



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

SOUTHEASTERN PENNSYLVANIA :
TRANSPORTATION AUTHORITY, : C.A. No. _____
individually, and on behalf of all those :
similarly situated, :
:
:
Plaintiff, :
:
v. :
:
MICHAEL G. RUBIN, M. JEFFREY :
BRANMAN, MICHAEL J. DONAHUE, :
RONALD D. FISHER, JOHN A. :
HUNTER, JOSH KOPELMAN, MARK S. :
MENELL, JEFFREY F. RAYPORT, :
DAVID ROSENBLATT, LAWRENCE S. :
SMITH, ANDREA M. WEISS, GSI :
COMMERCE, INC., EBAY INC., :
GIBRALTAR ACQUISITION CORP., :
and NRG COMMERCE, LLC, :
:
Defendants. :

VERIFIED CLASS ACTION COMPLAINT

Plaintiff, as and for its Class Action Complaint alleges as follows:

1. Plaintiff brings this action on behalf of the public stockholders of GSI Commerce, Inc. ("GSIC" or the "Company"), challenging the conduct of Defendants in connection with the Agreement and Plan of Merger among: eBay Inc., a Delaware corporation, Gibraltar Acquisition Corp., a Delaware Corporation and GSI Commerce, Inc., a Delaware corporation dated as of March 27, 2011 (the "Merger Agreement"), pursuant to which eBay Inc. ("eBay") will acquire the Company for the bargain price of \$29.25 per share, or a total consideration of approximately \$2.4 billion (the "Merger"). In

connection with the Merger and pursuant to a Stock Purchase Agreement by and between eBay Inc. and a newly-formed company, owned by the Company's founder and Chief Executive Officer, Defendant Michael Rubin, NRG Commerce, LLC ("NRG"), dated as of March 27, 2011 (the "Stock Purchase Agreement"), eBay will divest 100% of GSI's licensed sports merchandise business and 70% of GSIC's ShopRunner, Inc. ("ShopRunner") and RueLaLa, Inc. ("RueLaLa") businesses to NRG (the "Divestiture," and together with the Merger, the "Proposed Transaction"). Pursuant to the Stock Purchase Agreement, eBay will also loan Rubin's company, NRG, \$467 million and retain a 30% stake in RueLaLa and ShopRunner. In addition, Defendant Michael Rubin will invest additional cash of \$31 million in NRG. Thus, the Proposed Transaction includes, in essence, a Rubin-led leveraged buyout of key Company assets.

2. GSIC's founder and Chief Executive Officer, Defendant Michael Rubin opportunistically allowed eBay to purchase the Company at a bargain price at a time that the Company's stock price was depressed, while Rubin will take key Company assets private and reap their true value for himself. Although the Company's board of directors (the "Board") formed a special committee of outside directors (the "Special Committee"), the Board approved the Merger Agreement without a reasonable independent process and a fair opportunity to seek and secure the best sale price for the Company. Defendant Rubin, unlike GSIC's public stockholders, will be able to share in the future financial growth and success of three of GSIC's key businesses.

3. Since the announcement of the Merger Agreement on the morning of March 28, 2011, GSIC's shares have traded above or near the \$29.25 offer price. While

GSIC's stock price has suffered during the past year, GSIC appears poised for double-digit future growth and is positioned to benefit in the near term. For the last few quarters, GSIC has consistently reported increases in net revenues, GISC has virtually no long-term debt, and recently authorized a stock repurchase program for up to \$50 million of its outstanding shares of common stock.

4. The Merger Agreement is subject to stockholder approval, the date for which has not yet been set. Plaintiff seeks to enjoin the sale of the Company, including the vote of stockholders, or to rescind the Proposed Transaction in the event of its consummation. The members of the GSIC Board must, as their fiduciary duties require, act to maximize value for the stockholders in connection with a sale of the Company and not to convey substantial value to management, NRG and EBay at the expense of the public stockholders.

5. The action asserts: (1) claims for breaches of fiduciary duty against the directors of GSIC for failure to conduct a reasonable process to seek and secure the best sale price for the public stockholders and for agreeing to convey GSIC's valuable assets, which are poised for financial growth and success, to NRG, Rubin's newly-formed company, and EBay at the unfair expense of the public stockholders; (2) claims for breaches of the duty of loyalty and entire fairness against Defendant Rubin; and (3) claims of aiding and abetting the breaches of duty against EBay, Gibraltar Acquisition Corp. ("Merger Sub") and NRG.

