

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTREAL

(Class Action)
SUPERIOR COURT

NO: 500-06-000884-177

MARTIN PREISLER [REDACTED]
[REDACTED]

Applicant

-VS-

AIRBNB IRELAND UC, legal person having a principal establishment at The Watermarque Building, South Lotts Road, Ringsend, Dublin 4, Ireland

and

AIRBNB INC., legal person having a principal establishment at 888 Brannan Street, 4th floor, San Francisco, California, 94103, United States of America

and

AIRBNB PAYMENTS UK LTD., legal person having a principal establishment at 40 Compton Street, London, EC1V 0AP, United Kingdom

Defendants

**APPLICATION TO AUTHORIZE THE BRINGING OF A CLASS ACTION AND TO APPOINT THE
STATUS OF REPRESENTATIVE PLAINTIFF
(ARTICLES 571 AND FOLLOWING C.C.P)**

**TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN AND FOR THE
DISTRICT OF MONTREAL, YOUR APPLICANT STATES AS FOLLOWS:**

I. GENERAL PRESENTATION

1. Bill 60, *An Act to amend the Consumer Protection Act and other legislative provisions*, First Session, Thirty-ninth Legislature, Quebec, S.Q. 2009, chapter 51, was assented to on December 4th, 2009;
2. One of the amendments provided for in Bill 60 was to article 224 CPA, which now stipulates the following:

224. No merchant, manufacturer or advertiser may, by any means whatever,

[...]

(c) charge, for goods or services, a higher price than that advertised.

For the purposes of subparagraph c of the first paragraph, the price advertised must include the total amount the consumer must pay for the goods or services. However, the price advertised need not include the Québec sales tax or the Goods and Services Tax. More emphasis must be put on the price advertised than on the amounts of which the price is made up.

3. Since this legislative amendment which came into force in Quebec on June 30th, 2010, merchants can no longer advertise fragmented prices, whether in an advertisement in a print or electronic media outlet, or on an informational or transactional website, and then add charges that were until then unknown, without violating paragraph (c) of section 224 of the CPA;
4. In its Bulletin titled *"The Deceptive Marketing Practices Digest"*, of June 10th, 2015, the Competition Bureau refers to a common problem in digital commerce to which consumers fall prey, known as *"drip-pricing"*, Applicant disclosing **Exhibit P-1**:

Another growing problem in the digital economy is the tendency of some advertisers to trumpet a very appealing price for a product, while concealing the true total cost. In one common technique, referred to as *"drip-pricing"*, advertisers offer an attractive price for a good or service, but consumers who respond to the representation discover that unexpected additional costs are added to the prominently advertised price. The true total cost may only be revealed after the consumer has initially responded to the advertisement. [...]

There is a significant body of research that shows that hiding or obscuring costs significantly affects consumers' ability to make well informed decisions, and has a negative impact on the proper functioning of the marketplace. The international consumer protection community, through

the Committee on Consumer Policy of the Organization for Economic Cooperation and Development (OECD), has identified similar concerns.

5. During the Class Period, Defendants violate paragraph (c) of section 224 of the *CPA*, by unlawfully charging Class members a higher price than the ones they advertise on their websites and/or mobile applications (at the first step),
6. This class action seeks the reimbursement of the amounts that the Class members disbursed to obtain their bookings that were not included in the advertised price (excluding the GST, QST and the duties chargeable under any federal or provincial Act where, under that Act, such duties must be charged directly to the consumer to be remitted to a public authority, as well as optional charges);
7. As such, Applicant wishes to institute a class action on behalf of the following class of which he is a member, namely:

Class:

Every consumer, pursuant to the terms of Quebec's *Consumer Protection Act* ("**CPA**"), who since August 22nd, 2014 (the "**Class Period**"), while located in the province of Quebec, made a booking for anywhere in the world using Airbnb's websites and/or mobile application and who paid a price higher than the price initially advertised by Airbnb (excluding the QST or the GST);

(hereinafter referred to as the "**Class**")

or any other Class to be determined by the Court;

