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11 **SUPERIOR COURT OF ARIZONA**
12 **IN MARICOPA COUNTY**

13 STATE OF ARIZONA, *ex rel.* MARK
14 BRNOVICH, Attorney General,

15 Plaintiff,

16 v.

17 STUBHUB, INC.,

18 Defendant.
19

Case No. **CV2021-014370**

COMPLAINT

1 Plaintiff, State of Arizona *ex rel.* Mark Brnovich, the Attorney General (the “State”),
2 alleges the following for its Civil Complaint (the “Complaint”) against Defendant StubHub, Inc.
3 (“StubHub”).

4 **INTRODUCTION**

5 StubHub offers and sells on the secondary market tickets to sports, concerts, theater and
6 other live events through its online marketplace at <https://www.stubhub.com> and on its mobile
7 apps. StubHub’s secondary ticket sales were backed by its “FanProtect Guarantee”, which
8 promised that if an event was cancelled and not rescheduled, StubHub would provide consumers
9 with a full refund of the amount they paid for their tickets, including any fees and shipping or
10 handling charges.

11 In early March 2020, the outbreak of the novel coronavirus disease 2019 (“COVID-19”)
12 was declared a global pandemic. There was widespread cancellation of live in-person events,
13 including events for which Arizona consumers had purchased tickets through StubHub’s
14 marketplace. On March 25, 2020, without notice to consumers, StubHub unilaterally changed its
15 refund policy. StubHub decided to no longer offer consumers refunds for cancelled events.
16 Instead, StubHub offered consumers a credit that could be applied toward future purchases on
17 StubHub’s marketplace.

18 StubHub engaged in deceptive and unfair acts and practices by failing to keep its
19 promises to consumers. The State brings this action to enjoin StubHub from engaging in unfair
20 or deceptive acts or practices in connection with its offer and sale of secondary tickets, to obtain
21 relief for Arizona consumers victimized by StubHub’s unfair or deceptive acts or practices, and
22 to seek civil penalties for StubHub’s unlawful conduct.

23 **JURISDICTION AND VENUE**

24 1. The State brings this action pursuant to the Arizona Consumer Fraud Act, Arizona
25 Revised Statutes (“A.R.S.”) § 44-1521 *et seq.* (the “ACFA”), to redress StubHub’s alleged
26 violations to date and to obtain injunctive relief to enjoin and prevent the unlawful acts and
27 practices alleged herein.

28 2. This Court has subject-matter jurisdiction.

1 through its FanProtect Guarantee that if an event for which the Buyer purchased tickets was
2 cancelled and not rescheduled, it would provide the Buyer with a full refund (including any fees
3 and shipping and handling charges). StubHub made similar representations in its advertising and
4 other public statements.

5 12. On or about March 6, 2020, StubHub began sending emails to Buyers whose
6 events had been cancelled as a result of COVID-19. In those emails, StubHub reassured
7 consumers that Buyers “are always protected by our FanProtect Guarantee,” and that the Buyer
8 would receive a “full refund for the amount paid” unless the Buyer affirmatively requested, in
9 lieu of a refund, a coupon worth 120% of the Buyer’s original order. StubHub sent a similar
10 email on or about March 20, 2020, again offering the consumers the option of a full refund or a
11 coupon worth 120% of their original order.

12 13. On or about March 25, 2020, contrary to its prior representations, StubHub revised
13 its FanProtect Guarantee and subsequently informed Buyers that because of COVID-19’s impact
14 on live events and the large number of event cancellations, StubHub had updated its Buyer
15 policies and would no longer issue refunds to Buyers for cancelled events. In fact, StubHub
16 refused to pay refunds to, at the least, hundreds of thousands of Buyers nationwide who had
17 previously purchased tickets on StubHub’s marketplace under terms that included the
18 FanProtect Guarantee. These Buyers included about 6150 consumers who resided in Arizona or
19 purchased tickets for an event in Arizona,

20 14. StubHub’s representations to consumers that it would provide them full refunds to
21 cancelled events when, in fact, it did not honor its FanProtect Guarantee were
22 misrepresentations that were capable of misleading consumers.