THE PARTIES

6. Plaintiff Southeastern Pennsylvania Transportation Authority owns and

has owned shares of GSIC common stock throughout the entire relevant period.

7. Defendant GSI Commerce, Inc. is a corporation duly organized and existing under the laws of the State of Delaware with its principal place of business at 935 First Avenue, King of Prussia, PA 19406. GSIC is a leading provider of ecommerce and interactive marketing services.

8. Defendant Michael G. Rubin ("Rubin") has served as chairman of the board and chief executive officer of GSIC since July 1995 and as president since October 2006. Prior thereto, he also served as GSIC's co-president from May 2004 through August 2005 and as GSIC's president from June 2000 through May 2004. He directly oversees the sales, strategic planning and corporate development group, and the corporate support and governance group. He has built GSIC into one of the leading e-commerce companies in the United States and has received awards and media attention for his entrepreneurial skills and various accomplishments. Rubin owns approximately 6.4% of the Company's outstanding shares.

9. Defendant M. Jeffrey Branman ("Branman") has been a director since October 2001. Since March 2007, he has been a managing director of Hilco Consumer Capital LLC, a private equity firm focused on North American consumer products companies and brands. From February 2007 to March 2007, he was a managing director of Petsky Prunier LLC, a specialty investment bank. From March 2005 through February 2007, he was the president and owner of Interactive Commerce Partners LLC, a provider of financial advisory services. Branman served as president of Interactive Technology Services, a subsidiary of Comcast Corporation, a developer, manager and operator of

broadband cable networks, from April 2000 through March 2005. Interactive Technology Services served as financial advisor to Interactive Technology Holdings, LLC, a joint venture of Comcast Corporation and QVC, Inc., which sought and made investments. From March 1996 to February 2000, he was senior vice president corporate development of Foot Locker, Inc, a retailer of athletic footwear and apparel, and chief executive officer of FootLocker.com, the internet and direct marketing subsidiary of Foot Locker.

10. Defendant Michael J. Donahue (“Donahue”) has been a director since June 2006. He has served as a self-employed advisor in the technology industry. From January 2000 to March 2005, he served as the group executive vice president and chief operating officer of BearingPoint Inc., a consulting and systems integration firm. Prior to January 2000, he served as managing partner, solutions for the consulting division of KPMG LLP, the global accounting firm, and as a member of the boards of directors of KPMG LLP U.S. and KPMG Consulting KK Japan. He is also a director of Air Products and Chemicals Inc. and Arbinet – the exchange Inc.

11. Defendant Ronald D. Fisher (“Fisher”) has been a director since March 2000. He currently serves as the vice chairman of SOFTBANK Holdings Inc. and SOFTBANK Corp. and is a managing general partner of SOFTBANK Capital Partners LP, a late-stage private equity organization. He joined SOFTBANK in October 1995. From January 1990 to September 1995, he was chief executive officer of Phoenix Technologies Ltd., a developer and marketer of system software products. He is also a director of SOFTBANK Corporation, E*TRADE Group Inc., and Vie Financial Group

Inc.

12. Defendant John A. Hunter (“Hunter”) has been a director since November 2005. He is the executive vice president of customer fulfillment services for QVC. Prior, he was the senior vice president of distribution for QVC, a role in which he was responsible for leading and directing the production of the distribution and logistic network through the company’s four U.S. distribution centers. He joined QVC in 1991 as a vice president of customer service. Prior to QVC, Hunter was a senior vice president in the credit division of Citibank, where he was employed from 1982 to 1991.

13. Defendant Josh Kopelman (“Kopelman”) joined the board of directors in February 2011. He co-founded Infonautics, an Internet information company, and took it public in 1996. He also founded Half.com and ran it for three years after it was acquired by eBay Inc. After leaving eBay, he co-founded TurnTide, an anti-spam company sold to Symantec. Kopelman currently serves as managing director of First Round Capital, a seed stage technology venture fund.

14. Defendant Mark S. Menell (“Menell”) has been a director since April 2000. He has been a partner of Rustic Canyon Partners, a venture capital firm, since January 2000. From August 1990 to January 2000, he was an investment banker at Morgan Stanley & Co. Inc., most recently as principal and co-head of Morgan Stanley's Technology Mergers and Acquisitions Group, based in Menlo Park, Calif.

15. Defendant Jeffrey F. Rayport (“Rayport”) has been a director since April 1999. He has been chairman of Marketspace LLC, an information industries strategy and research business of Monitor Group, headquartered in Cambridge, MA, since October

2003, and was chief executive officer of MarketSpace from September 1998 to October 2003. From January 1995 through September 1999, he was a faculty member in the service management unit at the Harvard Business School. He is also a director of ValueClick Inc.

