

INTRODUCTION

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2 1. Plaintiff on behalf of herself and all others similarly situated brings
3 this action against PARTY CITY CORPORATION and DOES 1 through 10 (all
4 named and DOE defendants collectively referred to as "Defendants") based on
5 Defendants' violations of the Fair and Accurate Credit Transactions Act
6 ("FACTA"), 15 U.S.C. §§ 1681 *et seq.*

7 2. FACTA provides in relevant part that "**no person** that accepts credit
8 cards or debit cards for the transaction of business **shall print . . . the expiration**
9 **date upon any receipt provided to the cardholder** at the point of the sale or
10 transaction." 15 U.S.C. § 1681c(g).

11 3. The law gave merchants who accept credit and or debit cards up to
12 three years to comply with its requirements, requiring full compliance with its
13 provisions no later than December 4, 2006. Although Defendants had up to three
14 years to comply, Defendants have willfully violated this law and failed to protect
15 Plaintiff and others similarly situated against identity theft and credit and debit
16 card fraud by printing the expiration date of the card and the last four digits of the
17 card number on receipts provided to credit card and debit card cardholders
18 transacting business with Defendants. This conduct is in direct violation of
19 FACTA.

20 4. Nor is Defendants' willful violation of FACTA a trifling matter. In
21 the statement provided during his signing of FACTA in 2003, the President
22 underscored the importance of the legislation in combating rampant identity theft:

23 "This bill also confronts the problem of identity theft. A growing
24 number of Americans are victimized by criminals who assume their
25 identities and cause havoc in their financial affairs. With this
26 legislation, the Federal Government is protecting our citizens by
27 taking the offensive against identity theft."
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1 5. Courts have likewise emphasized the purpose of FACTA. For
2 example, the Ninth Circuit recently explained that “In fashioning FACTA,
3 Congress aimed to 'restrict the amount of information available to identity
4 thieves.' 149 Cong. Rec. 26,891 (2003) (statement of Sen. Shelby).” *Bateman*
5 *v. American Multi-Cinema, Inc.*, 623 F.3d 708, 718 (9th Cir. 2010).

6 6. Similarly, the Seventh Circuit recently explained the importance of
7 Congress' prohibition against disclosing credit and debit card expiration dates in
8 combating card fraud:

9 "The idea behind requiring [an expiration date's] deletion is
10 that, should the cardholder happen to lose the receipt of a
11 transaction, the less information the receipt contains the less likely
12 is an identity thief who happens to come upon the receipt to be able
13 to figure out the cardholder's full account information and thus be
14 able to make purchases that the seller will think were made by the
15 legitimate cardholder.

16 A typical credit card has 16 digits and an expiration date that
17 is the last day of a designated month and year. Even if the identity
18 thief has all 16 digits, without the expiration date he may be unable
19 to use the card.... It's common in telephone and internet
20 transactions for the consumer to be asked for an expiration date, and
21 most systems will not allow the would-be customer to keep guessing
22 at the date, as the guessing suggests that he may be an identity thief.

23 Additional reasons for requiring deletion of the expiration
24 date include that 'expiration dates combined with the last four or five
25 digits of an account number can be used to bolster the credibility of
26 a criminal who is making pretext calls to a card holder in order to
27 learn other personal confidential financial information. Expiration
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1 dates are solicited by criminals in many e-mail phishing scams ...,
2 are one of the personal confidential financial information items
3 trafficked in by criminals ..., are described by Visa as a special
4 security feature ..., [and] are one of the items contained in the
5 magnetic stripe of a credit card, so it is useful to a criminal when
6 creating a phony duplicate card."

7 ...

8 [I]dentity theft is a serious problem, and FACTA is a serious
9 congressional effort to combat it."

10 *Redman v. Radioshack Corp.*, 768 F.3d 622, 626-627, 639 (7th Cir. 2014).

11 7. In sum, Defendants have violated FACTA, and have thereby placed
12 the security of Plaintiff and similarly situated Class members at risk. As a result
13 of Defendants' unlawful practice of violating FACTA's provisions intended to
14 safeguard against identity theft and credit and debit card fraud, Plaintiff seeks, on
15 behalf of herself and the Class, statutory damages, punitive damages, costs and
16 attorney fees, all of which are expressly made available by statute, 15 U.S.C. §§
17 1681 *et seq.*

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19 **JURISDICTION AND VENUE**

20 8. This Court has federal question jurisdiction pursuant to 28 U.S.C. §
21 1331 and 15 U.S.C. § 1681p.

