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Home Depot Ordered to Pay \$750,000 for Violating California Gift Card Law

VENTURA, Calif. – District Attorney Erik Nasarenko announced today that Home Depot Inc. entered a stipulated judgment and will pay \$750,000 in penalties, fees, and restitution to settle a civil lawsuit brought by multiple district attorney's offices alleging violations of California Civil Code section 1749.5, the California Gift Card Law. This law requires retailers to provide consumers with a refund for gift cards with a value of less than \$10, at the consumers' request.

The complaint, filed in Los Angeles County Superior Court on behalf of the District Attorney's Offices of Ventura, Los Angeles, Sonoma, and Contra Costa Counties, alleged that Home Depot unlawfully denied California consumers the right to cash out store gift cards valued at less than \$10, as required by California law.

"We vigorously enforce gift card redemption laws to protect and safeguard consumers," said District Attorney Nasarenko. "Large corporations should not profit from unfair business practices that leave store patrons without a full return on their investment."

Under the terms of the settlement, Home Depot Inc. will pay \$640,000 in civil penalties, \$60,000 in investigative costs, and \$50,000 in restitution to the California Consumer Protection Prosecution Trust Fund. The settlement prohibits Home Depot from violating Civil Code section 1749.5 and requires Home Depot to take affirmative steps such as:

- Programing cash-dispensing sale registers to automatically refund gift cards valued at less than \$10 without prompting by the cashier.
- Including language on its physical gift cards that advises consumers of their rights under Civil Code section1749.5.
- Posting notices relating to section 1749.5 in the Customer Service or returns area of California Home Depot stores.
- Training Home Depot employees regarding gift card redemptions under section 1749.5.

Home Depot cooperated with the investigation, which was conducted jointly by the Consumer Protection Units of the Ventura, Los Angeles, Sonoma, and Contra Costa County District Attorney's Offices, as well as the California Department of Consumer and Business Affairs.