16. Defendant Lawrence S. Smith ("Smith") has been a director since February 2008. From 1988 to 2007, he served as executive vice president and co-chief financial officer of Comcast Corporation, and currently serves in a consulting capacity to Comcast. As executive vice president and co-CFO, he was responsible for all corporate development, internal reporting, external reporting, taxation and other administrative matters at Comcast, as well as other oversight responsibilities. Prior to joining Comcast, he was the CFO of Advanta Corporation. He also worked in the Philadelphia office of Arthur Andersen & Co. for 18 years, where he served as a tax partner, and headed the Philadelphia international business practice and the merger and acquisition practice. Smith also serves on the boards of Air Products and Chemicals Inc., MGM Holdings Inc. and Tyco Electronics.

17. Defendant David Rosenblatt ("Rosenblatt") has been a director since November 2010. He is the former chief executive officer of DoubleClick. Prior to serving as DoubleClick's CEO, he held various positions at the company including president from 2000 to 2005. After selling DoubleClick to Google in 2008, he served as president of Google's Display Advertising business. He also serves on the board of directors for Twitter, IAC (Nasdaq: IACI), Narrative Science, Inc., and is chairman of Group Commerce, a technology start-up venture that enables publishers to sell products

and services to their targeted audiences.

18. Defendant Andrea M. Weiss (“Weiss”) has been a director since June 2006. Since August 2002, she has served as president and chief executive officer of Retail Consulting Inc., an international retail consulting company she owns. From April 2001 to August 2002, she served as president of dELiA*s Corp., a direct marketing and retail company comprised of lifestyle brands for teenage girls. From May 1998 to February 2001, she served as executive vice president and chief stores officer of Limited Brands Inc., a specialty retail business. She is also a director of CBRL Group Inc. and eDiets.com Inc.

19. As Directors of the Company, the defendants referred to in paragraphs 8 - 18 above (collectively the “Director Defendants”), are in a fiduciary relationship with the Company, Plaintiff and the public stockholders of GSIC, and owe the highest obligations of due care, loyalty, full and candid disclosure and good faith and fair dealing.

20. Defendant EBay is a corporation duly organized and existing under the laws of the State of Delaware with its principal place of business at 2145 Hamilton Avenue, San Jose, CA 95125. EBay connects millions of buyers and sellers globally on a daily basis through eBay, the world’s largest online marketplace, and PayPal, which enables individuals and businesses to securely, easily and quickly send and receive online payments. EBay also reaches millions through specialized marketplaces such as StubHub, the world’s largest ticket marketplace, and eBay classified sites, which together have a presence in more than 1,000 cities around the world.

21. Defendant Gibraltar Acquisition Corp. (“Merger Sub”) is a Delaware

Corporation and is wholly-owned by EBay. This entity was created solely for the purpose of consummating the Merger and is named as a defendant because it is a party to the Merger Agreement.

22. Defendant NRG Commerce, LLC is a limited liability company duly organized and existing under the laws of the State of Delaware, which was formed by Defendant Rubin in connection with the Proposed Transaction and is named as a defendant because it is a party to the Stock Purchase Agreement.

CLASS ACTION ALLEGATIONS

23. Plaintiff brings this case on its own behalf and as a class action, pursuant to Chancery Court Rule 23, on behalf of all holders of common stock of the Company, except defendants herein and their affiliates, who are threatened with injury arising from the Director Defendants' actions as are described more fully below (the "Class").

24. This action is properly maintainable as a class action.

25. The Class is so numerous that joinder of all members is impracticable. As of February 18, 2011, GSIC had 67,126,057 shares of common stock outstanding owned by thousands of shareholders who are scattered throughout the United States.

26. There are questions of law and fact common to the Class including, *inter alia*, whether:

a. the Director Defendants have breached their fiduciary duties to Plaintiff and the Class in connection with a sale of the Company, including by failing to conduct a reasonable and independent process to actively seek and obtain the best price available for the stockholders and agreeing to convey substantial Company assets to

management;

b. Defendant Rubin, as a party standing on both sides of the Proposed Transaction, has breached his duty of loyalty by opportunistically taking advantage of the sale of the Company at a bargain price to EBay by taking the key Company assets private;

c. EBay, Merger Sub and NRG have aided and abetted the breaches committed by the Director Defendants, particularly Defendant Rubin;

d. Plaintiff and the other members of the Class are being and will continue to be injured by the wrongful conduct alleged herein and, if so, what is the proper remedy and/or measure of damages; and

e. Plaintiff and the other members of the Class will be damaged irreparably by Defendants' conduct.

