

GEORGE C. JEPSEN
ATTORNEY GENERAL



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Office of The Attorney General
State of Connecticut

July 12, 2011

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Andrew Mason
Chief Executive Officer
Groupon, Inc.
600 West Chicago Avenue, Suite 620
Chicago, Illinois 60654

Re: Groupon, Inc., Discounts Offered In Connecticut

Dear Mr. Mason:

I am writing to inquire about the business practices of Groupon, Inc., ("GI") in Connecticut, amidst allegations that GI imposes expiration dates on the gift certificates that it sells to Connecticut consumers. Specifically, I am seeking information to determine whether GI's business practices are in compliance with Connecticut law governing gift certificates, Connecticut General Statutes § 42-460, and Connecticut's Unfair Trade Practices Act, Conn. Gen. Stat. § 42-110a *et seq.*

Under Connecticut law, "no person may sell or issue a gift certificate... that is subject to an expiration date," and "no gift certificate or any agreement with respect to such gift certificate may contain language suggesting that an expiration date may apply to the gift certificate." Conn. Gen. Stat. § 42-460. Connecticut law defines "gift certificates" as "... a record evidencing a promise, made for consideration, by the seller or issuer of the record that goods or services will be provided to the owner of the record to the value shown in the record..." Conn. Gen. Stat. § 3-56a. It appears that what GI sells or offers may fall within that definition.

I therefore ask that by no later than Friday, August 5, 2011, GI provide my office with the following information and documentation relating to its business practices:

1. What are "Groupons?"
2. Does GI offer "Groupons" in Connecticut?

3. If the answer to the previous inquiry is anything other than an unqualified "no," please:

- a. describe how consumers purchase and redeem "Groupons;"
- b. state the date that GI began offering "Groupons" to Connecticut consumers;
- c. identify the number of "Groupons" sold to Connecticut consumers;
- d. identify the number of Connecticut vendors who have accepted "Groupons" for discounts on their goods and/or services; and
- e. provide a copy of a typical agreement between GI and a Connecticut vendor accepting "Groupons" for discounts on goods or services.

4. Does GI now receive, or has GI at any time received, any revenue in connection with the offering or selling of "Groupons" in Connecticut or to Connecticut consumers?

5. If the response to the previous inquiry is anything other than an unqualified "no," please describe each source of revenue and the total amount of such revenue.

6. Have the terms and conditions for goods and/or services offered to Connecticut consumers at discount for "Groupons" included expiration dates?

7. If the response to the previous inquiry is anything other than an unqualified "no," please identify:

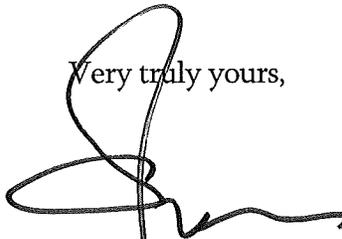
- a. the dates that GI offered "Groupons" for discounts on the purchase of such goods and/or services;
- b. the vendors providing the goods and/or services;
- c. the goods and/or services offered;
- d. the terms and conditions of the "Groupons" for discounts on such goods and/or services;
- e. the expiration dates of the "Groupons" for discounts on such goods and/or services;
- f. how the expiration dates of such "Groupons" for discounts on such goods and/or services were disclosed to consumers;
- g. the aggregate revenue that GI received from all such "Groupons;" and
- h. the portion of such revenue attributable to such goods and/or services for which "Groupons" discounts expired prior to consumer use (i.e., revenue derived from purchasers who obtained but were unable to use such "Groupons" for

discounts on the purchase of goods and/or services because expiration dates had passed).

8. Please describe GI's policies, practices and protocols relating to expiration dates of the goods and/or services that can be purchased at discount with "Groupons," and please provide a copy of all documentation relating to such policies, practices and protocols.

Please send your responses to the attention of Assistant Attorney General Jeremy Pearlman at 110 Sherman Street, Hartford, Connecticut 06105. If you have any questions or concerns, you may contact Assistant Attorneys General Jeremy Pearlman or Jeffrey Zeman at (860) 808-5400 or via email at jeremy.pearlman@ct.gov or jeffrey.zeman@ct.gov.

Very truly yours,

A handwritten signature in black ink, appearing to read "George Jepsen". The signature is stylized with a large loop at the top and a horizontal flourish at the bottom.

GEORGE JEPSEN