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**FILED**  
JUN 29 2011  
RICHARD W. WIEKING  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
OAKLAND

(99)

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11 Attorneys for Plaintiff

13 UNITED STATES DISTRICT COURT  
14 NORTHERN DISTRICT OF CALIFORNIA  
15 SAN FRANCISCO DIVISION

ADR

17 ERIC TERRELL, on behalf of hisself  
18 and all others similarly situated and the  
19 general public,

No. **11-03220**

DMF

20 Plaintiff,

CLASS ACTION COMPLAINT

21 v.

DEMAND FOR JURY TRIAL

22 Groupon, Inc.

23 Defendant.

1  
2  
3  
4 Plaintiff ERIC TERRELL, by and through his attorneys, brings this action on behalf of  
5 himself and all others similarly situated against Defendant Groupon, Inc., for compensatory  
6 damages and equitable, injunctive, and declaratory relief. Plaintiff hereby alleges, on  
7 information and belief, except for information based on personal knowledge, which allegations  
8 are likely to have evidentiary support after further investigation and discovery, as follows:  
9

10 **NATURE OF THE ACTION**

11 1. Plaintiff brings this action on behalf of himself and other similarly-situated  
12 consumers nationwide who purchased gift certificates for products and services from Groupon,  
13 Inc. ("Groupon). These gift certificates, referred to and marketed as "groupons," are sold and  
14 issued with expiration dates that are deceptive and illegal under both federal and state laws.  
15

16 2. Groupon is a web-based company that purports to offer discounted deals on a  
17 wide variety of products and services, including restaurants and bars, salons and spas, clothing  
18 and other retail items, and dance classes and other instructional lessons, among other things.  
19

20 3. Groupon's business model is based on offering discounts to consumers en masse  
21 by directly partnering with retail business that provide the products or services. Groupon  
22 promises to increase the sales volume of its retail partners by sending out "Daily Deal" e-mails to  
23 its massive subscription base (comprised of tens of millions of consumers nationwide),  
24 highlighting and promoting the products and services of its retail partners.  
25

26 4. Once consumers agree to purchase a minimum, specified number of "groupon"  
27 gift certificated for a particular "Daily Deal," the "Deal" is officially triggered, and Groupon  
28 charges each consumer the advertised purchase amount. Groupon then sends a confirmatory e-

1 mail to each purchasing consumer with a link to its website for downloading and printing the  
2 “groupon” gift certificate, which then may be redeemed with the retail business offering the  
3 product or service, within a limited period of time.  
4

5 5. Groupon partners with hundreds, if not thousands, of retail businesses around the  
6 country, including large, nationwide companies. Groupon and its retail partners share in the  
7 revenues from the sale of “groupon” gift certificates.

8 6. The problem with Groupon’s business model is that Groupon and its retail  
9 partners sell and issue “groupon” gift certificates with relatively short expiration dates, knowing  
10 that many consumers will not use the gift certificates prior the expiration date. Similarly,  
11 California Civil Code § 1749.5 prohibits the sale and issuance of gift certificates with expiration  
12 dates.  
13

14 7. Groupon’s systematic placement of expiration dates on its gift certificates is  
15 deceptive and harmful to its consumers. Groupon effectively creates a sense of urgency among  
16 consumers to quickly purchase “groupon” gift certificates by offering “Daily Deals” for a short  
17 amount of time, usually s 24-hout period. Consumers therefore are rushed into buying the gift  
18 certificates and unwittingly become subject to the onerous sales conditions imposed by Groupon,  
19 including illegal expiration terms, which are relatively short, often just a few months.  
20

21 8. Groupon and its retail partners bank on the fact that consumers often will not  
22 manage to redeem “groupon” gift certificates before the limited expiration period – therefore,  
23 many consumers are left with nothing, despite already having paid for the particular service or  
24 product. Accordingly, Groupon and its retail partners reap a substantial windfall from the sale of  
25 gift certificates that are not redeemed before the expiration, which is precisely the type of  
26  
27  
28

1 harmful business conduct that both Congress and the California State Legislature intended to  
2 prohibit.