27. Plaintiff is committed to prosecuting the action and has retained competent counsel experienced in litigation of this nature. Plaintiff's claims are typical of the claims of the other members of the Class, and Plaintiff has the same interests as the other members of the Class. Plaintiff is an adequate representative of the Class.

28. The prosecution of separate actions by individual members of the Class would create the risk of inconsistent or varying adjudications with respect to individual members of the Class, which would establish incompatible standards of conduct for Defendants, or adjudications with respect to individual members of the Class, which would as a practical matter be dispositive of the interests of the other members not parties to the adjudications or substantially impair or impede their ability to protect their

interests.

29. The Defendants have acted, or refused to act, on grounds generally applicable to, and causing injury to, the Class and, therefore, preliminary and final injunctive relief on behalf of the Class, as a whole, is appropriate.

SUBSTANTIVE ALLEGATIONS

Background of the Company

30. GSIC operates a network of businesses to enable enterprise clients to maximize their opportunities in the digital channel. GSIC operates three business segments: Global e-Commerce Services, Global Marketing Services and Consumer Engagement. Each business segment offers products and services that either are, or aim to be, market leaders in their respective areas on a stand-alone basis, but that also complement each other, which allows for cross-selling within and between businesses. The combination of these segments provides a unique view into the digital channel and gives GSIC insight into customer and transaction lifecycles, as well as multi-channel activities. The Company provides products and services to over 2,000 brands globally, including Toys ‘R’ Us[®], the National Football League[®], Aeropostale[®], Polo Ralph Lauren[®], Dick’s Sporting Goods[®], Dell[®] and Estee Lauder[®]. While the Company operates on a global basis, the vast majority of its revenues are derived from its North American operations.

GSIC’s Global E-Commerce Services Segment

31. The Global e-Commerce Services (“GeC”) segment offers a comprehensive suite of e-Commerce services that enables companies to operate e-

commerce businesses and to integrate their e-commerce businesses with their multi-channel retail offerings. GSIC sells its products and services on an individual basis and also as bundled solutions. The GeC segment serves over 180 enterprise clients that operate in general merchandise categories, including apparel, sporting goods, toys & baby, health & beauty and home. The Company refers to its clients as enterprise clients because the Company generally serves large nationally recognized brand name companies. The GeC segment is comprised of three principal business units: Technology & Payments, Operations and Licensed Sports Merchandise.

32. GSIC's licensed sports merchandise business ("LSM") of its GeC segment, includes the e-commerce operations for all of the major U.S. professional sports leagues (MLB, NFL, NBA, NHL, NASCAR). Given both the lack of physical stores as well as the large numbers of displaced fans, who are people who support teams which are outside the local area, the professional sports leagues rely on GSIC to provide full end-to-end e-commerce capabilities, including front-end webstore capabilities, order management and payments technology, fulfillment, freight and customer care. Additionally, GSIC supports this business through its own in-house buying, operations and business management teams. LSM also provides licensed products to several sporting goods retailers and some online-only retailers where the Company leverages its licensed inventory. With the exception of one professional league, LSM is the seller of record for sales through the professional sports league web-sites. Because LSM is the seller of record and has complete discretion as to the selection and purchasing of inventories as well as the setting of prices and marketing & promotional events, this part

of the business is referred to as an “owned-inventory” model. In return for the right to operate the e-commerce businesses of these brands and retailers, the Company pays a revenue share or royalty to the brand owner.

GSIC’s Global Marketing Services Segment

33. GSIC’s Global Marketing Services (“GMS”) segment offers a broad suite of services to help clients exploit digital marketing channels. In 2010, as the segment grew in size and scope of services offered, GSIC added a dedicated executive management team to oversee the segment and manage future growth. The segment is comprised of eight business units and has offices in the United States, Europe and Asia.

GSIC’s Consumer Engagement Segment

34. The consumer engagement segment operates consumer facing e-commerce businesses that are complimentary to the clients of GeC and GMS segments. Consumer engagement consists of two business units, RueLaLa and ShopRunner.

