#### CANADA

### PROVINCE OF QUEBEC DISTRICT OF MONTREAL

# (Class Action) SUPERIOR COURT

**NO:** 500-06-000754-156 **STEVE ABIHSIRA** 

Petitioner

-VS-

STUBHUB, INC.

and

EBAY, INC.

and

**VIVID SEATS, LLC**.

and

SEATGEEK, INC.

and

**FANXCHANGE LIMITED** 

and

TICKETNETWORK, INC.

and

RAZORGATOR, INC.

and

TICKETCITY, INC.

and

#### **UBERSEAT**

and

TICKETMASTER CANADA LTD.

and

**TICKETMASTER CANADA ULC** 

and

**TICKETMASTER CANADA HOLDINGS ULC** 

and

TICKETMASTER [...] LLC

and

TNOW ENTERTAINMENT GROUP, INC.

and

**VIAGOGO AG** 

Respondents

# $\frac{3^{RD}}{}$ RE-AMENDED <u>APPLICATION</u> TO AUTHORIZE THE BRINGING OF A CLASS ACTION AND TO APPOINT THE STATUS OF REPRESENTATIVE

(ARTICLE 571 AND FOLLOWING C.C.P)

TO THE HONOURABLE KIRKLAND CASGRAIN, J.C.S., DESIGNATED TO HEAR THE PRESENT CLASS ACTION, YOUR PETITIONER STATES AS FOLLOWS:

#### I. GENERAL PRESENTATION

#### A) THE ACTION

1. Petitioner wishes to institute a class action on behalf of the following group, of which he is a member, [...] namely:

#### Group:

Every consumer, pursuant to the terms of Quebec's Consumer Protection Act ("CPA"), residing in Quebec at the time of purchase, who since August 28<sup>th</sup>, 2012 (the "Class Period"), while physically located in Quebec, has purchased from any of the Respondents at least one "Ticket" (as defined in section 236.1 CPA as meaning any document or instrument that upon presentation gives the ticket holder a right of entry to a show, sporting event, cultural event, exhibition or any other kind of entertainment) either:

- (a) at a price above that announced by the vendor authorized to sell the Tickets by the producer of the event; and/or,
- (b) who paid a price higher than the price advertised by Respondents on their respective websites and/or mobile applications (at the first step), excluding the Quebec sales tax or the Goods and Services Tax;

(hereinafter referred to as the "Group")

[...]

or any other group to be determined by the Court;

- 2. StubHub Inc. (along with its parent company eBay Inc.), Vivid Seats LLC., SeatGeek Inc., Fanxchange Ltd., Ticketnetwork Inc., Razorgator Inc., TicketCity Inc., Viagogo, TNOW Entertainment Group Inc. [...] and UberSeat, are merchants operating websites, mobile applications and call centers where consumers can purchase Tickets on the secondary market for events held in the province of Quebec and elsewhere around the world (hereinafter, collectively referred to as the "Respondents");
- 2.1 Respondents Ticketmaster Canada Ltd., Ticketmaster Canada ULC, Ticketmaster Canada Holdings ULC and Ticketmaster LLC (hereinafter collectively referred to as "Ticketmaster") are merchants operating websites, mobile applications and call centers and act as the agent for Ticket sales, on the primary market, to those who provide events, such as venues, teams, artist representatives, fan clubs, promoters and leagues [...];
- 2.2 Although most of Ticketmaster's Ticket sales are on the **primary market** (that is, the Ticket is being sold for the first time), they also offer a "Fan-to-Fan" service on their websites and mobile applications where consumers who have purchased a Ticket on

Ticketmaster's primary market are authorized to resell the same Ticket to other consumers on Ticketmaster's **secondary market** "Fan-to-Fan" platform (generally for a higher price than it was purchased for on the primary market);

- 2.3 While Ticketmaster offers its secondary market "Fan-to-Fan" platform to Canadian consumers for events in provinces across Canada, it has not made secondary market Ticket sales to Group members for events in the province of Quebec within the Class Period, unlike the other Respondents;
- 3. Although not physically located in Quebec, Respondents' online presence enables them to enter into distance contracts with consumers and thus carry on business in the province of Quebec;
- 4. Consumers can also purchase Tickets from <u>several of the</u> Respondents via telephone by speaking to one of Respondents' telephone sales representatives;
- 5. Respondents generate substantial revenues from Ticket sales for events in Quebec and around the world as a result of this online presence, as well as the advent of electronic tickets which enables Group members and consumers to purchase and instantly print their Tickets electronically;
- 6. As of the eve of the filing of this 3<sup>rd</sup> Re-Amended Application, Respondents continue to unlawfully advertise and sell Tickets to consumers to events held in the province of Quebec and elsewhere at a price above that announced by the vendor authorized to sell the tickets by the producer of the event (hereinafter the "Face Value");
- 6.1 In the case of the Ticketmaster and TNOW Defendants, while it appears that they are permitted by the authorized vendor to sell Tickets above Face Value, they fail in their legal obligation to clearly inform Group members before reselling the Tickets of the Face Value of the Tickets, as is incumbent upon them pursuant to section 236.1 (c)(i) CPA;
- 7. Respondents (save for Ticketmaster) unlawfully sell said Tickets for above Face Value without the prior, or in fact any, authorization of the producer of the event;
- 8. Consequently, the Respondents violate section 236.1 [...] *CPA* every time a Group member and/or a consumer purchases a Ticket from the Respondents for more than the Face Value for an event in Quebec and elsewhere around the world;
- 8.1 Moreover, even when they sell Tickets at the Face Value, or even below the Face Value, Respondents StubHub (along with its parent company eBay), Vivid Seats, Seatgeek, FanXchange, TicketNetwork, Razorgator, TicketCity, Viagogo, TNOW Entertainment Group Inc. and Ticketmaster [...] unlawfully charge Group members a higher price than that which said Respondents advertise at the first step, in violation

of paragraph (c) of section 224 of the CPA;

- 9. Quebec consumer law is a matter of protective public order;
- 9.1 Respondents violate Quebec's *CPA* by: (i) **always** charging a higher price than that advertised, and (ii) often selling Tickets for a price higher than the Face Value of the Tickets;
- 10. Respondents operate in the province of Quebec by unlawfully derogating from the *CPA* and are therefore in violation of section **236.1** *CPA* (more fully described herein at paragraphs 11 to 31.2) and of **paragraph** (c) of section **224** *CPA* (save for UberSeat, as more fully described herein at paragraphs 32 to 32.13);
- 10.1 [...];
- (i) VIOLATION #1: RESPONDENTS SELL TICKETS ABOVE FACE VALUE IN BREACH OF SECTION 236.1 CPA
- 11. In the first section of its User Agreement, Respondent StubHub Inc. (hereinafter "StubHub"), a subsidiary of Respondent eBay Inc. (hereinafter "eBay"), states that:

"StubHub is a marketplace that allows users to buy ("Buyers") and sell ("Sellers") tickets, related passes and merchandise or other goods (collectively, the "tickets") for events. As a marketplace, StubHub does not own the tickets on the Site nor does it set prices for tickets. Because sellers set ticket prices, they may be higher than face value" [emphasis added].

Petitioner disclosing as Exhibit P-1 a copy of Respondent StubHub's User Agreement;

12. In its Terms and Policies, Respondent Ticketnetwork Inc. (hereinafter "Ticketnetwork") states the following:

#### **Above Face Value**

Tickets sold through SITE are often obtained through secondary market TICKET SELLERS and are being resold, in many cases, above the price or "face value" listed on the ticket. All ticket prices include additional service charges and handling fees as defined on each order. SITE and its TICKET SELLERS are not directly affiliated with any performer, sports team, or venue; and SITE does not act as a primary sale box office, unless otherwise stated. By agreeing to these TERMS, USER agrees that the purchase price for tickets on their order does not reflect the original purchase price of the ticket and may be either higher or lower than the original purchase price. [emphasis added]

Petitioner disclosing as **Exhibit P-2** a copy of Respondent Ticketnetwork's Terms and Policies;

13. In its Terms and Conditions, Respondent UberSeat states the following:

THE PRICE THAT YOU PAY MAY BE SUBSTANTIALLY HIGHER THAN THE FACE VALUE PRICE PRINTED ON THE TICKETS. UberSeat provides you with the service and convenience of locating premium and other tickets that are difficult to find or sold out via primary distribution channels such as Ticketmaster or the venue box office... The market value price for a ticket is quite volatile, and is typically determined by many factors including seat location, supply and demand, date and location of event, etc. [emphasis added]

Petitioner disclosing as **Exhibit P-3** a copy of Respondent UberSeat's Terms and Conditions;

- 14. It is unlawful for Respondents to derogate from the provisions of the Quebec *CPA* in their respective User Agreements, Terms and Conditions, or Terms and Policies (hereinafter "Agreements"), Petitioner disclosing *en liasse* as **Exhibit P-4** copies of each of the Respondents' Agreements, as well as Viagogo's [...] and Ticketmaster Canada LTD's Purchase Policy and Terms of Use *en liasse* as **Exhibit P-4-A**;
- 14.1 Section 236.1 of the CPA provides as follows:
  - 236.1. No merchant may sell a ticket to a consumer at a price above that announced by the vendor authorized to sell the tickets by the producer of the event.

The prohibition set out in the first paragraph does not apply to a merchant who

- (a) has the prior authorization of the producer of the event to resell a ticket at a higher price;
- (b) resells the ticket in a manner that is compliant with the agreement the merchant entered into with the producer of the event;
- (c) clearly informs the consumer before reselling the ticket
- (i) of the identity of the authorized vendor referred to in the first paragraph, of the fact that tickets may be available from the latter and of the advertised price of the tickets;
- (ii) that the ticket is being resold and, where applicable, of the maximum resale price agreed to by the producer of the event.

For the purposes of this section, "ticket" means any document or instrument that upon presentation gives the ticket holder a right of entry to a show, sporting event, cultural event, exhibition or any other kind of entertainment. [Emphasis in bold].