II. THE PARTIES

8. The Applicant is a consumer within the meaning of the *CPA*;
9. Defendant, Airbnb Ireland UC (hereinafter "**Airbnb**"), is a legal person established under the laws of Ireland, as it appears from a copy of its Constitution, disclosed as **Exhibit P-2**;
10. Airbnb is merchant within the meaning of the *CPA*, that enables "*people to list, discover, and book unique accommodations around the world — online or from a mobile phone or tablet*", **Exhibit P-3**;
11. Defendant, Airbnb Payments UK Ltd. (hereinafter "**Airbnb Payments**"), is a legal person established under the laws of the United Kingdom, as it appears from a copy of its Certificate of Incorporation, disclosed as **Exhibit P-4**;
12. Airbnb Payments' principal activity is cash collection, which it conducts on behalf of Airbnb, as it appears from Airbnb Payments' 2015 Financial Statement, disclosed as

Exhibit P-5;

13. Defendant Airbnb Inc. (hereinafter "**Airbnb Inc.**") is a Delaware corporation headquartered and having a principal place of business in San Francisco, California, in the United States of America, Applicant disclosing **Exhibit P-6;**
14. Airbnb Inc. operates the Airbnb.com website and mobile applications for Americans (including those using Airbnb while in the province of Quebec), while Airbnb operates the Airbnb.ca website, Applicant disclosing Airbnb's Terms of Service as **Exhibit P-7;**
15. Although not physically located in Quebec, Defendants' online presence enables them to enter into distance contracts with consumers and thus carry on business in the province of Quebec;
16. As a result of this online presence, Defendants generate substantial revenues from acting as digital brokers in the selling of room accommodations in Quebec and around the world (akin to reserving a hotel room for a period of time);
17. The Defendants are all merchants within the meaning of the CPA and their activities are governed by this legislation, among others;

III. CONDITIONS REQUIRED TO AUTHORIZE THIS CLASS ACTION AND TO APPOINT THE STATUS OF REPRESENTATIVE PLAINTIFF (SECTION 575 C.C.P.):

A) THE FACTS ALLEGED APPEAR TO JUSTIFY THE CONCLUSIONS SOUGHT

Applicant's Claim against Airbnb for violation of 224 (c) CPA:

18. The circumstances leading up to Applicant contracting with Airbnb to reserve a room for his vacation are detailed in the following paragraphs;
19. Towards the end of July 2017, Applicant decided that he wanted to go to Florida for a vacation with his sister;
20. On August 1st, 2017, while in Montreal, province of Quebec, Applicant went to the Airbnb.ca website and made a reservation for a condominium in Hollywood, Florida, from August 2nd, 2017, to August 8th, 2017, as it appears from his Airbnb Travel Receipt, Confirmation Code HMF: [REDACTED], disclosed as **Exhibit P-8;**
21. The unit he paid for is called the "*Beautiful Beach Condo 2H*";
22. Airbnb unlawfully charged Applicant \$141.00 on account of "Service fees", which it did not advertise at the first step;
23. For illustration purposes, on August 21st, 2017, Applicant again went through the steps to purchase a 6-night stay (September 6th-12th, 2017) at the same "*Beautiful Beach*

Condo 2H" unit using Airbnb's desktop site (airbnb.ca), as well as the Airbnb application on his smartphone;

Airbnb's Desktop Site (www.airbnb.ca)

- 24. On its website (airbnb.ca), at the first step ("Step 1"), Airbnb advertises the price at \$199.00 per night, as it appears from **Exhibit P-9**;
- 25. When Applicant clicks on the "Beautiful Beach Condo 2H" advertised at \$199.00 per night, he is forwarded to the second step ("Step 2"), disclosed herewith as **Exhibit P-10**;
- 26. It's at Step 2 that Airbnb makes things quite confusing to unsuspecting consumers;
- 27. The price at Step 2 now shows \$167.00 per night, which at first glance appears to be lower than the \$199.00 advertised at Step 1, the whole as appears from the screen capture of Step 2, Exhibit P-10;
- 28. In reality, the "Cleaning fee" of \$194.00 is divided by 6 nights (which equals \$32.33) and was always incorporated into the price advertised at Step 1 (\$167.00 + \$32.33 = \$199.33);
- 29. At Step 2, Airbnb provides the following breakdown of the pricing, for a total of \$1,466.00:

⚡ \$167 CAD per night	
Check In	Check Out
06-09-2017	12-09-2017
Guests	
1 guest	~
\$167 x 6 nights ⓘ	\$1,002
Cleaning fee ⓘ	\$194
Service fee ⓘ	\$145
Occupancy Taxes ⓘ	\$127
Total	\$1,466 CAD

Book

100% refundable. See what's charged next.