35. *RueLaLa:* RueLaLa operates a members-only online shopping site that gives its members access to limited duration sales of discounted merchandise from well-known brands and manufacturers. Membership is by invitation-only and is primarily attained through existing member referrals. RueLaLa focuses its offerings on a broad array of premium brands and categories and curates an assortment of brands for women’s & men’s apparel, shoes & accessories, watches & jewelry, home, and beauty, as well as travel and experience offerings. RueLaLa also offers daily local deals in select cities in the United States for products and services. Since launching in 2008, RueLaLa has grown its member base to over 3.0 million members. RueLaLa provides

manufacturers and vendors an effective liquidation channel designed to protect brand integrity. RueLaLa also operates a website called SmartBargains that predominantly functions as a final liquidation vehicle for unsold merchandise from RueLaLa. RueLaLa was acquired in November 2009.

36. *ShopRunner*: ShopRunner is a consumer membership program that offers members free 2-day shipping and free return shipping from online retailers for an annual membership fee. Members are also offered select promotional deals from participating merchants. Merchants participate in ShopRunner for the opportunity to gain increased purchases from members based on the ShopRunner value proposition. ShopRunner was launched in the fourth quarter of 2010 and currently has approximately 70 participating merchants.

GSIC is Poised for Growth

37. While GSIC's stock price has suffered during the past year, the Company is positioned for future growth. Over the past year, the Company's stock has traded as high as \$31.35, and traded as high as \$26.11 on November 10, 2011. Since that time, the stock traded down into the upper teens and low \$20s. Since the announcement of the Merger on March 28, 2011, the Company's stock price has traded above or near the \$29.25 Merger consideration amount. As such, Defendant Rubin and EBay are taking advantage of the depressed stock price.

38. On July 28, 2010, GSIC announced its financial results for its fiscal second quarter ended July 3, 2010, reporting an increase in net revenues of 41.1% to \$264.2 million compared to \$187.2 million the previous year. Defendant Rubin

enthusiastically touted these results, stating:

GSI continued to deliver excellent results with net revenues up 41% and non-GAAP income from operation up 28% in the second quarter. Comparable store sales growth within our e-commerce segment was strong again, up 19%, and revenue growth in marketing services remained impressive, up 55%. Rue La La site sales nearly doubled from last year, increased sequentially versus the first quarter and also increased against the seasonally important fourth quarter. In addition to the solid financial results, GSI made significant progress in other areas, including several M&A transactions that add important new capabilities to GSI's suits of products and services and making notable progress on ShopRunner, our new start-up business within the Consumer Engagement segment.

39. On October 27, 2010, GSIC announced its financial results for its fiscal third quarter ended October 2, 2010, reporting an increase in net revenues of 49.3% to \$284.1 million compared to \$190.3 million the previous year. Defendant Rubin touted the Company's strong results stating:

GSI delivered solid growth in net revenues and non-GAAP income from operation in the third quarter and has generated strong results for the first nine months of 2010. Important progress on strategic initiatives made during the quarter included the continued enhancements to our e-commerce technology and payments platform, the launching of several international e-commerce stores for key clients, the continued build out of management teams for marketing services and Rue La La, the addition of new categories, mobile and local at Rue La La and the integration of the four acquisitions that we completed in the second quarter. In addition, after twelve months of development and start-up effort, we soft launched ShopRunner in early October.

40. On February 9, 2011, GSIC announced that it had signed a definitive agreement to acquire Fanatics, Inc. ("Fanatics"), an online retailer of licensed sport merchandise, which operates over 250 e-commerce websites and over 60 e-Commerce stores for collegiate and professional sports partners and media organizations for approximately \$277 million, including \$171 million of cash and \$106 million of GSI

common stock, consisting of approximately 4.8 million shares. GSIC touted the combination of Fanatics with its online licensed sports merchandise business as creating a leader in the online licensed sports merchandise industry. In addition, signaling the Company's financial strength and its confidence in its acquisition of Fanatics, the GSIC Board authorized a share buy-back program of up to an aggregate of \$50 million of the Company's common stock over the next two years, commencing on the closing of the acquisition of Fanatics.

41. On February 9, 2011, GSIC also announced its financial results for its fiscal year 2010 and fourth quarter ended January 1, 2011, reporting increase in its net revenues of 36% to \$1.36 billion from \$1.00 billion for its full year revenues and a 24.8% increase to \$537 million from \$430.2 million for its fourth quarter. Touting these results and the Company's future growth, Defendant Rubin stated:

Our fourth quarter capped of a solid 2010 for GSI Commerce, as we grew revenues by 35% and NGIO [non-GAAP income from operations] by 27% for the year. These results were, in part, a reflection of 24% full year e-commerce comparable store growth which benefited from strong industry trends as well as our multi-channel efforts. In addition to delivering NGIO that was consistent with the annual guidance that we established at the beginning of the year, 2010 was a year of important strategic investments for GSI, including deepening our management team with several key hires and enhancing our market positions in our core e-commerce and marketing services segments. ***With the acquisition of Fanatics that we announced today, we will further strengthen our leadership position in licensed sports merchandise. In addition, we expect that the growth initiatives in our emerging businesses, Rue La La and ShopRunner, will fuel future opportunities.***

(emphasis added).