- 15. Respondents benefit substantially from selling Tickets to Group [...] members, by collecting approximately 10% of the advertised price from the seller (whose identity is always kept hidden by the Respondents) and approximately 10% to 20% of the advertised price is added on (after the first step) to the final price charged by Respondents to the Group [...] members;
- 15.1 In some cases, the Respondents will payout the seller less than the Ticket's Face Value, however, as a result of all of the fees charged by Respondents, the consumer ends up paying the Respondents more than the Face Value (even when the seller is paid out less than Face Value by Respondents);
- 15.2 For example, when a ticket with a Face Value of \$100.00 is listed for \$100.00, Respondents will pay the seller \$90.00 (which is \$10.00 below Face Value), but charge the consumer anywhere from \$110.00 to \$120.00 (which is unlawfully above Face Value);
- 16. The Group [...] members that purchase Tickets from Respondents never meet, interact, transact or exchange information with any other party other than the Respondents, respectively;
- 17. As part of their business models Respondents undertake to: (i) list sellers Tickets on their websites and mobile applications and make Tickets available to consumers for purchase by internet or telephone; (ii) enter and mix the different sellers' Tickets into their respective inventories; (iii) bill and collect payment from the consumers in Respondents' name; (iv) deliver purchased Tickets to consumers; and (v) process and send full payment, minus Respondents' remuneration, to sellers from Respondents' bank account;
- 17.1 At no time do Respondents selling Tickets on the secondary market identify: (i) the identity of the person selling the Ticket(s); (ii) the Tickets' origin; or (iii) the Tickets' source;
- 17.2 As for Ticketmaster, at no time before reselling Tickets on their Fan-to-Fan platform do they inform consumers of the Face Value of the Ticket, despite having a legal obligation to do so under subparagraph 236.1 (c)(i) of the CPA;
- 18. For instance, a consumer making a purchase from Respondent StubHub would pay StubHub directly, be invoiced by StubHub and receive his/her tickets from StubHub, while the latter processes the consumer's payment and sends it to the seller;

- 19. It is clear that Respondents bind themselves to the sellers (whose identities they always keep hidden) to exercise a power conferred to them by mandate;
- 20. The Respondents are mandataries given that sellers (whose identities are always kept hidden by the Respondents) confer upon the Respondents the power to represent them in the performance of a juridical act with a third person, being the Group member and/or consumer, who ultimately purchases the Tickets from the Respondents directly;
- 21. In sum, once a Group member or consumer purchases a Ticket from a Respondent using his/her credit card or PayPal account (see paragraph 40.1 for description of PayPal), payment is remitted from the consumer to Respondents and then disbursed from Respondents to the seller, and this according to Respondent StubHub's payment policy, for example, as it appears in Petitioner's Exhibit P-1;
- 22. All of the Respondents unlawfully sell Tickets <u>to Group members</u> for a price greater than the Ticket's Face Value <u>for events in the province of Quebec and elsewhere</u> around the world;
- 22.1 The aggregate amount charged above Face Value to Group [...] members by Respondents during the Class Period, for all shows, sporting events (the Montreal Canadiens play 41 home games per year, in addition to playoffs when they qualify), cultural events, exhibitions or any other kind of entertainment held in the province of Quebec alone, is likely in the **tens of millions of dollars**;
- 23. All of the Respondents have virtually the same *modus operandi* as described in paragraphs 15 to 22 above;
- 23.1 Ticketmaster operates its Fan-to-Fan secondary market slightly differently, because the Tickets sold on their Fan-to-Fan platform have the prior authorization of the producer of the event to be resold at a higher price;
- 23.2 However, with their Fan-to-Fan platform, Ticketmaster **does not** clearly inform the consumer, **before** reselling the Ticket, of the Face Value of the Ticket, and this in violation of subparagraph 236.1 (c)(i) CPA;
- 23.3 <u>It appears that during the Class Period Ticketmaster has not sold any Tickets on its Fan-to-Fan platform for events in the province of Quebec, but have unlawfully sold Tickets above Face Value on its Fan-to-Fan platform to Group members for events outside of the province of Quebec;</u>
- 24. Respondents have revolutionized the Ticket resale market, acting as digital aged Ticket scalpers, or middlemen, enabling the sale of Tickets on the secondary market between sellers, who have conferred upon them the mandate to sell their Tickets,

and consumers who contract directly and only with Respondents;

- a) Moreover, Respondents offer a guarantee to Group members and consumers as to the authenticity and validity of the Tickets sold to them by Respondents;
- b) Respondents will either refund or replace Tickets in the event that a consumer purchases Tickets that are invalid;
- c) Respondents also guarantee, to sellers that mandate them to sell their Tickets, that once their Tickets are sold it is the Respondents who assume the risks related to fraud and customer satisfaction;
- d) By offering the aforementioned guarantee to their sellers, Respondents often put themselves in a situation where the Respondents refund a buyer's purchase for an array of reasons, but continue listing and selling Tickets that now unquestionably belong to Respondents;
- 25. Respondents act in their own name in the performance of the juridical act, as it appears from Respondents' respective websites, mobile applications and their respective Agreements in Exhibit P-4 and Exhibit P-4-A;
- 26. As such, Respondents must adhere to the rules governing mandates, notably with respect to their obligations towards third persons, and are liable to Group members [...] since they act in their own name;
- 27. Moreover, Respondents bind themselves personally since they withhold the name of the mandator, in this case the sellers mandating them to sell their Tickets, and also perform all the functions listed in paragraphs 17 and 24 a) to d) above;
- 28. For instance, Respondent StubHub onerously accepted the payment remitted to it by the Petitioner, for a Ticket purchased from StubHub above Face Value, and then disbursed said payment to the seller minus fees, all the while keeping the parties identities secret and generating a profit from the Ticket sale;
- 29. And yet Respondents are very well aware that certain states and provinces strictly prohibit the sale of Tickets for any price greater than the Face Value;
- 29.1 In fact, in its 2015 Annual Report, Petitioner disclosing **Exhibit P-9**, Respondent eBay boasts about StubHub's remarkable financial earnings (gross sales in the **billions of dollars**), but warns of the following on page 15 of the Annual Report:

Our tickets business is subject to regulatory, competitive and other risks that could harm this business.

Our tickets business, which includes StubHub, is subject to numerous risks, including:

- Some jurisdictions, in particular jurisdictions outside the United States, prohibit the resale of event tickets (anti-scalping laws) at prices above the face value of the tickets or at all, or highly regulate the resale of tickets, and new laws and regulations or changes to existing laws and regulations imposing these or other restrictions could limit or inhibit our ability to operate, or our users' ability to continue to use, our tickets business.
- Regulatory agencies or courts may claim or hold that we are responsible for ensuring that our users comply with these laws and regulations...
- Lawsuits alleging a variety of causes of actions have in the past, and may in the future, be filed against StubHub and eBay by venue owners, competitors, ticket buyers, and unsuccessful ticket buyers. Such lawsuits could result in significant costs and require us to change our business practices in ways that negatively affect our tickets business. [Emphasis in bold].
- 29.2 The above, it is suggested, constitutes an admission by Respondents eBay and StubHub regarding their heretofore unlawful behaviour and that they are fully aware that jurisdictions outside the United States prohibit the resale of Tickets at prices above their Face Value, but deliberately continue selling Tickets above Face Value, in flagrant violation of the laws applicable in those jurisdictions;
- 29.3 Instead of voluntarily abiding by the laws of the province of Quebec, which can easily be achieved by capping the sale price of Tickets to their Face Value, Respondents eBay and StubHub are passively standing by and waiting for this Honourable Court to hold that they be "responsible for ensuring that our users comply with these laws and regulations", Exhibit P-9 (page 15);
- 29.4 This laissez-faire attitude of *it's not cheating unless you get caught* is in and of itself an important reason for this Court to impose measures that will punish Respondents, as well as deter and dissuade other foreign entities from engaging in similar reprehensible conduct to the detriment of Quebec consumers;
- 29.5 As for Respondent Viagogo, it is very well aware that it cannot invoke its status of a web host ("hebergeur") to exonerate itself from liability for unlawfully selling Tickets above Face Value, having been condemned by the Paris Commercial Court on March 20<sup>th</sup>, 2013, for violating ticket re-sale laws in France, Petitioner disclosing a copy of the French Court's order as **Exhibit P-16**;
- 30. Remarkably, Respondent StubHub lists Manitoba and Ontario as the only Canadian provinces with regulations providing that Tickets can be sold for "No more than face value", as it appears from StubHub's Seller Policies page in the State laws on the

resale of tickets chart, Petitioner disclosing Exhibit P-5;

- 31. As of the eve of the filing of this 3<sup>rd</sup> Re-Amended Application, which is almost eighteen (18) months after the initial Application was served on Respondents, there is still no mention of Quebec or the *CPA*, and this despite the filing of the present class action (including the original, amended and re-amended applications), as well as the very publicized Bill n°25, assented in 2011 and which came into effect in the province of Quebec on June 7, 2012;
- 31.1 The reality is that the Respondents' profit margins which are in the **billions of dollars** during the Class Period are directly correlated to the percentage which they derive from each Ticket sale (the greater the sale price the greater their financial gain) and capping the sale price to comply with the laws in Quebec would have an adverse effect on their profitability;
- 31.2 Interestingly enough, since at least September 5<sup>th</sup>, 2015, Respondent TicketCity has ceased selling Tickets for events in Quebec (perhaps as a result of the filing of the present class action);

#### (ii) VIOLATION #2: RESPONDENTS SELL TICKETS HIGHER THAN THE ADVERTISED PRICE

- 32. Bill 60, An Act to amend the Consumer Protection Act and other legislative provisions, First Session, Thirty-ninth Legislature, Quebec, S.Q. 2009, chapter 51, was assented to on December 4<sup>th</sup>, 2009 (hereinafter "**Bill 60**");
- 32.1 One of the amendments provided for in Bill 60 was to article 224 *CPA*, which now stipulates the following:

### **224.** No merchant, manufacturer or advertiser may, by any means whatever,

- (a) lay lesser stress, in an advertisement, on the price of a set of goods or services than on the price of any goods or services forming part of the set;
- (b) subject to sections 244 to 247, disclose, in an advertisement, the amount of the instalments to be paid to acquire goods or to obtain a service without also disclosing the total price of the goods or services and laying the greater stress on such total price;
- (c) charge, for goods or services, a higher price than that advertised.

For the purposes of subparagraph c of the first paragraph, the price advertised must include the total amount the consumer must pay for

the goods or services. However, the price advertised need not include the Québec sales tax or the Goods and Services Tax. More emphasis must be put on the price advertised than on the amounts of which the price is made up. [Emphasis in bold].

