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Superior Court of California,  
County of San Diego

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

9

COUNTY OF SAN DIEGO

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11 CATHIE CRUZ, individually and on behalf of  
all others similarly situated,

CASE NO. 37-2018-00032240-CU-MC-CTL

12

Plaintiff,

CLASS ACTION

13

vs.

COMPLAINT FOR INJUNCTIVE RELIEF  
FOR:

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SYNAPSE GROUP, INC., a Delaware  
15 corporation; SYNAPSECONNECT, INC., a  
Delaware corporation; and DOES 1-50,  
16 inclusive,

(1) VIOLATION OF THE CALIFORNIA  
AUTOMATIC RENEWAL LAW  
[Cal. Bus. & Prof. Code § 17600 et seq.]

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Defendants.

(2) VIOLATION OF THE CALIFORNIA  
CONSUMERS LEGAL REMEDIES ACT  
[Cal. Civ. Code § 1750 et seq.]

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(3) FALSE ADVERTISING  
[Cal. Bus. & Prof. Code § 17500]

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(4) UNFAIR COMPETITION  
[Cal. Bus. & Prof. Code § 17200]

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**PRELIMINARY ALLEGATIONS**

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1. This action seeks to enjoin defendants Synapse Group, Inc. and SynapseConnect, Inc. (together, “Synapse”) from violating California’s consumer protection laws in connection with an “automatic renewal” scheme for magazine subscriptions.

2. The first step of the automatic renewal scheme is for Synapse to get its hands on consumers’ credit card or debit card information. In conjunction with an affiliated entity, Bizrate, Synapse does that by enticing consumers to fill out an online survey based on the representation that, upon completing the survey, the consumer will receive a monetary “Reward” (e.g., a “\$100 Reward”). After the consumer completes the survey, however, it turns out that the “Reward” is the opportunity to order magazines for a specified period (typically one year, but sometimes less for certain magazines) for just a “processing” fee of \$2.00 each. The catch is that the \$2.00 must be paid online with a credit card or debit card, and buried in the middle of a dense paragraph of fine print is a mention that “the account you provide [will] be charged for the next term of issues unless you choose to cancel: 1-800-429-2550.” Synapse knows that many (if not most) consumers have no clue that the magazine offer contains such a provision, yet when consumers later complain (described below) about a renewal charge, Synapse points to the fine print as proof that the consumer “accepted” automatic renewal.

3. With the consumer’s credit/debit card information date in hand, the second step of the scheme is to “automatically renew” the subscription(s) at the end of the term, with the renewal charge imposed at a significantly higher rate and billed to the consumer’s credit/debit card. Synapse knows that many consumers, when they see the charge on their credit card or bank statement, will regard it as not authorized and without their consent. To create a veneer of plausibility, a few weeks before Synapse intends to post the “renewal” charge, Synapse mails to the consumer a paper flyer. But the flyer itself looks like a junk mail advertisement, and its fleeting mention of a monetary charge is (again) buried in the middle of a paragraph of fine print boilerplate. Synapse knows that many consumers (if not most) have no clue that their credit or debit card is about to be charged, yet when consumers complain that the renewal charge was not authorized, Synapse attempts to justify the charge on the ground that the consumer received a “reminder postcard” and thus agreed to it.

1           4.       The third step of the automatic renewal scheme is for Synapse to evade consumers  
2 when they want to cancel the “renewed” subscription and obtain a refund. To execute this step,  
3 Synapse maintains customer service telephone numbers that are answered by an “Automated  
4 Magazine Assistant,” which is an interactive voice response (“IVR”) system, *i.e.*, a phone-tree, in  
5 which a pleasant-sounding female voice assures callers that she is there to “assist” with any issues  
6 concerning subscriptions, when in reality the IVR system is a confusing maze that impedes and  
7 frustrates consumers’ efforts to cancel. Indeed, the phone-tree menu does not give callers the  
8 option to request immediate cancellation or refund, and it also does not give callers the option to  
9 be connected to a live representative to whom such requests could be made verbally. Some  
10 consumers report that they were able to reach a live representative only after scouring the Internet  
11 and finding alternative telephone numbers posted by other consumers who previously faced the  
12 same dilemma, or perhaps by contacting the Better Business Bureau. Even so, when consumers  
13 do find a way to reach a live representative, it becomes apparent that the representative’s function  
14 is not to facilitate cancellation requests, but to resist them.

