

S = 248668

No.

Vancouver Registry



IN THE SUPREME COURT OF BRITISH COLUMBIA

Between

CHERYL SOEHN

PLAINTIFF

and

GREAT CANADIAN GAMING CORPORATION, COAST HOTELS LIMITED, AND NORTHLAND PROPERTIES CORPORATION (D/B/A SANDMAN HOTELS)

DEFENDANTS

Brought under the Class Proceedings Act, RSBC 1996, c 50

NOTICE OF CIVIL CLAIM

(Unlawful Pricing Practices)

This action has been started by the plaintiff for the relief set out in Part 2 below.

If you intend to respond to this action, you or your lawyer must

- (a) file a response to civil claim in Form 2 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim on the plaintiff.

If you intend to make a counterclaim, you or your lawyer must

- (a) file a response to civil claim in Form 2 and a counterclaim in Form 3 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim and counterclaim on the plaintiff and on any new parties named in the counterclaim.

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the response to civil claim within the time for response to civil claim described below.

Time for response to civil claim

A response to civil claim must be filed and served on the plaintiff,

- (a) if you reside anywhere in Canada, within 21 days after the date on which a copy of the filed notice of civil claim was served on you,
- (b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed notice of civil claim was served on you,
- (c) if you reside elsewhere, within 49 days after the date on which a copy of the filed notice of civil claim was served on you, or
- (d) if the time for response to civil claim has been set by order of the court, within that time.

THE PLAINTIFF'S CLAIM

Part 1: STATEMENT OF FACTS

Overview

- 1. Consumers expect to pay the lowest price that a company represents a product will cost at a given time. Parliament has codified this principle through sections 52 and 54 of the *Competition Act*, RSC 1985, c C-34 (the "*Competition Act*") which require that service providers represent the full cost of a product up front and prohibit service providers from charging the higher of two or more different advertised prices for a product. These provisions ensure that service providers' pricing practices are fair, transparent and straightforward.
- 2. Through their respective websites, the Defendants have engaged in conduct contrary to the *Competition Act* in the pricing of their Booking Services. The Defendants represent a price for using their Booking Services to purchase Hotel Reservations that is, unbeknownst to consumers, unattainable, and thereafter increases the purchase price once a consumer is prepared to purchase Hotel Reservations through the Booking Services. The Defendants' practice of concealing the full cost of, and/or representing two different prices for, their Booking Services is unfair and in violation of Canadian law.

The Parties

- 3. The Plaintiff, Cheryl Soehn, is a resident of British Columbia. The Plaintiff purchased a Hotel Reservation for one night at Great Canadian's River Rock Casino Resort through greatcanadian.com/hotels/riverrock/ on May 23, 2024. Great Canadian charged her Undisclosed Fees of \$22.28 that were not included in the represented First Price in the Booking Services purchasing process. In total, the Plaintiff was charged a total of \$291.46 (inclusive of tax).
- 4. The Plaintiff brings this action on her own behalf and on behalf of all individuals and legal persons in Canada who paid Undisclosed Fees when purchasing a Hotel Reservation through the Defendants' websites from the date on which the Defendants began charging Undisclosed Fees in Canada until the date that this action is certified as a class proceeding (the "Class", "Class Members" and "Class Period").

- 5. The Defendant Great Canadian Gaming Corporation ("Great Canadian") is a company incorporated pursuant to the laws of British Columbia with a registered address for service at 1055 West Georgia Street, 1500 Royal Centre, PO Box 11117, Vancouver, BC, V6E 4N7. Great Canadian operates resorts in British Columbia, Ontario, and New Brunswick through its subsidiaries. Individuals can book rooms at Great Canadian's resorts through Great Canadian's website at greatcanadian.com/hotels/.
- 6. The Defendant Coast Hotels Limited ("Coast") is a company incorporated pursuant to the laws of British Columbia with a registered address for service at 2500-700 West Georgia Street, Vancouver, BC, V7Y 1B3. Coast operates hotels across western Canada. Individuals can book rooms at Coast's hotels through Coast's website at coasthotels.com.
- 7. The Defendant Northland Properties Corporation (d/b/a Sandman Hotels) ("Sandman") is a company incorporated pursuant to the laws of Alberta with a registered address for service at 310-1755 West Broadway, Vancouver, BC, V6J 4S5. Sandman owns the Sandman Hotels Group brand which operates hotels across Canada. Individuals can book rooms at Sandman's hotels through Sandman's website at sandmanhotels.com.