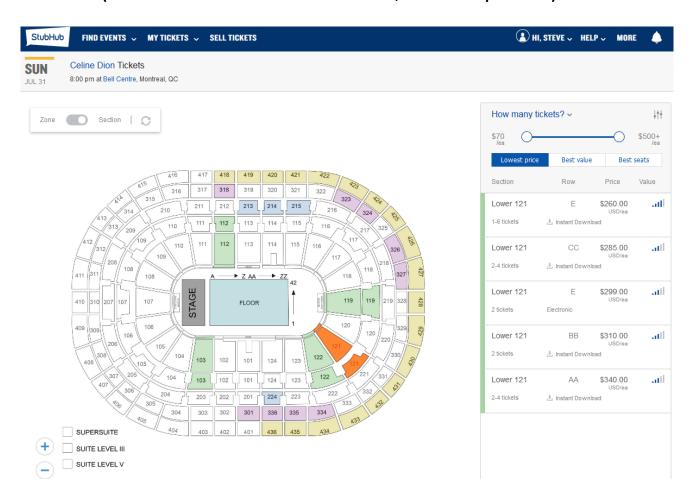
- 32.2 Since this legislative amendment which came into force in Quebec on June 30<sup>th</sup>, 2010, merchants can no longer advertise fragmented prices, whether in an advertisement in a print or electronic media outlet, or on an informational or transactional website, and then add charges that were until then unknown, without violating paragraph (*c*) of section 224 of the *CPA*;
- 32.3 [...];
- 32.3.1 In its Bulletin titled "The Deceptive Marketing Practices Digest", of June 10<sup>th</sup>, 2015, the Competition Bureau refers to a common problem in digital commerce to which consumers fall prey, known as "drip-pricing", Petitioner disclosing Exhibit P-17:

Another growing problem in the digital economy is the tendency of some advertisers to trumpet a very appealing price for a product, while concealing the true total cost. In one common technique, referred to as "drip-pricing", advertisers offer an attractive price for a good or service, but consumers who respond to the representation discover that unexpected additional costs are added to the prominently advertised price. The true total cost may only be revealed after the consumer has initially responded to the advertisement. [...]

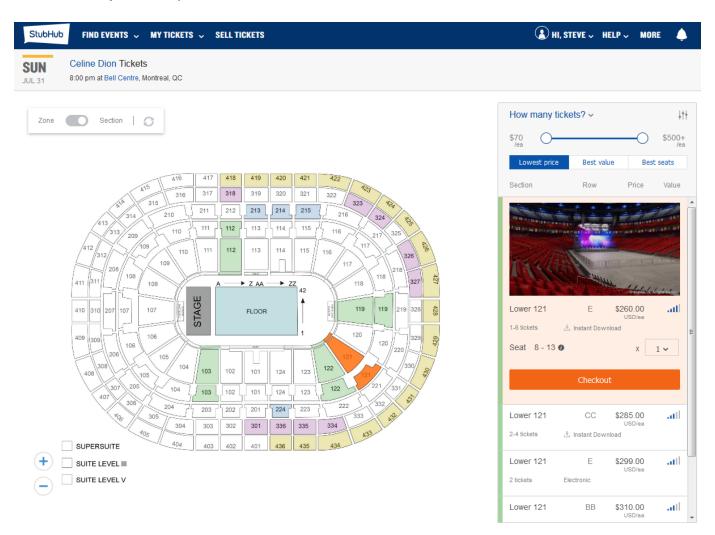
There is a significant body of research that shows that hiding or obscuring costs significantly affects consumers' ability to make well informed decisions, and has a negative impact on the proper functioning of the marketplace. The international consumer protection community, through the Committee on Consumer Policy of the Organization for Economic Cooperation and Development (OECD), has identified similar concerns. [Emphasis in bold].

- 32.4 Respondents mislead Group members [...] by charging them more than the price advertised and as such the Respondents are in breach of their statutory obligations under consumer protection and trade practice legislation in Quebec [...];
- 32.5 All of the Respondents (save for UberSeat) unlawfully charge Group members a higher price for Tickets than the one advertised by Respondents on their respective websites and/or mobile applications (at the first step), as it appears from an illustration of the purchase process using StubHub's website to purchase a Ticket to Celine Dion's concert at the Montreal Bell Centre on July 31<sup>st</sup>, 2016, Petitioner disclosing screen captures of the steps *en liasse* as **Exhibit P-10**:

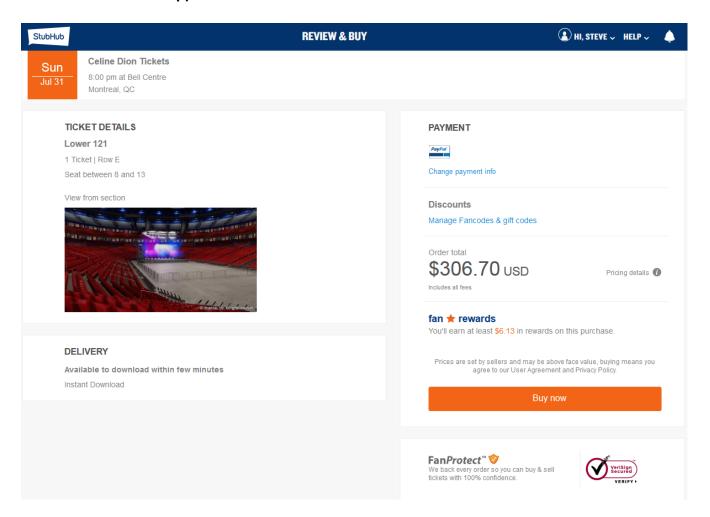
Step #1: Consumer selects seat for the Celine Dion concert on StubHub's website (Section Lower 121 Row E is advertised at \$260.00 USD per ticket):



Step #2: Consumer confirms quantity and proceeds to clicking on orange "Checkout" button for Ticket in section 121 row E (which is still advertised at \$260.00 USD per Ticket):

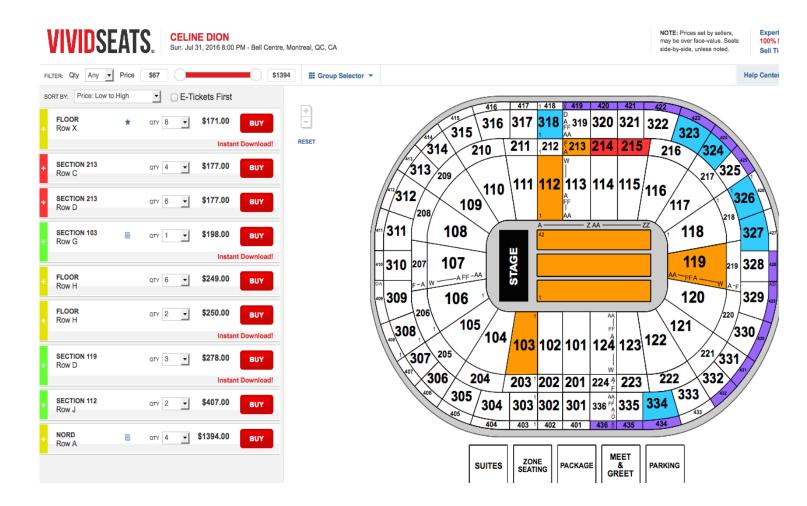


Step #3: After consumer presses on orange "Checkout" button, StubHub charges the consumer \$306.70 (or \$46.70 more than the price of \$260.00 USD advertised at the first step):



- 32.6 In the illustration above, a consumer trying to purchase Tickets from Respondent StubHub in section 121 row E for the July 31<sup>st</sup>, 2016, Celine Dion concert at the Bell Centre in Montreal, would see the advertised price of \$260.00 USD per ticket at the first step and then after clicking on "Checkout" the actual selling price of \$306.70 USD that StubHub will charge appears at a second step (after the consumer is redirected to <a href="the-subsequent">the subsequent</a> StubHub <a href="webpage-on-StubHub's website">webpage on StubHub's website</a> to complete the transaction);
- 32.7 Respondent **Vivid Seats** operates in a similar manner and the following is an illustration of what Group members and consumers experience when attempting to purchase a Celine Dion Ticket for the show at the Bell Centre in Montreal on July 31<sup>st</sup>, 2016, this time from Respondent Vivid Seats' website, Petitioner disclosing screen captures of the steps required to purchase a Ticket from Vivid Seats *en liasse* as **Exhibit P-11**:

Step #1: Consumer selects seat for the Celine Dion concert from Vivid Seats' website (Section 103 Row G is advertised at \$198.00 USD per Ticket at the first step). By pressing red "BUY" button consumer will be directed to a second step (a <a href="subsequent">subsequent</a> Vivid Seats webpage):

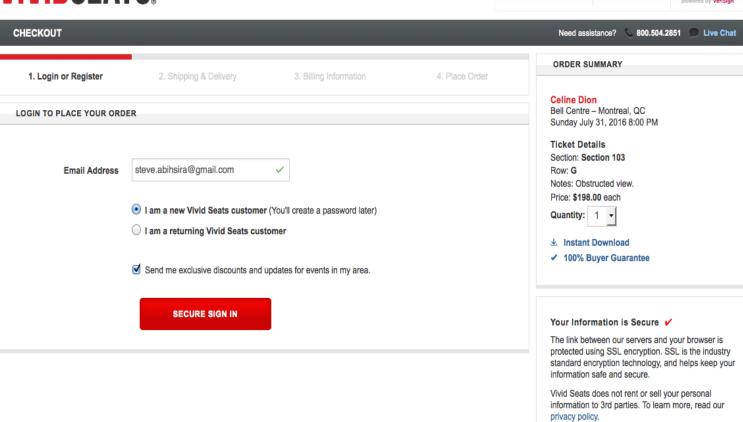


Step #2: Consumer confirms quantity and is redirected to a <u>subsequent Vivid Seats</u> page after clicking on the red "Buy" button for a Ticket in section 103 row G (still advertised <u>at</u> this second step of the transaction process at \$198.00 USD per Ticket):