23 15. StubHub did not inform consumers who purchased tickets under terms that
24 included its FanProtect Guarantee that it would not honor its guarantee to pay refunds under
25 some circumstances, including during a pandemic, a fact that was material to consumers.

26 16. StubHub’s refusal to pay refunds to consumers who bought tickets under terms
27 that included its FanProtect Guarantee when the events for which they purchase their tickets
28 were cancelled substantially harmed consumers. Consumers could not reasonably avoid the

1 harm because they did not know StubHub would not honor its refund guarantee. Guaranteeing
2 refunds to consumers and then refusing to pay the promised refunds is a practice that does not
3 benefit the marketplace.

4 **FIRST CLAIM FOR RELIEF**

5 **VIOLATIONS OF THE ARIZONA CONSUMER FRAUD ACT, A.R.S. §§ 44-1521 to -1534**

6 17. The State realleges all prior allegations of this Complaint as though fully set forth
7 herein.

8 18. The resale of secondary tickets StubHub offered through its marketplace
9 constitutes the sale of merchandise.

10 19. The conduct described in the preceding paragraphs of this Complaint constitutes
11 deception, deceptive or unfair acts or practices, fraud, false pretenses, false promises,
12 misrepresentations, or concealment, suppression or omission of material facts with intent that
13 others rely on such concealment, suppression or omission, in connection with the sale or
14 advertisement of merchandise in violation of A.R.S. §§ 44-1521 to -1534, included but not
15 limited to:

16 20. StubHub engaged in deceptive and unfair acts and practices by making false and
17 misleading statements to consumers that it would refund consumers' payments for cancelled
18 events, as set forth above. StubHub's statements had the capacity, tendency or effect of
19 deceiving or misleading consumers.

20 21. StubHub engaged in deceptive and unfair acts and practices by offering and selling
21 tickets under its FanProtect Guarantee and subsequently failing to provide refunds for cancelled
22 events.

23 22. StubHub engaged in deceptive and unfair acts and practices by concealing,
24 suppressing, or omitting the material fact that it would not provide promised refunds for
25 cancelled events, and did so with intent that others rely on such concealments, suppressions, or
26 omissions.

27 23. While engaging in the acts and practices alleged in this Complaint, StubHub knew
28 or should have known that its conduct was of the nature prohibited by A.R.S. § 44-1522,

1 subjecting itself to enforcement and penalties as provided in A.R.S. § 44-1531(A).

2 24. With respect to the concealments, suppressions, or omissions of material fact
3 described above, StubHub did so with intent that others rely on such concealments,
4 suppressions, or omissions.

5 25. With respect to the unfair acts and practices described above, these acts and
6 practices caused or were likely to cause substantial injuries to consumers that were not
7 reasonably avoidable by consumers and were not outweighed by countervailing benefits to
8 consumers or to competition.

9 **PRAYER FOR RELIEF**

10 WHEREFORE, the State respectfully requests that the Court:

11 26. Pursuant to A.R.S. § 44-1528(A)(1), issue a permanent injunction in accordance
12 with Ariz. R. Civ. P. 65(d)(1), enjoining and restraining (a) StubHub, (b) its officers, agents,
13 servants, employees, attorneys, and (c) all persons in active concert or participation with anyone
14 described in part (a) or (b) of this paragraph, directly or indirectly, from engaging in deceptive,
15 misleading, or unfair acts or practices, or concealments, suppressions, or omissions, that violate
16 the ACFA, A.R.S. § 44-1522(A), including specific injunctive relief barring StubHub from
17 engaging in the unlawful acts and practices set forth above;

18 27. Require StubHub to take affirmative action, including providing restitution to
19 consumers of all monies StubHub promised it would refund to consumers pursuant to its prior
20 FanProtect Guarantee;

21 28. Pursuant to A.R.S. § 44-1531, order StubHub to pay to the State a suitable penalty
22 for each willful violation of the ACFA;

23 29. Pursuant to A.R.S. § 44-1534, order StubHub to reimburse the State for its costs
24 and attorneys' fees incurred in the investigation and prosecution of StubHub's activities alleged
25 in this Complaint;

26 30. Pursuant to A.R.S. § 44-1201, require StubHub to pay pre-judgment and post-
27 judgment interest to the State and all consumers; and

28 . . .