3 9. Plaintiff, like many unsuspecting consumers nationwide, fell victim to Groupon's  
4 and its retail partners' deceptive and unlawful illegal conduct and purchased "groupon" gift  
5 certificates bearing illegal expiration dates.  
6

7 10. Plaintiff, on behalf of himself and the Class, therefore brings this class action  
8 against Groupon, and Does 1 through 100, inclusive (collectively "Defendants") for equitable  
9 (injunctive and/ or declaratory) relief, based on the violations of the CARD Act and the EFTA,  
10 15 U.S.C. § 1693 *et seq.*; California's Unfair Competition Law, Cal. Bus. & Prof. Code § 17200  
11 *et seq.* ("UCL" or "17200"); the False Advertising Law, Cal. Bus. & Prof. Code & 17500 *et seq.*  
12 ("FAL" or "17500"); Consumer Legal Remedies Act, Cal. Civ. Code & 1750 *et seq.* ("CLRA");  
13 and unjust enrichment. Plaintiff seeks damages and equitable relief on behalf of himself and the  
14 Class, which relief includes, but is not limited to, full refunds for Plaintiff and Class members,  
15 compensatory and punitive damages, an order enjoining Groupon from selling and issuing  
16 "groupon" gift certificates with expiration dates and other onerous terms, costs and expenses, as  
17 well as Plaintiff's reasonable attorneys' fees and expert fees, and any additional relief that this  
18 Court determines to be necessary or appropriate to provide complete relief to Plaintiff and the  
19 Class.  
20  
21  
22

### 23 INTRADISTRICT ASSIGNMENT

24 11. A substantial part of the events or omissions which give rise to the claims in this  
25 action occurred in the county of San Francisco, and as such this action is properly assigned to the  
26 San Francisco division of this Court.  
27

### 28 JURISDICTION AND VENUE





1 of “groupon” gift certificates for the particular product or service offered that day. Groupon  
2 sends targeted “Daily Deal” e-mails to close to 90 cities throughout the United States.

3  
4 20. To arouse consumer interest and create the urgency to buy “groupon” gift  
5 certificates, Groupon offers the “Daily Deal” for a limited amount of time, usually a 24-hour  
6 period. This creates a “shopping frenzy” among consumers who feel pressured to purchase  
7 “groupon” gift certificates as quickly as possible. Consumers purchase “groupon” gift certificates  
8 directly through Groupon’s website, using their credit or debit cards.

9  
10 21. Groupon also uses various forms of electronic social media, such as Facebook and  
11 Twitter, to promote and stoke demand for its “Daily Deals,” creating additional pressure among  
12 consumers to buy “groupon” gift certificates before time runs out.

13  
14 22. Once Groupon sells the specified number of “groupon” gift certificates for a  
15 particular “Daily Deal,” the “Deal” is officially on, and consumers are charged for the purchase.  
16 Groupon subsequently sends a confirmatory e-mail to purchasers with a link to its website,  
17 through which purchasers may download and print their “groupon” gift certificates. Consumers  
18 may also purchase and download “groupon” gift certificates directly to their mobile phones using  
19 an application available on Groupon’s website. “Groupon” gift certificates thereafter may be  
20 directly redeemed with the retail businesses offering the products and services.

21  
22 23. Groupon admits on its website that the “groupons” it sells and issues to  
23 consumers are in fact gift certificates.

24  
25 24. Groupon imposes illegal expiration dates, among other onerous conditions, on  
26 each “groupon” gift certificate it sells and issues, to the detriment of consumers. The expiration  
27 periods on “groupon gift certificates are frequently just a few months from the date of purchase.  
28 Ironically, Groupon knows that after it has driven consumers to purchase “groupon” gift

1 certificates as quickly as possible, many consumers ultimately will be unable to redeem the gift  
2 certificates before the expiration period.

3  
4 25. Accordingly, consumers often cannot take advantage and use the product or  
5 service for which they paid before the expiration period imposed by Groupon – leaving a  
6 substantial windfall for Groupon and its retail partners.

7 26. In addition to imposing illegal expiration periods, Groupon foists other deceptive  
8 and unfair conditions on consumers. Groupon requires consumers to redeem “groupon” gift  
9 certificates in the course of a single transaction. Consumers therefore are forced to redeem their  
10 gift certificates all at once and cannot use their gift certificates for multiple transactions or on  
11 multiple occasions. Likewise, consumers cannot redeem any unused portion of “groupon” gift  
12 certificates for the remaining cash amount. Moreover, Groupon does not provide cash refunds to  
13 consumers when the retail business offering the services or products refuses to honor the  
14 “groupon” gift certificate, or goes out of business. Groupon essentially places handcuffs on the  
15 manner in which consumers can redeem their gift certificates for the products and services  
16 offered, even though consumers have already paid in full for such products and services.