- 30. Assuming that the \$127.00 "Occupancy Taxes" is in fact remitted to a public authority, Airbnb adds on the "Service fee" of \$145.00 at Step 2, which it does not show Class members in Step 1, where it initially advertised this room for \$199.00 (the real price is in

fact \$24.17 more per night, for a total of \$223.17 per night, before the Occupancy Taxes);

31. Applicant then clicks on the red “Book” button and is forwarded to the third step, (“Step 3”), disclosed herewith as **Exhibit P-11**:



6 nights in Hollywood	
Entire home/apt · 3 beds	
1 guest	
6 Sep 2017 · 12 Sep 2017	
\$166.75 x 6 nights	\$1000.48
Cleaning fee	\$194.39
Service fee	\$144.11
Occupancy Taxes	\$127.61
Total (CAD)	\$1466.59

32. At Step 3, Airbnb confirms that the price that it will in fact *charge* consumers is indeed \$1466.59, which is \$144.11 more than it advertised at Step 1;
33. Without taking the Cleaning fee and Occupancy Taxes into account, the hidden “Service fee” on Airbnb’s Desktop website is approximately 12.5% of the total price;
34. Airbnb ought to have factored the cost of the “Service fee” at Step 1, the same way it factors the cost of the “Cleaning fee” at Step 1;
35. By not doing so, Airbnb violates paragraph c of section 224 CPA;
36. Had Applicant seen the true price of \$223.02 advertised at Step 1, he would have never contracted with Airbnb for this room;

Airbnb’s Mobile Application (“App”) for Tablets/Smartphones

37. On August 21st, 2017, Applicant performed the same exercise using the Airbnb App with his smartphone, this time for a room in Old Montreal for one night on September 6th, 2017 (check-out on September 7th);
38. At Step 1 of its App (“App Step 1”), Airbnb advertises the “LUXURY Condo Old Montreal/Downtown” for \$169.00 for the night, Applicant disclosing **Exhibit P-12**;

39. After clicking on the “LUXURY Condo Old Montreal/Downtown”, Applicant is forwarded to the next page (“**App Step 2**”), which now advertises this same room for \$168.00 per night, Applicant disclosing **Exhibit P-13**;
40. Applicant then clicks on the red “Book” button and is forwarded to the next page of the purchase process (“**App Step 3**”), where Airbnb now displays the price for this same room at \$190.53, Applicant disclosing **Exhibit P-14**;
41. When he clicks on the green “Next” button from App Step 3, Applicant is forwarded to the last page of the purchase process (“**App Step 4**”), which shows the payment breakdown indicating that Airbnb will *charge* Class members a total of \$190.53 (which is \$21.53 more than what it *advertises* at App Step 1 and App Step 2, on account of the “Service fee”), Applicant disclosing **Exhibit P-15**;
42. Without taking the Cleaning fee into account, the hidden “Service fee” on Airbnb’s App is approximately 17% of the price;

(i) Applicant’s claim for compensatory damages (ss. 224 c) and 272 CPA)

43. Applicant has suffered ascertainable loss as a result of Airbnb’s misconduct and failure to comply with paragraph c of section 224 CPA, notably, the overpayment in the amount of \$141.00;
44. By reason of Defendants’ unlawful conduct, the Applicant and the Class members have suffered a prejudice, which they wish to claim, every time Class members completed a transaction/purchase on Airbnb’s desktop websites or App for a price above the one advertised in the first step;
45. A sufficient nexus exists between the lower price advertised by Airbnb at the first step and the room purchased. By advertising its rooms at a lower price at the first step, Airbnb is capable of influencing a consumer’s behavior with respect to the formation of the contract;
46. Notwithstanding the paragraph above, given that the CPA creates a prohibition on advertising an incomplete or fragmented price, the issue of whether there was a violation of 224 c) must be addressed objectively, and there is no reason to assess whether Class members understood the various elements of the actual price or even whether they were misled. It is thus irrelevant to consider whether a consumer, even a credulous and inexperienced one, would have understood that the actual price for a room on Airbnb was the one posted at the last step by Airbnb;
47. Applicant’s damages are a direct and proximate result of Airbnb’s misconduct;

(ii) Applicant's claim for punitive damages (ss. 224 c) and 272 CPA)