The Defendants' Hotel Reservations and Booking Services

8. The Defendants each operate a website through which users can purchase hotel reservations (the "Platforms"). Reservations sold through the Platform are the "Hotel Reservations". The access to and use of the Platforms to purchase Hotel Reservations constitute the "Booking Services".

Undisclosed Fees

9. The Defendants charge fees to use their respective Booking Services that they do not include in their initial representations of the price of using these services. Any fees that the Defendants do not include in the initial price representations displayed to a purchaser using the Booking Services and which are not imposed by or under an Act of Parliament or provincial legislature are "Undisclosed Fees". The Undisclosed Fees

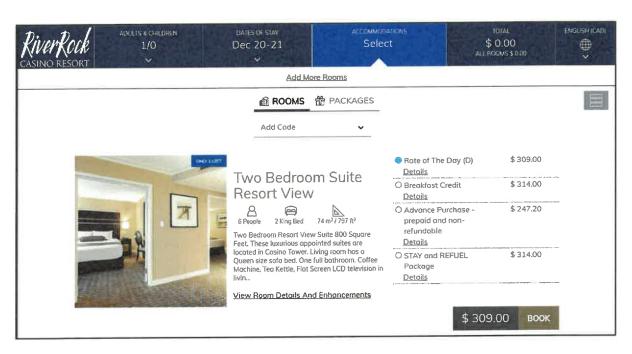
charged by the Defendants include, *inter alia*, "Destination Marketing Fees", "Resort Fees", and "Eco Fees".

10. On a date unknown to the Plaintiff but known to the Defendants, the Defendants began charging Undisclosed Fees when using the Booking Services without disclosing these fees at the outset of the purchasing process.

Purchasing Hotel Reservations Through the Platforms

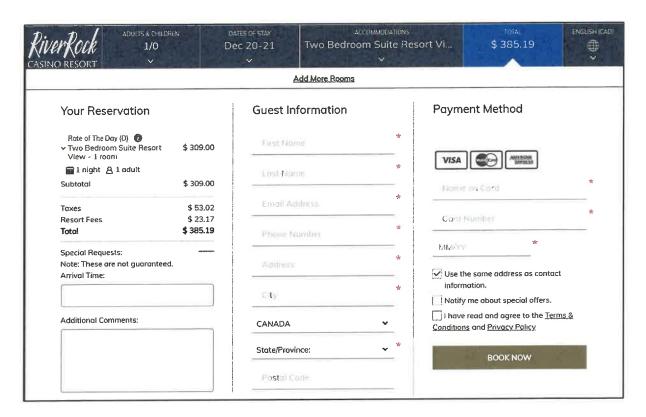
Great Canadian

11. Great Canadian offers a variety of Hotel Reservations on its website greatcanadian.com/hotels/riverrock/. Once a user enters their desired check-in date and number of nights for their stay and clicks "Book Your Stay", Great Canadian represents the nightly amount to reserve a Hotel Reservation using the Booking Services (the "First Price"). For example, the First Price to reserve a "Two Bedroom Suite Resort View" accommodation at River Rock Casino Resort at the "Rate of the Day (D)" from December 20-21, 2024 is \$309.00 per night.



12. After a user clicks "BOOK", the user is brought to a new webpage and prompted to review their reservation information, add details about the guest, and input their

payment information. On this webpage, Great Canadian represents, for the first time, that the user will be charged "Resort Fees".



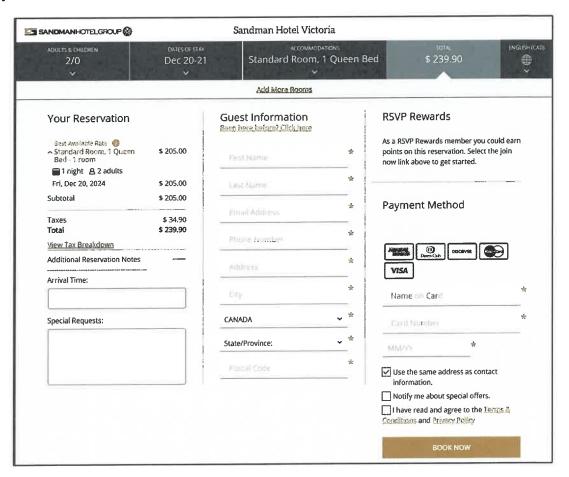
13. In this example, instead of charging only the represented First Price of \$309.00, plus lawful taxes, to reserve a "Two Bedroom Suite Resort View" accommodation at River Rock Casino Resort at the "Rate of the Day (D)" from December 20-21, 2024, Great Canadian also charges Resort Fees of \$23.17. The price displayed inclusive of the additional fees and taxes added to the First Price is the "Second Price".