17  
18  
19 27. Moreover, certain of the “Daily Deals” promoted by Groupon and its retail  
20 partners are not in fact deals at all, insofar as they fail to provide any real discount to consumers.  
21 For example, Groupon partnered with the nationwide floral retailer FTD Group, Inc., (“FTD”)  
22 and offered a FTD “Daily Deal” in early February to take advantage of Valentine’s Day holiday  
23 shopping. Through this “Daily Deal,” Groupon claimed that consumers could purchase \$40  
24 worth of flowers and gifts from FTD for \$20. It was later revealed, however, that consumers  
25 could purchase the same flowers and gifts directly through FTD’s own website at a significantly  
26 lower price than the \$20 price offered through Groupon. This “Daily Deal” was a total sham.  
27  
28

1 **Groupon's Retail Business partners Agree to Sell Gift**

2 **Certificates with Illegal Expiration Dates**

3  
4 28. Groupon focuses on two markets – the consumers who wish to obtain the  
5 advertised products or services by purchasing “groupon” gift certificates, and the retail  
6 businesses who partner with Groupon to promote their products and services. These retail  
7 businesses are willing to partner with Groupon and offer their products and services at a  
8 discount because Groupon promises to promote their products and services to its huge  
9 subscription base and guarantees them a specified volume business. In fact, Groupon promises  
10 its retail partners that its “Daily Deal” promotion will bring them new customers “overnight.”  
11

12 29. Groupon's business model, particularly its ability to establish partnerships with  
13 retail businesses nationwide, depends in large part on its systematic use of illegal expiration  
14 dates. Groupon knows that its retail partners are not willing to offer their products and services at  
15 a discount to consumers through the sale of “groupon” gift certificates, without an agreement to  
16 limit the time period for which consumers can redeem the gift certificates. Accordingly, Groupon  
17 and its retail partners continue to flaunt the law by imposing illegal expiration dates on the  
18 “groupon” gift certificates sold to consumers.  
19

20 30. Groupon attempts to circumvent federal and state gift certificate laws by inserting  
21 a disclaimer, titled “Legal Stuff We Have To Say,” which is buried at the bottom of “groupon”  
22 gift certificates in tiny, barely legible font that is readily overlooked by consumers.  
23

24 31. Importantly, the disclaimer is found only on the “groupon” gift certificate itself,  
25 which must be downloaded and printed by the consumer. Thus, consumers who do not download  
26 and print their “groupon” gift certificates will never have access to, or knowledge of, the  
27 disclaimer.  
28

1           32.     Moreover, the disclaimer does not excuse nor justify Groupon's use of illegal  
2 expiration periods. As set forth below, Groupon's imposition of expiration dates on "groupon"  
3 gift certificates constitutes per se violations of federal and state laws, for which there is no  
4 applicable exception.  
5

6           33.     In any event, once "groupon" gift certificates reach their illegal expiration  
7 periods, Groupon refuses to honor the bargain originally struck between the parties.  
8

9           34.     Groupon reaps massive profits from this business model. Groupon typically takes  
10 for itself half (50%) on the sale of each "groupon" gift certificate. Groupon reportedly made over  
11 half a billion dollars from "groupon" sales in 2010 alone. Groupon's retail partners also profit  
12 from the influx of new customers and bolstered sales that result from the sale of "groupon" gift  
13 certificates. But again, Groupon and its retail partners' undue profits are based in large part on  
14 their use of illegal expiration period on the gift certificates sold to consumers.  
15

#### 16 **Plaintiff Terrell's Purchase of That Takes the Cake**

#### 17 **Groupon with an Illegal Expiration Date**

18           35.     On or about February 23, 2010, Plaintiff Terrell received a "Daily Deal" e-mail  
19 offer from Groupon for "groupon" gift certificates redeemable at That Takes the Cake bakery in  
20 San Francisco.  
21

22           36.     Under the terms of the "Daily Deal" offer, as set forth on Groupon's website, Mr.  
23 Terrell was required to pay \$15 to Groupon in exchange for a "groupon" gift certificate  
24 redeemable for a dozen cupcakes valued at \$33 at That Takes the Cake.  
25

26           37.     "The Fine Print" section of the "Daily Deal" offer stated that the That Takes the  
27 Cake "groupon" gift certificate "Expires Aug 24, 2010." "The Fine Print" section also imposed  
28

1 the following conditions: "Limit 1 per visit. No cash back or credit. May upgrade to filled  
2 cupcakes for a fee."

