	Case 3:16-cv-02965-JLS-JLB Docur	ment 1 Filed 12/06/16 Page 1 of 16
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7	Liaison Counsel for Plaintiff and Putative	e Class
8	[ADDITIONAL COUNSEL ON SIGNAT	[URE PAGE]
9		
10	UNITED STATE	ES DISTRICT COURT
11	SOUTHERN DIST	RICT OF CALIFORNIA
12		
13	NEIL TORCZYNER, individually, on	Case No. <b>'16CV2965 JLS JLB</b>
14	behalf of himself, and all others similarly situated,	
15	-	CLASS ACTION COMPLAINT
16	Plaintiff,	
17	V.	
18	STAPLES, INC.,	
19	Defendant.	JURY TRIAL DEMANDED
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		CLASS ACTION COMPLAINT Case No.

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			-i-	CLAS	S ACTION COMPLAINT

Plaintiff, Neil Torczyner, individually and on behalf of all others similarly situated, by the undersigned attorneys, for his class action complaint alleges as follows:

#### I. **INTRODUCTION**

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5 It is alleged that Staples, Inc. ("Staples") engaged in a deceptive scheme 1 6 whereby it purported to offer and provide to Plaintiff and the Class—as Staples 7 Rewards Program Members ("Members")-credit for a certain percentage of 8 his/her/their total Qualifying Purchase Amount ("Rewards Points") for purchases 9 made during the applicable calendar quarter when, in fact, Members received credit 10 in amounts far less than the represented percentage of their Qualifying Purchase 11 Amount. Specifically, Staples took affirmative steps to ensure that its Members 12 received Program credit at rates well *below* the percentage represented of Purchase 13 Amount by applying coupons used on exempted items (*i.e.*, items that do not 14 constitute as a "Qualifying Purchase") on a pro rata basis across all purchases made-including "Qualifying Purchases" which should be added in their entirety to 15 16 a Member's quarterly total Qualifying Purchase Amount causing them to accrue 17 fewer Rewards Points than represented. By employing this deceptive method of 18 calculating Rewards Points, Staples shorted its Members' account credit which could 19 have been used towards the purchase of most merchandise in Staples' stores, online 20 at staples.com, or by phone.

For example, on February 20, 2013, Plaintiff purchased two Lysol 2. sanitizing wipes at \$3.99 each and one Poland Spring water at \$4.49. Plaintiff further 22 23 redeemed a \$1.50 coupon for the Poland Spring water during this transaction. This 24 coupon was to be specifically applied to the purchase of Poland Spring water and 25 could not be applied to anything else purchased at Staples. The Poland Spring water constituted a non-qualifying purchase under the Program and Plaintiff received zero 26 27 rewards points as a result. The more commonly scrutinized cash register receipt 28 accurately reflected that the \$1.50 coupon was being applied directly to the Poland

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1 Spring water purchase. Plaintiff should have received \$7.98 in rewards points (two 2 Lysol sanitizing wipes at \$3.99 each). However, to Plaintiff's surprise, after logging 3 into his Rewards Program account on the www.Staples.com website, he learned that he had received only \$7.02 in rewards points for this transaction. Upon further 4 5 investigation, Plaintiff discovered that Staples deceptively applied the \$1.50 coupon 6 on a pro rata basis across all three purchases—despite its applicability to only the 7 non-qualifying purchase. As reflected, only in the Rewards Program webpage, 8 Staples applied \$0.96 of the \$1.50 Poland Spring water coupon to the two Lysol 9 wipes purchases (and \$0.54 to the Poland Spring water purchase—which, in any event, could not be added to Plaintiff's rewards account in any amount as a non-10 qualifying purchase). Plaintiff's February 20, 2013 sales receipt for one Poland Spring water (for \$4.49) and two Lysol Sanitizing wipes (for \$3.99 each) and an 12 13 itemized print-out of the Rewards Points Plaintiff received for said transaction are 14 annexed hereto as Exhibit A.

Thus, Staples engaged in, and continues to engage in, an egregious 3. 16 misleading and deceptive practice designed to take advantage of its Members. Per the Staples Rewards Program and Conditions (the "Program")that were in effect 18 when Plaintiff made his purchase (annexed hereto as Exhibit B), "Members' 19 accounts will receive credit for Qualifying Purchases ... made during the applicable calendar guarter if the Reward minimum . . . is met. Qualifying Purchase Amount is the amount paid at checkout after application of all promotions, coupons and Rewards redemption." It is simply unfair and deceptive to apply coupons redeemable only for non-qualifying purchases under the Program on a pro rata basis across all purchases made in the same transaction—including merchandise qualifying under 24 25 the Program. Indeed, Defendant's sale receipts conceal this practice and apply coupons only to a single item—the item for which the coupon applies. This practice 26 violates statutory and common law.

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4. It is alleged that Defendant's misconduct violates the Massachusetts

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Consumer Protection Act, Massachusetts General Laws Chapter 93A, which prohibits unfair and deceptive business practices, and constitutes common law breach of contract and breach of the implied covenant of good faith and fair dealing.

5. Plaintiff brings this action on behalf of himself and all other similarly situated United States Staples Rewards Program Members who, during the Class Period, [1] bought a Rewards-eligible product and a non-Rewards eligible product in the same transaction, and [2] used an item-specific coupon on the non-Rewards eligible product, and [3] were negatively impacted by Staples's pro rata coupon accounting. Plaintiff's allegations are based upon knowledge as to himself and upon information and belief based upon, among other things, the investigation of his attorneys, including a review of Defendant's public documents, Defendant's company website, Staples Rewards Program brochures, Staples Rewards Program Terms and Conditions, and news articles and information readily obtainable on the Internet.

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## JURISDICTION AND VENUE

6. The claims asserted herein involve violations of the Massachusetts General Laws Chapter 93A, which prohibits unfair and deceptive acts and practices, and common law breaches of contract and the duty of good faith and fair dealing. In compliance with Mass. Gen. Law Ch. 93A, on March 25, 2013, Plaintiff served a demand letter on the general counsel of Staples, Inc.

7. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1332(d) (diversity). Plaintiff is a citizen of New York and other members of the proposed Class, numbering thousands, are citizens of states different from that of the Defendant (Massachusetts). See 28 U.S.C. § 1332(d)(2)(A). Additionally, the matter in controversy exceeds the sum of \$5,000,000, exclusive of interests and costs. See *id.* § 1332(d)(2).

27 8. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b).
28 Defendant transacts substantial business or has agents in this District.

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## III. <u>PARTIES</u>

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9. Plaintiff resides in the State of New York, County of Nassau. Plaintiff is a Staples Rewards Program Member. As a Rewards Program Member, Plaintiff is entitled to obtain credit based on a percentage of his total Qualified Purchase Amount every calendar quarter so long as he reaches the minimum amount. This credit can then be used towards the purchase of most merchandise at Staples stores, on its company website, and ordered via its "800" telephone number. On several occasions, including but not limited to January 4, 2013 and February 20, 2013, Plaintiff purchased merchandise at Staples' Garden City Park, New York store where he redeemed at least one coupon for a non-qualifying purchase. On such occasions, the sale receipt showed coupon deductions applied in toto for one particular item (i.e., the item for which the item-specific coupon could be used). Upon later discovery, however, Plaintiff learned that coupons redeemed for non-qualifying purchases under the Rewards Program were being applied pro rata across all purchases made in a single transaction-including qualifying items-for the purposes of calculating his rewards points (i.e., his total qualifying purchase amount).

18 10. Defendant Staples, Inc. ("Staples") is a corporation organized under the
19 laws of the State of Delaware, with its principal executive headquarters located at
20 500 Staples Drive, Framingham, Massachusetts 01702. Staples is a large office
21 products company. It provides businesses and consumers in North America, Europe,
22 Australia, South America, and Asia with a variety of products, an integrated retail
23 and online shopping experience, and a wide range of copy, print, and technology
24 services.

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## IV. CLASS ACTION ALLEGATIONS

26 11. Plaintiff brings this action as a class action pursuant to Federal Rules of
27 Civil Procedure 23(a) and 23(b)(3) on behalf of a class, consisting of all Staples
28 Rewards Program Members who, [1] bought a Rewards-eligible product and a non-

CLASS ACTION COMPLAINT Case No.

Rewards eligible product in the same transaction, [2] used an item-specific coupon on a non-Rewards eligible product, and [3] were negatively impacted by Staples' pro-rata coupon accounting since on or about March 24, 2009 up to the present (the The members of the Class are so numerous that joinder of all "Class Period"). members is impracticable. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are many thousands of Class members. Class members may be identified from records maintained by Defendant.

9 12 Plaintiff's claims are typical of the claims of the Class, as all Class members were and are similarly affected by Defendant's wrongful conduct in 10 violating state consumer protection statutes and the common laws that are complained of herein. Plaintiff and each of the Class members entered into uniform contracts to become Staples Rewards Program Members in exchange for receiving a percentage of all qualifying purchases made at Staples in the form of Rewards credit. Defendant's deceptive and unfair practices, misrepresentations, omissions, and concealed facts, were uniformly directed to the Class by Defendant. Plaintiff and the other Class members have sustained monetary damages resulting from Defendant's deceitful and improper practices.

13. Plaintiff will fairly and adequately represent and protect the interests of the other Class members and has retained counsel competent and experienced in class action litigation.

14. Common questions of law and fact exist as to all Class members and predominate over any questions solely affecting individual Class members. Among the questions of law and fact common to the Class are:

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(a) whether Defendant violated Massachusetts Consumer Protection Act Chapter 93A through its deceitful and improper conduct as alleged herein;

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- whether Defendant breached its contracts with customers. (b) including the implied covenant of good faith and fair dealing; and
- (c) whether Plaintiff and Class members suffered damages, and to what extent.

15. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. As the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

Each of the Class members maintains or maintained membership in 16 Defendant's Rewards Program and received fewer Rewards points per transaction and thus fewer Rewards credit—that included at least one qualifying item and one coupon redeemable for a non-qualifying item.

#### V. SUBSTANTIVE ALLEGATIONS

#### A. **Background**

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18 17. Rewards programs are utilized by retailers in order to track consumer purchases with regard to location, merchandise type, and quantity. Members of such programs generally give various personal information including names, mailing addresses, phone numbers, and email addresses in exchange for the opportunity to earn store credit and receive special coupons. Information of this kind enables 23 retailers to plan future locations, help improve current locations, and to help 24 marketing departments build a successful brand image. Indeed, often targeted 25 advertisements are emailed or mailed to members of rewards programs with inducements—such as coupons—to make purchases with that particular retailer. It 26 is the hope of many retailers to gain brand loyalty among its rewards program 28 members and to serve as a one-stop-shop for all of a consumer's needs.

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18. Plaintiff became a Staples Rewards Program Member in December 2005 and remains a Member to date. Staples induced Plaintiff to join its Rewards Program by offering varying percentages of money spent on certain items back in the form of Rewards (*i.e.*, store credit redeemable within a certain period of time). In exchange for the opportunity to receive Rewards on purchases, Staples asked for certain personal information including, but not limited to, name, mailing address, and email address. Upon enrolling in the Staples' Rewards Program by providing said information, Plaintiff became a Rewards Program Member.

9 19. Over the past several years, Staples has varied what constitutes a 10 "qualified purchase" (*i.e.*, which items or services are eligible for receiving reward credit) and the percentage of money spent on such qualifying purchases that a 12 member could receive in the form of credit, but it has always maintained a consistent 13 policy regarding the use of coupons. Indeed, the use of coupons by members in its 14 Rewards Program is only pertinent with regards to the terms and conditions of the 15 program when calculating the Qualifying Purchase Amount. The terms go on to state 16 that "Qualifying Purchase Amount is the amount paid at checkout after application" 17 of all promotions, coupons and Rewards redemption" (Exhibit B).

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### Defendant Unfairly And Deceptively Discounts Qualifying Purchase Amounts B.