48. Airbnb entices Class members to contract with them by advertising their rooms for prices that in reality are 13% to 17% less than what they will ultimately charge Class members;
49. There is no doubt that Airbnb does this intentionally, because they do take the time to factor the "Cleaning fee" into the advertised price at Step 1, but not the "Service fee";
50. Airbnb does not benefit financially from the Cleaning fee, but does benefit substantially from the Service fee, which is the percentage it keeps from the transaction for brokering the deal;
51. Airbnb's overall conduct before, during and after the violation, was lax, careless, passive and ignorant with respect to consumers' rights and to their own obligations;
52. In this case, Airbnb continues to breach the CPA, without any explanation, for a significant period;
53. This complete disregard for consumers' rights and to their own obligations under the CPA on the part of Airbnb (as well as the other Defendants) is in and of itself an important reason for this Court to enforce measures that will punish the Defendants, as well as deter and dissuade other entities – both local and foreign - from engaging in similar reprehensible conduct to the detriment of Quebec consumers;
54. The reality is that the Defendants' revenues – which are likely in the billions of dollars during the Class Period – would be substantially and adversely affected if they would advertise the true price at Step 1;
55. The punitive damages provided for in section 272 CPA have a preventive objective, that is, to discourage the repetition of such undesirable conduct;
56. Airbnb's violations were intentional, calculated, malicious and vexatious;
57. Airbnb demonstrated through its behavior (before, during and after the violation) that it was more concerned about its bottom line than about consumers' rights and their own obligations under the CPA;
58. In these circumstances, Applicant's claim for \$100.00 per Class member for punitive damages against Airbnb is justified;
59. Airbnb's patrimonial situation is so significant that the foregoing amount of punitive damages is appropriate in the circumstance;

B) THE CLAIMS OF THE MEMBERS OF THE CLASS RAISE IDENTICAL, SIMILAR OR RELATED ISSUES OF LAW OR FACT:

60. All Class members have a common interest both in proving the commission of a prohibited businesses practice (the violation of paragraph c of section 224 CPA in the present case) by all of the Defendants and in maximizing the aggregate of the amounts unlawfully charged to them by Defendants;
61. In this case, the legal and factual backgrounds at issue are common to all the members of the Class, namely whether the Defendants who initially advertised one price but then charged another, violated paragraph c of section 224 CPA;
62. Every member of the Class saw the lower price advertised by Airbnb at Step 1, but were charged a higher price by Airbnb on account of the "Service fee";
63. By reason of Defendants' unlawful conduct, Applicant and members of the Class have suffered damages, which they may collectively claim against the Defendants;
64. Every member of the Class has objectively suffered damages equivalent to the amounts that they members disbursed to obtain their bookings that were not included in the advertised price;
65. The questions of fact and law raised and the recourse sought by this Application are identical with respect to each member of the Class;
66. In taking the foregoing into account, all members of the Class are justified in claiming the sums which they unlawfully overpaid to Defendants, as well as punitive damages pursuant to section 272 CPA;
67. All of the damages to the Class members are a direct and proximate result of the Defendants' misconduct;
68. Individual questions, if any, pale by comparison to the common questions that are significant to the outcome of the present Application;
69. The damages sustained by the Class members flow, in each instance, from a common nucleus of operative facts, namely, Defendants' concealment of the Service fee from Step 1 of the purchase process and then charging a higher price than that advertised at the last step;
70. **The recourses of the Class members raise identical, similar or related questions of fact or law, namely:**
 - a) Is Airbnb violating paragraph 224(c) of the CPA;
 - b) If so, are the Class members entitled to claim the following amounts from

Airbnb?

- i. The reimbursement of the amounts that the members disbursed to obtain their bookings that were not included in the advertised price (excluding the GST, QST and the duties chargeable under any federal or provincial Act where, under that Act, such duties must be charged directly to the consumer to be remitted to a public authority, as well as optional charges);
 - ii. The amount of \$100 in punitive damages;
 - iii. The interest and additional indemnity set out in the *Civil Code of Québec* on the above amounts, from the date of service of the Application for authorization.;
- c) Should an injunctive remedy be ordered to prohibit Defendants from continuing to perpetrate the unfair, deceitful and illegal practice?