Sandman

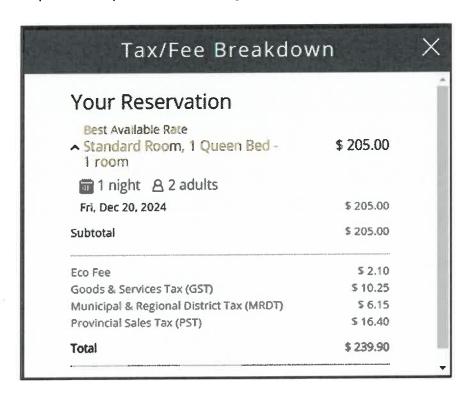
14. Sandman offers a variety of Hotel Reservations on its website https://www.sandmanhotels.com/. Once a user enters their details about their desired reservation and clicks "BOOK NOW", Sandman represents the First Price to reserve a Hotel Reservation using the Booking Services. For example, the First Price to reserve a "Standard Room, 1 Queen Bed" accommodation at Sandman Hotel Victoria at the "Best Available Rate" from December 20-21, 2024 is \$205.00.



15. After a user clicks "BOOK", the user is brought to another webpage and prompted to review their reservation information, add details about the guest, and input their payment information.



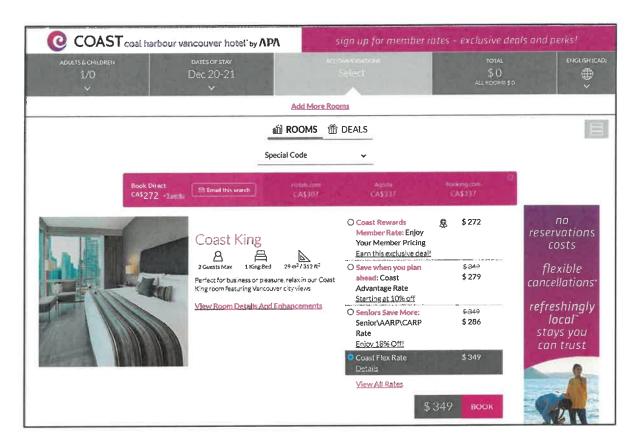
16. If a user clicks "View Tax Breakdown", a pop-up appears wherein Sandman represents, for the first time, that the user will be charged an "Eco Fee". Sandman represents the "Eco Fee" is a tax when, in reality, the "Eco Fee" is not a fee imposed by or under an Act of Parliament or a provincial legislature. It is imposed and collected by Sandman as a part of the price of its Booking Services.



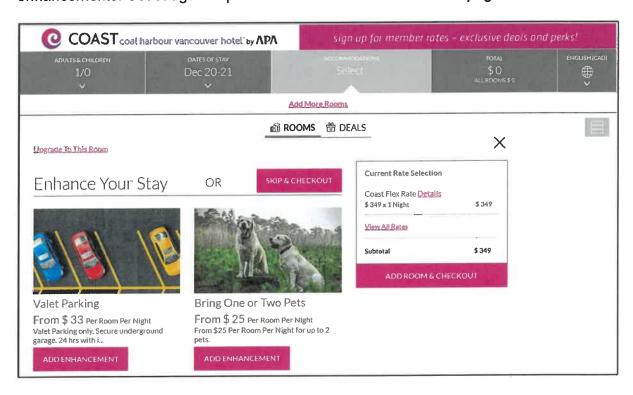
17. In this example, instead of charging only the represented First Price of \$205.00, plus lawful taxes, to reserve a "Standard Room, 1 Queen Bed" accommodation at Sandman Hotel Victoria at the "Best Available Rate" from December 20-21, 2024, Sandman also charges an Eco Fee of \$2.10 for a total Second Price of \$239.90.

Coast

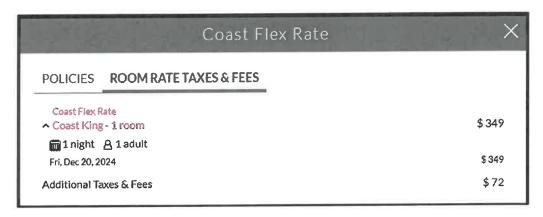
18. Coast offers a variety of Hotel Reservations on its website https://www.coasthotels.com/. Once a user enters their details about their desired reservation and clicks "BOOK NOW", Coast represents the First Price to reserve a Hotel Reservation using the Booking Services. For example, the First Price to reserve a "Coast King" accommodation at Coast Coal Harbour Vancouver Hotel at the "Coast Flex Rate" from December 20-21, 2024 is \$349.00.