20 Defendant induced Plaintiff to become a member of its Rewards Program through the offer of Rewards credit which could be used on future purchases made with Defendant. Plaintiff entered into this agreement with the understanding, and Defendant represented, that the Qualifying Purchase Amount for each qualifying item would equal the total pre-tax purchase price of the item less promotional discounts, coupons and Rewards redemption that could be applied to that particular item. Indeed, Defendant uses item-specific deductions for coupons on its sale receipts (Exhibit A). Defendant unfairly and deceptively, however, applies coupons on a pro rata basis across all items purchased in a single transaction, thereby

discounting the Qualifying Purchase Amount of each qualifying item. Going unnoticed by Plaintiff and the Class for some time, Defendant's unfair and deceptive 3 practice of discounting Qualifying Purchase Amount has enabled it to improperly 4 gain a marketing advantage and brand loyalty under the guise that it was most loyal 5 to its Rewards Program Members.

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6 In addition to Plaintiff, numerous, if not almost all, Staples' Rewards 21. 7 Program Members have fallen victim to Defendant's deceptive and unfair practice 8 of applying coupons on a pro rata basis across all items in a single transaction, 9 thereby discounting the Member's qualified purchase amount. Internet discussion 10 boards concerning consumer products reveal numerous accounts of Staples Rewards Program Members falling victim to the same practice that Plaintiff alleges herein. 11 12 Indeed, Members' surprise and displeasure with the practice upon discovering it 13 evinces the unreasonableness and lack of mutual assent between each Member and Defendant. An Internet search for discussion boards evincing other instances of 14 15 Members injured as a result of Defendant's unfair and deceptive practice reveals as 16 follows:

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1	Date	Name	Text	Source
2	1/13/2011	Hellyea81	"I bought the batteries this last	-
3			cycle and saw errors in my	
			rewards payouts. Here's what happens if you used a coupon on	
4			any item on your receipt.	3/
5			The system adds up the total	
6			coupon amount used, and	
			prorates it across ALL of your	
7			items on your receipt, including	
8			those items that the coupon was not applied to. In my case, I used	
9			the 20% off Office Supplies	
10			Coupon and got some savings on	
			the binders I bought. The coupon	
11			did not deduct anything from my	
12			\$12.99 Battery Purchase.	
13			On my <u>Staples</u> Rewards, it shows:	
14			Item No Item Description Qty.	
			Price Coupons Total Spend	
15			Rewards Earned	
16			846026 DURACELL	
17			COPPERTOP AAA 20 PK 100% back on select Batteries 2 \$12.99	
18			-\$3.12 \$22.86 \$22.86	
			So even though I paid \$12.99 x 2	
19			= \$25.98, I only got back \$22.86	
20			in rewards.	
21			I called their 800 # (Impossible to	
			find, its 800-793-3320) and they sent me a separate reward for	
22			\$3.12. The rep agreed with the	
23			error.	
24			Personally I bet this applies to a	
25			lot of us, and would move to Hot	
			Deals, but I'll let the Mods decide	
26			that."	
27		<u> </u>	1	
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Date	Name	Text	Source
1/08/2012	The2AMB	"Yeah, it's really stupid. Even	http://slickdeals.net
	earArms	coupons that are intended for one	/f/3801986-
	responding	specific product get prorated over	Staples-Rewards-
		all items by their register system.	is-reducing-
		If you call them, they'll probably	reward-for-
		issue you a courtesy coupon (by	coupons-that-don-
		mail) for the difference."	t-apply-to-items

## FIRST CLAIM FOR RELIEF

## <u>Violation of Massachusetts Regulation of Business Practice and Consumer</u> <u>Protection Act</u>

22. Plaintiff repeats and realleges the allegations set forth above as if set forth fully herein.

23. Section 2 of Chapter 93A the Massachusetts General Laws states: "Unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful." This practice was aimed at the loyal consumers of a large retailer of office goods and services.

24. Defendant's misconduct and actions, as described above, constitute deceptive and unfair business practices in violation of the Massachusetts Consumer Protection Act.

25. Defendant's deceptive acts, practices, and scheme, and its false representations and omissions concerning its calculation of qualified purchase amount, were made in the course of conducting its business, trade, commerce and services in Massachusetts and through the United States.

26. Defendant's conduct, which was directed at consumers, including Plaintiff and other Class members, violated the Massachusetts Consumer Protection Act, which requires proper disclosure and equitable relationships between businesses and consumers.

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27. Defendant's conduct also contravened its duty of good faith and fair

dealing, which the Massachusetts Consumer Protection Act implies in transactions 1 2 between consumers and businesses.

28 Defendant's misrepresentations and omissions were likely to mislead reasonable consumers acting reasonably under the circumstances.

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29. The damages sustained by Plaintiff and the other Class members were a direct and foreseeable result of, and were proximately caused by, Defendant's deceptive business practices.

8 30. Defendant acted at least negligently, but also recklessly or intentionally, 9 and with improper intent, knowledge constructive knowledge, and willfulness, 10 requiring the trebling of damages.

31. As a result of Defendant's actions, Plaintiff and other Class members have been injured and damaged in an amount to be determined at trial. 12

32. On March 25, 2013, pursuant to the Massachusetts Consumer Protection Act, c. 93A, Plaintiff sent a letter by first class mail, annexed hereto as Exhibit C, to Defendant informing it of Plaintiff's anticipated claim under c. 93A for damages as a result of Defendant's unfair and deceptive business practices. On April 24, 2013, Defendant responded to Plaintiff's letter, however, Defendant's response was meritless and its offer of settlement was inadequate and unreasonable.

## SECOND CLAIM FOR RELIEF

### **Breach of Contract**

Plaintiff and the other Class members expressly contracted with Staples 33. to provide Rewards credit in exchange for supplying it with personal information and allowing it to track their purchases. The contracts entered into by Plaintiff and the other Class members expressly provided that Qualifying Purchase Amount would equal the pre-tax purchase price of qualifying items less promotions, coupons and rewards redemption as they applied to a particular item.

27 34. As alleged above, in breach of its express contracts with Plaintiff and 28 the other Class members, Staples took affirmative steps to distribute coupons

effective only for non-qualifying items on a pro rata basis across all items purchased
 in a single transaction.

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35. By employing this discounting technique while calculating its Members' qualified purchase amount, Staples breached its contracts with Plaintiff and the other Class members.

36. As a direct, foreseeable, and proximate result of Defendant's aforesaid misconduct, Plaintiff and the other Class members sustained substantial damages, in an amount to be determined at trial.