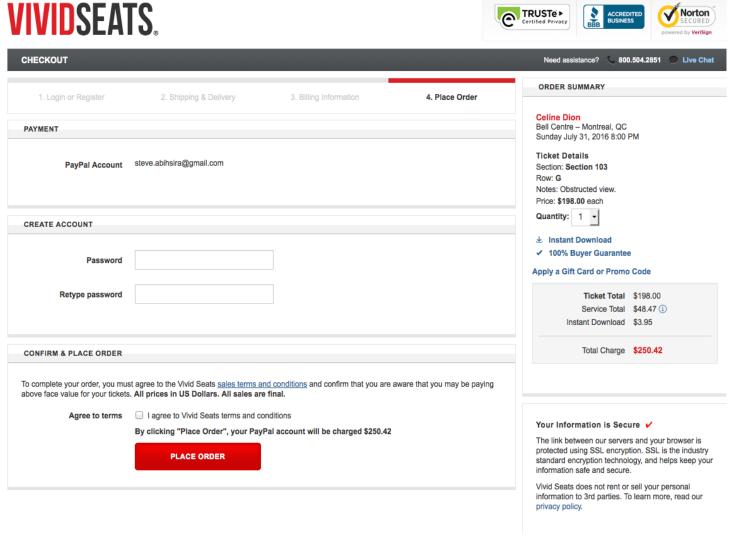
TRUSTE >

Norton

# **VIVIDSEATS**

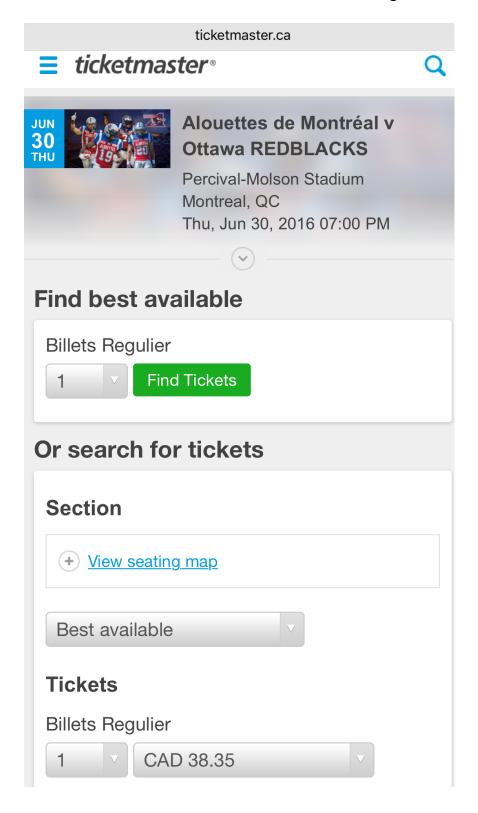


Step #3: Consumer is directed through 3 other steps and is only then shown the <u>true</u> price which Vivid Seats will ultimately charge, in this case \$250.42 (or \$52.42 USD more than the price of \$198.00 USD advertised at the first step):

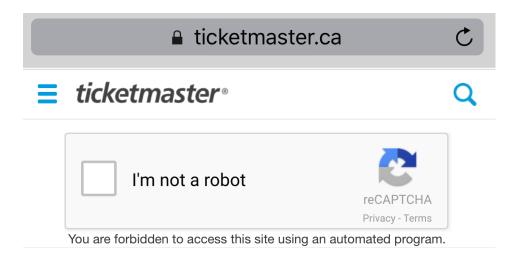


- 32.8 Respondent Vivid Seats and all of the other Respondents (except for UberSeat) thus unlawfully charge Group members a price greater than that which they advertise for their Ticket(s);
- 32.8.1 The following is an illustration of the process Petitioner went through when recently browsing for a Ticket to the Montreal Alouettes football game on Respondent Ticketmaster's website (www.ticketmaster.ca [...]) using his mobile device (the results are the same whether the purchase is made through the device's internet browser or through the Ticketmaster mobile application), Petitioner disclosing *en ligsse* screenshots from the www.ticketmaster.ca website as **Exhibit P-18**:

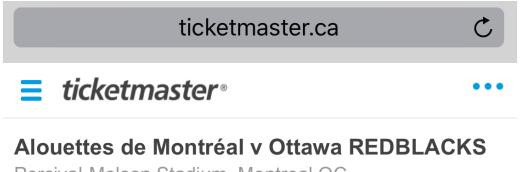
Step #1: Consumer selects 1 Ticket advertised at \$38.35 CAD for the June 30<sup>th</sup> 2016 Alouettes de Montréal v Ottawa RedBlacks CFL football game:



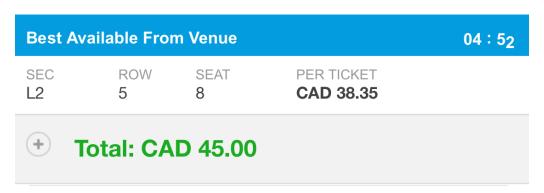
Step #2: Consumer is redirected to a second page, asking consumer to confirm that he/she is not a robot



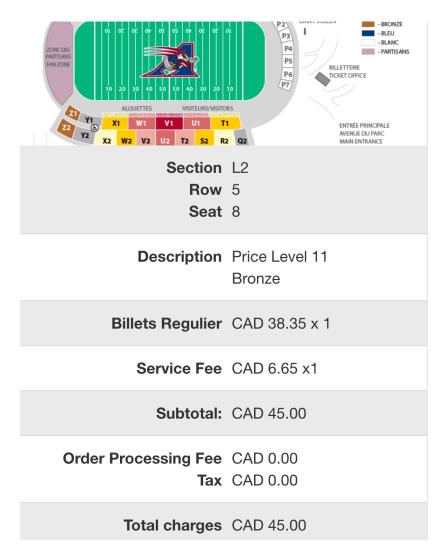
Step #3: Consumer is redirected to a third page which now displays the true price in the amount of \$45.00 CAD (which is \$6.65 more than the same Ticket initially advertised at \$38.35 CAD)



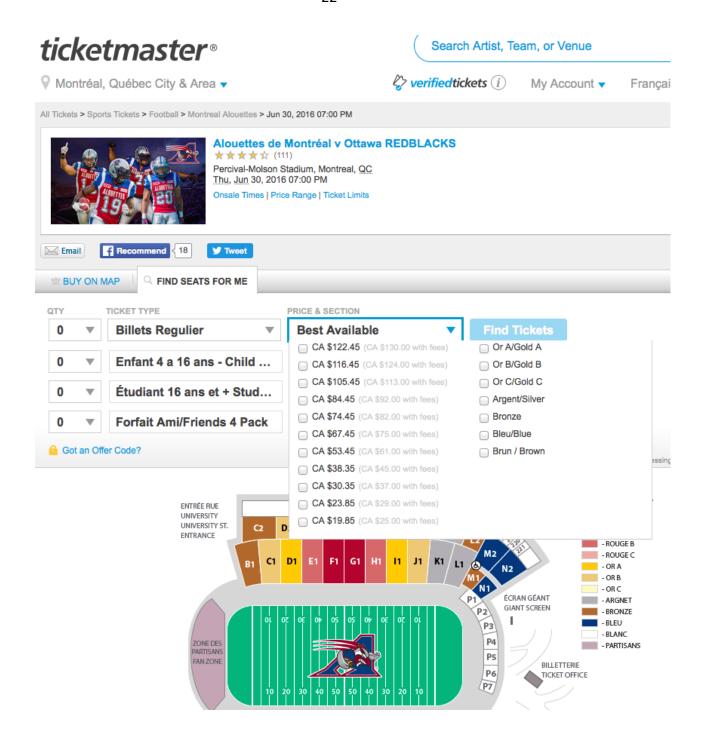
Percival-Molson Stadium, Montreal QC Thu. Jun 30 2016, 07:00 PM



Step #4: Only after pressing the "+" symbol next to the true price of CAD \$45.00, is consumer shown that the difference between the true price and the price advertised at step 1 is \$6.65 more, on account of a "Service Fee" ("Frais de commodité" in the French version):

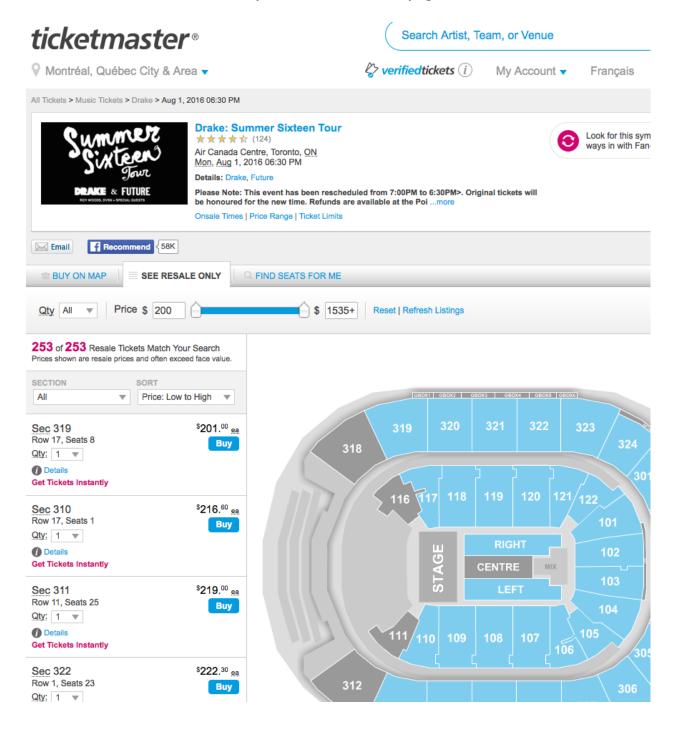


- 32.8.2 Oddly enough, while it is obvious that at the third step the "Service Fee" for this Ticket is \$6.65, under the heading "Order Processing Fee" Ticketmaster lists the price of \$0.00, which could mislead consumers to believe that there were \$0.00 in additional fees for their purchase, which is false;
- 32.8.3 On its desktop websites (also referred to as "classic" website), Ticketmaster advertises its Ticket prices slightly differently at the first step than it does on its mobile sites, by unlawfully placing more emphasis on the lower price in larger and darker font, while showing the true price in smaller and lighter font, Petitioner disclosing Exhibit P-19, an extract of which appears below:



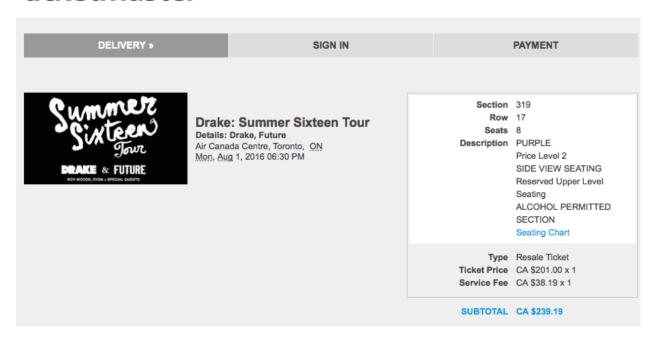
32.8.4 For its Fan-to-Fan service (which is Ticketmaster's authorized secondary market), on both its desktop/classic websites and on its mobile sites/applications, Ticketmaster unlawfully sells Tickets at a price higher than the one it advertises in the first step, Petitioner disclosing *en liasse* the purchase process for the Fan-to-Fan service on the Ticketmaster website as **Exhibit P-20**:

Step #1: Consumer accesses the Fan-to-Fan section on Ticketmaster's website and sees that a Ticket for section 319 (Row 17, Seat 8) for the Drake concert is advertised at \$201.00 per Ticket on the first page:



Step #2: Consumer clicks on the blue "Buy" button and is redirected to second page where the true price of \$239.19 CAD now appears (the amount of \$38.19 was added on to the advertised price, as a "Service Fee", at the second step):

### ticketmaster®



- 32.9 Respondents should have announced the real price, the one found in the second step (or in the third and fourth steps for some Respondents), from the very beginning (i.e. at the first step);
- 32.9.1 As for the Ticketmaster desktop/classic websites (for their primary market sales), <u>Ticketmaster has</u> a legal obligation to put more emphasis on the true price than on the amounts of which the true price is made up of, and this according to the second paragraph of section 224 of the *CPA*;
- 32.10 The additional amount charged by Respondents **does not** represent the Quebec sales tax or the Goods and Services Tax;
- 32.11 The additional amount charged by Respondents are fees added to the price of Group members' Tickets upon checkout, that were until then unknown to Group members;
- 32.12 All of the Respondents (save for UberSeat) have virtually the same *modus operandi* as described in paragraphs 32.3 to 32.11 above, with respect to selling Tickets above the price advertised;
- 32.13 By reason of Respondents' unlawful conduct, the Petitioner and the members of the Group have suffered a prejudice, which they wish to claim, every time Group

- members or consumers purchased a Ticket from Respondents for a price above the one advertised in the first step;
- 32.14 A sufficient nexus exists between the lower price advertised by Respondents at the first step and the Ticket(s) purchased. By advertising their Tickets at a lower price at the first step, Respondents were capable of influencing a consumer's behavior with respect to the formation the contract;
- 32.15 Notwithstanding the paragraph above, given that the *CPA* creates a prohibition on advertising an incomplete or fragmented price, the issue of whether there was a violation of 224 c) must be addressed objectively, and there is no reason to assess whether Group members understood the various elements of the actual price or even whether they were misled. It is thus irrelevant to consider whether a consumer, even a credulous and inexperienced one, would have understood that the actual price for the Ticket(s) was the one posted at the second step by Respondents;

#### B) THE PARTIES

- 33. The Petitioner is a consumer within the meaning of the CPA [...];
- 34. Petitioner is also a third person to the mandatary-mandator relationship that exists between Respondents (the mandatary) and their mandators;
- 35. Respondents carry on in the business of Ticket <u>selling and</u> reselling through their websites and mobile applications and refer to themselves as an "online marketplace", as it [...] appears from their respective Agreements in Exhibits P-4 and P-4-A;
- 35.1 Respondent **StubHub** is a Delaware corporation headquartered and having a principal place of business in San Francisco, California, United States of America;
- 35.2 Respondent **eBay** is a Delaware corporation headquartered and having a principal place of business in San Jose, California, United States of America;
- 35.3 Respondent **Vivid Seats**, **LLC** is incorporated as a Delaware corporation since February 16, 2016 (previously as an Illinois corporation), headquartered and having a principal place of business in Chicago, Illinois, United States of America;
- 35.4 Respondent **Seatgeek, Inc.** is a Delaware corporation headquartered and having a principal place of business in New York, New York, United States of America;
- 35.5 Respondent **FanXchange**, **LTD**. appears to be a Delaware corporation listed under the name FanXchange International Inc., headquartered and having a principal place

- of business in Toronto, province of Ontario, Canada;
- 35.6 Respondent **Ticketnetwork Inc.** is a Delaware corporation headquartered and having a principal place of business in South Windsor, Connecticut, United States of America;
- 35.7 Respondent **Razorgator Inc.** is a California corporation headquartered and having a principal place of business in Marina Del Rey, California, in the United States of America;
- 35.8 Respondent **TicketCity Inc.** is a Texas corporation headquartered and having a principal place of business in Austin, Texas, in the United States of America;
- 35.9 Respondent **UberSeat** has its principal place of business in New York, New York, in the United States of America;
- 35.10 Respondent **Viagogo** is a legal person established under the laws of Switzerland for the purpose of "prestations de services dans le domaine de la distribution de billets et dans tout domaine relatif à cette distribution", as it appears from an extract of the Swiss Business Registry, Petitioner disclosing **Exhibit P-21**;
- 35.11 Viagogo claims on its websites that it "is the world's largest ticket marketplace, with operations in nearly 60 countries";
- 35.12 Viagogo was founded in 2006 by Eric Baker, the co-founder of Respondent StubHub;
- 35.13 Respondent **TNOW Entertainment Group Inc.**, a subsidiary of Live Nation Entertainment Inc., is a legal person with a place of business in Rolling Meadows, Illinois, which operates the website <a href="http://www.ticketsnow.com">http://www.ticketsnow.com</a> and refers to itself as a "Leading Ticket Resale Marketplace";
- 36. Most Respondents also enable consumers to purchase Tickets from them by telephone, with the assistance of live agents employed by the Respondents, nuancing their "online marketplace" motto;
- 36.1 Respondent **Ticketmaster** [...] **LLC** is a <u>Virginia</u> limited liability company and wholly owned subsidiary of Live Nation Entertainment, Inc. <u>The latter was formed in 2010</u> as a result of the merger of two companies, *Live Nation, Inc.* and *Ticketmaster Entertainment, Inc.* merged with and into a wholly owned subsidiary of *Live Nation, Inc.*, and became Ticketmaster Entertainment, LLC. <u>Ticketmaster Entertainment LLC subsequently merged into Live Nation Entertainment, Inc. and no longer exists</u>. After the completion of the merger, *Ticketmaster Entertainment, Inc.*'s business is conducted by Respondent Ticketmaster [...] <u>LLC</u>;

- According to the "Purchase Policy" published on the Ticketmaster Websites, Exhibit P-4-A, Respondent **Ticketmaster** [...] **LLC** handles the transactions and collects payment for the Event Provider (as well as for customers using the Fan-to-Fan selling platform) for consumers who purchase a Ticket for an event that is located in the United States via Ticketmaster's ".com" domain (http://www.ticketmaster.com);
- 36.3 Respondent **Ticketmaster Canada LTD.** is a limited partnership constituted under the *Ontario Limited Partnerships Act*, having its head office in Toronto, Ontario, and having an establishment and elected domicile at 7001 Saint-Laurent boulevard, in Montreal, Quebec, H2S 3E3, as it appears from an extract of the enterprise's information statement from the enterprise register (CIDREQ), Petitioner disclosing **Exhibit P-22**;
- According to the Purchase Policy published on Ticketmaster's website, Exhibit P-4-A, Respondent **Ticketmaster Canada LTD.** handles the transactions and collects payment for the Event Provider (as well as for customers using the Fan-to-Fan selling platform) for consumers who purchase a Ticket for an event that is located in Canada via Ticketmaster's ".ca" domain (http://www.ticketmaster.ca);
- 36.5 Respondent **Ticketmaster Canada ULC** is a general partner of Respondent Ticketmaster Canada LTD. and Respondent **Ticketmaster Canada Holdings ULC** is special partner of Respondent Ticketmaster Canada LTD., as it appears from Exhibit P-22;
- 37. The Respondents are merchants within the meaning of the *CPA*, [...] and their activities are governed by <u>this</u> legislation, among others;

#### II. FACTS GIVING RISE TO THE PETITIONER'S CLAIM

- 38. Petitioner, Steve Abihsira, is an avid fan of the Montreal Canadiens since childhood;
- 39. On **August 23, 2015**, Petitioner purchased one (1) ticket in the grey section 333 row B (hereinafter "**Grey Ticket**") for the Montreal Canadiens home opener on October 15, 2015, from Respondent StubHub's website;
- 39.1 Petitioner purchased this Grey Ticket because he really wanted to go to Montreal Canadiens' first game of the season against the New York Rangers;

#### i) Petitioner's Claim for Violation #1 (section 236.1 *CPA*)

40. Petitioner paid Respondent **\$221.13 Canadian dollars** (converted by PayPal from the original **\$163.20 USD** price which StubHub ultimately charged the Petitioner) for his

Grey Ticket, Petitioner disclosing *en liasse* as **Exhibit P-6** a copy of his proof of purchase from Respondent StubHub and his PayPal statement;

- 40.1 PayPal (http://www.paypal.com) is a third-party service that enables persons to pay for goods and services, send money, and/or accept payments without revealing their financial details (such as their credit or bank account numbers) to the other contracting party;
- 41. On **August 25, 2015**, the Montreal Gazette published an article advising the public that individual tickets for Montreal Canadiens games would go on sale on September 12, 2015, and provided a hyperlink to the Montreal Canadiens website <a href="http://canadiens.nhl.com/club/page.htm?id=56633">http://canadiens.nhl.com/club/page.htm?id=56633</a> indicating ticket prices for the upcoming 2015-2016 season, Petitioner disclosing as **Exhibit P-7** a copy of the Montreal Gazette article;
- 42. The October 15, 2015, home opener against the New York Rangers, for which Petitioner purchased a ticket, is listed on the Montreal Canadiens website as an "optimum game";
- 43. The price announced by the vendor authorized to sell the tickets for one (1) grey ticket in section 333 row B to said October 15, 2015, optimum game is \$114.00 (plus a \$5.75 ticket delivery fee per order), Petitioner disclosing as Exhibit P-8 an extract from the Montreal Canadiens website with a list of announced Ticket prices for the 2015-2016 season;
- 43.1 The Face Value indicated on the front side of the hard copy of the actual ticket sent by StubHub to the Petitioner is "Valeur: 114 \$ taxes incluses", as it appears at the bottom right side of the extract below, Petitioner disclosing the hard copy (carton) of the Ticket he purchased as Exhibit P-12:



43.2 The reverse side of the hard copy of Petitioner's Ticket, as it appears from an extract of Exhibit P-12 below, indicates in French and English that "La Voute aux billets est le seul et unique site de revente autorisé pas les Canadiens de Montréal (canadiens.com/vouteauxbillets)" – "The Ticket Vault is the Canadiens' only official and authorized ticket resale site (canadiens.com/ticketvault)", which confirms that none of the Respondents have the authorization from the producer of the event and therefore do not comply with the requirements under section 236.1 CPA:

IMPORTANT - Aucun échange ou remboursement. En cas d'annulation du match pour lequel aucune autre date n'a été choisie, le remboursement de ce billet pourra se faire selon les modalités indiquées par Le Club de hockey Canadien Inc. Les billets de saison ne peuvent faire l'objet d'une revente dans un but commercial sans avoir obtenu au préalable le consentement écrit du Club de hockey Canadien Inc. La Voute aux billets est le seul et unique site de revente autorisé par les Canadiens de Montréal (canadiens.com/vouteauxbillets). Aussi, toute activité promotionnelle organisée visant à faire tirer des billets ne peut être entreprise sans avoir obtenu au préalable le consentement écrit du Club de hockey Canadien Inc. Toute falsification est interdite. Ce billet est invalide dès qu'il est déclaré perdu ou volé par le détenteur de billet de saison ou dès qu'il fait l'objet d'une plainte assermentée au service de police local à l'effet qu'il a été volé. Le

- 43.3 Even if Respondent StubHub did have the prior authorization of the producer of the event, which they do not, StubHub failed to meet the specific requirements under paragraph *c* of section 236.1 *CPA*;
- 44. Indeed, StubHub and the other Respondents have engaged in prohibited business practices as defined in the *CPA* (sections 215 and 219 in general and section 236.1 in specific) and StubHub is thus liable to reimburse Petitioner the following amounts:

Amount paid (\$221.13) minus Ticket's Face Value (\$119.75): \$101.38

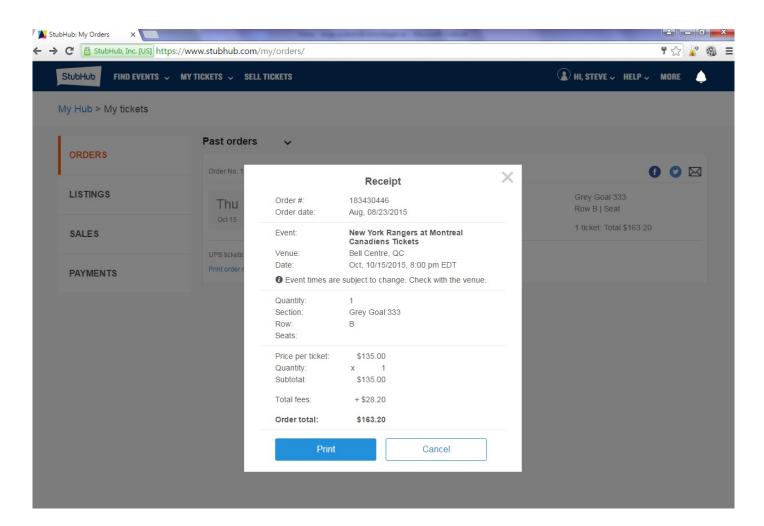
Amount on account of punitive damages (section 272 CPA): \$300.00

Total: \$401.38

#### ii) Petitioner's Claim for Violation #2 (paragraph (c) of section 224 CPA)

- 45. The Respondent StubHub failed to fulfill its obligations under paragraph (c) of section 224 *CPA*, by charging the Petitioner a higher price for his Ticket than the price it advertised at the first step;
- 45.1 Prior to purchasing his Ticket, Petitioner **sorted the Tickets** available for said game on StubHub **by price** and saw that the said Grey Ticket was advertised by Respondent StubHub on its website (http://www.stubhub.com) for \$135.00 USD, which is equal to \$177.51 Canadian dollars on the date of purchase, as it appears

- from the currency conversion on the Bank of Canada's website, Petitioner disclosing **Exhibit P-13**;
- 45.2 After clicking on the "Checkout" button the Petitioner ultimately paid \$163.20 USD, or 20% more than the price advertised by StubHub (Petitioner was charged \$221.13 Canadian dollars as it appears on his PayPal statement, Exhibit P-6);
- 45.3 The difference between the price paid by Petitioner (\$163.20 USD) and the price advertised by StubHub (\$135.00 USD) is **\$28.20 USD**, which was equivalent to **\$37.08 Canadian dollars** on the date of purchase, Petitioner disclosing the currency conversion from the Bank of Canada's website, **Exhibit P-14**;
- 45.4 The **surcharge of \$28.20 USD**, paid to StubHub by the Respondent, was on account of "**fees**" added on to the advertised price (after the first step), as it appears from the image below, Petitioner disclosing a copy of his StubHub receipt as **Exhibit P-15**:



- 45.5 StubHub should have charged Petitioner \$135.00 USD, that is the price it advertised at the first step (alternatively, StubHub should have shown the higher price of \$163.20 at the first step, if this was the amount it ultimately wished to charge);
- 45.6 By charging Petitioner a higher price than the \$135.00 USD advertised at the first step, Respondent StubHub has engaged in prohibited business practices as defined in the *CPA* (sections 215 and 219 in general and paragraph (c) of section 224 in specific) and is thus liable to reimburse Petitioner the following amounts:

Amount charged (\$163.20 USD) minus price advertised (\$135 USD): \$37.08 CAD

Amount on account of punitive damages (section 272 CPA):

Total: \$337.08

#### III. DAMAGES

- 46. During the Class Period Respondents have generated **billions of dollars** while intentionally choosing to ignore the law in Quebec [...], by selling their Tickets above Face Value and above the price advertised;
- 46.1 Respondents' misconduct is unconscionable and to the detriment of vulnerable Quebec consumers;
- 46.2 Respondents' misconduct is so malicious, oppressive and high-handed that it offends any sense of decency;
- 46.3 Consequently, the Respondents have breached several obligations imposed on them by consumer protection [...] legislation in Quebec [...], including:
  - a) Quebec's *Consumer Protection Act*, including sections 41, 215, 219, 224(c) and 236.1, thus rendering sections 253 and/or 272 applicable;
  - b) to i) [...];
- 46.4 Moreover, Respondents failed in their obligation and duty to act in good faith and with honesty in their representations and in the performance of their obligations;
- 46.4.1 Group [...] members benefit from the irrebuttable and absolute presumption of prejudice that applies when a merchant violates obligations imposed on them by the *CPA*, because Respondents: (i) committed prohibited business practices by failing to fulfil the obligations imposed on them by sections 224(c) and 236.1 *CPA*; (ii) Group [...] members saw the representations that constituted prohibited practices; (iii) a consumer contract was formed as a result of Group [...] members seeing these representations; and (iv) a sufficient nexus existed between the content of the

- representations and the Tickets purchased (the prohibited practices were capable of influencing a consumer's behaviour with respect to the formation of the contracts);
- 46.4.2 <u>Notwithstanding the above paragraph, the issue of whether there was a violation of 224 c) and/or 236.1 CPA must be addressed objectively;</u>
- 46.5 In light of the foregoing, the following damages may be claimed <u>by Group members</u> against the Respondents:
  - a) reimbursement of the sums unlawfully overcharged by Respondents above the Face Value of the Ticket(s) during the Class Period, in violation of section 236.1 *CPA*; and
  - b) reimbursement of sums unlawfully overcharged by Respondents (save for UberSeat) above the price which Respondents advertised in the first step, during the Class Period, in violation of paragraph c of section 224 *CPA*;
  - c) <u>punitive damages</u>, in the amount of \$600.00 (\$300.00 for each violation) per transaction per Group member, or of another amount to be determined by the Court, for the breach of obligations imposed on the Respondents pursuant to section 272 *CPA*;
  - d) [...];

#### IV. THE GROUP [...]

- 47. The Group for whom the Petitioner intends to act is described in the first paragraph of this  $3^{rd}$  Re-Amended <u>Application</u> and includes consumers who purchased a Ticket from any of the Respondents during the Class Period;
- 47.1 to 47.2 [...];

## V. FACTS GIVING RISE TO AN INDIVIDUAL ACTION BY EACH OF THE MEMBERS OF THE GROUP

- 48. The claims of every member of the Group are founded on very similar facts to the Petitioner's claim;
- 48.1 Every member of the Group purchased a Ticket from one of the Respondents;
- 48.2 The same legal issues are present in the action of each Group member against each Respondent (each Respondent faces more or less the same issues regarding the interpretation and application of the *CPA* [...]);

- 48.2.1 For clarity, with respect to Ticketmaster, the issue of violations of section 236.1 *CPA* only concern its Fan-to-Fan page for Tickets it sold to Group members for events outside of the province of Quebec. Violations of section 224 *c*) do not concern UberSeat;
- 48.3 By reason of Respondents' unlawful conduct, Petitioner and members of the Group have suffered damages, which they may collectively claim against the Respondents;
- 48.4 Although the Petitioner himself does not have a personal cause of action against, or a legal relationship with, each of the Respondents, the Group contains enough members with personal causes of action against each Respondent;
- 48.5 The facts and legal issues of the present action support a proportional approach to class action standing that economizes judicial resources and enhances access to justice;
- 49. Each Respondent sells Tickets to <u>Group</u> members [...] for an event in Quebec, or elsewhere, for a price greater than the Face Value of said Ticket, in violation of section 236.1 *CPA* (save for Ticketmaster whose 236.1 *CPA* violation is only for <u>Tickets it sold to Group members on its Fan-to-Fan platform for events outside of Quebec);</u>
- 49.1 Each Respondent (<u>save for UberSeat</u>) charges <u>Group</u> members [...] a price greater than that which it advertises for Tickets at the first step, in violation of paragraph (*c*) of section 224 *CPA* [...];
- 50. Consequently, each member of the Group [...] paid Respondents an unlawfully inflated price for their Ticket(s);
- 51. Every <u>Group</u> member [...] has suffered damages equivalent to the difference between the inflated price charged by Respondents for the Ticket and the Ticket's Face Value;
- 51.1 Every <u>Group</u> member [...] has suffered damages equivalent to the difference between the price charged by Respondents upon checkout and the price advertised by Respondents at the first step, prior to the checkout <u>(save for Group members who purchased their Tickets from UberSeat)</u>;
- 52. All of the damages to the Group [...] members are a direct and proximate result of the Respondents' misconduct;
- 53. The questions of fact and law raised and the recourse sought by this <u>3<sup>rd</sup></u>Re-Amended <u>Application</u> are identical with respect to each member of the Group [...];