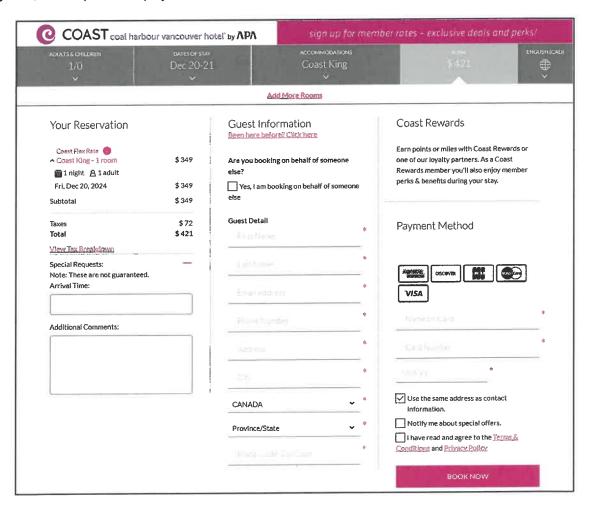
19. After a user clicks "BOOK", Coast offers the user optional upgrades or enhancements. Coast again represents the First Price on this webpage.



20. If a user selects "Details", a pop-up appears wherein Coast represents, for the first time, that users will be charged "Additional Taxes & Fees" of \$72.00.



21. After a user clicks "ADD ROOM & CHECKOUT", the user is taken to a new webpage and prompted to review their reservation information, add details about the guest, and input their payment information.



22. If a user selects "View Tax Breakdown", a pop-up appears wherein Coast represents, for the first time, that the user will be charged a "DMF" (Destination Marketing Fee). Coast represents that the "DMF" is a tax when, in reality, it is not a fee imposed by or under an Act of Parliament or a provincial legislature. It is imposed and collected by Coast as a part of the price of its Booking Services.



23. In this example, instead of charging only the represented First Price of \$349.00, plus lawful taxes, to reserve a "Coast King" accommodation at Coast Coal Harbour Vancouver Hotel at the "Coast Flex Rate" from December 20-21, 2024, Coast also charges a Destination Marketing Fee of \$4.00 for a total Second Price of \$421.00.

The Defendants' Misconduct

- 24. At all material times, the Defendants represented two different prices for the Booking Services.
- 25. At all material times, the Defendants represented and clearly expressed on their respective Platforms that the Booking Services were available at the First Price. Each such representation constitutes a point-of-purchase display.

- 26. At all material times, the Defendants also represented and clearly expressed on their respective Platforms that the Booking Services were available at the Second Price. Each such representation constitutes a point-of-purchase display.
- 27. At all material times, the Booking Services were not available at the First Price due to the addition of the Undisclosed Fees, each of which constitutes a fixed obligatory charge and/or fee imposed by the Defendants.
- 28. The Defendants did not represent the Undisclosed Fees or the Second Price at the time it represented the First Price to users. At all material times, the Second Price exceeded the First Price. At all material times, the Defendants charged, and users paid, the Second Price.
- 29. At all material times, the Defendants represented the First Price and the Second Price at different stages of the same purchasing process. The Defendants did not add an additional service element when they added the Undisclosed Fees. The Booking Services remained the same product at every stage of the purchasing process.
- 30. The Defendants' representation of the First Price was false or misleading because users were never able to pay the First Price but instead had to pay the higher Second Price.
- 31. At all material times, the Defendants knew or were reckless or willfully blind to the fact that representing that the Booking Services would cost the First Price when these products were not available at the First Price was false or misleading in a material respect.
- 32. The Defendants entered into contracts with the Plaintiff and Class Members for the sale and supply of the Booking Services. The Defendants have been enriched by the receipt of some, or all, of the price paid by the Plaintiff and Class Members and received by the Defendants, directly or indirectly, for the Booking Services. The Plaintiff and Class Members have suffered a corresponding deprivation of these same amounts.

Harm to the Plaintiff and Class Members

33. As a result of the Defendants' breach or breaches of the Competition Act, the Plaintiff and Class Members suffered loss and/or damage in an amount equal to the

Undisclosed Fees, plus taxes on the Undisclosed Fees, paid by the Plaintiff and Class Members during the Class Period.