C) THE COMPOSITION OF THE CLASS

71. The composition of the Class makes it difficult or impracticable to apply the rules for mandates to take part in judicial proceedings on behalf of others or for consolidation of proceedings;
72. In the "About Us" section of website, Airbnb boasts: "*Whether an apartment for a night, a castle for a week, or a villa for a month, Airbnb connects people to unique travel experiences, at any price point, in more than 65,000 cities and 191 countries. And with world-class customer service and a growing community of users, Airbnb is the easiest way for people to monetize their extra space and showcase it to an audience of millions*", Exhibit P-3;
73. A study dated August 10th, 2017, by a team of urban planners from McGill University looked at Airbnb trends in Montreal, Vancouver and Toronto and concluded that these areas earned a collective \$430 million in revenue in 2016, an average of \$5,310 per listing and a 55% increase over the year before, Applicant disclosing the study as **Exhibit P-16**;
74. In the province of Quebec alone, there are more than 19,000 Airbnb hosts listing their units on Airbnb and the average host earns approximately \$2500 per year. These figures do not account for Quebec consumers who, while physically located in the province of Quebec, reserve rooms for their trips out of the province/country;
75. Based on this data, the number of persons included in the Class is modestly estimated at tens of thousands during the Class Period;

76. The names and addresses of all persons included in the Class are not known to the Applicant, however, are in the possession of the Defendants;
77. Class members are very numerous and are dispersed across the province, across Canada and elsewhere;
78. These facts demonstrate that it would be impractical, if not impossible, to contact each and every Class member to obtain mandates and to join them in one action;
79. In these circumstances, a class action is the only appropriate procedure for all of the members of the Class to effectively pursue their respective rights and have access to justice without overburdening the court system;

D) THE CLASS MEMBER REQUESTING TO BE APPOINTED AS REPRESENTATIVE PLAINTIFF IS IN A POSITION TO PROPERLY REPRESENT THE CLASS MEMBERS

80. Applicant requests that he be appointed the status of representative plaintiff;
81. Applicant is a member of the Class;
82. Applicant assisted with the investigative stage of the proceedings;
83. Prior to initiating the present class action, Applicant spoke to friends, colleagues and relatives and realized that others encountered similar experiences with the hidden Service fees charged by Airbnb;
84. Applicant mandated his attorney, who has experience in class actions and who works on several consumer protection related files (including on an important Quebec case dealing with fragmented pricing) to take the present action on his behalf and in the interest of the Class members;
85. As for identifying other Class members, Applicant draws certain inferences from the situation, and this based on the number of listings on Airbnb. Applicant realizes that by all accounts, there is a very important number of consumers that find themselves in an identical situation, and that it would not be useful for him to attempt to identify them given their sheer number;
86. Applicant feels that Defendants should be held accountable for their misconduct and is taking this action so that: (i) he and the Class members can recover sums overpaid; and (ii) Airbnb modifies its practice;
87. Applicant is ready and available to manage and direct the present action in the interest of the members of the Class that he wishes to represent and is determined to lead the present dossier until a final resolution of the matter, the whole for the benefit of the Class, as well as to dedicate the time necessary for the present action and to collaborate with his attorney;

88. Applicant has given the mandate to his attorney to obtain all relevant information with respect to the present action and intends to continue to keep informed of all developments;
89. Applicant has the capacity and interest to fairly and adequately protect and represent the interest of the Class members;
90. Applicant is available on social media to inform and to respond to Class members on platforms such as Facebook;
91. Applicant is in good faith and has instituted this action for the sole purpose of having his rights, as well as the rights of other Class members, recognized and protected so that they may be compensated for the damages that they have suffered as a consequence of Defendants' misconduct;
92. Applicant has read this Application prior to its court filing and reviewed the exhibits in support thereof;
93. Applicant understands the nature of the action;
94. Applicant's interests are not antagonistic to those of other members of the Class;
95. Applicant's interest and competence are such that the present class action could proceed fairly;

IV. DAMAGES

96. During the Class Period, it appears that the Defendants have generated aggregate amounts in the billions of dollars while intentionally choosing to ignore the law in Quebec;
97. The Defendants' misconduct is reprehensible and to the detriment of vulnerable Quebec consumers;
98. The Defendants must be held accountable for the breach of obligations imposed on them by consumer protection legislation in Quebec, including:
 - a) Quebec's *Consumer Protection Act*, notably paragraph c of section 224 CPA;
99. In light of the foregoing, the following damages may be claimed against the Defendants:
 - a) compensatory damages, in an amount to be determined, on account of the damages suffered; and
 - b) punitive damages, in an amount \$100.00 per Class member, for the breach of obligations imposed on Defendants pursuant to section 272 CPA;