3  
4 38. Mr. Terrell purchased a single "groupon gift certificate for That Takes the Cake  
5 and made a payment of \$15 to Groupon through Groupon's website.

6  
7 39. Mr. Terrell subsequently received an e-mail from Groupon confirming his  
8 purchase of a That Takes the Cake "groupon" gift certificate. The e-mail contained a link to  
9 Groupon's website from which Mr. Terrell could download and print the "groupon" gift  
10 certificate.

11  
12 40. Mr. Terrell attempted to redeem his "groupon" gift certificate before the August  
13 24, 2010 expiration period imposed by Groupon but was told by That Takes the Cake that it  
14 would not honor his "groupon" gift certificate.

15  
16 41. It was later reported that That Takes the Cake could not keep up with customer  
17 demand generated from its "groupon" offering. That Takes the Cake reportedly gave preference  
18 to customers who did not have "groupon" gift certificates and were thus paying a premium for  
19 That Takes the Cake cupcakes.

20  
21 42. Mr. Terrell was therefore left with a "groupon" gift certificate that is no longer valid and  
22 cannot be redeemed.

23 **Plaintiff Terrell's Purchase of a San Francisco Soup Company  
24 with an Illegal Expiration Date**

25  
26 43. On or about April 6, 2010, Plaintiff Terrell received a "Daily Deal" e-mail offer  
27 from Groupon for "groupon" gift certificates redeemable at San Francisco Soup Company in San  
28 Francisco.



1 Specifically excluded from the Class are Groupon officers, directors or  
2 employees of Groupon, any entity in which Groupon has a controlling interest and  
3 any of the affiliates, legal representatives, heirs, or assigns of Groupon. Plaintiff  
4 reserves his right to amend the Class definition if discovery and further  
5 investigation reveal that the Class should be expanded or otherwise modified.  
6

7 51. **Numerosity.** The Plaintiff Class comprises millions of consumers throughout  
8 California and the United States. The Class is so numerous that joinder of all members of the  
9 Classes is impracticable.  
10

11 52. **Existence and Predominance of Common Questions of Law and Fact.** Common  
12 questions of law and fact exist as to all members of the Class and predominate over any  
13 questions affecting only individual Class members. These common legal and factual questions  
14 include, but are not limited to, the following:  
15

- 16 (a) Whether Groupon sold and issued “groupon” gift certificates subject to  
17 expiration dates;
- 18 (b) Whether Groupon’s imposition of expiration dates on “groupon” gift  
19 certificates violates federal and/or California state laws;
- 20 (c) Whether Groupon engaged in deceptive and unfair business and trade  
21 practices related to the imposition of expiration dates on “groupon” gift  
22 certificates and other onerous terms and conditions;
- 23 (d) Whether Plaintiff and Class members are entitled to declaratory, injunctive  
24 and/or equitable relief; and  
25  
26  
27  
28

1 (e) Whether Plaintiff and Class members are entitled to compensatory  
2 damages, including actual, statutory and punitive damages plus interest  
3 thereon, and if so, what is the nature of such relief?  
4

5 53. **Typicality.** Plaintiff's claims are typical of the claims of the members of the Class  
6 because she purchased the "groupon" gift certificate from Groupon in a typical retail consumer  
7 process and the "groupon" gift certificate from Groupon in a typical retail consumer process and  
8 the "groupon" gift certificate had an expiration date. Thus, Plaintiff and the Class members  
9 sustained the same damages arising out of Groupon's common course of conduct in violation of  
10 law as complained of herein. The damages of each Class member were caused directly by  
11 Groupon's wrongful conduct in violation of law as alleged herein.  
12