54. In taking the foregoing into account, all members of the Group [...] are justified in claiming the sums which they unlawfully overpaid to Respondents for Tickets to events in Quebec or elsewhere, as well as punitive damages;

#### VI. CONDITIONS REQUIRED TO INSTITUTE A CLASS ACTION

- 55. The composition of the Group makes it difficult or impracticable to apply the rules for mandates to take part in judicial proceedings on behalf of others or for consolidation of proceedings;
- 56. Petitioner is unaware of the total number of the Respondents' clients or Group members who purchased Tickets to events in Quebec or elsewhere, nor is Petitioner aware of the total number of Tickets sold by Respondents to consumers to events in Quebec or elsewhere since section 236.1 of the *CPA* came into effect on June 7, 2012;
- 56.1 However, Petitioner has observed that there are hundreds, if not thousands, of tickets available to each Montreal Canadiens hockey game, as well as to most of the concerts held at Montreal's Bell Centre and the Videotron Centre in Quebec City;
- In its 2015 Annual Report, Exhibit P-9, Respondent eBay boasts that: "Our StubHub platform, the largest ticket marketplace in the U.S., accelerated year-over-year with GMV of \$3.6 billion growing 13% and revenue of \$725 million up 15%".
- 56.3 "**GMV**" is the abbreviation for Gross Merchandise Volume and refers to the total value of all successfully closed transactions that took place on StubHub during the applicable period;
- Based on the above information, StubHub's gross sales are \$3.6 billion USD per year and their revenue of \$725 million USD per year is derived by the roughly 20% cut StubHub keeps from every transaction (the same 20% which Group members paid above the price advertised at the first step);
- If StubHub represents approximately 50% of the online Ticket resale industry in Canada and the United States, the **\$725 million USD per year** figure should be doubled to estimate the aggregate annual revenue for the 9 Respondents combined (approximately **1.45 billion USD** per year);
- As for Ticketmaster, in its 2015 Annual Report, Live Nation Entertainment Inc. (Ticketmaster's parent company) boasts as follows concerning Ticketmaster's record setting year, with \$25 billion in Gross Transaction Value ("GTV"), Petitioner disclosing Michael Rapino's (President and CEO of Live Nation Entertainment Inc.) note to shareholders appearing on the first two pages of Live Nation's 2015 Annual Report as Exhibit P-23:

#### **Ticketmaster Delivers Record Year**

For the fifth straight year, Ticketmaster grew its primary ticketing volume and gross transaction value, or GTV, with GTV up 12% at constant currency. **Delivering \$25 billion in GTV**, Ticketmaster continues to be one of the top global e-commerce sites, operating in 22 countries.

In 2015, secondary ticketing continued to be a major focus, now operating in 13 countries and delivering 34% growth in GTV for the year to \$1.2 billion, at constant currency. Fans have continued to say their main goal is simply to get a ticket to the show or game they want and as a result, integrated inventory conversion was 38% higher than primary-only offerings.

As we focus on improving the fan buying experience, there continues to be a rapid shift to mobile devices as the preferred purchasing platform. As of the end of 2015, over 21 million fans have downloaded one of our apps, a 37% increase over last year. This drove a 20% increase in mobile ticket sales for the year to 21% of total tickets.

[...]

We have heavily invested in online and mobile products to increase visits to our sites and conversion. As a result, through February 25, 2016 we have already had three days selling over 900,000 tickets, placing them among the top 15 days of all time.

- 57. The number of persons included in the Group [...] is estimated to be in the tens of thousands;
- 58. The names and addresses of all persons included in the Group [...] are not known to the Petitioner, however, are in the possession of the Respondents;
- 59. Group members are very numerous and are dispersed across the province, across Canada and elsewhere;
- 60. In these circumstances, a class action is the only appropriate procedure for all of the members of the Group [...] <u>members</u> to effectively pursue their respective rights and have access to justice without overburdening the court system;
- 61. The recourses of the members of the Group [...] raise identical, similar or related questions of fact or law, namely:

[...]

- a) Did Respondents sell Tickets to Group [...] members to events in Quebec or elsewhere for above Face Value, in violation of section 236.1 *CPA*?
- b) What is the relationship between the Respondents and the parties that mandate Respondents to sell their Tickets?
- c) Are Respondents acting in their own name?
- d) Should Respondents be liable towards third persons?

[...]

- e) Did Respondents (save for UberSeat) charge Group [...] members at the time of purchase, a price higher than that which they advertised for Tickets, in violation of paragraph c of section 224 CPA?
- f) Does Quebec's CPA apply to a Group member's purchase (completed either online or by telephone while the Group member is in the province of Quebec) for an event that takes place outside of the province of Quebec, in light of sections 54.1 and 54.2 CPA?
- g) Are the members of the Group [...] entitled to compensatory damages and, if so, in what amount?
- h) Are the Group [...] members entitled to punitive damages and, if so, in what amount?
- 62. The interests of justice favour that this <u>Application</u> be granted in accordance with its conclusions;

#### VII. NATURE OF THE ACTION AND CONCLUSIONS SOUGHT

- 63. The action that the Petitioner wishes to institute on behalf of the members of the Group is an action in damages, with injunctive relief;
- 64. The conclusions that the Petitioner wishes to introduce by way of an Originating Application [...] are:

**GRANT** Plaintiff's action against Defendants on behalf of all the members of the Group [...];

**DECLARE** the Defendants liable for the damages suffered by the Plaintiff and each of the members of the Group [...];

CONDEMN Defendant StubHub Inc. to pay Steve Abihsira the amount \$738.46

#### itemized as follows:

- Amount paid minus Ticket's Face Value (\$221.13 - \$119.75): \$101.38
- Amount paid minus Ticket's advertised price: \$37.08
- Punitive damages for violation of section 236.1 CPA: \$300.00
- Punitive damages for violation of section 224(c) CPA: \$300.00

Total: \$738.46

[...]

**CONDEMN** the Defendants to pay to Steve Abihsira and to the members of <u>Group</u> compensatory damages for the aggregate difference between the amounts overpaid to obtain their Ticket(s) and the Face Value of the Ticket(s) and **ORDER** collective recovery of these sums;

**ORDER** the Defendants to permanently cease selling Tickets for more than the Tickets' Face Value to consumers <u>residing and located in the province of Quebec at</u> the time of purchase, unless section 236.1 *CPA* is complied with;

**CONDEMN** the Defendants StubHub Inc., eBay Inc., Vivid Seats, <u>LLC</u>., Seatgeek, Inc., FanXchange Limited, TicketNetwork, Inc., Razorgator Inc., Viagogo AG [...] and UberSeat to pay the sum of \$300.00 per transaction per Group member on account of punitive damages for violations of section 236.1 *CPA*, and **ORDER** collective recovery of these sums;

**CONDEMN** the Defendants <u>TNOW Entertainment Group Inc.</u>, Ticketmaster Canada LTD., <u>Ticketmaster Canada ULC</u>, <u>Ticketmaster Canada Holdings ULC</u> and Ticketmaster [...] LLC to pay the sum of **\$250.00** per transaction per Group member on account of punitive damages for violations of section 236.1(c)(i) CPA, and **ORDER** collective recovery of these sums;

**CONDEMN** Defendant TicketCity, Inc. to pay the sum of \$100.00 per transaction per Group member on account of punitive damages for violations of section 236.1 *CPA*, and **ORDER** collective recovery of these sums;

[...]

**CONDEMN** the Defendants to pay to Steve Abihsira and to the members of the Group compensatory damages for the aggregate of the amounts paid to obtain their Ticket(s) and which were not included in the price advertised on their respective websites and/or mobile applications at the first step and **ORDER** collective recovery of these sums;

**ORDER** the Defendants (save for UberSeat) to permanently cease charging consumers residing [...] in the province of Quebec [...] a price greater than that which it advertises Tickets for on their respective websites and/or mobile applications at the first step;

**CONDEMN** the Defendants StubHub Inc., eBay Inc., Vivid Seats, <u>LLC</u>, Seatgeek, Inc., FanXchange Limited, TicketNetwork, Inc., Razorgator Inc., TicketCity, Ticketmaster Canada LTD., Ticketmaster [...] LLC, <u>Ticketmaster Canada ULC</u>, <u>Ticketmaster Canada Holdings ULC</u>, Viagogo AG and TNOW Entertainment Group Inc. to pay the sum of **\$300.00** per transaction per <u>Group</u> member on account of punitive damages for violations of paragraph (*c*) of section 224 *CPA* [...] and **ORDER** collective recovery of these sums;

[...]