## **THIRD CLAIM FOR RELIEF**

## **Breach of Implied Covenant of Good Faith and Fair Dealing**

37. Plaintiff repeats and reiterates the allegations forth above as though fully set forth herein.

38. Implied in every contract, including the uniform Staples Rewards Program agreements between Defendant and Plaintiff and the Class members, is a covenant of good faith and fair dealing.

39. Staples had a duty of good faith and fair dealing in its performance of the agreement alleged herein. Staples had a duty to desist from doing anything that would have the effect of destroying or injuring the right of Plaintiff and the other Class members to receive the fruits of their contracts (i.e., Rewards credit). Staples' bad faith conduct in developing a scheme or practice to discount its Members' qualified purchase amount per transaction prevents the same from receiving the full rewards benefits as agreed upon. Indeed, Staples' use of applying coupons to single items on sale receipts evinces its bad faith and attempt to deceive its loyal Members. Staples has thus breached its contracts with Plaintiff and the other Class members, including each contract's implied covenant of good faith and fair dealing.

40. As a direct, foreseeable, and proximate result of Defendant's aforesaid
misconduct, Plaintiff and the other Class members sustained substantial damages, in
an amount to be determined at trial.

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WHEREFORE, Plaintiff prays for relief and judgment, as follows:

- (a) Determining that this action is a proper class action, and certifying Plaintiff as class representative under Rule 23 of the Federal Rules of Civil Procedure;
- (b) Awarding compensatory and punitive damages in favor of Plaintiff and the other Class members against Defendant for all damages sustained as a result of Defendant's wrongdoing, in an amount to be determined at trial, including pre- and postjudgment interest thereon;
- (c) Requiring Defendant to account for and/or pay in damages to
   Plaintiff and the other Class members the amounts by which
   Defendant benefited due to Defendant's wrongful conduct;
- (d) Awarding Plaintiff and the other Class members their reasonable costs and expenses incurred in this action, including counsel fees and costs, and expert fees and costs; and
- (e) Such other and further relief as the Court may deem just and proper.

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1	JURY TRI	AL DEMANDED										
2	Plaintiff hereby demands a trial by jury.											
3	Dated: December 6, 2016	Respectfully submitted,										
4		BERNSTEIN LITOWITZ BERGER										
5		& GROSSMANN LLP										
6												
7		By: /s/ David R. Stickney David R. Stickney										
8		David R. Stickney										
9		12481 High Bluff Drive, Suite 300										
10		San Diego, CA 92130 Tel: (858) 793-0070										
		Fax: (858) 793-0323										
11		davids@blbglaw.com										
12												
13		Liaison Counsel for Plaintiff and Proposed Putative Class										
14		Troposeu Futurite etuss										
15		HACH ROSE SCHIRRIPA &										
16		CHEVERIE LLP										
17		Frank R. Schirripa										
		Michael A. Rose										
18		185 Madison Avenue, 14th Floor New York, New York 10016										
19		Tel: (212) 213-8311										
20		Fax: (212) 779-0028										
21		fschirripa@hrsclaw.com										
22		mrose@hrsclaw.com										
23		Counsel for Plaintiff and Proposed										
24		Putative Class										
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	-14	- CLASS ACTION COMPLAINT Case No.										

## Case 3:16-cv-02965-JLS JLB COVER SHEET at 12/06/16 Page 16CV2965 JLS JLB

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.)* 

JS 44 (Rev. 12/12)