13 54. **Adequacy of Representation.** Plaintiff will fairly and adequately protect the  
14 interests of the members of the Class because it is in his best interest to prosecute the claims  
15 alleged herein to obtain full compensation due to his for the unfair and illegal conduct of which  
16 she complains. Plaintiff has retained highly competent counsel and experienced class action  
17 attorneys to represent his interests and that of the Class. Plaintiff and his counsel have the  
18 necessary financial resources to adequately and vigorously litigate this class action. Plaintiff has  
19 no adverse or antagonistic interests to those of the Class. Plaintiff is willing and prepared to  
20 serve the Court and the Class members in a representative capacity with all of the obligations and  
21 duties material thereto and is determined to diligently discharged those duties by vigorously  
22 seeking the maximum possible recovery for Class members.  
23

24 55. **Superiority.** A class action is superior to other available means for the fair and  
25 efficient adjudication of this controversy since individual joinder of all Class members is  
26 impracticable. Class action treatment will permit a large number of similarly situated persons to  
27  
28

1 prosecute their common claims in a single forum simultaneously, efficiently and without the  
2 unnecessary duplication of effort and expense that numerous actions would engender.

3 Furthermore, the expenses and burden of individual litigants and the lack of knowledge of Class  
4 members regarding Groupon's activities, would make it difficult or impossible for individual  
5 Class members to redress the wrongs done to them, while an important public interest will be  
6 served by addressing the matter as a class action. The cost to the court system of adjudication of  
7 such individualized litigation would be substantial. The trial and litigation of Plaintiffs' claims  
8 will be manageable.  
9

10  
11 56. Adequate notice can be given to Class members directly using information  
12 maintained in Groupon's records or through notice by publication.

13 57. Plaintiff is unaware of any difficulties that are likely to be encountered in the  
14 management of this Class Action Complaint that would preclude its maintenance as a class  
15 action.  
16

17 58. Plaintiff seeks actual and punitive damages, to the extent available. Damages may  
18 be calculated from the sales records maintained by and in the possession of Groupon, so that the  
19 cost of administering a recovery for the Class can be minimized. Importantly, the precise amount  
20 of damages available to Plaintiff and other members of the Class is not a barrier to class  
21 certification.  
22

23 59. Plaintiff also seeks equitable and injunctive relief on behalf of all Class members  
24 on grounds generally applicable to the entire Class. Unless a class is certified, Groupon will  
25 retain monies received as a result of their conduct that were taken from Plaintiff and proposed  
26 Class members. Unless a class-wide injunction is issued, Groupon will continue to commit the  
27  
28

1 violations alleged herein, and the members of the Class will continue to be misled and denied  
2 their rights.

3  
4 **COUNT I**

5 **Violations of the Credit Card Accountability Responsibility and Disclosure**  
6 **Act and Electronic**

7 60. Plaintiff repeats and re-alleges each and every allegation contained above as if set  
8 forth herein.

9 61. The CARD act, which amends the EFTA, prohibits the sale or issuance of gift  
10 certificates that feature and are subject to expiration dates.

11 62. Groupon sold and issued and/or agreed to sell and issue “groupon,” which are  
12 “gift certificates” as defined under 15 U.S.C. § 1693l-1(a)(2)(B). “Groupons” constitute  
13 promises that are: (a) redeemable at a single merchant or an affiliated group of merchants; (b)  
14 issued in a specified amount that may not be increased or reloaded; (c) purchased on a prepaid  
15 basis in exchange for payment; and (d) honored upon presentation by such single merchant or  
16 affiliated group of merchants for goods or services.

17 63. Indeed, Groupon admits on its website that the “groupon” it sells and issues to  
18 consumers are gift certificates.

19 64. At all relevant times, “groupon” gift certificates were sold and issued to  
20 consumers through electronic fund transfer systems established, facilitated and monitored by  
21 Groupon.

22 65. “Groupon” gift certificates are not exclusively issued in paper form, as Groupon  
23 provides an e-mail link to consumers to download and print such gift certificates. Moreover,  
24  
25  
26  
27  
28

1 consumers may download “groupon” gift certificates to their mobile phones through an  
2 application available on Groupon’s website.

3 66. “Groupon” gift certificates are marketed and sold to the general public and are not  
4 issued as part of any loyalty, award, or promotional program.

