



ATTORNEY GENERAL LESLIE RUTLEDGE

March 17, 2020

Mr. Scott Schenkel  
Interim CEO  
eBay, Inc.  
2025 Hamilton Avenue  
San Jose, CA 95125

Dear Mr. Schenkel:

I am writing to thank you for eBay's efforts to prevent price gouging by banning the sale of all face masks and sanitizers on eBay and to encourage you to expand this effort to include the sale of other basic needs products at excessive prices.

Like many other states, Arkansas has laws that prohibit price gouging during states of emergency. On March 11, 2020, Arkansas Governor Asa Hutchinson declared a public health emergency relating to coronavirus disease 2019 (COVID-19) triggering the protections of our price gouging law. The ban on price gouging will remain in effect for at least 30 days on goods and services related to the emergency and can be extended another 30 days by the Governor, if needed.

The price gouging law prohibits any person or business from charging more than ten percent (10%) above the pre-disaster price of goods or services. The scope of the law is broad and is intended to cover anything that may be needed in the event of a state of emergency. As it relates to the COVID-19 public health emergency, covered goods and services include, but are not limited to, cleaning and disinfecting products, personal protective equipment, medicine and medical supplies, and goods used for personal care.

While the law sets a general 10% cap on price increases during an emergency, businesses may lawfully charge a higher price if they can establish that the higher price is directly attributable additional costs for labor or materials used to provide the goods or service. In such a limited situation, the business may charge no more than 10% above the total of the cost to the business, plus the mark-up that is customarily applied by the business for that good or service in the normal course of business.

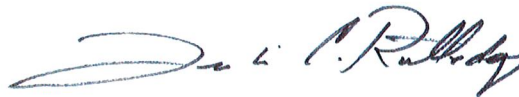
Wholesale distributors and other vendors are not exempt from the price gouging law. If a supplier has recently increased its prices for goods or services by more than 10%, please contact our office immediately.

If a business or individual violates the price gouging law, the Attorney General can seek injunctive relief, restitution to consumers, costs, attorneys' fees, and civil penalties up to \$10,000 per violation. Criminal sanctions may also apply to violators.

We have been successfully fighting bad actors that are located in the State of Arkansas, and we intend to pursue online vendors who have sold consumer goods in Arkansas at excessive prices. We request that your company take steps to block efforts by third parties to use your website to prey on Arkansans. We further request that eBay assist us in taking action against bad actors. There should be no place for price gouging on eBay, and you should not tolerate attempts by bad actors to artificially raise prices on basic needs products during this public health crisis.

I am open to discussing additional measures that eBay may utilize to help combat price gouging. Please contact my office to schedule a meeting.

Sincerely,

A handwritten signature in blue ink that reads "Leslie C. Rutledge". The signature is written in a cursive style with a large, sweeping initial "L".

Leslie C. Rutledge  
Attorney General