Togetherwork

Reply to: Legal Department
Damon E. Schramm
dschramm@togetherwork.com
(888) 554-6634

December 22, 2025

Via Electronic Mail – shawn@catsinthecity.com

Mr. Shawn Lioyryan
Cats in the City, LLC
9450 SW Gemini Drive PMB 40571
Beaverton, OR 97008

Re: Cats in the City, LLC

Dear Mr. Lioyryan:

I write in response to your December 9, 2025 correspondence and the accompanying "class action aligned demand packet" purporting to assert claims against Gingr, LLC, a wholly owned subsidiary of Togetherwork Holdings, LLC ("**Gingr**"). We have conducted a comprehensive review of your submission, including the supplemental materials dated December 10, 2025 and have found your assertions wholly without merit. Accordingly, Gingr categorically rejects the factual and legal premises underlying your claims and your $33,167.56 demand.

Your submission relies on mischaracterizations of the parties' commercial relationship, selective quotation of communications, and legally unsupported theories that conflate routine SaaS and merchant-processing practices with misconduct.

It is clear that you went through great lengths to develop the presentation of your claim. Therefore, for clarity and completeness, I will address your allegations directly and in the order presented.

1. Merchant Processing Fees
No "Rate Lock" Ever Existed
Your demand is premised on the assertion that Gingr guaranteed a permanent, fixed 2.47% merchant processing rate immune from future adjustment. That assertion is patently false.

The 2021 onboarding communications you cite reflect a ***rate match at inception***, not a perpetual rate lock. At no time did Gingr represent—verbally or in writing—that processing rates would remain fixed indefinitely, nor did Gingr waive its right to adjust merchant fees in accordance with processor policies and network cost changes (and in fact, it reserved such rights in its terms of service, discussed below). Notably, even with your exhaustive audit and presentation, one critical element is conspicuously absent despite being represented (inaccurately) in your "class action complaint": any evidence *whatsoever* that Gingr "confirmed in writing" a fixed rate "with no escalation". Why? Because no such document exists.

Even your ChatGPT analysis draws a distinction between a "rate match" and a "rate lock" – one that you fail to recognize. Your attempt to retroactively recharacterize the *rate match* as a contractual *rate lock* is unsupported by any agreement, addendum, or governing document. A commercial preference is not a contractual guarantee.

Gingr Retained the Right to Adjust Processing Fees

Gingr has always retained the right to adjust merchant processing fees. This is a standard, lawful, and fully disclosed practice in merchant acquiring arrangements. The processing fees, which are administered through CardConnect, reflect a combination of:

- Interchange
- network assessments
- compliance status
- transaction mix (card-present vs. card-not-present); and
- processor cost adjustments

Your demand conspicuously ignores these variables and instead assumes—incorrectly—that any effective rate above 2.47% is inherently improper. That assumption is both inaccurate and legally indefensible.

Notice Was Provided and Was Commercially Reasonable

You repeatedly assert that Gingr provided "no notice" of rate adjustments. That assertion is demonstrably incorrect. Notice of applicable rates and adjustments was provided via monthly CardConnect merchant statements at least 30 to 60 days in advance of the rate increase, which were mailed to the address on file, accessible through the CardPointe portal, and expressly referenced in Gingr communications. All of these were available to you for your review *at any time.* Indeed, even your ChatGPT analysis confirms that that rate increases were disclosed via passive statements.

In essence, your argument is not that notice was *absent*, but that you disagree with the *method* of notice. There is no legal requirement—statutory or contractual—that notice be delivered by separate email, dashboard alert, or affirmative acknowledgment in a B2B merchant processing context. Courts routinely recognize billing statements as legally sufficient notice. Your demand cites no authority to the contrary and, as such, is completely without merit.

Multi-Year Silence Constitutes Waiver and Ratification

Your own materials establish that you did not object to processing rates for multiple years, despite receiving monthly statements reflecting those rates. A sophisticated, multi-location business that fails to review merchant statements—or reviews them and remains silent—cannot later claim deception when it retrospectively decides the pricing was undesirable. Your delay alone defeats claims for breach, fraud, unjust enrichment, and omission-based theories.

2. Alleged "Constructive Entrapment"

Gingr Did Not Prevent Termination or Migration

Your claim of "constructive entrapment" is based on the assertion that Gingr prevented you from leaving the platform. That assertion does not stand up to even a cursory review. At no point did Gingr prohibit termination, refuse to close your account, impose contractual barriers to exit, or condition cancellation on continued payment. Your decision to maintain active subscriptions was voluntary and made for your own business reasons. That is not coercion. It is continued use of a paid service.