1 I U	1		,				
I. (a) PLAINTIFFS NEIL TORCZYNER, indivisimilarly situated,	vidually, on behalf of h	imself, and all other	rs DEFENDANTS STAPLES, INC.	\$			
(b) County of Residence of (E.	f First Listed Plaintiff <u>N</u> XCEPT IN U.S. PLAINTIFF CA	lassau (SES)	County of Residence of First Listed Defendant <u>Middlesex</u> (IN U.S. PLAINTIFF CASES ONLY) NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.				
(c) Attorneys (Firm Name, BERNSTEIN LITOWITZ 12481 High Bluff Drive, S Tel: (858) 793-0070	BERGER & GROSSM	ANN LLP	Attorneys ( <i>If Known</i> ) COOLEY LLP 4401 Eastgate Ma San Diego, CA 92	II			
II. BASIS OF JURISDI	ICTION (Place an "X" in O	ne Box Only)		RINCIPAL PARTIES	(Place an "X" in One Box for Plaintiff		
□ 1 U.S. Government Plaintiff	□ 3 Federal Question (U.S. Government)	Not a Party)		TF DEF 1 □ 1 Incorporated or Pr of Business In 1			
2 U.S. Government Defendant	A Diversity (Indicate Citizensh	ip of Parties in Item III)	Citizen of Another State	C 2 D 2 Incorporated and a of Business In .			
			Citizen or Subject of a Foreign Country	<b>3 G</b> 3 Foreign Nation			
IV. NATURE OF SUIT		aly) DRTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES		
	PERSONAL INJURY	PERSONAL INJURY		□ 422 Appeal 28 USC 158	375 False Claims Act		
<ul> <li>120 Marine</li> <li>130 Miller Act</li> <li>140 Negotiable Instrument</li> <li>150 Recovery of Overpayment &amp; Enforcement of Judgment</li> </ul>	<ul> <li>310 Airplane</li> <li>315 Airplane Product Liability</li> <li>320 Assault, Libel &amp;</li> </ul>	<ul> <li>365 Personal Injury - Product Liability</li> <li>367 Health Care/ Pharmaceutical Personal Injury</li> </ul>	of Property 21 USC 881		<ul> <li>400 State Reapportionment</li> <li>410 Antitrust</li> <li>430 Banks and Banking</li> <li>450 Commerce</li> <li>460 Deportation</li> </ul>		
<ul> <li>151 Medicare Act</li> <li>152 Recovery of Defaulted Student Loans</li> </ul>	□ 330 Federal Employers'       Product Liability         Liability       □ 368 Asbestos Person         □ 340 Marine       Injury Product			<ul> <li>830 Patent</li> <li>840 Trademark</li> </ul>	<ul> <li>470 Racketeer Influenced and Corrupt Organizations</li> <li>480 Consumer Credit</li> </ul>		
<ul> <li>(Excludes Veterans)</li> <li>153 Recovery of Overpayment of Veteran's Benefits</li> <li>160 Stockholders' Suits</li> <li>190 Other Contract</li> <li>195 Contract Product Liability</li> <li>196 Franchise</li> </ul>	<ul> <li>345 Marine Product Liability</li> <li>350 Motor Vehicle</li> <li>355 Motor Vehicle Product Liability</li> <li>360 Other Personal Injury</li> <li>362 Personal Injury - Medical Malpractice</li> </ul>	Liability <b>PERSONAL PROPER</b> <b>3</b> 70 Other Fraud <b>3</b> 71 Truth in Lending <b>3</b> 80 Other Personal Property Damage <b>3</b> 85 Property Damage Product Liability	LABOR       TY     710 Fair Labor Standards Act       720 Labor/Management Relations       740 Railway Labor Act       751 Family and Medical Leave Act       790 Other Labor Litigation	SOCIAL SECURITY           □         861 HIA (1395ff)           □         862 Black Lung (923)           □         863 DIWC/DIWW (405(g))           □         864 SSID Title XVI           □         865 RSI (405(g))	<ul> <li>490 Cable/Sat TV</li> <li>850 Securities/Commodities/ Exchange</li> <li>890 Other Statutory Actions</li> <li>891 Agricultural Acts</li> <li>893 Environmental Matters</li> <li>895 Freedom of Information Act</li> <li>896 Arbitration</li> </ul>		
REAL PROPERTY	CIVIL RIGHTS	PRISONER PETITION	<b>IS</b> 791 Employee Retirement	FEDERAL TAX SUITS	899 Administrative Procedure		
<ul> <li>210 Land Condemnation</li> <li>220 Foreclosure</li> <li>230 Rent Lease &amp; Ejectment</li> <li>240 Torts to Land</li> <li>245 Tort Product Liability</li> </ul>	<ul> <li>440 Other Civil Rights</li> <li>441 Voting</li> <li>442 Employment</li> <li>443 Housing/ Accommodations</li> </ul>	Habeas Corpus: 463 Alien Detainee 510 Motions to Vacate Sentence 530 General	Income Security Act	<ul> <li>R70 Taxes (U.S. Plaintiff or Defendant)</li> <li>R71 IRS—Third Party 26 USC 7609</li> </ul>	Act/Review or Appeal of Agency Decision 950 Constitutionality of State Statutes		
290 All Other Real Property	445 Amer. w/Disabilities - Employment	535 Death Penalty Other:	IMMIGRATION				
	☐ 446 Amer. w/Disabilities - Other ☐ 448 Education	<ul> <li>540 Mandamus &amp; Othe</li> <li>550 Civil Rights</li> <li>555 Prison Condition</li> <li>560 Civil Detainee - Conditions of Confinement</li> </ul>	<ul> <li>462 Naturalization Application</li> <li>465 Other Immigration Actions</li> </ul>				
V. ORIGIN (Place an "X" is	n One Box Only)						
		Remanded from Appellate Court	□ 4 Reinstated or Reopened □ 5 Transf Anoth (specify	er District Litigation			
VI. CAUSE OF ACTION	DN 28 U.S.C. § 1332 Brief description of ca	; F.R.C.P. 23(a) and use: Breach of Contr	the filing (Do not cite jurisdictional state d 23(b)(3) ract and Unfair and Decept Act in connection with the	ive Business Practices ir	n violation of the aples Rewards Club.		
VII. REQUESTED IN COMPLAINT:	CHECK IF THIS UNDER RULE 2	IS A <b>CLASS ACTION</b> 3, F.R.Cv.P.	DEMAND \$ 5,000,000.00	CHECK YES only JURY DEMAND	if demanded in complaint: Yes INO		
VIII. RELATED CASI IF ANY	E(S) (See instructions):	JUDGE		DOCKET NUMBER			
DATE 12/06/2016		SIGNATURE OF ATT					
FOR OFFICE USE ONLY							
RECEIPT # AN	MOUNT	APPLYING IFP	JUDGE	MAG. JU	DGE		

#### **INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44**

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading 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. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- **I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) County of Residence. For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys. Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".

II. Jurisdiction. The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below. United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here. United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box. Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes

precedence, and box 1 or 2 should be marked. Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)

- **III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- **IV.** Nature of Suit. Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
- V. Origin. Place an "X" in one of the six boxes.

Original Proceedings. (1) Cases which originate in the United States district courts.

Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.

Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.

Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date. Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.

Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.

- VI. Cause of Action. Report the civil statute directly related to the cause of action and give a brief description of the cause. Do not cite jurisdictional statutes unless diversity. Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint. Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P. Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction. Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases. This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.

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# EXHIBIT A

## Statistics cv-02965-JLS-JLB Document 1-2 Filed 12/06/16 Page 2 of 5

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 SALE

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 0248 01/04/13 03:24

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YOUR OPINION COUNTS AND WILL BE REVIEWED BY THIS STORE'S MANAGER!

Please take a short survey and be entered into a monthly drawing for a \$5,000 Staples gift card. NO PURCHASE NECESSARY. Log on to www.StaplesCares.com or call 1-800-881-1723 Your survey code: 0100 3224 5334 2400 See store for rules. Survey code expires 01/11/2013. \*\*\*Tome nuestra encuesta en Español en la página de Internet o por telefono. Consiga las reglas en la tienda.\*\*\*

#### \*

PRICE

|--|

REWARDS NUMBER 2988470601 1 AVERY HDV 1.5-INCH	
077711796263	8.99
Coupon No. 17029	-1.03
1 HEAVY DUTY VIEW BI	
077711175969	10,99
Coupon No. 17029	-1,26
1 HEAVY OUTY VIEW 1.	
077711791718	8.99
Coupon No. 17029	-1.03
1 UNI-BALL 207 RT GE	
070530003321	7,29
Coupon No. 17029	-0.42
Coupon No. 37129	-3.65
1 AVERY MOV 2-INCH R	
077711796270	10.99
Coupon No. 17029	-1,26
SUBTOTAL	38.60
Standard Tax 8.625%	3.33
TOTAL	\$41,93
Visa	41.93
Card No.: XXXXXXXXXXXX8498 [S]	
Auth No.; 032540	18

