



STATE OF CONNECTICUT **NEWS RELEASE**

ATTORNEY GENERAL RICHARD BLUMENTHAL
TREASURER DENISE L. NAPIER

WEDNESDAY, JANUARY 12, 2005

ATTORNEY GENERAL, TREASURER WIN VICTORY IN FIGHT AGAINST ILLEGAL EXPIRATION DATES, FEES ON CRYSTAL MALL GIFT CARDS

Attorney General Richard Blumenthal and Treasurer Denise L. Nappier have won a significant victory in their fight to stop Crystal Mall owner Simon Property Group, L.P., from imposing illegal expiration dates and fees on its gift cards.

Blumenthal, acting on behalf of Nappier and the Department of Consumer Protection (DCP), sued Simon Property in November to end the practices.

The federal Office of the Comptroller of the Currency (OCC) this week rejected Simon Property's claim that its cards are exempt from state laws prohibiting gift card expiration dates and related fees. Simon Property argued unsuccessfully that its gift cards are actually bank cards issued by a federally chartered bank and therefore only subject to federal regulation.

"The OCC's ruling assures that state law can be applied – and we will do so aggressively – to protect consumers against Simon's unconscionable fees and expiration dates," Blumenthal said. "The OCC unequivocally rejected Simon Property's claim that federal law preempts state protections or shields its violations. The OCC's action leaves company's case teetering on the edge of collapse."

"From the outset, the reason for Connecticut's gift card law was to protect consumers from having the value of gift cards eroded or reduced, which was a common practice," Nappier said. "Not any more. Retailers have complied, and many even advertise the fact that gift cards in this state are now free of the previous fees. There should be no doubt that Connecticut will continue to protect its consumers, especially as gift card sales continue to increase dramatically. The Office of the Comptroller of the Currency's clear statement strongly supports Connecticut's landmark law and the best interests of consumers."

Simon Property illegally subtracts \$2.50 a month from Crystal Mall gift cards on unused balances six months or older and levies a \$7.50 fee to reactivate an expired card. The company also fails to inform gift card purchases of two additional fees: a 50-cent charge to check the card balance and a \$5 fee to replace a lost or stolen card.

Crystal Mall is located in Waterford. Simon also owns the Clinton Crossing Premium Outlets in Clinton.

MEDIA CONTACTS

ATTORNEY GENERAL'S OFFICE
CHRISTOPHER HOFFMAN 860-808-5324

TREASURER'S OFFICE
BERNARD KAVALER 860-702-3277