15           5.       California has enacted consumer protection laws to guard against precisely this  
16 type of scheme. In addition to other laws that forbid deceptive business practices, the California  
17 Automatic Renewal Law, Bus. & Prof. Code § 17600 *et seq.* (“ARL”), mandates that any business  
18 that makes automatic renewal offers to consumers in the State of California must do the following:

19               a.       Present the consumer with “clear and conspicuous” disclosure of the  
20 automatic renewal offer terms (including but not limited to the recurring amount that will be  
21 charged), which must be presented “before” the subscription agreement is fulfilled, in visual  
22 proximity to the request for consent to the offer, and must be set forth in a manner that is “clear  
23 and conspicuous,” *i.e.*, the manner of presentation must “clearly call[] attention” to the automatic  
24 renewal offer terms such as through the use of larger font, contrasting type or color, or setting off  
25 those provisions from surrounding text;

26               b.       Before charging the consumer’s credit card or debit card, obtain the  
27 consumers’ “affirmative consent” to an agreement that contains the clear and conspicuous  
28 disclosure of the automatic renewal offer terms;

1           c. Provide the consumer with an acknowledgment—in a manner that can be  
2 retained by the consumer—that includes the clear and conspicuous disclosure of the automatic  
3 renewal offer terms, the cancellation policy, and information regarding how to cancel; and

4           d. Provide a mechanism for cancellation that is “cost-effective, timely, and  
5 easy-to-use.”

6           6. Synapse does not comply with the ARL’s requirements. To the extent the Synapse  
7 offer materials mention subsequent renewal or charges, it is buried in a paragraph of fine print that  
8 is not “clear and conspicuous” and, in addition, does not contain all of the statutorily-mandated  
9 disclosures (for example, without limitation, there is no mention of the amount of the recurring  
10 charge). Synapse makes only a thin pretense of any effort to notify consumers before their credit  
11 card or debit card is charged for a subsequent renewal, utilizing for that purpose a flyer designed  
12 to look like junk mail, and which itself does not disclose the impending charge in a manner that is  
13 “clear and conspicuous.” Synapse does not provide the required acknowledgment. And, instead  
14 of providing a cancellation mechanism that is “cost-effective, timely, and easy-to-use,” Synapse  
15 subjects consumers who want to cancel to the proverbial run-around. As a result, Plaintiff and  
16 many other California consumers have found themselves on the receiving end of magazine  
17 “renewal” charges they did not know about or authorize, and facing a gauntlet of obstacles when  
18 they try to correct it.

19           7. Two other California consumers have previously tried to invoke judicial scrutiny of  
20 Synapse’s business practices through a prayer for injunctive relief. On May 16, 2016, an action  
21 entitled *Price, et al. v. Synapse Group, Inc., et al.*, was filed in the San Diego County Superior  
22 Court as Case No. 37-2016-00016435-CU-MC-CTL (the “*Price*” action), which sought both  
23 injunctive and monetary relief. Synapse responded to the *Price* action by filing a Notice of  
24 Removal pursuant to the Class Action Fairness Act, 28 U.S.C. § 1332(d), which generally  
25 provides that federal courts may exercise jurisdiction over class actions asserting violation of state  
26 law if the amount in controversy exceeds \$5,000,000. In federal court, the *Price* action was  
27 assigned Case No. 16-cv-01524-BAS-BLM (S.D. Cal.). Then, following removal, Synapse filed a  
28 motion asking the federal court to dismiss the request for injunctive relief. In substance, Synapse