\*\*\*\*\*\*\*\*STAPLES COUPONS REDEEM\*\*\*\*\*\*\*\*\* Coupon No. 17029 -5.00 \$5 off your purchase of \$25 or more. Expiration Date: 01/05/13

Coupon No. 37129 -3.65 50% off all Uni-ball writing instruments, Limit 1 per customer, Expiration Date: 01/05/13

TOTAL ITEMS 5

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3/1/13

#### **Purchase Details**

Janua	ry 201	3	Y					Get cre	edit for missing pure
Show N	/le:Al	Loca	ations 💉 All Pu	rchases		i.	Clear All		
Key 💽	Stapk	es Rev	vards 🔲 Special E	vents 🚺 hk	Recycl	ing Rewa	ds	Collapse	All Expand All
01/24	/13 T	rans.	No. 303632	Total:	\$40	.55 Re	ewards Earned	: \$10.14	
01/13	5/13 T	rans.	No. 290052	Total:	\$27	.98 R	ewards Earned	: \$27.98	
01/13	9/13 T	rans.	No. 290053	Total:	\$0	).49 R	ewards Earned	: \$0.00	
01/13	9/13 T	rans.	No. 290054	Total:	\$13	3.98 R	ewards Earned	: \$1.40	
01/04	I/13 T	rans.	No. 178681	Total:	\$38	3.62 R	ewards Earned	: \$32.66	
	Item N	lo	Item Description		Qty.	Price	Coupons	Total Spend	Rewards Earned
	41153	2	411532 - UNI-BAL GEL MICRO BK 4	L 207 RT	1	\$7.29	-\$1.33	\$5.96	\$0.00
E	78813	32	788132 - HEAVY D BINDR 2IN CHAR 100% back Aver Duty View Binde 12_30_12	y Heavy-	1	\$10.99	-\$2.01	\$8.98	\$8.9
Ŧ	35774	12	357742 - AVERY H INCH ROYAL BLU 100% back Aver Duty View Binde 12_30_12	IE y Heavy-	1	\$8.99	-\$1.64	\$7.35	\$7.3
E	3577:	39	357739 - AVERY I ROYAL BLUE 100% back Aver Duty View Binde 12_30_12	y Heavy-	1	\$10.99	-\$2.01	\$8.98	\$8.9
E	8313	34	831334 - HEAVY 1.5IN RED 100% back Aver Duty View Binde 12_30_12	ry Heavy-	1	\$8.99	-\$1.64	\$7.35	\$7.3

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that was easy. Low prices. Every item. Every day. 2310 Jerico Turnpike Garden City Park, NY 11040 (516) 739-6903 SALE 1584524 1 001 1069E 0248 02/20/13 08:3E QTY SKU PRICE

REWARDS NUMBER 2988470601 1 LYSOL SANITIZING W	
019200811460	3,99
1 POLAND SPRING WATE 395312 Coupon No. 37286 1 LYSOL SANITIZING W	4,49 -1,50
019200811460 1 24PK BOTTLE DEPOSI	53,99
830314 SUBTOTAL	1.20M 12:17
Standard Tax 8,625%	0.95
TOTAL	\$13.12
$\phi_{1}=\phi_{1}+\frac{1}{2}\mathbf{i}^{2}\phi_{1}^{2},  \phi_{2}=0$	10 - 10 - 10 - 10 - 10 - 10 - 10 - 10 -
Visa Card No.: XXXXXXXXXXX8498 [S] Auth No.: 04396C	13.12

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Page 3 of 4

100

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#### B Document 1-2 Filed 12/06/16 Page 5 of 5 Staplesrewardscenter.com®

Clear All

4

#### Purchase Details

Updaled as of February 17, 2013 View: February 2013

Get credit for missing purchases

Key 😂 Staples Rewards 💭 Special Events 🔛 Ink Recycling Rewards

Collapse All Expand All

02/20/13 Tran	s. No. 110698				wards Earned	d: \$7.02	
Item No	Item Description			Price			Rewards Earned
395312		SPRING	1	\$4.49	-\$0.54	\$3.95	\$0.00
501741	501741 - LYSOL S WIPES 100% back Lyso	ANITIZING				\$7.02	\$7.02
Purchase made	at the Garden City P	ark,NY store					en an a barren ta anti etter sinata
02/15/13 Tran	s. No, 109423	Total:	\$0	.99 Re	awards Earne	d: \$0.00	
02/14/13 Tran	s. No. 109218	Total:	\$372	.74 Re	ewards Earne	d: \$0.00	
02/14/13 Tran	s. No. 109219	Total:	\$0	.99 Re	ewards Earne	d: \$0.00	
02/07/13 Tran	s. No⊭107491	Total:	\$8	.07 R	awards Earne	od: \$0.00	
02/07/13 Tran	is. No. 107492	Total:	\$0	.00 R	ewards Earne	ed: \$0.00	
02/07/13 Trar	is. No. 107494	Total:	\$5	.60 R	ewards Earne	ed: \$0.00	



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# EXHIBIT B

	Please Enter Your Zip Code
	U.S. Zip Code (5-digit)
	Please provide us with your zip code so we can make sure you are receiving the latest information.
	STAPLES
	rewards
Stapl	les® Rewards Program ("Program")
Term	s and Conditions ("Terms")
	embership Program is available to Staples® customers, 18 years of age or older with a valid U.S. mailing address
	20120730021824/http://www.staplesrewardscenter.com/SORC/UserManagement/Login/RewardsTerms.aspx Page 1 of 5

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and a valid email address. To receive Rewards or Recycling Rewards, the Program member ("Member") number must be in good standing. Program applications are available at Staples U.S. stores, online at staplesrewards.com or by calling 1-800-793-3320. Staples must receive an accurate, legible and complete application in order to enroll in the Program. Staples is not responsible for Member applications received by Staples that are not in compliance with these Terms. Membership in the Program is not open to Staples National Advantage or Staples Business Advantage customers, or to Staples employees.

#### 2. Qualifying Purchases

A Member is eligible to receive credit ("Rewards") on the Member's account for qualifying purchases made by the Member ("Qualifying Purchases"), as defined below, that are made at Staples stores in the U.S., by phone at 1-800-333-3330 or online at staples.com® and for which a Membership account is identified. All Qualifying Purchases are subject to verification by Staples before being credited to a Member's account.

