



November 29, 2011

Ms. Paula E. Boggs  
Executive Vice President, General Counsel and Secretary  
Starbucks Coffee Company  
2401 Utah Avenue South, Suite 800  
Seattle, WA 98134

Re: Terms and Conditions of Starbucks Prepaid Cards

Dear Ms. Boggs:

Our organizations were surprised and disappointed to learn that the terms and conditions of Starbucks prepaid cards contain a pre-dispute binding arbitration clause that requires consumers with legal disputes with Starbucks to bring their claims in Seattle, before a private firm chosen by Starbucks instead of a public court. The contract also forbids participation in collective actions against the company. These provisions deprive your customers of important legal protections and deny them access to the courts. We strongly urge Starbucks to remove these provisions from its card terms and conditions.

Forced arbitration is a private, secretive process that harms consumers. It guarantees none of the safeguards of our civil justice system for persons attempting to enforce their rights. Hired arbitrators do not have to comply with the law, and corporations have the benefit of being their "repeat" customers, triggering corporate bias. Further, there is no opportunity to appeal arbitration decisions, no matter how unfair or even unlawful. Over the years, we have witnessed this growing practice among corporations who have used these clauses to evade vital consumer protection, civil rights and employment laws. We hope you agree that it is in the public interest to ensure corporate accountability and compliance with the laws.

We are aware of Starbucks' reputation as a consumer-friendly and socially responsible corporation. For example, Starbucks has admirably participated in access to justice and legal services programs. Unfortunately, the terms of the Starbucks prepaid gift card would deny customers their access to justice should they seek to pursue legal claims against the company. The arbitration clause and ban on class actions are clearly inconsistent with Starbucks' stated values.

We have initiated a public petition requesting that Starbucks promptly remove these provisions from the terms and conditions. We urge you to end this practice immediately as

we expect millions of customers will be purchasing the popular prepaid cards during this holiday season.

Sincerely,

Nan Aron  
President, Alliance for Justice

Ira Rheingold  
Executive Director, National Association of Consumer Advocates

Sally Greenberg  
Executive Director, National Consumers League

David Arkush  
Director, Congress Watch division, Public Citizen

cc: Howard Schultz, chairman, president and chief executive officer, Starbucks Coffee Company