1 argued that because the two plaintiffs in the *Price* action already had been deceived by the  
2 Synapse automatic-renewal scheme, they were unlikely to fall for it again, and therefore there was  
3 no “case or controversy” within the meaning of Article III of the United States Constitution  
4 insofar as the request for injunctive relief was concerned. The district court accepted Synapse’s  
5 argument on that point. On July 24, 2017, District Judge Cynthia A. Bashant ruled that, under  
6 Article III, the federal court did not have jurisdiction to consider the request for injunctive relief,  
7 and entered an order dismissing that aspect of the case with prejudice. *See Price v. Synapse Grp.,*  
8 *Inc.*, No. 3:16-cv-1524, 2017 U.S. Dist. LEXIS 115363, at \*40-45 (S.D. Cal. July 24, 2017). As a  
9 result, the *Price* action is now moving forward only for restitution and other monetary relief. In  
10 plain terms, that means regardless of the eventual outcome of the *Price* action, there will be no  
11 legal impediment to Synapse continuing to employ its automatic-renewal scheme against  
12 California consumers into the indefinite future.

13 8. Fortunately, Article III does not apply in state court. *See, e.g., Polo v Innoventions*  
14 *Int’l, LLC* (9th Cir. 2016) 833 F.3d 1193, 1196. And, under California law, an injunction is a  
15 primary form of relief to protect consumers from unlawful business practices. *See, e.g., McGill v.*  
16 *Citibank, N.A.* (2017) 2 Cal. 5th 945, 954. Synapse has been getting away with its automatic-  
17 renewal charade for many years; it is time for it to stop once and for all; and only this Court has  
18 the judicial authority to make that happen.

### 19 THE PARTIES

20 9. Cathie Cruz (“Plaintiff”) is an individual residing in San Diego County, California.

21 10. Synapse Group, Inc. is a Delaware corporation that does business in San Diego  
22 County, including the marketing of magazine subscriptions.

23 11. SynapseConnect, Inc. is a Delaware corporation that does business in San Diego  
24 County, including the marketing of magazine subscriptions. SynapseConnect, Inc. is a subsidiary  
25 of Synapse Group, Inc. Unless otherwise indicated, Synapse Group, Inc. and SynapseConnect,  
26 Inc. are referred to collectively as “Synapse.”

27 12. Plaintiff does not know the names of the defendants sued as DOES 1 through 50  
28 but will amend this complaint when that information becomes known. Plaintiff alleges on

1 information and belief that each of the DOE defendants is affiliated with one or more of the named  
2 defendants in some respect and is in some manner responsible for the wrongdoing alleged herein,  
3 either as a direct participant, or as the principal, agent, successor, alter ego, or co-conspirator of or  
4 with one or more of the other defendants. For ease of reference, Plaintiff will refer to the named  
5 defendants and the DOE defendants collectively as “defendants.”

6 13. Venue is proper in this judicial district because the complained of conduct occurred  
7 in this judicial district.

8 **THE CALIFORNIA AUTOMATIC RENEWAL LAW**

9 14. In 2009, the California Legislature passed Senate Bill 340, which took effect on  
10 December 1, 2010 as the California Automatic Renewal Law, Cal. Bus. & Prof. Code § 17600 *et*  
11 *seq.* (Unless otherwise indicated, all statutory references are to the California Business and  
12 Professions Code.) As explained in a report of the Senate Judiciary Committee, SB 340 was  
13 introduced because:

14 It has become increasingly common for consumers to complain about unwanted  
15 charges on their credit cards for products or services that the consumer did not  
16 explicitly request or know they were agreeing to. Consumers report that they  
17 believed they were making a one-time purchase of a product, only to receive  
continued shipments of the product and charges on their credit card. These  
unforeseen charges are often the result of agreements enumerated in the “fine print”  
on an order or advertisement that the consumer responded to.

18 *See* Exhibit 1.

19 15. The Assembly Committee on Judiciary provided the following background for the  
20 legislation:

21 This non-controversial bill, which received a unanimous vote on the Senate floor,  
22 seeks to protect consumers from unwittingly consenting to “automatic renewals” of  
subscription orders or other “continuous service” offers. According to the author  
23 and supporters, consumers are often charged for renewal purchases without their  
consent or knowledge. For example, consumers sometimes find that a magazine  
24 subscription renewal appears on a credit card statement even though they never  
agreed to a renewal.