The following Qualifying Purchases are eligible toward earning Rewards:

- Ink and toner used in copiers, fax machines and printers excluding printer, fax and copy machine drums, label maker ribbons, and refill kits;
- Case and ream cut sheet paper excluding photo paper, dot matrix/"computer" paper, fax thermal paper, résumé, stationery, invitations and specialty paper, paper rolls, labels, carbon and carbonless forms, notebooks, pads and filler paper;
- Copy & Print services excluding postage stamps, shipping and shipping supplies, merchandise used in assembling Copy & Print jobs, custom printing orders placed online, and third party services;
- Other products or services as may be included from time to time by Staples, in its sole discretion.

Qualifying Purchases made by the Member but for which the Member's account number was not used at the time of the transaction can be added to the Member account if Staples is contacted with the original 17-digit receipt barcode number from the store receipt or order number, and the Member's account number at staplesrewards.com or by calling 1-800-793-3320 as promptly as possible after the date of the transaction, but within the current quarter or the two previous calendar quarters only. Only purchases made by the Member may be added to the Member's account. Purchases are credited upon verification within five days after they are requested. Qualifying Purchases that have been verified are applied to the Member's account with a transaction date of the date approved. A maximum of 10 purchases may be requested to be credited per day. Qualifying Purchases cannot be transferred, sold or bartered.

#### 3. Teachers

All current Teacher Rewards Members will be automatically enrolled in Staples Rewards® and will be considered a Staples Rewards Teacher member. New Members of Staples Rewards may indicate on their enrollment form if they are a teacher. People who work in the field of education teaching others are eligible to be Staples Rewards Teacher Members. In addition to general Staples Rewards benefits, Staples Rewards® Teachers will be eligible to earn 10% back in Rewards on the following Teacher Qualifying Purchases (teaching and art supplies):

• Classroom décor, educational games and puzzles, teaching aids, teaching and education books, dictionaries, book covers, locker accessories, stickers, colored pencils, crayons, children's markers, arts and craft supplies, scrapbook supplies, drafting tools, poster, display and foam board, easel pads, maps, globes, academic calendars, student organizers, and teacher planners.

Exhibit B

Page 2 of 5

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• Teacher Qualifying Purchases excludes software, writing supplies, general office supplies, easels, and dry erase, bulletin and chalk boards.

For Staples Rewards® Teachers, Qualifying Purchases shall include Teacher Qualifying Purchases. Staples Rewards® Teachers are eligible for upgrade to Premier status, as outlined in section 5 below.

#### 4. Rewards

The Members' accounts will receive credit for Qualifying Purchases equal to 10% of their total Qualifying Purchase Amount for purchases made during the applicable calendar quarter if the Reward minimum, as defined below, is met. Qualifying Purchase Amount is the amount paid at checkout after application of all promotions, coupons and Rewards redemption. Amounts spent on taxes, postage stamps, delivery charges, pre-paid phone cards, Staples® gift cards and third party gift cards do not count toward earning Rewards. Purchases on ink and toner manufactured by Hewlett Packard are excluded. Staples, in its sole discretion, may include additional products or services as exclusions from Qualifying Purchases from time to time without prior notice.

Rewards earned will be issued online monthly at staplesrewards.com when the value of the Reward is at least \$10. Monthly Rewards balances of less than \$10 will roll over each month until the minimum is met for that calendar quarter. Rewards are issued online to Members within approximately 30 days after the end of the month when the required minimum has been earned in the month. If the \$10 minimum has been met for the calendar quarter, any balances of less than \$10 will be issued online to Members within approximately 30 days after the approximately 30 days after the end of the calendar quarter.

Rewards expire the last day of the month two months following the month in which they are issued and cannot be redeemed after the expiration date. Expired, lost or misdirected Rewards will not be reissued. Rewards not received by the Member due to incorrect email addresses will not be reissued. If the \$10 minimum for the quarter has not been met, Rewards balances of less than \$10 expire at the end of each calendar quarter. There is no maximum on the amount of Rewards a Member can receive.

#### 5. Upgrade

A Member is automatically upgraded to Plus status when the Member's account reflects \$500 of spending on all products and services at each or any combination of Staples U.S. stores, online at staples.com® and/or by phone at 1-800-333-3330 other than taxes, postage stamps, delivery charges, pre-paid phone cards, Staples gift cards, third party gift cards and any other categories that Staples has excluded. Member spending qualifying for upgrade is the amount paid at checkout after application of all coupons, discounts and Rewards redemptions.

A Member retains Plus status for the remainder of the calendar year in which they qualify and the initial following year and must re-qualify in that and each subsequent calendar year. Member's account balances are reset at the beginning of the calendar year to \$0.

Plus Members are issued Rewards online monthly when a minimum of \$5 has been earned. Plus Rewards balances of less than \$5 will be rolled over month to month and will expire at the end of each calendar quarter. Plus Rewards, once issued, expire at the end of the third month following issuance of the Reward. Plus Members are eligible to earn Recycling Rewards (as described in Section 6) on up to 10 ink or toner cartridges per calendar month. Plus Members also receive free delivery on all orders, and, from time to time, Plus-only in store events, offers, free products and services.

#### 6. Ink Recycling Rewards

3/26/13

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Each Member is eligible to receive lnk Recycling Rewards ("Recycling Rewards") on ink recycling, as defined below, performed at Staples stores. Ink resellers and remanufacturers are strictly prohibited from earning lnk Recycling Rewards.

Each Member can recycle up to 10 cartridges per month of any used ink or toner cartridge sold at any retail store in the U.S., and receive \$2 back in Recycling Rewards per cartridge. The Member must be physically present at the store when the cartridges are turned in for recycling and a Membership account is identified. Staples will accept additional cartridges for recycling but Recycling Rewards will only be issued for the first 10 qualifying cartridges per calendar month per Member. Recycling Rewards may be used for the same purposes and are under the same restrictions as Rewards.

