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## Louis Vuitton Pays \$1M To Settle Customer Privacy Claims

By **Beth Winegarner**

Law360, San Francisco (August 16, 2013, 7:53 PM ET) -- A California federal judge on Thursday gave preliminary approval to a \$1 million settlement between Louis Vuitton North America Inc. and a class of customers who claim the company illegally recorded their personal information when accepting credit card payments at its retail stores.

Under the deal approved by U.S. District Court Judge William Q. Hayes, the fashion retailer's \$1 million fund will be divided among class members who file valid claims. The customers will receive a voucher that must be redeemed within a year in Louis Vuitton retail stores in California, court documents said.

"We believe that the court did an excellent job of describing the settlement and preliminarily approving a resolution that allows for class members to receive a substantial benefit," the plaintiffs' attorney, Gene Stonebarger of Stonebarger Law, said Friday.

Although Judge Hayes found the preliminary settlement fair, he told the attorneys to be prepared to "address the court's concerns regarding the actual value of the merchandise certificates and the impact of the merchandise certificates on the attorneys' fee award," according to the ruling.

In the proposed settlement, the plaintiffs' attorneys would receive up to \$375,000, while the representative plaintiffs would receive \$5,000 each, court documents said.

Attorneys for Louis Vuitton did not respond to requests for comment Friday.

Deanna Morey filed her putative class action against the Louis Vuitton stores in May 2011, claiming the chain violated the California Song-Beverly Credit Card Act by recording customers' personal identification information when they paid with a credit card. Although the parties reached their settlement before the class was certified, the potential class included more than 343,000 customers, court documents said.

Morey originally sued in San Diego Superior Court, but Louis Vuitton tried to have the case removed to federal court, arguing that there was more than \$5 million in controversy. Each violation of the Song-Beverly Credit Card Act beyond the first one can incur a \$1,000 fine from the court, and there were at least 5,000 credit-card transactions during the proposed class period, the retailer argued.

However, U.S. District Judge M. James Lorenz remanded the case back to state court, stating that the amount of money in controversy in the suit did not exceed the jurisdictional threshold of at least \$5 million. Louis Vuitton appealed the decision to the Ninth Circuit, which sided with the fashion house and sent the case to the federal court in a December 2011 ruling.

The plaintiffs had argued also that Louis Vuitton had failed to show that the proposed class had at least 100 members, which is required by the Class Action Fairness Act.

Deanna Morey is represented by Gene J. Stonebarger of Stonebarger Law and by the Patterson Law Group.

Louis Vuitton is represented by Stephen R. Smerek and Drew A. Robertson of Winston & Strawn LLP.

The case is Deanna Morey v. Louis Vuitton North America, case number 3:11-cv-01517, in the U.S. District Court for the Southern District of California.

--Editing by Rebecca Flanagan.

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