34. Due to the Defendants' representations that the Booking Services were available at the First Price, the Plaintiff and Class Members obtained less value for money than they had expected to obtain after having viewed the First Price because the Booking Services were unattainable at the First Price and could only be purchased at the Second Price.

Part 2: RELIEF SOUGHT

- 35. The Plaintiff claims on her own behalf and on behalf of other members of the Class:
 - a) an order certifying this action as a class proceeding and appointing her as representative plaintiff under the *Class Proceedings Act*, RSBC 1996, c 50 (the "Class Proceedings Act");
 - b) a declaration that the Defendants have engaged in conduct contrary to Part VI of the *Competition Act*;
 - c) damages under section 36 of the Competition Act in the amount of the Undisclosed Fees paid by the Plaintiff and Class Members during the Class Period:
 - d) costs of investigation and prosecution of this proceeding pursuant to section
 36 of the Competition Act;
 - e) a declaration that the Defendants have been unjustly enriched by the receipt of some, or all, of the price paid by the Plaintiff and Class Members and received by the Defendants, directly or indirectly, for the Booking Services;
 - f) an order that the Defendants account for and make restitution to the Plaintiff and Class Members equal to the amount by which the Defendants are found to have been unjustly enriched;
 - g) pre-judgment and post-judgment interest under the *Court Order Interest*Act, RSBC 1996, c 79 (the "Court Order Interest Act"); and

h) such further and other relief as this Honourable Court may deem just.

Part 3: LEGAL BASIS

36. The Plaintiff and Class Members plead and rely on the *Competition Act*, the *Class Proceedings Act*, the *Limitation Act*, SBC 2012, c 13, the *Limitation Act*, RSBC 1996, c 266, the *Court Order Interest Act*, the *Court Jurisdiction And Proceedings Transfer Act*, SBC 2003, c 28 (the "*Court Jurisdiction And Proceedings Transfer Act*"), the Supreme Court Civil Rules, BC Reg 168/2009 and related enactments.

Competition Act

- 37. The *Competition Act* applies to business transacted in Canada. The Defendants have breached sections 52, 52(1.3), and/or 54 of the *Competition Act*, as amended from time to time.
- 38. The Booking Services constitute a "product" within the meaning of sections 2, 52 and 54 of the *Competition Act*.

Competition Act – Sections 52 and 52(1.3)

- 39. Section 52 of the *Competition Act* prohibits false or misleading representations.
- 40. Section 52(1.3) of the *Competition Act* prescribes that making a representation of a price that is not attainable due to fixed obligatory charges or fees constitutes a false or misleading representation. This conduct is known as drip pricing.
- 41. From a date unknown to the Plaintiff but known to the Defendants, the Defendants breached sections 52 and/or 52(1.3) of the *Competition Act* by representing that the Booking Services were available at the First Price when the Defendants knew or were reckless or willfully blind to the fact that this representation was false or misleading in a material respect.
- 42. The Defendants' representations that the Booking Services were available at the First Price were false or misleading in a material respect because the Booking Services

were not attainable at the First Price due to the addition of the Undisclosed Fees, which constitute a fixed obligatory charge and/or fee imposed by the Defendants.

- 43. This conduct was done for the purpose of promoting, directly or indirectly, the supply or use of the Booking Services and the Defendants' business interests in attracting customers to use the Booking Services.
- The First Price was represented on a point-of-purchase display or was otherwise made available to members of the public.
- 45. As a result of the Defendants' breaches of sections 52 and/or 52(1.3) of the Competition Act, the Plaintiff and Class Members suffered loss and/or damage. In particular, by paying the Second Price for the Booking Services, the Plaintiff and Class Members obtained less value than they had expected to obtain after having viewed the First Price because the Booking Services were unattainable at the First Price and could only be purchased at the Second Price.

Competition Act - Section 54

- 46. Section 54 of the *Competition Act* prohibits the supply of a product at a price that exceeds the lowest of two or more prices which are clearly expressed on, *inter alia*, a point-of-purchase display. This conduct is referred to as double ticketing.
- 47. The Defendants clearly expressed both the First Price and the Second Price on the point-of-purchase displays on their respective Platforms and supplied the Booking Services at the Second Price, which exceeded the First Price.
- 48. The Defendants at all times controlled how prices were displayed on the point-of-purchase displays on their respective Platforms, and the Defendants at all times knew or were reckless or willfully blind to their respective representations of two different prices for the same product.
- 49. The Plaintiff and Class Members were entitled to pay the Defendants only the First Price (multiplied by the number of nights of their stay) plus lawful taxes for the Booking Services.

