **VI. RELEASE**

24 13. Plaintiff hereby releases Defendant and each of its past, present and future, direct
25 and indirect, parents, owners, subsidiaries, affiliates, predecessors, successors, assigns and
26 associates, as well as their respective past, present and future, members, principals, partners,
27 officers, managers, directors, stockholders, members, employees, insurers, agents, representatives
28 and attorneys, heirs, executors, trustees and administrators, from any and all civil claims for relief

1 that were asserted or that could be asserted by the Attorney General under Business and
2 Professions Code section 17200 et seq., 17500 et seq., 22500 et seq., Civil Code section 1770 et
3 seq., and under any other consumer protection, unfair trade and deceptive acts and practices laws
4 prior to the effective date of this Judgment that relate to, or are based on Defendant's failure to
5 refund Eligible Buyers who purchased tickets to live events using Defendant's marketplace prior
6 to March 25, 2020, whose events were subsequently cancelled ("Released Claims"). Nothing
7 contained in this paragraph shall be construed to limit the ability of the Attorney General to
8 enforce the obligations that Defendant, its officers, subsidiaries, affiliates, agents, representatives,
9 employees, successors, and assigns have under this Judgment, including any claim for costs,
10 attorneys' fees, and any other relief the Attorney General is entitled to seek pursuant as part of an
11 action brought to enforce this Judgment.

12 **VII. ADDITIONAL PROVISIONS**

13 14. Jurisdiction is retained by the Court for the purpose of enabling any party to the
14 Judgment to apply to the Court at any time for such further orders and directions as may be
15 necessary or appropriate for the construction or the carrying out of this Judgment, for the
16 modification of any of the injunctive provisions hereof, for enforcement of compliance herewith,
17 and for the punishment of violations hereof, if any.

18 15. Nothing in this Judgment shall be deemed an approval by the State of California or
19 the California Attorney General of any of Defendant's advertising or business practices. Further,
20 neither Defendant nor anyone acting on its behalf shall state or imply, or cause to be stated or
21 implied, that the California Attorney General or any other governmental unit of California has
22 approved, sanctioned, or authorized any practice, act, advertisement, or conduct of Defendant.

23 16. Nothing in this Judgment should be construed as an admission or concession by
24 Defendant that it has violated any law or that any law or regulation is applicable to its business.

25 17. Defendant shall cooperate fully with the People as necessary to achieve the goals
26 and carry out the requirements of this Judgment. Nothing herein precludes or affects Plaintiff's
27 right to determine and ensure compliance with this Judgment, or to seek enforcement or penalties
28 for any violations of this judgment.

1 18. Nothing in this Judgment shall be construed to create, waive, or limit any private
2 right of action.

3 19. Unless otherwise directed by the People, Defendant shall provide all submissions,
4 requests, communications, or other documents relating to this Judgment by email to:

5 Timothy Lundgren
6 Deputy Attorney General
7 Consumer Protection Section
8 Office of the Attorney General
9 300 South Spring Street, Suite 1702
10 Los Angeles, CA 90013
11 timothy.lundgren@doj.ca.gov
12 jon.worm@doj.ca.gov

13 20. Defendant shall pay all court costs and reasonable attorneys' fees associated with
14 any filings to successfully enforce any provision of this Judgment.

15 21. The clerk is ordered to enter this Judgment forthwith.

16 ORDERED AND ADJUDGED at Los Angeles, California.

17 DATED: _____

18 _____
19 JUDGE OF THE SUPERIOR COURT