V. NATURE OF THE ACTION AND CONCLUSIONS SOUGHT

100. The action that the Applicant wishes to institute on behalf of the members of the Class is an action in damages, with injunctive relief;

101. The conclusions that the Applicant wishes to introduce by way of an originating application are:

ALLOW the class action of the Plaintiff and the members of the Class against the Defendants;

ORDER the Defendants to cease charging consumers a higher price than which it advertises at the first step;

CONDEMN the Defendants to pay the Plaintiff and each Class member the amounts that they disbursed to make their booking that were not included in the advertised price [excluding Quebec sales tax ("QST"), the Canada Goods and Services Tax ("GST"), the duties that Airbnb must charge directly to consumers under any federal or provincial Act to be remitted to a public authority, and the price of the options];

ORDER that the above condemnation be subject to collective recovery;

CONDEMN Defendants to pay Plaintiff and each of the member of the Class the amount of \$100.00, subject to amplification, in punitive damages and **ORDER** that this condemnation be subject to collective recovery;

CONDEMN the Defendants to pay interest and the additional indemnity on the above sums according to law from the date of service of the Application to authorize a class action and **ORDER** that this condemnation be subject to collective recovery;

ORDER the Defendants to deposit in the office of this Court the totality of the sums which forms part of the collective recovery, with interest and costs;

ORDER that the claims of individual Class members be the object of collective liquidation if the proof permits and alternately, by individual liquidation;

CONDEMN the Defendants to bear the costs of the present action including the cost of exhibits, notices, the cost of management of claims and the costs of experts, if any, including the costs of experts required to establish the amount of the collective recovery orders;

RENDER any other order that this Honourable Court shall determine;

102. The interests of justice favour that this Application be granted in accordance with its conclusions;

VI. JURISDICTION

103. The Applicant suggests that this class action be exercised before the Superior Court of the province of Quebec, in the district of Montreal, for the following reasons:

- a) There exists a real and substantial connection between the province of Quebec and the damages suffered by Applicant and Class members;
- b) A great number of the Class members, including the Applicant, reside in the district of Montreal;

FOR THESE REASONS, MAY IT PLEASE THE COURT:

AUTHORIZE the bringing of a class action in the form of an originating application in damages;

APPOINT the Applicant the status of representative plaintiff of the persons included in the Class herein described as:

Class:

Every consumer, pursuant to the terms of Quebec's *Consumer Protection Act* ("**CPA**"), who since August 22nd, 2014 (the "**Class Period**"), while located in the province of Quebec, made a booking for anywhere in the world using Airbnb's websites and/or mobile application and who paid a price higher than the price initially advertised by Airbnb (excluding the QST or the GST);

(hereinafter referred to as the "**Class**")

or any other Class to be determined by the Court;

IDENTIFY the principle questions of fact and law to be treated collectively as the following:

- a) Is Airbnb violating paragraph 224(c) of the *CPA*;
- b) If so, are the Class members entitled to claim the following amounts from Airbnb?
 - i. The reimbursement of the amounts that the members disbursed to obtain their bookings that were not included in the advertised price (excluding the GST, QST and the duties chargeable under any federal or provincial Act where, under that Act, such duties must be charged directly to the consumer to be remitted to a public authority, as well as optional charges);

- ii. The amount of \$100 in punitive damages;
 - iii. The interest and additional indemnity set out in the *Civil Code of Québec* on the above amounts, from the date of service of the Application for authorization.;
- c) Should an injunctive remedy be ordered to prohibit Defendants from continuing to perpetrate the unfair, deceitful and illegal practice?

IDENTIFY the conclusions sought by the class action to be instituted as being the following:

ALLOW the class action of the Plaintiff and the members of the Class against the Defendants;

ORDER the Defendants to cease charging consumers a higher price than which it advertises at the first step;

CONDEMN the Defendants to pay the Plaintiff and each Class member the amounts that they disbursed to make their booking that were not included in the advertised price [excluding Quebec sales tax ("QST"), the Canada Goods and Services Tax ("GST"), the duties that Airbnb must charge directly to consumers under any federal or provincial Act to be remitted to a public authority, and the price of the options];

ORDER that the above condemnation be subject to collective recovery;