Unjust Enrichment

- 50. As set out above, the Defendants have been unjustly enriched by the amounts received from the Plaintiff and Class Members, directly or indirectly, through the sale of the Booking Services. The Plaintiff and Class Members have suffered a corresponding deprivation of this same amount.
- 51. There is no juristic reason for the Defendants to retain these benefits as the contracts between the Defendants and the Plaintiff and Class Members are illegal, void and/or voidable due to the Defendants' breaches of sections 52(1.3) and/or 54 of the Competition Act.

Damages

- 52. As a result of the Defendants' breaches of sections 52, 52(1.3), and/or 54 of the *Competition Act*, the Plaintiff and Class Members suffered loss and/or damage and are entitled to damages in an amount equal to the Undisclosed Fees, plus taxes on the Undisclosed Fees, paid by them during the Class Period.
- 53. Further or in the alternative, the Plaintiff and Class Members are entitled to restitution for the benefits received from them by the Defendants, directly or indirectly, on account of the sale of the Booking Services in Canada.

Limitation Period

Class Members who paid an Undisclosed Fee to the Defendants on or after June 1, 2013 plead and rely on the doctrine of discoverability and section 8 of the *Limitation Act*, SBC 2012, c 13 to postpone the running of the limitation period. Class Members who paid an Undisclosed Fee to the Defendants on or before May 31, 2013 plead and rely on section 6(4) of the *Limitation Act*, RSBC 1996, c 266 to postpone the running of the limitation period. Class Members could not have reasonably known that a claim existed against the Defendants until the date on which this Notice of Civil Claim was filed.

Service on the Defendants

55. The Plaintiff and Class Members have the right to serve this Notice of Civil Claim on the Defendants pursuant to section 10 of the *Court Jurisdiction and Proceedings Transfer Act* because there is a real and substantial connection between British Columbia and the facts alleged in this proceeding pursuant to subsections 10(e)(i) and/or (h) of the *Court Jurisdiction and Proceedings Transfer Act* as this action concerns:

 a) contractual obligations that to a substantial extent were to be performed in British Columbia (section 10(e)(i) of the Court Jurisdiction and Proceedings Transfer Act); and/or

b) a business carried on in British Columbia (section 10(h) of the Court Jurisdiction and Proceedings Transfer Act).

Plaintiff's address for service:

Slater Vecchio LLP 1800 - 777 Dunsmuir Street Vancouver, BC V7Y 1K4

Fax number for service: 604.682.5197

Email address for service: service@slatervecchio.com

Place of trial: Vancouver, BC

The address of the registry is:

800 Smithe Street Vancouver, BC V6Z 2E1

Date: December 13, 2024

Signature of lawyer for plaintiff

Saro Turner Sam Jaworski Justin Giovannetti

Slater Vecchio LLP

Rule 7-1 (1) of the Supreme Court Civil Rules states:

- (1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,
 - (a) prepare a list of documents in Form 22 that lists
 - (i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and
 - (ii) all other documents to which the party intends to refer at trial, and
 - (b) serve the list on all parties of record.

Appendix

[The following information is provided for data collection purposes only and is of no legal effect.]

Part 1: CONCISE SUMMARY OF NATURE OF CLAIM:

This is a proposed class proceeding regarding Great Canadian Gaming Corporation, Coast Hotels Limited, Northland Properties Corporation's (d/b/a Sandman Hotels) pricing practices.

Part 2: THIS CLAIM ARISES FROM THE FOLLOWING:

[Check one box below for the case type that best describes this case.]
A personal injury arising out of:
[] a motor vehicle accident
[] medical malpractice
[x] another cause
A dispute concerning:
[] contaminated sites
[] construction defects
[] real property (real estate)
[] personal property
[x] the provision of goods or services or other general commercial matters
[] investment losses
[] the lending of money
[] an employment relationship
[] a will or other issues concerning the probate of an estate
[] a matter not listed here
Part 3: THIS CLAIM INVOLVES:
[Check all boxes below that apply to this case]

[x] a class action
[] maritime law
[] aboriginal law
[] constitutional law
[] conflict of laws
[] none of the above
[] do not know

Part 4:

Court Jurisdiction and Proceedings Transfer Act, SBC 2003, c 28

Limitation Act, SBC 2012, c 13

Court Order Interest Act, RSBC 1996, c 79

Competition Act, RSC 1985, c C-34