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Hon. Josephine L. Staton  
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**Re: *Hiroyuki Oda, et al. v. Wilson Sporting Goods Co.*, No. 15-cv-02131 (C.D. Cal.)**

Judge Staton:

I write on behalf of the Arizona Attorney General's Office to express concerns related to the proposed settlement now before the Court in the above-captioned matter.

The Arizona Attorney General's Office ("the Office") actively monitors proposed class action settlements in federal court in an ongoing effort to protect Arizona consumers from abuse in the class action settlement process. The Office's efforts include leading bipartisan coalitions of state attorneys general in filing briefs under the Class Action Fairness Act of 2005 to speak against unfair class action settlements. *See e.g., In re: EasySaver Rewards Litigation*, No. 16-56307, Dkt. 21 (9th Cir.) (brief of thirteen-state bipartisan coalition urging reversal of settlement that failed to meet CAFA's requirements). And these efforts have helped generate meaningful outcomes for consumers. *See Allen v. Similasan Corp.*, No. 12-cv-376, Dkts. 219, 223, 257, 261, 268 (S.D. Cal.) (after Arizona-led coalition filed *amicus* brief and District Court rejected initial deal, revised settlement was reached that increases class' cash recovery from \$0 to ~\$700,000).

The Office has reviewed the proposed settlement here as well as the Court's October 18 Minute Entry, Dkt. 135, and shares the Court's concerns. Speaking with counsel for both sides and reviewing the parties' supplemental briefing, Dkts 140, 142, has not allievated these concerns.

The proposed vouchers bear hallmarks of settlement coupons. The vouchers are good for only one transaction on Wilson-related websites. Dkt. 134-3 at 5-6. They are not transferable. *Id.* They have a looming expiration date. *Id.* And they can only be used to purchase certain types of products sold by Wilson, which is not a general retailer. These are not proxies for cash—they are coupons that are worth less than their face value to the consumer class members. *See, e.g., In re HP Inkjet Printer Litigation*, 716 F.3d 1173, 1176 (9th Cir. 2013) (because credits expired "six months after issuance," amongst other failings, settlement's "e-credits" moniker was

“euphemism for coupons”); *In re Online DVD-Rental Antitrust Litigation*, 779 F.3d 934, 951 (9th Cir. 2015) (emphasizing that access to a vast array of product types through a large, low-cost retailer was an important factor in valuing some transferable gift cards like cash); *Hofmann v. Dutch LLC*, 317 F.R.D. 566, 575 (S.D. Cal. 2016) (“Coupons require class members to pay their own money before they can take advantage of the coupon.”); *see also In re: EasySaver Rewards Litigation*, No. 16-56307, Dkt. 21 (9th Cir.) (brief of thirteen-state bipartisan coalition detailing why restricted vouchers like the ones in this case trigger CAFA’s coupon strictures).

Yet this settlement proposal fails to comply with the strictures CAFA imposes on coupon settlements, including the strictures imposed by 28 U.S.C. § 1712(a)-(d). Protecting class members from unfair coupon settlements was a chief motivation behind CAFA. As the Ninth Circuit has explained: “if the legislative history of CAFA clarifies one thing, it is this: the attorneys’ fees provisions of § 1712 are intended to put an end to the ‘inequities’ that arise when class counsel receive attorneys’ fees that are grossly disproportionate to the actual value of the coupon relief obtained for the class.” *In re HP Inkjet*, 716 F.3d at 1179 (citing S. Rep. No. 109–14, at 29-32). And these coupon strictures within CAFA represent key consumer protection provisions that must be complied with here in order for this settlement to be approved as fair, adequate, and reasonable. *Id.* at 1178.

As it stands now, the proposed settlement should be denied preliminary approval. Should the settlement approval process continue in the face of the above-noted concerns, it is likely the Office would attempt to join with other state attorneys general and file an *amicus* under CAFA to speak for the interests of absent class members and against the unfair settlement that is now being proposed.



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