22 9. All Defendants do business in and reside in this judicial district.

23 10. Venue in this judicial district is proper under 28 U.S.C. § 1391(b)
24 and (c) in that defendant PARTY CITY CORPORATION has done and continues
25 to do business, and intentionally avails itself of the markets within this district,
26 including Sacramento County, California, it owns, manages, maintains and or
27 operates one or more physical retail locations within this district, and this is a
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1 class action case in which a substantial part of the acts and omissions giving rise
2 to the claims occurred within this judicial district, including Sacramento County,
3 California.

4
5 **PARTIES**

6 11. Plaintiff, JOAN PASINI, at all times relevant hereto was a resident
7 of the State of New York.

8 12. Defendant, PARTY CITY CORPORATION (d/b/a Party City), is a
9 corporation organized and existing under the laws of the State of California.

10 13. Defendants own, manage, maintain and or operate one or more
11 locations in this District and offer various goods and services for sale to the
12 public.

13 14. At all times mentioned in this Complaint, Defendants and each of
14 them were the agents, employees, joint venturer, and or partners of each other and
15 were acting within the course and scope of such agency, employment, joint
16 venturer and or partnership relationship and or each of the Defendants ratified and
17 or authorized the conduct of each of the other Defendants.

18 15. Plaintiff does not know the true names and capacities of defendants
19 sued herein as DOES 1 through 10, inclusive, and therefore sues these defendants
20 by such fictitious names. Plaintiff is informed and believes that each of the DOE
21 defendants was in some manner legally responsible for the wrongful and unlawful
22 conduct and harm alleged herein. Plaintiff will amend this Complaint to set forth
23 the true names and capacities of these defendants when they have been
24 ascertained, along with appropriate charging allegations.

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CLASS ACTION ALLEGATIONS

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2 16. Plaintiff brings this class action on behalf of herself and all other
3 persons similarly situated pursuant to Rules 23(a) and 23(b)(3) of the Federal
4 Rules of Civil Procedure.

5 17. The class which Plaintiff seeks to represent is defined as:
6 All consumers to whom Defendants, after November 16, 2014,
7 provided an electronically printed receipt at the point of a sale or
8 transaction at any of Defendants' store locations in the United
9 States, on which receipt Defendants printed the expiration date of
10 the consumer's credit card or debit card (the "Class").¹

11 18. Excluded from the Class are Defendants and each of their directors,
12 officers, and employees. Also excluded from the Class are any justice, judge, or
13 magistrate judge assigned to this action or who presides over any proceeding
14 concerning this action, and any such justice's, judge's, or magistrate judge's
15 spouse, or a person within the third degree of relationship to any of them, or the
16 spouse of such a person.

17 19. Numerosity (Fed. R. Civ. P. 23(a)(1)): The Class is so numerous that
18 joinder of all individual members in one action would be impracticable. The
19 disposition of their claims through this class action will benefit both the parties
20 and this Court.

21 20. Plaintiff is informed and believes and thereon alleges that there are,
22 at a minimum, thousands (*i.e.*, two thousand or more) of members that comprise
23 the Class.

24 21. The exact size of the Class and identities of individual members
25 thereof are ascertainable through Defendants' records, including but not limited

26
27 ¹ Plaintiff reserves the right to amend or otherwise modify the Class definition
28 and or add subclasses.

1 to Defendants' sales and transaction records.

2 22. Members of the Class may be notified of the pendency of this action
3 by techniques and forms commonly used in class actions, such as by published
4 notice, e-mail notice, website notice, first-class mail, or combinations thereof, or
5 by other methods suitable to this Class and deemed necessary and or appropriate
6 by the Court.

7 23. Typicality (Fed. R. Civ. P. 23(a)(3)): Plaintiff's claims are typical of
8 the claims of the entire Class. The claims of Plaintiff and members of the Class
9 are based on the same legal theories and arise from the same unlawful conduct.

10 24. Plaintiff and members of the Class were each customers of
11 Defendants, each having made a purchase or transacted other business with
12 Defendants after November 16, 2014, using a credit and or debit card. At the
13 point of such sale or transaction with Plaintiff and members of the Class,
14 Defendants provided to Plaintiff and each member of the Class a receipt in
15 violation of 15 U.S.C. §1681c(g) (*i.e.*, a receipt on which is printed the expiration
16 date of the credit card or debit card).