CONDEMN Defendants to pay Plaintiff and each of the member of the Class the amount of \$100.00, subject to amplification, in punitive damages and **ORDER** that this condemnation be subject to collective recovery;

CONDEMN the Defendants to pay interest and the additional indemnity on the above sums according to law from the date of service of the Application to authorize a class action and **ORDER** that this condemnation be subject to collective recovery;

ORDER the Defendants to deposit in the office of this Court the totality of the sums which forms part of the collective recovery, with interest and costs;

ORDER that the claims of individual Class members be the object of collective liquidation if the proof permits and alternately, by individual liquidation;

CONDEMN the Defendants to bear the costs of the present action including the cost of exhibits, notices, the cost of management of claims and the costs of experts, if any, including the costs of experts required to establish the

amount of the collective recovery orders;

RENDER any other order that this Honourable Court shall determine;

DECLARE that all members of the Class that have not requested their exclusion, be bound by any judgement to be rendered on the class action to be instituted in the manner provided for by the law;

FIX the delay of exclusion at thirty (30) days from the date of the publication of the notice to the members, date upon which the members of the Class that have not exercised their means of exclusion will be bound by any judgement to be rendered herein;

ORDER the publication of a notice to the members of the Class in accordance with article 579 C.C.P. within sixty (60) days from the judgement to be rendered herein in the "News" sections of the Saturday editions of the Journal de Montréal and the Montreal Gazette;

ORDER that said notice be published on the Defendants' various websites, Facebook pages and Twitter accounts, in a conspicuous place, with a link stating "Notice to Consumers in Quebec";

ORDER the Defendants to send an Abbreviated Notice by e-mail to each Class member, to their last known e-mail address, with the subject line "Notice of a Class Action";

ORDER the Defendants and their representatives to supply class counsel, within thirty (30) days of the judgment rendered herein, all lists in their possession or under their control permitting to identify Class members, including their names, addresses, phone numbers and email addresses;

RENDER any other order that this Honourable Court shall determine;

THE WHOLE with costs including publication fees.

Montréal, August 22nd, 2017



LPC AVOCAT INC.

Per: Me Joey Zukran

Attorney for Applicant

SUMMONS
(ARTICLES 145 AND FOLLOWING C.C.P)

Filing of a judicial application

Take notice that the Applicant has filed this Application for Authorization to Institute a Class Action and to Appoint the Status of Representative Plaintiff in the office of the **Superior Court** in the judicial district of **Montreal**.

Defendant's answer

You must answer the application in writing, personally or through a lawyer, at the courthouse of Montreal situated at 1 Rue Notre-Dame E, Montréal, Quebec, H2Y 1B6, within 15 days of service of the Application or, if you have no domicile, residence or establishment in Québec, within 30 days. The answer must be notified to the Applicant's lawyer or, if the Applicant is not represented, to the Applicant.

Failure to answer

If you fail to answer within the time limit of 15 or 30 days, as applicable, a default judgement may be rendered against you without further notice and you may, according to the circumstances, be required to pay the legal costs.

Content of answer

In your answer, you must state your intention to:

- negotiate a settlement;
- propose mediation to resolve the dispute;
- defend the application and, in the cases required by the Code, cooperate with the Applicant in preparing the case protocol that is to govern the conduct of the proceeding. The protocol must be filed with the court office in the district specified above within 45 days after service of the summons or, in family matters or if you have no domicile, residence or establishment in Québec, within 3 months after service;
- propose a settlement conference.

The answer to the summons must include your contact information and, if you are represented by a lawyer, the lawyer's name and contact information.

Change of judicial district

You may ask the court to refer the originating Application to the district of your domicile or residence, or of your elected domicile or the district designated by an agreement with the plaintiff.

If the application pertains to an employment contract, consumer contract or insurance contract, or to the exercise of a hypothecary right on an immovable serving as your main residence, and if you are the employee, consumer, insured person, beneficiary of the insurance contract or hypothecary debtor, you may ask for a referral to the district of your domicile or residence or the district where the immovable is situated or the loss occurred. The request must be filed with the special clerk of the district of territorial jurisdiction after it has been notified to the other parties and to the office of the court already seized of the originating application.

Transfer of application to Small Claims Division

If you qualify to act as a plaintiff under the rules governing the recovery of small claims, you may also contact the clerk of the court to request that the application be processed according to those rules. If you make this request, the plaintiff's legal costs will not exceed those prescribed for the recovery of small claims.

