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received a reward credit for every purchase over \$20 and \$20 in store credit for every 5 reward credits earned. There was no expiration date for the credits under this program. However, AutoZone later converted all rewards points to a nationwide plan where the credits were to expire within three months of accrual. Plaintiffs Mary Hughes and Kevin Shenkman signed up for and used the 5/20/20 plan before AutoZone's conversion to the national plan and, consequently, some of plaintiffs' points lost all value. Plaintiffs filed a class action suit alleging claims based on Unfair Competition and Breach of Contract/Implied Covenant.

PLAINTIFFS' CONTENTIONS:
Plaintiffs contended that defendant mislead them by not notifying them about the changes to the terms of the 5/20/20 plan, causing them to believe they were still accruing rewards points. Plaintiffs also contended that the term allowing for a unilateral change of terms without notice is unconscionable.

DEFENDANT'S CONTENTIONS:
Defendant contended that it retained the right to change the terms of the 5/20/20 plan and that its election to do so was not procedurally or substantively unconscionable. Defendant also contended that it notified plaintiffs of the changes to the terms.

SETTLEMENT DISCUSSIONS:
AutoZone agreed to reinstate 918,788 \$20 rewards and issue 3.1 million \$5 rewards, 1.27 million \$10 rewards, and 142,576 \$15 rewards.

RESULT: The parties entered a \$48.9 million settlement.

FILING DATE: Aug. 18, 2016

CONTRACTS

BREACH OF CONTRACT False Advertising

Settlement: \$48,900,000

CASE/NUMBER: Mary Ruth Hughes, an individual; and Kevin Shenkman, an individual, on behalf of themselves and all others similarly situated v. Autozone Parts Inc.; Autozone Inc.; Autozone.Com Inc.; and Does 1-20 /

COURT/DATE: Los Angeles Superior

JUDGE: Maren E. Nelson

ATTORNEYS:

Plaintiff - Seth Yohalem, Adam Waskowski, Daniel R. Johnson, Todd W. Bonder, (Rosenfeld, Meyer & Susman LLP)

Defendant - Peter E. Masaitis, (Alston & Bird LLP)

FACTS: AutoZone had established a rewards program called the 5/20/20 plan, whereby customers