25 *See* Exhibit 2.

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1           16. To address those problems, the ARL declares it unlawful for any business making  
2 an automatic renewal offer to a consumer in California to do any of the following:

3                   (1) Fail to present the “automatic renewal offer terms” in a “clear and conspicuous”  
4 manner before the subscription or purchasing agreement is fulfilled, which must be presented in  
5 “visual proximity” to the request for consent to the offer. Cal. Bus. & Prof. Code § 17602(a)(1).  
6 The ARL defines “automatic renewal offer terms” as meaning “clear and conspicuous” disclosures  
7 of all of the following (i) “that the subscription or purchasing arrangement will continue until the  
8 consumer cancels”; (ii) “the description of the cancellation policy that applies to the offer”;  
9 (iii) “the recurring charges that will be charged to the consumer’s credit or debit card or payment  
10 account with a third party as part of the automatic renewal plan or arrangement, and that the  
11 amount of the charge may change, if that is the case, and the amount to which the charge will  
12 change, if known”; (iv) “the length of the automatic renewal term or that the service is continuous,  
13 unless the length of the term is chosen by the consumer”; and (v) “the minimum purchase  
14 obligation, if any.” Cal. Bus. & Prof. Code § 17601(b). “Clear and conspicuous” means “in larger  
15 type than the surrounding text, or in contrasting type, font, or color to the surrounding text of the  
16 same size, or set off from the surrounding text of the same size by symbols or other marks, in a  
17 manner that clearly calls attention to the language.” Cal. Bus. & Prof. Code § 17601(c).

18                   (2) Charge the consumer’s credit or debit card or the consumer’s account with a  
19 third party for an automatic renewal without first obtaining the consumer’s affirmative consent to  
20 the agreement containing the clear and conspicuous disclosure of the automatic renewal offer  
21 terms. Cal. Bus. & Prof. Code § 17602(a)(2).

22                   (3) Fail to provide an acknowledgment—in a manner that is capable of being  
23 retained by the consumer—that includes clear and conspicuous disclosure of the automatic  
24 renewal offer terms, the cancellation policy, and information regarding how to cancel. Cal. Bus.  
25 & Prof. Code § 17602(a)(3).

26           17. Section 17602(b) requires that the business provide a mechanism for cancellation  
27 that is “cost-effective, timely, and easy-to-use,” whether through a toll-free telephone number, an  
28 electronic mail address, or another mechanism, and that such cancellation mechanism be described

1 in the acknowledgment required by § 17602(a)(3).

2 **DEFENDANTS' UNLAWFUL BUSINESS PRACTICES**

3 18. Defendants enroll consumers in purported automatically-renewing subscriptions  
4 and make charges to consumers' credit card or debit card accounts without disclosing all  
5 statutorily-mandated automatic renewal offer terms; without making the requisite disclosures in a  
6 manner that is "clear and conspicuous"; without obtaining the consumers' affirmative consent to  
7 an agreement that contains the requisite clear and conspicuous disclosures; without providing the  
8 requisite acknowledgment; and without providing a mechanism for cancellation that is "cost-  
9 effective, timely, and easy-to-use."

10 19. In October 2015, Plaintiff was presented with an online survey by Bizrate, stating  
11 that she would receive a "Reward" for filling out the survey. After completing the online survey,  
12 Plaintiff was presented with defendants' webpage stating that her "Reward" was the opportunity to  
13 select magazines that she could receive upon payment of \$2.00 each for "processing." Most  
14 magazines were offered for one year, but a few magazines (including *People*) were offered for a  
15 shorter period. Plaintiff used her debit card to pay the \$2.00 processing fee for *People, US*  
16 *Weekly, Women's Health, and Oprah*, with the payment submitted through defendants' website.