**CONDEMN** the Defendants to pay interest and the additional indemnity on the above sums according to law from the date of service of the <u>Application</u> to authorize a class action;

**ORDER** that the claims of individual Group [...] members be the object of collective liquidation if the proof permits and alternately, by individual liquidation;

**ORDER** the Defendants to deposit in the office of this Court the totality of the sums which forms part of the collective recovery, with interest and costs;

**CONDEMN** the Defendants to bear the costs of the present action including the cost of notices, the cost of management of claims and the costs of experts, if any, including the costs of experts required to establish the amount of the collective recovery orders;

**RENDER** any other order that this Honourable Court shall determine;

### VIII. <u>PETITIONER REQUESTS THAT HE BE ATTRIBUTED THE STATUS OF REPRESENTATIVE</u> OF THE GROUP

- 65. Petitioner is a member of the Group;
- 65.1 For the reasons mentioned above at paragraphs **48 to 48.5**, Petitioner in the present case has standing to bring a class action against all of the Respondents;
- When reading the Montreal Gazette on August 25<sup>th</sup>, 2015, Petitioner was extremely upset to learn that Respondent StubHub charged him well above his Ticket's Face Value;

- 65.3 Petitioner is aware that his alone claim may be minor, but as a passionate fan of the Montreal Canadiens of average financial means, he undertook the present action to ensure that other vulnerable fans/consumers are not taken advantage of;
- During the course of his investigation, Petitioner discovered the existence of section 236.1 *CPA* and realized the extent to which it was being violated with complete disregard by foreign entities;
- 65.5 It was at this point that Petitioner felt that it was his mission to put teeth into this provision (236.1 *CPA*) and take the present action on behalf of all consumers in the same situation;
- 65.6 Petitioner is actively following the progress of the current action and is determined to hold Respondents accountable for violating consumer protection laws in Quebec [...];
- 65.7 For instance, when Petitioner recently considered purchasing tickets to a Montreal Alouettes football game from Ticketmaster (on the primary market), he was dismayed to discover that Ticketmaster also charges consumers hidden fees **after** the first step (for an illustration see paragraphs **32.8.1** to **32.8.3** above);
- 65.8 Petitioner then analyzed the way Ticketmaster charges consumers its "service fees" in comparison to local primary ticket sellers such as Evenko (www.evenko.ca), Réseau Ovation Inc. (https://www.ovation.qc.ca) and Tennis Canada for the Rogers Cup held annually in Montreal (https://tickets.rogerscup.com/Montreal). Through this exercise Petitioner realized that when consumers purchase tickets from primary sellers such as Evenko, Réseau Ovation Inc. or from Tennis Canada, there are no surprise fees at checkout and consumers are charged the same price that is advertised at the first step (which is not the case for Ticketmaster and the other Respondents);
- 66. Petitioner is ready and available to manage and direct the present action in the interest of the members of the Group that he wishes to represent and is determined to lead the present dossier until a final resolution of the matter, the whole for the benefit of the Group, as well as, to dedicate the time necessary for the present action and to collaborate with his attorneys;
- 66.1 Petitioner has taken initiatives to locate and to inform other potential Group [...] members of the existence of this class action by posting his story on social media groups frequented by Montreal hockey fans;
- Petitioner realizes that it is obvious that the number of Group [...] members can be in the tens of thousands and is committed to be available on social media sites such Facebook and Twitter to keep Group members informed;

- 67. Petitioner has the capacity and interest to fairly and adequately protect and represent the interest of the members of the Group [...];
- 68. Petitioner has given the mandate to his attorneys to obtain all relevant information with respect to the present action and intends to keep informed of all developments;
- 69. Petitioner, with the assistance of his attorneys, is ready and available to dedicate the time necessary for this action and to collaborate with other members of the Group [...] and to keep them informed;
- 70. Petitioner is in good faith and has instituted this action for the sole purpose of having his rights, as well as the rights of other Group [...] members, recognized and protected so that they may be compensated for the damages that they have suffered as a consequence of the Respondents' misconduct;
- 71. Petitioner understands the nature of the action;
- 72. Petitioner's interests are not antagonistic to those of other members of the Group;
- 72.1 Petitioner's interest and competence are such that the present class action could proceed fairly;
- 73. The Petitioner suggests that this class action be exercised before the Superior Court in the district of Montreal for the following reasons:
  - a) A great number of the members of the Group [...] reside in the judicial district of Montreal;
  - b) Respondents have conducted business in the past in the District of Montreal, in proximity to the Bell Centre, where most of the Quebec events for which Respondents sell Tickets to are held;
  - The Petitioner's attorneys practice their profession in the judicial district of Montreal;

#### FOR THESE REASONS, MAY IT PLEASE THE COURT:

**GRANT** the present Application;

**AUTHORIZE** the bringing of a class action in the form of an <u>Originating Application</u> in damages;

<u>APPOINT</u> the Petitioner the status of representative <u>plaintiff</u> of the persons included in the Group [...] herein described as:

#### Group:

Every consumer, pursuant to the terms of Quebec's Consumer Protection Act ("CPA"), residing in Quebec at the time of purchase, who since August 28<sup>th</sup>, 2012 (the "Class Period"), while physically located in Quebec, has purchased from any of the Respondents at least one "Ticket" (as defined in section 236.1 CPA as meaning any document or instrument that upon presentation gives the ticket holder a right of entry to a show, sporting event, cultural event, exhibition or any other kind of entertainment) either:

- (a) at a price above that announced by the vendor authorized to sell the Tickets by the producer of the event; and/or,
- (b) who paid a price higher than the price advertised by Respondents on their respective websites and/or mobile applications (at the first step), excluding the Quebec sales tax or the Goods and Services Tax;

(hereinafter referred to as the "Group")

or any other group to be determined by the Court;

**IDENTIFY** the principle questions of fact and law to be treated collectively as the following:

[...]

- a) Did Respondents sell Tickets to Group [...] members to events in Quebec or elsewhere for above Face Value, in violation of section 236.1 *CPA*?
- b) What is the relationship between the Respondents and the parties that mandate Respondents to sell their Tickets?
- c) Are Respondents acting in their own name?
- d) Should Respondents be liable towards third persons?

[...]

e) Did Respondents (save for UberSeat) charge Group [...] members at the time of purchase, a price higher than that which they advertised for Tickets, in violation of paragraph *c* of section 224 *CPA*?

- f) Does Quebec's CPA apply to a Group member's purchase (completed either online or by telephone while the Group member is in the province of Quebec) for an event that takes place outside of the province of Quebec, in light of sections 54.1 and 54.2 CPA?
- g) Are the members of the Group [...] entitled to compensatory damages and, if so, in what amount?
- h) Are the Group [...] members entitled to punitive damages and, if so, in what amount?

**IDENTIFY** the conclusions sought by the class action to be instituted as being the following:

**GRANT** Plaintiff's action against Defendants on behalf of all the members of the Group [...];

**DECLARE** the Defendants liable for the damages suffered by the Plaintiff and each of the members of the Group [...];

**CONDEMN** Defendant StubHub Inc. to pay Steve Abihsira the amount \$738.46 itemized as follows:

- Amount paid minus Ticket's Face Value (\$221.13 - \$119.75): **\$101.38** 

- Amount paid minus Ticket's advertised price: \$37.08

- Punitive damages for violation of section 236.1 *CPA*: \$300.00

- Punitive damages for violation of section 224(c) CPA: \$300.00

Total: \$738.46

[...]

**CONDEMN** the Defendants to pay to Steve Abihsira and to the members of <u>Group</u> compensatory damages for the aggregate difference between the amounts overpaid to obtain their Ticket(s) and the Face Value of the Ticket(s) and **ORDER** collective recovery of these sums;

**ORDER** the Defendants to permanently cease selling Tickets for more than the Tickets' Face Value to consumers <u>residing and located in the province of</u> Quebec at the time of purchase, unless section 236.1 *CPA* is complied with;

**CONDEMN** the Defendants StubHub Inc., eBay Inc., Vivid Seats, <u>LLC.</u>, Seatgeek, Inc., FanXchange Limited, TicketNetwork, Inc., Razorgator Inc., Viagogo AG [...] and UberSeat to pay the sum of \$300.00 per transaction per Group member on account of punitive damages for violations of section 236.1

CPA, and **ORDER** collective recovery of these sums;

**CONDEMN** the Defendants TNOW Entertainment Group Inc., Ticketmaster Canada LTD., Ticketmaster Canada ULC, Ticketmaster Canada Holdings ULC and Ticketmaster [...] LLC to pay the sum of **\$250.00** per transaction per Group member on account of punitive damages for violations of section 236.1(c)(i) CPA, and **ORDER** collective recovery of these sums;

**CONDEMN** Defendant TicketCity, Inc. to pay the sum of \$100.00 per transaction per Group member on account of punitive damages for violations of section 236.1 *CPA*, and **ORDER** collective recovery of these sums;

[...]

**CONDEMN** the Defendants to pay to Steve Abihsira and to the members of the Group compensatory damages for the aggregate of the amounts paid to obtain their Ticket(s) and which were not included in the price advertised on their respective websites and/or mobile applications at the first step and **ORDER** collective recovery of these sums;

**ORDER** the Defendants (save for UberSeat) to permanently cease charging consumers residing [...] in the province of Quebec [...] a price greater than that which it advertises Tickets for on their respective websites and/or mobile applications at the first step;

**CONDEMN** the Defendants StubHub Inc., eBay Inc., Vivid Seats, <u>LLC</u>, Seatgeek, Inc., FanXchange Limited, TicketNetwork, Inc., Razorgator Inc., TicketCity, Ticketmaster Canada LTD., Ticketmaster [...] LLC, <u>Ticketmaster Canada ULC</u>, <u>Ticketmaster Canada Holdings ULC</u>, Viagogo AG and TNOW Entertainment Group Inc. to pay the sum of \$300.00 per transaction per <u>Group</u> member on account of punitive damages for violations of paragraph (*c*) of section 224 *CPA* [...] and **ORDER** collective recovery of these sums;

[...]

**CONDEMN** the Defendants to pay interest and the additional indemnity on the above sums according to law from the date of service of the <u>Application</u> to authorize a class action;

**ORDER** that the claims of individual Group [...] members be the object of collective liquidation if the proof permits and alternately, by individual liquidation;

**ORDER** the Defendants to deposit in the office of this Court the totality of the

sums which forms part of the collective recovery, with interest and costs;

**CONDEMN** the Defendants to bear the costs of the present action including the cost of notices, the cost of management of claims and the costs of experts, if any, including the costs of experts required to establish the amount of the collective recovery orders;

**RENDER** any other order that this Honourable Court shall determine;

**DECLARE** that all members of the Group [...] that have not requested their exclusion, be bound by any judgement to be rendered on the class action to be instituted in the manner provided for by the law;

**FIX** the delay of exclusion at thirty (30) days from the date of the publication of the notice to the members, date upon which the members of the Group [...] that have not exercised their means of exclusion will be bound by any judgement to be rendered herein;

**ORDER** the publication of a notice to the members of the Group [...] in accordance with article 579 C.C.P. within sixty (60) days from the judgement to be rendered herein in the "News" sections of the Saturday editions of LA PRESSE, <u>Le Journal de Montréal and the MONTREAL GAZETTE</u>;

**ORDER** that said notice be published on the Respondents' various websites and mobile applications, in a conspicuous place, with a link stating "Notice to <u>Quebec</u> Consumers – Avis aux consommateurs du Québec";

**ORDER** the Respondents to send an Abbreviated Notice by e-mail to each Group [...] member, to their last known e-mail address, with the subject line "Notice of a Class action – Avis d'une action collective";

**RENDER** any other order that this Honourable Court shall determine;

**THE WHOLE** with costs including publications fees.

Montreal, February 20<sup>th</sup>, 2017

(s) LPC Avocat Inc.

LPC AVOCAT INC.

Attorney for Petitioner