5 67. Groupon violated the CARD Act and EFTA by selling and issuing and/or  
6 agreeing to sell and issue “groupon” gift certificates with expiration dates, which is plainly  
7 prohibited under § 1693l-1(a)(2)(B) and § 1693l-1(c)(1).

8 68. As a direct and proximate result of Groupon’s unlawful acts and conduct ,  
9 Plaintiff and Class members were deprived of the use of their money that was charged and  
10 collected by Groupon though the sale of “groupon” gift certificates with illegal expiration dates.

11 69. Pursuant to 15 U.S.C. § 1693m, Plaintiff, on behalf of himself and the Class, seeks  
12 a Court order for actual and statutory damages to be determined by the court, injunctive relief, as  
13 well as reasonable attorneys’ fees and the cost of this action.

## 14 **COUNT II**

### 15 **Violations of California Business & Professions Code § 17200 et seq., on** 16 **Behalf of Plaintiff and Class Members Who Reside in California**

17 70. Plaintiff repeats and re-alleges each and every allegation contained above as if set  
18 forth herein.

19 71. Section 17200 of the California Business & Professions Code (“Unfair  
20 Competition Law” or “UCL”) prohibits any “unlawful,” “unfair” and “fraudulent” business  
21 practice.

22 72. Section 17200 specifically prohibits any “*unlawful*... business act or practices.”  
23 Groupon has violated § 17200’s prohibition against engaging in an unlawful act or practice by,  
24  
25  
26  
27  
28

1 *inter alia*, selling and issuing and/or agreeing to sell issue “groupon” gift certificates that feature  
2 and are subject to expiration dates that are prohibited under both federal and California state  
3 laws.  
4

5 73. Groupon’s ongoing sale and issuance of gift certificates with expiration dates is  
6 unlawful because such conduct violates the CARD Act and EFTA, 15 U.S.C. § 1693 *et seq.*, as  
7 discussed above.

8 74. Groupon’s conduct also violates California’s gift certificate laws, Cal. Civ. Code  
9 § 1749.5, which specifically forbids any person or entity from selling gift certificates with  
10 expiration dates.  
11

12 75. Further, based on information and belief, Groupon’s conduct violates California’s  
13 gift certificate laws because Groupon refuses to allow “groupon” gift certificates with cash value  
14 of less than \$10 (ten dollars) to be redeemed for cash, contrary to Cal. Civ. Code § 1749.5(b)(2).  
15

16 76. Groupon’s sale and issuance of “groupon” gift certificates also violates the FAL,  
17 California Business & Professions code § 17500, and the CLRA, California Civil Code § 1750 *et*  
18 *seq.*, as discussed below. Plaintiff and Class members reserve their right to allege other  
19 violations of law which constitute other unlawful business acts or practices, as further  
20 investigation and discovery warrants. Such conduct is ongoing and continues to this date.  
21

22 77. Section 17200 also prohibits and “*unfair* ... business act or practice.” As  
23 described in the preceding paragraphs, Groupon engaged in the unfair business practice of selling  
24 and issuing “groupon” gift certificates with illegal and deceptive expiration dates.  
25

26 78. Groupon imposed other unfair conditions on its “groupon” gift certificates,  
27 including forcing consumers to redeem the gift certificates in the course of a single transaction  
28 and not providing for the exchange of any unused portion of the gift certificates for their cash

1 value. Groupon also unfairly limited consumers from using more than one “groupon” gift  
2 certificate during each visit to the retail business offering the particular product or service.

3  
4 79. Groupon’s business practices, as detailed above, are unethical, oppressive and  
5 unscrupulous, and they violate fundamental policies of this State. Further, any justifications for  
6 Groupon’s wrongful conduct are outweighed by the adverse effects of such conduct. Thus,  
7 Groupon engaged in unfair business practices prohibited by California Business & Professions  
8 Code § 17200 *et seq.*