17 20. In material respects, the process that led to Plaintiff being enrolled in and charged  
18 for "automatic renewal" can be illustrated with template documents produced by Synapse in  
19 response to a different consumer's inquiry about how he came to be charged for a (supposed)  
20 automatic renewal magazine subscription. Attached as Exhibit 3 is a true and correct copy of a  
21 sequence of webpages that depict the following: (a) an invitation received by a consumer to  
22 respond to an online survey, promising a "\$100 Reward" (Ex. 3 at 12); (b) an online survey form  
23 by Bizrate (Ex. 3 at 13-16); (c) webpages displaying a variety of magazine titles from which the  
24 consumer may select as the "Complimentary \$100 Reward" (Ex. 3 at 17-19); (d) a "Step 2" page,  
25 on which the consumer can select magazines and enter his or her name, address, and contact  
26 information (Ex. 3 at 20); (e) a "Step 3" page, on which the consumer can enter credit card or  
27 debit card information to pay the \$2.00 processing fee (Ex. 3 at 21); (f) a template of an email

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1 confirming the order is being processed (Ex. 3 at 24); and (g) a flyer that Synapse says it mails to  
2 consumers a number of weeks before the (supposed) “renewal” date (Ex. 3 at 25-26, 27-28).

3 21. The survey and offer pages in Exhibit 3 are, if not identical, substantially similar to  
4 the survey and offer pages that were presented to Plaintiff in connection with the magazine order  
5 she submitted in October 2015. When Plaintiff placed her order, she did not know that defendants  
6 were going to enroll her in an automatic renewal program. Moreover, Plaintiff has no recollection  
7 of receiving any notice of a “renewal” charge.

8 22. Without Plaintiff’s knowledge or consent, Synapse enrolled her in a program under  
9 which each magazine would “automatically renew.” In January 2016, without Plaintiff’s  
10 authorization, defendants charged Plaintiff’s debit card \$122.00 for *People* magazine. After  
11 discovering that charge, Plaintiff sought to obtain a refund and cancel any further issues effective  
12 immediately. To that end, Plaintiff placed multiple telephone calls to defendants’ customer  
13 service line. When calling, however, Plaintiff was met with defendants’ automated IVR phone-  
14 tree, which did not give her the option to request a refund, to cancel a subscription effective  
15 immediately, or to speak to a representative. Plaintiff made numerous telephone calls in an effort  
16 to submit a request for immediate cancellation and refund of the \$122 charge, or to reach a live  
17 person to convey that request, without success. Frustrated by that process, Plaintiff eventually  
18 gave up. Plaintiff was never provided a refund of all or any portion of that charge.

19 23. Among other relief, this action seeks a judicial declaration that defendants did not  
20 disclose all automatic renewal offer terms as required by the ARL. On information and belief,  
21 defendants contend they disclose the statutorily-mandated “automatic renewal offer terms” on the  
22 “Step 3” page (Ex. 3 at 21). There, just above the space for entry of credit card information, in red  
23 font, appears the message: “Your Reward Selection is complete.” Just below the space for entry  
24 of credit card information, under the large heading “Important Reward Details” and above a  
25 large red button labeled “Complete,” there is a 10-sentence paragraph in small font, of which the  
26 fourth and fifth sentences read:

27 After the first term, all selections will continue. Each year, you’ll receive a reminder notice specifying  
28 price plus processing (and any applicable sales tax) and billing terms for the next term of issues and  
you authorize the account you provide to be charged the rate on the notice for the next term of issues  
unless you choose to cancel: 1-800-429-2550.

1           24. Plaintiff contends that defendants' offer materials and subsequent actions did not  
2 comply with the ARL, for at least the following reasons:

3           a. Defendants did not include all statutorily-mandated "automatic renewal  
4 offer terms," as specified by § 17601(b). At a minimum, the "Step 3" page does not contain a  
5 description of the cancellation policy that applies to the offer; there is no disclosure whatsoever of  
6 the amount of the recurring charge that would be charged to Plaintiff's debit card; and there is no  
7 statement of the length of the automatic renewal term. Moreover, the "Step 3" page does not  
8 present any automatic renewal offer terms in a manner that is "clear and conspicuous," as  
9 specified by § 17601(c). Instead, whatever disclosures are made are hidden in the paragraph of  
10 fine print. These facts establish a violation of § 17602(a)(1).

