

## Craigslist Defeats Claim that Song-Beverly Credit Card Act Governs Online Transactions

by Deborah S. Thoren-Peden, Christine A. Scheuneman, Catherine D. Meyer and Amy L. Pierce

*San Francisco Superior Court sustains craigslist, Inc.'s demurrer to plaintiff Norman Gonor's class action alleging violations of California's Song-Beverly Credit Card Act in connection with online transactions involving credit cards.*

On August 24, 2011, Judge Loretta M. Giorgi sustained without leave to amend craigslist, Inc.'s demurrer to plaintiff Norman Gonor's class action complaint, filed on March 31, 2011, alleging a sole cause of action under California's Song-Beverly Credit Card Act, Civil Code Section 1747, et seq. (the "Act"), in connection with Gonor's purchase of an advertisement from craigslist. Judge Giorgi ruled that Section 1747.08 "on its face does not apply to online transactions," and "the applicable case law, legislative intent and public policy indicate that such transactions are not, and should not be, encompassed by Section 1747.08." This ruling is consistent with the U.S. District Court for the Central District of California's decision in *Saulic v. Symantec Corp.*, 596 F. Supp. 2d 1323 (C.D. Cal. 2009) (online transactions are not covered by the Act because of "unique fraud concerns" associated with online transactions).

This is one of the first pieces of good news since the California Supreme Court, on February 10, 2011, in *Pineda v. Williams-Sonoma Stores, Inc.*, confirmed that the word "address" in Section 1747.08 should be construed to encompass its components, holding that "requesting and recording a cardholder's ZIP code, without more, violates the [Act]." Post-Pineda, 200+ Act class actions were filed across California in 2011.

[Click here to read the Order Sustaining Defendant Craigslist, Inc.'s Demurrer to Plaintiff's Complaint](#)

If you have questions, contact the Pillsbury attorney with whom you regularly work or the authors:

Deborah S. Thoren-Peden (bio)  
Los Angeles  
+1.213.488.7320  
deborah.thorenpeden@pillsburylaw.com

Christine A. Scheuneman (bio)  
Los Angeles  
+1.213.488.7487  
christine.scheuneman@pillsburylaw.com

Catherine D. Meyer (bio)  
Los Angeles  
+1.213.488.7362  
catherine.meyer@pillsburylaw.com

Amy L. Pierce (bio)  
Sacramento  
+1.916.329.4765  
amy.pierce@pillsburylaw.com

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