42. Analysts also see the growth potential for GSIC despite its stock slump and have agreed with GSIC's optimism of the future. In an Oppenheimer report,

Oppenheimer stated that:

eCommerce is poised for double-digit growth for the foreseeable future, and GSIC is well positioned in the near term to benefit. Meanwhile, RueLaLa still has potential, as we are in the early stages of growth for flash sales, and Shop Runner could be a back-door way into mobile commerce. Announced acquisition of Fanatics expands GSIC's presence as the leading supplier of sports-related merchandise to teams, retailers and now schools.

43. Also signaling the strength of GSIC's RueLaLa and ShopRunner businesses, on February 17, 2011, it was reported that Nordstrom would be acquiring RueLaLa's competitor, HauteLook, an online retailer that offers flash sales on designer goods, for \$180 million in stock. According to the report, these private sale sites, which also include RueLaLa, have gained a large following by providing exclusive discounts of high-end brands to their members over short bursts of time – typically 36 or 48 hours. Jamie Nordstrom, president of Nordstrom Direct, Nordstrom's online business, stated "Customers are responding to this way of shopping, so we'd like to participate."

44. On March 15, 2011, the Company announced it had closed its acquisition of Fanatics and that GSIC was now authorized to repurchase up to \$50 million of its outstanding shares of common stock.

The Proposed Transaction

45. GSIC, with its stock price depressed but its future prospects golden, was a prime target for EBay. Defendant Rubin had inside knowledge of the Company's value prospects and opportunities for value creation. Defendant Rubin, with his intimate knowledge of the Company's value and prospects, opportunistically put EBay in an advantageous position to acquire GSIC at a bargain price based on the Company's

depressed stock price, so that Rubin could take private certain key businesses of the Company through Rubin's newly formed company, NRG.

46. On March 28, 2011, the Company announced the Proposed Transaction and filed the Merger Agreement. According to the Merger Agreement, Merger Sub (Gibraltar Acquisition Sub) will be merged with and into the Company, with the Company surviving the Merger as a wholly-owned subsidiary of EBay ("Parent"). Under the terms of the Merger Agreement, the public stockholders will receive \$29.25 in cash per share. All shares of Company Common Stock owned by the Company as treasury stock and any shares owned by Parent, Merger Sub or any other direct or indirect wholly owned subsidiary of Parent immediately prior to the Effective Time shall be cancelled and shall cease to exist and no consideration shall be exchanged therefor.

47. Goldman Sachs and Peter J. Solomon Company are advising EBay, while Dewey & LeBoeuf is serving as its legal adviser. Morgan Stanley is advising GSIC, while Morgan, Lewis & Bockius is acting as its legal adviser. Davis Polk & Wardwell is acting as legal adviser to a special committee of the GSIC Board.

48. Also, in conjunction with the Proposed Transaction, and pursuant to the Stock Purchase Agreement, contemporaneously with the closing of the Merger, EBay will sell to NRG (i) shares of common stock of TeamStore, Inc. ("TeamStore"), which will include all of GSIC's licensed sports merchandise businesses, representing 100% of the outstanding share of capital stock and other equity interests of TeamStore; (ii) membership interests or other equity interests in Fanatics representing 100% of the outstanding membership interests and other equity interests in Fanatics; (iii) shares of

common stock of RueLaLa representing 70% of the issued and outstanding shares of capital stock of RueLaLa; and (iv) shares of common stock of ShopRunner representing 70% of the issued and outstanding shares of capital stock of ShopRunner. EBay will retain a 30% stake in ShopRunner and RueLaLa.

49. Pursuant to the Stock Purchase Agreement, EBay will also loan Rubin's company, NRG, \$467 million. In addition, Defendant Rubin will invest an additional \$31 million in cash in NRG.

50. Defendant Rubin's substantial special interest in this Proposed Transaction effectively blocks and chills many potential competing offers, particularly those from private equity buyers that would require the cooperation of Rubin or potential competing offers from strategic buyers whose due diligence efforts could easily be undermined by uncooperative and interested management figures. Defendant Rubin has already negotiated the EBay-funded leveraged buyout of significant and value-laden assets from GSIC for himself and his company, NRG, in the Proposed Transaction.