17 25. Common Questions of Fact and Law (Fed. R. Civ. P. 23(a)(2) and
18 (b)(3)): There are a well-defined community of interest and common questions
19 of fact and law affecting the members of the Class.

20 26. The questions of fact and law common to the Class predominate over
21 questions which may affect individual members and include the following:

22 (a) Whether Defendants' conduct of providing Plaintiff and the
23 Class with sales or transaction receipts whereon Defendants printed the expiration
24 date of the credit card or debit card violated the FACTA, 15 U.S.C. §§ 1681 *et*
25 *seq.*;

26 (b) Whether Defendants' conduct was willful; and

27 (c) Whether Plaintiff and the Class are entitled to statutory
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1 damages, punitive damages, costs and or attorney fees for Defendants' acts and
2 conduct.

3 27. Adequacy of Representation (Fed. R. Civ. P. 23(a)(4)): Plaintiff is
4 an adequate representative of the Class because her interests do not conflict with
5 the interests of the Class which Plaintiff seeks to represent. Plaintiff will fairly,
6 adequately, and vigorously represent and protect the interests of the Class and has
7 no interests antagonistic to the Class. Plaintiff has retained counsel who is
8 competent and experienced in the prosecution of class action litigation.

9 28. Superiority (Fed. R. Civ. P. 23(b)(1) and 23(b)(3)): A class action
10 is superior to other available means for the fair and efficient adjudication of the
11 claims of the Class. While the aggregate damages which may be and if awarded
12 to the Class are likely to be substantial, the actual damages suffered by individual
13 members of the Class are relatively small. As a result, the expense and burden of
14 individual litigation makes it economically infeasible and procedurally
15 impracticable for each member of the Class to individually seek redress for the
16 wrongs done to them. The likelihood of individual Class members prosecuting
17 separate claims is remote. Individualized litigation would also present the
18 potential for varying, inconsistent or contradictory judgments, and would increase
19 the delay and expense to all parties and the court system resulting from multiple
20 trials of the same factual issues. In contrast, the conduct of this matter as a class
21 action presents fewer management difficulties, conserves the resources of the
22 parties and the court system, and would protect the rights of each member of the
23 Class. Plaintiff knows of no difficulty to be encountered in the management of
24 this action that would preclude its maintenance as a class action.

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FIRST CAUSE OF ACTION

For Violation of 15 U.S.C. §§ 1681 *et seq.*

(On Behalf of Plaintiff and the Class

as against all Defendants including DOES 1 through 10)

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5 29. Plaintiff hereby incorporates by reference the allegations contained
6 in this Complaint.

7 30. Plaintiff asserts this claim on behalf of herself and the Class against
8 Defendants and each of them.

9 31. Title 15 U.S.C. § 1681c(g)(1) provides that:

10 "no person that accepts credit cards or debit cards for the
11 transaction of business **shall print** more than the last 5 digits of the
12 card number or **the expiration date upon any receipt provided to**
13 **the cardholder** at the point of the sale or transaction."

14 32. By its express terms, 15 U.S.C. § 1681c(g)(1) applies to "any cash
15 register or other machine or device that electronically prints receipts for credit
16 card or debit card transactions" after December 3, 2006 (15 U.S.C. §
17 1681c(g)(3)).

18 33. Defendants transact business in the United States and accept credit
19 cards and or debit cards in the course of transacting business with persons such
20 as Plaintiff and members of the Class. In transacting such business, Defendants
21 use cash registers, and or other machines or devices that electronically print
22 receipts for credit card and or debit card transactions.

23 34. On or about October 14, 2016, Defendants, at the point of a sale or
24 transaction with Plaintiff JOAN PASINI, provided Plaintiff JOAN PASINI with
25 an electronically printed receipt on which Defendants printed the expiration date
26 of her credit card and the last four digits of her card number.

27 35. After November 16, 2014, Defendants, at the point of a sale or
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1 transaction with members of the Class, provided each member of the Class with
2 one or more electronically printed receipts on each of which Defendants printed,
3 for each respective Class member, the expiration date of the credit card or debit
4 card and the last four digits of the credit card or debit card number.

5 36. As set forth above, FACTA was enacted in 2003 and gave merchants
6 who accept credit and or debit cards up to December 4, 2006 to comply with its
7 requirements.

8 37. Defendants and each of them knew of and were well informed about
9 the law, including specifically FACTA's requirements concerning the truncation
10 of credit and debit card numbers and prohibition on the printing of expiration
11 dates.

