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Monday, June 01, 2015 Last Update: 2:49 PM PT

## Hollister Gift Card Class Action Advances in NJ

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(CN) - Hollister must face a class-action lawsuit over the cancelation of millions of dollars worth of gift cards, a New Jersey appeals court ruled.

Lead plaintiff Vincent Daniels filed the suit over a late 2009 promotion in which the retailer promised \$25 gift cards to customers that bought \$75 worth of merchandise.

Daniels alleged that Hollister voided all outstanding gift cards on Jan. 30, 2010, although they had "no expiration date."

He filed his lawsuit after he went to a Hollister store in January 2011 and was not allowed to use his gift card.


Though Hollister admitted that some cards did not mention an expiration date, while others expressly said "no expiration date," the retailer argued that in-store signage revealed the Jan. 30, 2010, expiration date, and that it emailed customers a reminder of this.

In fact, the trial court noted that Hollister admitted that "over \$3 million worth of \$25 gift cards were voided."

The Ocean City Superior Court certified Daniels' class action, and the Appellate Division affirmed on May 13, rejecting complaints from Hollister about the difficulty in ascertaining the number of people Daniels purports to represent.

"Had defendant obtained the identities of consumers when giving out \$25 gift cards, the problems it now offers as grounds for upending certification would not exist," Judge Clarkson Fisher Jr. wrote for a three-person panel. "Allowing a defendant to escape responsibility for its alleged wrongdoing by dint of its particular record-keeping policies - an outcome admittedly un-troubling to some federal courts - is not in harmony with the principles governing class actions," Fisher added.

At this stage of the litigation, the court must credit the allegations as pleaded, according to the ruling.

"Consumers may very well have purchased more than \$75 of defendant's merchandise because of the lure of a \$25 gift card, and this bargain was arguably snatched away by defendant's unilateral cancellation of the gift card at a later date," Fisher wrote. "The class-action device was created not only to allow compensation for such small wrongs but also to deter future wrongdoing in the marketplace." 

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