You Never Requested Migration or Manual Export Assistance

Critically, your submission also omits another dispositive fact: *You never informed Gingr that you were attempting to migrate to another vendor.* Nor did you request manual data export, migration assistance, or an alternative delivery of your data. You reported a self-service export tool error. You did not state that the issue was blocking a vendor transition, nor did you ask Gingr to download or deliver your data outside the portal. Had you done so, Gingr would have provided reasonable assistance in delivering that data. Gingr is not obligated to intuit a customer's undisclosed business plans or proactively design bespoke migration solutions absent a request.

Export Tool Issues Do Not Create a Right to Free Service

Your theory—that any technical issue entitles you to cease payment while retaining access—is unsupported by contract or law and, frankly, makes no business sense. Like all SaaS platforms, Gingr makes no guarantee of uninterrupted functionality across all features at all times. Temporary defects do not transform paid access into unjust enrichment, particularly where access remains available (it was), data is preserved (it was), support is provided (it was), and no request for alternative access is denied (it wasn't). Your continued subscription was a business choice, not a forced condition.

3. Your Damages Model is Fatally Flawed

Processing "Overcharges" Ignore Interchange Economics

Your $28,622.56 figure is derived from an internal audit that treats effective rates as static, ignores interchange variability, disregards card mix and compliance status, and assumes a fictional guaranteed baseline. This methodology would not survive even minimal scrutiny in litigation or before a regulator. It is therefore entirely unpersuasive.

Subscription Damages Are Self-Inflicted

The $4,545 in claimed subscription fees reflects months of voluntary account maintenance, without a request for termination assistance, without a request for data delivery outside the portal, all while retaining access to the platform. There is no proximate causation linking Gingr's conduct to unavoidable loss. Your option here was simple: terminate your account and request that Gingr provide you your data. You failed to exercise that option and are thus not entitled to a refund.

4. Class Allegations and Regulatory Threats are Meritless

Your repeated threats of regulatory complaints, public disclosure, and class actions—not unlike all your other arguments—are completely unpersuasive, as are your ChatGPT-generated analysis and pre-packaged memoranda and complaint. Gingr's practices are lawful, fully disclosed, consistent across customers, and

typical of SaaS platforms with integrated payments. Threatening escalation does not convert dissatisfaction into liability.

5. Gingr Terms Bars Relief

Even if you were able to establish any of your claims above (which you can't), your demand fails to account for the binding Gingr Merchant Service Terms relating specifically to the payment processing ("**Merchant Terms**"), and the Ginger Terms of Service that relate to Gingr generally ("**Gingr Terms**"), that you expressly accepted.

Those terms include, without limitation:

- **Fee Adjustments (Merchant Terms - Clause 4).** Gingr expressly reserves the right to adjust fees as card brands modify interchange fee structures, categories, and merchant category codes. Your claim that any rate adjustment was "unauthorized" is directly contradicted by the governing contract.
- **Amendment and Modification (Merchant Terms - Clause 17)**. Gingr may update or modify the Merchant Service Terms. Unless a customer provides written notice of objection within twenty (20) days, the updated terms govern. You did not object. The operative terms therefore control.
- **Limitation of Liability (Merchant Terms - Clause 15; Gingr Terms – Clause 10.1)**. Even assuming, *arguendo*, that liability existed (it does not), damages are contractually capped at twelve months of fees paid to Gingr—a fraction of the amount you demand.
- **Arbitration (Gingr Terms – Clause 12.5.4)**. You agreed to binding arbitration. Your repeated references to class litigation are therefore contractually barred.
- **Governing Law and Jurisdiction (Gingr Terms – Clause 12.5.5)**. The agreement is governed by Delaware law. Your demand's reliance on generalized regulatory rhetoric untethered from Delaware contract law is misplaced. Additionally, any arbitration must be commenced in Delaware, not Oregon.

These provisions all independently bar, or significantly limit, the relief you seek.

Conclusion

Your demand reflects a post-hoc attempt to rewrite commercial terms, reframe routine SaaS issues as legal violations, and leverage the threat of regulatory attention to extract reimbursement to which you are not entitled. Gingr denies liability in full and rejects your demand for reimbursement.

Nothing in this letter constitutes a waiver of rights, defenses, or remedies, all of which are expressly reserved. Should you nevertheless choose to pursue litigation or regulatory complaints, Gingr is prepared to respond accordingly.

Very truly yours,

Damon E. Schramm
Chief Legal Officer