



**OFFICE OF
STATE TREASURER
DENISE L. NAPIER**

NEWS

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NAPIER TO SIMON: COMPLY WITH CONNECTICUT'S GIFT CARD LAW

*Connecticut Treasurer criticizes company's anti-consumer stance;
warns consumers of mall owner's continued defiance of state law*

Connecticut Treasurer Denise L. Napier today criticized Simon Property Group's continued defiance of Connecticut's gift card law, which prohibits monthly fees that erode the value of consumer gift cards and bans expiration dates on gift cards.

Simon, the owner of the Crystal Mall in Waterford, continues to charge the fees despite the new state law, telling customers and the Treasurer's Office that because mall gift cards are issued with a national bank, they are exempt from the state law.

Napier said federal law permits a state law such as Connecticut's gift card law, and she expressed disappointment that the company has continued to fight the consumer-friendly law and deduct monthly fees from consumer-owned gift cards.

"It is unconscionable that a business interested in encouraging customers and customer service would aggressively flout the law, and take money out of consumers' pockets, Napier said. "I hope that they will come to their senses and end this offensive and unreasonable action."

The Treasurer said her office continues to receive complaints from consumers shopping at the Crystal Mall, as employees apparently continue to tell customers that the law doesn't apply to the mall and the charges will continue.

"The fees charged by Simon appear to be the most extreme in the industry," Napier said. "Consumers have every right to be outraged not only by the fees that they are charged, but by the company's attitude that it is above the law. They are saying, in effect, consumers be damned."

Simon owns more than 200 shopping properties nationwide, including two in Connecticut.

Napier noted that the terms and conditions on the web site for Simon Property Group, which owns and manages shopping centers in Waterford and Manchester (Plaza at Buckland Hills), state that \$2.50 per month will be deducted from gift cards after six months from the date of purchase. The Simon site also says that after cards have expired,

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existing balances could be placed on new cards, but with a \$7.50 re-issue fee deducted from the remaining balance.

Nappier also noted that because Connecticut's gift card law took effect on August 16, 2003, when the law was passed by the General Assembly, gift cards purchased before that date – whether at Simon malls or other retailers – do not come under the new law's restrictions.

"It is so important for consumers to use their old gift cards first, before their value is diminished or eliminated completely by inactivity fees and other charges," Nappier said.

The Treasurer also alerted consumers to be aware of other fees that may still be attached to gift cards, such as service charges for cards issued by mail, and fees for checking the balance of cards by phone.

Nappier said the state's Consumer Protection Department has been alerted should additional consumer complaints be received regarding compliance with the new law, and the Treasurer added she has "every intention of enforcing the gift card law to the fullest extent of our authority."

"While some retailers have begun to advertise "no fees" in their gift card promotions as a way of encouraging customer purchases in the days before Christmas, Simon has done just the opposite," Nappier said.