51. The value of the Company's shares is materially in excess of the \$29.25 offered in conjunction with the Proposed Transaction. The consideration proposed as part of the Proposed Transaction is inadequate and represents an attempt by Rubin (and NRG) to wield his control over the Company as founder and CEO to force out the public shareholders in order to reward himself with the profits rightfully belonging to the Plaintiff and shareholders and is a transparent attempt to deny the public holders from their rightful opportunity to enjoy a control premium for their shares. Tellingly, GSIC's stock has traded above and closed near the \$29.25 offer price since the announcement of

the Merger.

52. The terms of the Proposed Transaction are grossly unfair to the Class, and the unfairness is compounded by the gross disparity between the knowledge and information possessed by the Director Defendants and Rubin by virtue of their position of control of GSIC and that knowledge possessed by GSIC's public stockholders. Defendants' scheme and intent, as is prevalent in most transactions where management has a significant interest, is to take advantage of this disparity and to induce the Class to relinquish their shares in the acquisition at an unfair price on the basis of incomplete or inadequate information.

53. Signaling the value locked especially in ShopRunner and RueLaLa, during a conference call on March 28, 2011, held to discuss the Proposed Transaction, when asked by a Jeffries & Company analyst why EBay was not keeping RueLaLa due to its value, Bob Swan, the Chief Financial Officer of EBay, stated that EBay's 30% interest in RueLaLa and ShopRunner "is our indication of how excited we are in seeing what Michael [Rubin] can do to both of those businesses over time. . . and he assures us that this 30% interest could – with his efforts, it's going to pay for the whole deal over a few years, right, Michael?" Defendant Rubin responded "I wish you gave me something higher to reach for. It was pretty nonaggressive."

54. The Director Defendants owed and continue to owe the public shareholders fiduciary duties to extract the best price available for the Company's shares. The value of the Company's shares is materially in excess of the \$29.25 at which it has been valued in the Merger Agreement. The consideration proposed under the Merger

Agreement is inadequate. Further, the Proposed Transaction has been timed to impart the value prospects of the Company to Defendants Rubin and EBay at the unfair expense of the public stockholders without an independent adequate process to maximize value.

55. Unless the Court enjoins the Proposed Transaction, the Director Defendants will engage in further breaches of their fiduciary duties to the Company's shareholders and proceed with the Merger without adequate arms-length negotiation and consummate the Proposed Transaction on terms beneficial to Rubin, NRG and EBay and not to the public shareholders of the Company. These actions will result in irreparable harm to the members of the Class.

The Merger Agreement

56. The Merger Agreement also includes substantial deal protection provisions, which favor the Proposed Transaction. In connection with the Merger Agreement, GSIC stockholders, including Defendant Rubin, who owns 6.4% of the Company's outstanding shares, have executed Voting and Support Agreements wherein the stockholders, including Rubin, agree to, among other things vote their GSIC shares in favor of the Proposed Transaction and against any competing action or agreement or any such agreement that would impede the Proposed Transaction. Also, as discussed above, Rubin's substantial special interest in his EBay-funded leveraged buyout of key Company assets provides a substantial disincentive for Rubin to co-operate with other potential bidders.

57. The GSIC Board did not "shop" the Company to see if a better alternative was available for GSIC. Instead, the Special Committee and the GSIC Board is relying

on the “go-shop” provision in the Merger Agreement, Section 4.3, that permits the Special Committee to solicit third-party offers through May 6, 2011. Thus, the go-shop provides little time for a third party offer to be made and evaluated by the Special Committee. Coincidentally, the go-shop period ends a few days after GSIC will announce its first quarter 2011 earnings.

58. Section 8.1(f) of the Merger Agreement provides eBay with unlimited matching rights, giving it four calendar days from a proposal from an interested third party to revise its proposal or persuade the GSIC Board not to change its recommendation.

59. Under Section 8.3 of the Merger Agreement, if the Company terminates the Merger due to a superior proposal during the go-shop period, the termination fee will be \$24 million. If the Company terminates the Merger after the go-shop period, the termination fee will equal \$75 million.

60. These deal protection devices discourage other bidders and inhibit GSIC’s ability to obtain and negotiate a transaction more beneficial to GSIC’s shareholders than the Proposed Transaction.

