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NEWS RELEASE



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Taco Bell Ordered to Pay \$85,500 for Violating California Gift Card Law

VENTURA, Calif. – District Attorney Erik Nasarenko announced today that Taco Bell Corporation and its wholly owned subsidiary, GCTB LLC, entered a stipulated judgment and will pay \$85,500. The money covers civil penalties, restitution, and costs to resolve allegations of violating California Civil Code section 1749.5, relating to the redemption of gift cards with a value of less than \$10.

The complaint, filed in Ventura County on behalf of the District Attorney's Offices in Ventura, Los Angeles, and Sonoma counties, alleged that Taco Bell, its franchisees, and its corporate agents unlawfully denied California consumers the right to cash out Taco Bell gift cards valued at less than \$10. This right is outlined in Civil Code 1749.5, which explicitly states that the owner of a gift card with a balance of less than \$10 may obtain a refund from the merchant if the consumer does not wish to spend the remaining balance.

"Gift card redemption laws ensure that large corporations do not profit, at the expense of the consumer, off unspent dollars that consumers cannot or do not wish to use at that retailer," said Senior Deputy District Attorney Andrew Reid, a member of the Ventura County District Attorney's Office Consumer Protection Unit. "In California, consumers have the right to receive unspent gift card amounts less than \$10 so that they can use that money as they wish."

Under the terms of the settlement, Taco Bell Corporation will pay \$45,000 in civil penalties, \$30,500 in investigative costs, and \$10,000 to the California Consumer Protection Prosecution Trust Fund. The settlement prohibits Taco Bell from violating Civil Code 1749.5 and requires Taco Bell's corporate and franchise locations to post a visible notice near cash registers advising consumers of their right to gift card redemption and the proper method to obtain the redemption.

The settlement also requires that Taco Bell's gift cards carry a message directing consumers to Taco Bell's gift card redemption website, streamlining a consumer's ability to obtain a gift card redemption under section 1749.5. Finally, the injunction mandates Taco Bell to provide annual training with respect to California gift card law to its restaurant managers and franchisees, and further requires Taco Bell to expressly monitor both corporate and franchise restaurant locations for compliance.