9  
10 80. Section 17200 also prohibits any “*fraudulent business act or practice.*” Groupon  
11 violated this prong of the UCL by disseminating and/or agreeing to disseminate, through  
12 Groupon’s website and other promotional channels, misleading and partial statements about  
13 “groupon” gift certificates that have a tendency to mislead the public. Further, Groupon violated  
14 this prong of the UCL by omitting material information about “groupon gift certificates. For  
15 instance, Groupon misrepresented to consumers that the expiration dates placed “groupon” gift  
16 certificates were in fact illegal under both federal and state law and contrary to public policy.  
17 Groupon’s claims, nondisclosures and misleading statements concerning “groupon” gift  
18 certificates, as more fully set forth above, were false, misleading and/or likely to deceive the  
19 consuming public within the meaning of California Business and Professions Code § 17200.  
20  
21

22 81. Section 17200 also prohibits any “unfair, deceptive, untrue or misleading  
23 advertising.” For the reasons set forth above, Groupon engaged in unfair, deceptive, untrue and  
24 misleading advertising.” For the reasons set forth above, Groupon engaged in unfair, deceptive,  
25 untrue and misleading advertising in violation of California Business & Professions Code §  
26 17200.  
27  
28





1           92. Plaintiff and the Class are “consumers” as defined by Cal. Civ. Code § 1761(d).  
2 The “groupon” gift certificates sold and issued by Groupon constitute “goods” and “services” as  
3 defined by Cal. Civ. Code § 1761(a) and (b).  
4

5           93. Groupon’s ongoing placement of illegal expiration dates and imposition of other  
6 deceptive sales terms on “groupon” gift certificates violate the following subsections of Cal. Civ.  
7 Code § 1770(a) in these respects:

- 8           (5) Groupon’s acts and practices constitute misrepresentations that “groupon” gift  
9 certificates have characteristic, benefits or uses which they do not have;  
10
- 11           (7) Groupon misrepresented that “groupon” gift certificates are of a particular  
12 standard, quality and/or grade, when they are of another;
- 13           (9) Groupon’s acts and practices constitute the advertisement of goods, without the  
14 intent to sell them as advertised.
- 15
- 16           (14) Groupon’s acts and practices fail to represent that the transaction involving  
17 “groupon” gift certificates confers or involves obligations that are prohibited by  
18 law, particularly the imposition of illegal expiration dates and other onerous sales  
19 terms;  
20
- 21           (16) Groupon’s acts and practices constitute representations that “groupon” gift  
22 certificates have been supplied in accordance with previous representations when  
23 they have not; and
- 24           (19) Groupon inserted unconscionable provisions in the contract for the purchase of  
25 gift certificates, specifically illegal expiration dates and other onerous, one-sided  
26 restrictions as to the gift certificates’ use and redemption.  
27  
28



1 collected by Groupon, and are therefore entitled to reimbursement of any money unjustly paid to  
2 Groupon in connection with the sale of “groupon” gift certificates.

3  
4 **PRAYER FOR RELIEF**

5 Plaintiff, individually and on behalf of the Class, prays for judgment and relief against  
6 Groupon as follows:

7 A. For an order declaring the above-mentioned case as a class action pursuant to  
8 Rule 23 of the  
9 Federal Rules of Civil Procedure on behalf of the proposed classes described herein and  
10 appointing Plaintiff to serve as class representative and Plaintiff’s counsel as Lead Counsel for  
11 the Class;  
12

13 B. For an order enjoining Groupon from continuing to sell and issue “groupon” gift  
14 certificates and pursue the above policies, acts and practices related to the sale and issuance of  
15 such gift certificates;  
16

17 C. For an order requiring Groupon to fund a corrective advertising campaign in order  
18 to remedy their wrongful and illegal conduct;

19 D. For an order awarding restitution of the monies Groupon wrongfully acquired by  
20 their wrongful and illegal conduct;  
21

22 E. For an order requiring disgorgement of monies wrongfully obtained as a result of  
23 Groupon’s wrongful and illegal conduct;

24 F. For compensatory and punitive damages, including actual and statutory damages,  
25 arising from Groupon’s wrongful and illegal conduct;

26 G. For an award of reasonable attorneys’ fees and all costs and expenses incurred in  
27 the course of prosecuting this action;  
28

- 1 H. For pre-judgment and post-judgment interest at the legal rate; and  
2 I. For such other and further relief as the Court deems just and proper.

3 **JURY DEMAND**

4 Plaintiff demands a trial by jury on all issues so triable.

5  
6  
7 Respectfully submitted,

8 Dated: June 29, 2011

9 THE TERRELL LAW GROUP  
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11   
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