Recycling Rewards are issued to the member monthly, online, at staplesrewards.com, separately from a Member's standard Rewards statement, approximately within 30 days after the month in which the recycling was completed. Recycling Rewards are credited to the Member's Rewards account in full each month with no minimum required. Expired, lost or misdirected Recycling Rewards will not be reissued. Recycling Rewards not received due to incorrect account information including e-mail address will not be reissued.

#### 7. Reward Redemption

Rewards and Recycling Rewards are redeemable for most merchandise in Staples stores, online at staples.com® or by phone at 1-800-333-3330 but cannot be redeemed for or applied against taxes, cash, credit remittance, delivery charges, custom printing orders placed online, promotional products, Staples gift cards, third party gift cards, prepaid phone cards, postage stamps, prior purchases, Staples Industrial<sup>sm</sup> purchases or any purchases made on other provider Web sites.

If a Reward or Recycling Reward is not redeemed in full on in-store purchases only, a one-time-only coupon with the expiration date of the original Reward will be printed for any remaining balance of \$1.00 or more. Such Reward coupon must be either used in full at one subsequent transaction or the balance will be forfeited. The balance Reward coupon may be used for future store, online or phone purchases. Staples.com orders or phone orders, excluding taxes, delivery charges, gift cards, prepaid phone cards and postage stamps, must meet or exceed the Reward or Recycling Reward amount.

#### 8. Member Services

To contact the Staples Rewards program, all communications should be directed as follows and must include the account number:

Mailing Address:	Email Address:	Phone Number:
Staples Rewards	staplesrewards@staples.com	1 800 703 3320
500 Staples Drive		Hours: Monday-Friday,
Framingham, MA 01702		8:30am EST - 8:00pm EST

#### 9. Cancellation

Membership may be cancelled at any time by notifying Member Services by e-mail or phone. Cancellation may take up to 10 weeks to finalize. Upon cancellation, membership will be deactivated and any unpaid Rewards or Recycling Rewards will be forfeited.

#### 10. Abuse

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Abuse of the Program, including failure to follow or any attempts to circumvent Program policies and procedures or these Terms, or other improper conduct as determined by Staples in its sole discretion is strictly forbidden. Abuse may result in cancellation of the Member's account, future disqualification from Program participation, forfeiture of some or all Rewards and Recycling Rewards accrued, cancellation of previously issued but unused Rewards and Recycling Rewards and liability for past amounts of Rewards and Recycling Rewards redeemed. In addition, Staples reserves the right to take appropriate legal action, as it deems necessary or desirable. The sale, barter or transfer of Rewards and Recycling Rewards, except by Staples, is expressly prohibited.

#### 11. General

Rewards issued under this program cannot be combined with any other Rewards program, including Staples Rewards Teacher or Staples Associate Rewards. Staples Rewards accounts are limited to one account per eligible customer; each email address and mailing address are also limited to one account. Rewards and Recycling Rewards are non-transferable and may only be redeemed by the Member. For information on how we protect your personal information, see Staples' U.S. Privacy Policy on staples.com. Staples is not liable for unclaimed, expired, lost or misdirected statements or other communications from Staples to the Member or the Member to Staples.

These Terms are governed by the laws of the Commonwealth of Massachusetts, without regard to its conflict of laws rules. Any Member's legal action against Staples in regards to the Rewards program may only be filed in the state and federal courts of Suffolk County, Massachusetts. If any provision of these Terms is found to be invalid or unenforceable to any extent, then the invalid portion shall be deemed conformed to the minimum requirements of law to the extent possible. In addition, all other provisions of these Terms shall not be affected and shall continue to be valid and enforceable to the fullest extent permitted by law. The Program is void where prohibited by law.

<u>Staples reserves the right to modify, revise or cancel this Program, the Terms or any part of the</u> <u>Program at any time for all participants or for any specific participant without prior notice. Staples'</u> <u>decision on any aspect of Member's account, membership status, Rewards balance, or any aspect</u> <u>of the program or a particular Member's participation in it shall be final.</u>

By participating in the Program, Members' agree to and are subject to the Terms of this Program, and certify that all eligibility requirements are met.

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# **EXHIBIT C**

#### Case 3:16-cv-02965-JLS-JLB Document 1-4 Filed 12/06/16 Page 2 of 2 HACH ROSE SCHIRRIPA & CHEVERIE LLP

ATTORNEYS AT LAW

March 25, 2013

#### VIA CERTIFIED & FIRST CLASS MAIL

Michael T. Williams, Esq. General Counsel Staples, Inc. 500 Staples Drive Framingham, MA 01702

Re: Staples Rewards Program -- Violation of Mass. Gen. Law c. 93A

Dear Mr. Williams:

We represent Neil Torczyner and similarly situated members of the Staples, Inc. ("Staples") Rewards Program ("Rewards Program") and write pursuant to the Massachusetts Consumer Protection Act, Chapter 93A Regulation of Business Practices for Consumers Protection, ALM GL ch. 93A, §9(3), which requires thirty days written notice prior to bringing a claim under Chapter 93A for damages incurred as a result of unfair or deceptive business practices. We intend to file a class action complaint, on behalf of our clients and similarly situated Rewards Program Members ("Members"), alleging, *inter alia*, violations of Massachusetts State Law ch. 93A § 2(a).

Our investigation has revealed that Staples has engaged in a deceptive scheme, whereby the Rewards Program, which purports to offer and provide to Members credit for a certain percentage of their total Qualifying Purchase Amount ("Rewards Points") for purchases, credits Members' accounts for less than the represented percentage of their qualifying purchase amount. Specifically, Staples took affirmative steps to ensure that Members—who reasonably relied on the Program brochures, Terms and Conditions, and representations by Staples' agents—received Program credit well *below* the percentage represented of Purchase Amount by applying coupons used on exempted items (*i.e.*, items that do not constitute a "Qualifying Purchase") on a pro rata basis across all purchases made—including "Qualifying Purchases" which should be added in their entirety to a Member's quarterly total Qualifying Purchase Amount. This deceptive practice targeted all Members and caused them to accrue fewer Rewards Points than represented.

We intend to seek multiple damages and legal expenses on behalf of our clients and all others similarly situated.

Please advise within the statutory thirty-day period.

Very truly yours,

Frank R. Schirripa

Exhibit C Page 1 of 1