11           b. Defendants charged Plaintiff's debit card without first obtaining Plaintiff's  
12 affirmative consent to an agreement containing clear and conspicuous disclosure of the automatic  
13 renewal offer terms, in violation of § 17602(a)(2).

14           c. Defendants did not provide an acknowledgment that includes clear and  
15 conspicuous disclosure of automatic renewal offer terms, the cancellation policy, and information  
16 regarding how to cancel, in violation of § 17602(a)(3).

17           d. Defendants did not provide a "cost-effective, timely, and easy-to-use"  
18 mechanism for cancellation, in violation of § 17602(b).

19           25. If Plaintiff had known that defendants were going to enroll her in an automatic  
20 renewal program, she would not have ordered any magazines and would not have paid any money  
21 to defendants.

22           26. If Plaintiff had known in advance that defendants were going to charge her debit  
23 card \$122.00 for *People* magazine, Plaintiff would have declined that charge and would have  
24 requested that no further issues be sent to her.

25           27. If defendants had provided a cost-effective, timely, and easy-to-use mechanism for  
26 cancellation, after Plaintiff discovered the \$122 charge for *People*, she would have requested  
27 immediate cancellation and a refund.

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1                    **CONSUMER COMPLAINTS ABOUT DEFENDANTS' BUSINESS PRACTICES**

2            28.        Notwithstanding legislative and regulatory efforts, including enactment of the  
3 California ARL, “automatically renewed” magazine subscriptions are a perennial source of  
4 consumer complaints. On October 15, 2011, the *New York Times* published an article drawing  
5 attention to the problem in general, and the role of Synapse in particular. See “*How Did This*  
6 *Become a Commitment?*,” a copy of which is attached as Exhibit 4. The article describes  
7 consumer complaints of unauthorized credit card charges arising out of magazine subscriptions  
8 that were supposedly “automatically renewed.”

9            29.        There are literally hundreds of consumer complaints about Synapse posted on a  
10 variety of websites, including but not limited to the Better Business Bureau (“BBB”), Yelp, Ripoff  
11 Report, and pissedconsumer.com.<sup>1</sup> The BBB website contains many consumer reviews of  
12 Synapse, which are posted along with Synapse’s “response” to the consumer’s statements. The  
13 reviews themselves are overwhelmingly negative. Many of the complainants report that their  
14 credit card was charged without the person’s consent, for magazine “renewals” that the person did  
15 not authorize. See [http://www.bbb.org/connecticut/business-reviews/magazine-sales/synapse-](http://www.bbb.org/connecticut/business-reviews/magazine-sales/synapse-group-inc-in-stamford-ct-41000185/customer-reviews#breakdown)  
16 [group-inc-in-stamford-ct-41000185/customer-reviews#breakdown](http://www.bbb.org/connecticut/business-reviews/magazine-sales/synapse-group-inc-in-stamford-ct-41000185/customer-reviews#breakdown) (last accessed June 22, 2018).  
17 From those complaints, it is evident that many consumers have fallen victim to the same  
18 marketing ploy as that by which, with respect to Plaintiff, defendants turned a supposed “Reward”  
19 for filling out a survey into \$8 of processing fees and \$122 for an unwanted but “automatically  
20 renewed” magazine subscription.