12 38. For example, but without limitation, several years ago, VISA,
13 MasterCard, the PCI Security Standards Council (a consortium founded by VISA,
14 MasterCard, Discover, American Express and JCB), companies that sell cash
15 register and other devices for the processing of credit or debit card payments,
16 companies that sell software to operate payment card devices, companies that
17 maintain and repair hardware or software used to process payment card
18 transactions, and other entities informed Defendants, and each of them, about
19 FACTA, including its specific requirements concerning the truncation of credit
20 and debit card numbers and prohibition on the printing of expiration dates, and
21 Defendants' need to comply with same.

22 39. Other entities, including but not limited to Defendants' merchant
23 bank (also known as the acquiring bank or acquirer) which processes credit and
24 debit card payments for transactions occurring at Defendants' locations, likewise
25 informed Defendants and each of them about FACTA, including its specific
26 requirements concerning the truncation of credit and debit card numbers and
27 prohibition on the printing of expiration dates, and Defendants' need to comply
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1 with same.

2 40. In addition, many companies such as VISA and MasterCard devised
3 and implemented policies well before the operative date of FACTA's
4 requirements, wherein such policies VISA, MasterCard and others required
5 Defendants (and informed Defendants of the requirements) to truncate credit and
6 debit card numbers and prevent the printing of expiration dates on receipts. In
7 addition, these companies also publically announced some of these requirements.
8 For example, on March 6, 2003, VISA USA's CEO, Carl Pascarella, held a press
9 conference on Capitol Hill with Senators Dianne Feinstein, Judd Gregg, Jon
10 Corzine and Patrick Leahy, and publically announced Visa USA's new truncation
11 policy to protect consumers from identity theft. At the March 2003 press
12 conference, Mr. Pascarella explained, as follows:

13 "Today, I am proud to announce an additional measure to
14 combat identity theft and protect consumers. Our new receipt
15 truncation policy will soon limit cardholder information on receipts
16 to the last four digits of their accounts. **The card's expiration date**
17 **will be eliminated from receipts altogether.** This is an added
18 security measure for consumers that doesn't require any action by
19 the cardholder. We are proud to be the first payments brand to
20 announce such a move to protect cardholders' identities by
21 restricting access to their account information on receipts.

22 **The first phase of this new policy goes into effect July 1,**
23 **2003 for all new terminals.** I would like to add, however, that even
24 before this policy goes into effect, **many merchants have already**
25 **voluntarily begun truncating receipts, thanks to groundwork**
26 **that we began together several years ago.**

27 Receipt truncation is good news for consumers, and bad news
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1 for identity thieves. Identity thieves thrive on discarded receipts and
2 documents containing consumers' information such as payment
3 account numbers, addresses, Social Security numbers, and more.
4 Visa's new policy will protect consumers by limiting the information
5 these thieves can access.”

6 41. Moreover, the Government, through the Federal Trade Commission
7 (“FTC”), provided notice to businesses on no less than three separate occasions
8 in 2007 reminding them of the requirement to truncate credit and debit card
9 information on receipts. Defendants were informed of and knew about these
10 notices from the FTC. In one such notice, entitled “FTC Business Alert” “Slip
11 Showing? Federal Law Requires All Businesses to Truncate Credit Card
12 Information on Receipts,” and dated May 2007, the FTC reminded businesses,
13 among other things, of the following:

14 “What’s on the credit and debit card receipts you give your
15 customers? The Federal Trade Commission (FTC), the nation’s
16 consumer protection agency, says it’s time for companies to check
17 their receipts and make sure they’re complying with a law that’s
18 been in effect for all businesses since December 1, 2006.

19 According to the federal Fair and Accurate Credit Transaction
20 Act (FACTA), the electronically printed credit and debit card
21 receipts you give your customers must shorten — or truncate — the
22 account information. You may include no more than the last five
23 digits of the card number, and **you must delete the card’s**
24 **expiration date.** For example, a receipt that truncates the credit
25 card number and deletes the expiration date could look like this:

26 ACCT:*****12345

27 EXP:****

28

1 Why is it important for businesses to make sure they're
2 complying with this law? Credit card numbers on sales receipts are
3 a "golden ticket" for fraudsters and identity thieves. Savvy
4 businesses appreciate the importance of protecting their customers
5 — and themselves — from credit card crime."

6 42. The electronic printing of the expiration date of a debit or credit card
7 on a customer receipt does not occur by accident. Electronic receipt printing
8 equipment must be intentionally programmed or otherwise intentionally
9 configured to print the expiration date of a debit or credit card on a customer
10 receipt.