COUNT I
BREACH OF FIDUCIARY DUTY AGAINST ALL DIRECTOR DEFENDANTS

61. Plaintiff repeats and realleges each of the foregoing allegations.

62. By virtue of their positions as directors of GSIC, the Director Defendants owe fiduciary duties of care and loyalty to GSIC and its stockholders. This requires the Director Defendants to consider all shareholder value maximizing transactions in good faith; and base material decisions on adequate information and deliberation consistent

with their duties of loyalty and care. The Director Defendants did not exercise independence or due care in approving the Merger Agreement, which unfairly imparts the value of the Company to management and EBay at the unfair expense of the public stockholders. The Director Defendants must, but cannot, show that the Merger is entirely fair to the public GSIC stockholders.

63. Unless enjoined by this Court, the Director Defendants will continue to breach their fiduciary duties and violate Delaware law to the detriment of GSIC and its stockholders.

64. Plaintiff and the other members of the Class have no adequate remedy at law. Only through the exercise of this Court's equitable powers can Plaintiff and the Class be fully protected from the irreparably injury which Director Defendants' actions threaten to inflict.

COUNT II

BREACH OF DUTY OF LOYALTY AND ENTIRE FAIRNESS AGAINST DEFENDANT RUBIN

65. Plaintiff repeats and realleges each of the foregoing allegations.

66. Defendant Rubin, as an officer and director of the Company, owes the duty of loyalty and entire fairness to the Company and its stockholders in self-dealing transactions such as the Proposed Transaction. Defendant Rubin has breached his duty of loyalty and entire fairness in planning, structuring and timing the Proposed Transaction to benefit himself, NRG and EBay at the unfair expense of the stockholders. The Merger Agreement does not include a fair price and was not the result of fair dealing. In addition, Rubin is obtaining unfair special value at the expense of the public GSIC

stockholders through the EBay-funded leveraged buyout of key GSIC assets.

67. Plaintiff and the other members of the Class have no adequate remedy at law. Only through the exercise of this Court's equitable powers can Plaintiff and the Class be fully protected from the irreparably injury which the actions of Defendant Rubin threaten to inflict.

COUNT III
AIDING AND ABETTING BREACH OF FIDUCIARY DUTIES AGAINST EBAY,
MERGER SUB, AND NRG

68. Plaintiff repeats and re-alleges each of the foregoing allegations.

69. As alleged herein, the Director Defendants have breached their fiduciary duties to Plaintiffs and the other members of the Class.

70. EBay, Merger Sub and NRG have aided and abetted Defendant Rubin and the Director Defendants in their breaches of fiduciary duty. As participants in the Proposed Transaction, EBay, Merger Sub and NRG were aware of the Director Defendants', particularly Defendant Rubin's, breaches of fiduciary duties and in fact actively and knowingly encouraged and participated in said breaches in order to obtain the substantial financial benefits that the Proposed Transaction would provide at the expense of GSIC stockholders.

71. Plaintiff has no adequate remedy at law.

WHEREFORE, Plaintiff prays for judgment, as follows:

A. determining that this action is a proper class action, and that Plaintiff is a proper class representative and appointing Plaintiff's Counsel as Class Counsel;

B. enjoining Defendants, temporarily and permanently, from taking any steps necessary to accomplish or implement the acquisition of Defendant GSIC at a price that is not fair and equitable and under the terms presently proposed;

C. declaring that the Proposed Transaction is in breach of the fiduciary duties of the Defendants and, therefore, any agreement arising therefrom is unlawful and unenforceable;

D. to the extent, if any, that the Proposed Transaction is consummated prior to the entry of final judgment, rescinding the transaction or awarding damages to the Class, including pre- and post-judgment interest;

E. requiring Defendants to fully disclose all material information regarding the Proposed Transaction;

F. conducting a fair process to evaluate the Company's value maximizing strategic alternatives;

G. directing that Defendants account to Plaintiff and the Class for all damages caused to them and account for all profits and any special benefits obtained by Defendants as a result of their unlawful conduct;

H. awarding Plaintiff and the Class pre- and post-judgment interest at the statutory rate;

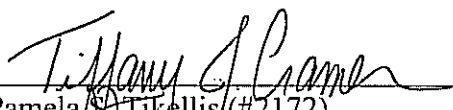
I. enjoining, temporarily and permanently, any material transactions or changes to GSIC's business and assets unless and until a proper process is conducted to evaluate GSIC's strategic alternatives;

J. awarding to Plaintiff the costs and disbursements of this action, including a reasonable allowance for the fees and expenses of Plaintiff's attorneys and experts; and

K. granting such other and further relief as the Court deems appropriate.

Dated: March 29, 2011

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