Calling to a case management conference

Within 20 days after the case protocol mentioned above is filed, the court may call you to a case management conference to ensure the orderly progress of the proceeding. Failing this, the protocol is presumed to be accepted.

Exhibits supporting the application

In support of the Application for Authorization to Institute a Class Action and to Appoint the Status of Representative Plaintiff, the Applicant intends to use the following exhibits:

- Exhibit P-1:** Copy of the Competition Bureau's Bulletin titled "*The Deceptive Marketing Practices Digest*", dated June 10th, 2015;
- Exhibit P-2:** Copy of the Airbnb Ireland UC's Constitution;
- Exhibit P-3:** Excerpt of Airbnb's "About Us" webpage (<https://www.airbnb.ca/about/about-us>);
- Exhibit P-4:** Copy of Airbnb Payments UK Ltd.'s Certificate of Incorporation;
- Exhibit P-5:** Copy of Airbnb Payments UK Ltd.'s 2015 Financial Statement;
- Exhibit P-6:** Copy of the Certificate of Amendment of the Restated Certificate of Incorporation for Airbnb Inc.;
- Exhibit P-7:** Copy of Airbnb's Terms of Service;

- Exhibit P-8:** Copy of Applicant's Airbnb Travel Receipt, Confirmation Code HMF35HABZ5, dated August 1st, 2017;
- Exhibit P-9:** Screen capture of Step 1 of Airbnb's desktop website;
- Exhibit P-10:** Screen capture of Step 2 of Airbnb's desktop website;
- Exhibit P-11:** Screen capture of Step 3 of Airbnb's desktop website;
- Exhibit P-12:** Screen capture of Step 1 of Airbnb's App;
- Exhibit P-13:** Screen capture of Step 2 of Airbnb's App;
- Exhibit P-14:** Screen capture of Step 3 of Airbnb's App;
- Exhibit P-15:** Screen capture of Step 4 of Airbnb's App;
- Exhibit P-16:** Copy of the study dated August 10th, 2017, by a team of urban planners from McGill University;

These exhibits are available on request.

Notice of presentation of an application

If the application is an application in the course of a proceeding or an application under Book III, V, excepting an application in family matters mentioned in article 409, or VI of the Code, the establishment of a case protocol is not required; however, the application must be accompanied by a notice stating the date and time it is to be presented.

Montréal, August 22nd, 2017

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke, positioned above a solid horizontal line.

LPC AVOCAT INC.

Per: Me Joey Zukran
Attorney for Applicant

NOTICE OF PRESENTATION
(articles 146 and 574 al. 2 N.C.P.C.)

TO: **AIRBNB IRELAND UC**
The Watermarque Building
South Lotts Road, Ringsend
Dublin 4, Ireland

AIRBNB INC.
888 Brannan Street, 4th floor,
San Francisco, California
94103, USA

AIRBNB PAYMENTS UK LTD.
40 Compton Street
London, EC1V 0AP
United Kingdom

TAKE NOTICE that Applicant's *Application for Authorization to Institute a Class Action and to Appoint the Status of Representative Plaintiff* will be presented before the Superior Court at **1 Rue Notre-Dame E, Montréal, Quebec, H2Y 1B6**, on the date set by the coordinator of the Class Action chamber.

GOVERN YOURSELVES ACCORDINGLY.

Montréal, August 22nd, 2017



LPC AVOCAT INC.
Per: Me Joey Zukran
Attorney for Applicant

N°: 500-06-000889-174

(Class Action)
SUPERIOR COURT
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
MARTIN PREISLER

Applicant

-vs-

AIRBNB IRELAND UC, legal person having a principal establishment at The Watermarque Building, South Lotts Road, Ringsend, Dublin 4, Ireland

and **AIRBNB INC.**, legal person having a principal establishment at 888 Brannan Street, 4th floor, San Francisco, California, 94103, United States of America

and **AIRBNB PAYMENTS UK LTD.**, legal person having a principal establishment at 40 Compton Street, London, EC1V 0AP, United Kingdom

Defendants

APPLICATION TO AUTHORIZE THE
BRINGING OF A CLASS ACTION AND TO
APPOINT THE STATUS OF
REPRESENTATIVE PLAINTIFF
(ARTICLES 571 AND FOLLOWING C.C.P)

ORIGINAL



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N/D: JZ-161