



OFFICE OF THE
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COUNTY OF SHASTA

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PRESS RELEASE

**STARBUCKS SETTLES CONSUMER PROTECTION CASE
FOR ALLEGED GIFT CARD VIOLATIONS**

August 17, 2009

Shasta County District Attorney Jerry Benito announced today that his office joined with the District Attorneys of Monterey and Sonoma Counties to settle a consumer protection case filed against Starbucks Coffee Company. In January of 2008, California legislators enacted a law which requires all businesses to provide cash refunds of gift card balances under \$10.00 upon customer request. The initial complaint came from a problem experienced by a customer in April of 2008, where a requested refund was denied. The early investigation determined that a number of California stores were violating the law by refusing to give refunds or requiring a customer to make a purchase in order to receive cash back. The investigation broadened, and the prosecutors joined forces to undertake statewide legal action to correct the problem.

Starbucks cooperated with prosecutors during the investigation. While it was clear that Starbucks made some efforts to comply with the January 2008 change in the law, once alerted to the investigation, Starbucks made additional efforts to incorporate training of employees and display signs in Starbucks stores informing customers about the gift card redemption process. Under the terms of the settlement, without admitting any wrongdoing, Starbucks agreed to pay \$225,000.00 in civil penalties and costs of investigation. Starbucks is also required to outfit their cash registers with a specific button to allow for the redemption, to place signs in their stores informing customers of their right to a refund upon request, and to conduct employee training regarding the law.

The District Attorney's Office brings actions such as this to ensure that local and national businesses comply with their responsibilities under the law. The District Attorney works hard to protect the rights of citizens. The counties and cities involved will equally split the civil penalties paid by Starbucks.

In Shasta County, the case was investigated by Shasta County District Attorney's Consumer Protection Unit and prosecuted by Deputy District Attorney Erin M. Dervin. The Consumer Protection Unit exists to help consumers with problems they may have with services provided by local businesses or individuals.

For more information about the prosecution, contact District Attorney Jerry Benito or Deputy District Attorney Erin M. Dervin at 245-6310.