11 43. Thus, despite knowing and being repeatedly informed about FACTA
12 and the importance of truncating credit and debit card numbers and preventing the
13 printing of expiration dates on receipts, and despite having had over three years
14 to comply with FACTA's requirements, Defendants knowingly willfully,
15 intentionally, and recklessly violated FACTA's requirements by, *inter alia*,
16 printing the expiration date of the card upon the receipts provided to credit card
17 and debit card cardholders with whom they transact business.

18 44. Most of Defendants' business peers and competitors brought their
19 credit and debit card receipt printing processes in compliance with FACTA's
20 requirements by, for example, programming their card machines and devices to
21 prevent them from printing more than the last five digits of the card number and
22 or the expiration date upon the receipts provided to the cardholders. Defendants
23 could have readily done the same.

24 45. Instead, Defendants knowingly, willfully, intentionally, and
25 recklessly disregarded FACTA's requirements and used cash registers, kiosks and
26 or other machines or devices that printed receipts in violation of FACTA.

27 46. Defendants knowingly, willfully, intentionally, and recklessly
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1 violated FACTA in conscious disregard of the rights of Plaintiff and the Class.

2 47. Defendants have also harmed Plaintiff and the Class by exposing
3 them to at least an increased risk of identity theft and credit and or debit card
4 fraud.

5 48. As a result of Defendants' willful violations of FACTA, Defendants
6 are liable to Plaintiff and each member of the Class in the statutory damage
7 amount of "not less than \$100 and not more than \$1,000" for each violation. 15
8 U.S.C. § 1681n.

9
10 **PRAYER FOR RELIEF**

11 WHEREFORE, Plaintiff prays for:

12 1. An order certifying the Class and appointing Plaintiff as the
13 representative of the Class, and appointing counsel of record for Plaintiff as
14 counsel for the Class;

15 2. An award to Plaintiff and the Class of statutory damages pursuant to
16 15 U.S.C. § 1681n for Defendants' willful violations (up to but not exceeding the
17 fullest extent allowed under the Constitution of the United States);

18 3. An award to Plaintiff and the Class of punitive damages pursuant to
19 15 U.S.C. § 1681n (up to but not exceeding the fullest extent allowed under the
20 Constitution of the United States);

21 4. Payment of costs of suit herein incurred pursuant to, *inter alia*, 15
22 U.S.C. § 1681n;

23 5. Payment of reasonable attorney's fees pursuant to, *inter alia*, 15
24 U.S.C. § 1681n; and

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6. For such other and further relief as the Court may deem proper.

Dated: May 6, 2017

CHANT & COMPANY
A Professional Law Corporation

By: /s/ Chant Yedalian
CHANT YEDALIAN
Counsel for Plaintiff

DEMAND FOR JURY TRIAL

Plaintiff demands a trial by jury on all claims so triable.

Dated: May 6, 2017

CHANT & COMPANY
A Professional Law Corporation

By: /s/ Chant Yedalian
CHANT YEDALIAN
Counsel for Plaintiff

CIVIL COVER SHEET

Case 2:17-at-00483 Document 1-1 Filed 05/07/17 Page 1 of 1

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

JOAN PASINI, on behalf of herself and all others similarly situated

(b) County of Residence of First Listed Plaintiff New York County (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number) Chant Yedalian, State Bar No. 222325, (chant@chant.mobi) CHANT & COMPANY A PROFESSIONAL LAW CORPORATION 1010 N. Central Ave., Glendale, CA 91202, Phone: 877.574.7100

DEFENDANTS

PARTY CITY CORPORATION; and DOES 1 through 10, inclusive

County of Residence of First Listed Defendant Sacramento County (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff, 2 U.S. Government Defendant, 3 Federal Question (U.S. Government Not a Party), 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, PTF DEF, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Table with 5 columns: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES. Contains various legal categories and checkboxes.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding, 2 Removed from State Court, 3 Remanded from Appellate Court, 4 Reinstated or Reopened, 5 Transferred from Another District, 6 Multidistrict Litigation

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 15 U.S.C. §§ 1681 et seq. Brief description of cause: Fair Credit Reporting Act Violations

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE Hon. William B. Shubb DOCKET NUMBER 2:16-cv-02996-WBS-EFB

DATE 05/07/2017 SIGNATURE OF ATTORNEY OF RECORD /s/ Chant Yedalian

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Party's Over: Consumer Hits Party City with FACTA Lawsuit](#)