21            30.        Representative complaints about Synapse on the BBB website include:

22            **Debra B. – BBB Verified Reviewer (April 8, 2018).** This company is shady and  
23 scams you into auto renewals of magazine subscriptions without your consent. You  
24 get fa (sic) “prize” from \*\*\*\*\* for four magazine subscriptions for \$2 each  
(processing fee) and a year later your credit card is charged for renewals without

25 <sup>1</sup> Better Business Bureau reviews available at [https://www.bbb.org/connecticut/business-](https://www.bbb.org/connecticut/business-reviews/magazine-sales/synapse-group-inc-in-stamford-ct-41000185)  
26 [reviews/magazine-sales/synapse-group-inc-in-stamford-ct-41000185](https://www.bbb.org/connecticut/business-reviews/magazine-sales/synapse-group-inc-in-stamford-ct-41000185); Yelp reviews at  
27 <https://www.yelp.com/biz/synapse-group-stamford?start=20>; Ripoff Report reviews at  
28 [http://www.ripoffreport.com/reports/specific\\_search/synapse](http://www.ripoffreport.com/reports/specific_search/synapse); and pissedconsumer.com at  
<https://synapse.pissedconsumer.com>.

1 asking or any notice The renewal rate is likely higher than the actual publishers  
2 rate. I called one of the publications and they would not cancel my subscription as a  
3 third party had renewed. That publication is the one who told me about Synapse,  
4 otherwise i would not have known. I called Synapse to cancel and get a refund and  
will be monitoring my credit card statement daily until I see the 4 credits for the  
cancelled renewals.

5 A true and correct printout of that complaint is attached as Exhibit 5.

6 **Patrick D. – BBB Verified Reviewer (August 23, 2017).** This company is all  
7 about deceit. They say its a trial subscription for cheap then auto renew at grossly  
8 inflated prices. They do not tell you they store your credit card nor that it will  
9 renew. Try to speak to a person is a merry go round of nonsense. They won't listen,  
disconnect you, try to sell you even more lies, and refuse to conduct themselves  
ethically.

10 A true and correct printout of that complaint is attached as Exhibit 6.

11 **R.T. – BBB Verified Reviewer (Jan. 5, 2016).** I have been trying to cancel my  
12 magazine subscriptions for three weeks. They do not disclose all the subscriptions  
13 you have and even though you tell them that you want all your subscriptions  
14 cancelled they don't do that. They even indicate that you will be credited back on  
your credit card which never happens. I just want all my subscriptions through  
them stopped and don't ever want to deal with such a poor customer service  
organization again. Please help me give (sic) this resolved.

15 A true and correct printout of that complaint is attached as Exhibit 7.

16 **M.S. – BBB Verified Reviewer (Jan. 11, 2016).** Synapse Group is fantastically  
17 unethical and deliberately deceptive to consumers. I signed up for a one-year  
18 magazine subscription through Synapse and called before the end of the year to  
19 cancel my subscription. I was told my subscription was already cancelled, but was  
20 billed anyway for renewals of four different magazines (at a total cost of over  
\$100). I called the customer service line for Synapse, but could not reach a  
representative and instead was guided through a horribly deceptive string of menus  
that attempted to lead me to sign up for further subscriptions rather than cancel.

21 A true and correct printout of that complaint is attached as Exhibit 8.

22 **M.W. – BBB Verified Reviewer (Dec. 30, 2015).** This company scams people.  
23 They give you a “bonus” offer of \$2.00 per magazine just to reel you in. Then after  
24 the one year subscription is over they charge your account for the full subscription  
25 price without your knowledge! Then trying to actually speak with a live person is  
almost impossible! I had to contact the BBB before I could even get a phone  
number that was still in service!

26 A true and correct printout of that complaint is attached as Exhibit 9.

27 31. In order to maintain its rating with the BBB, Synapse submits a response to each  
28 complaint filed with the BBB—including those set forth above. The responses carry a familiar

1 ring, generally along the lines of the following: Synapse “genuinely regrets[s]” the consumer’s  
 2 inconvenience; Synapse’s records show that the consumer “accepted our promotional offer” for  
 3 magazines “after you completed a survey following an online purchase”; the offer provided that  
 4 the subscriptions “would automatically continue” and that “the same credit card would be charged  
 5 if you did not call us to cancel”; the subscriptions have now (after the filing of the BBB  
 6 complaint) been cancelled and the renewal charges have been refunded; and Synapse “apologizes”  
 7 for any inconvenience experienced by the consumer in attempting to cancel. *See, generally*, Exs.  
 8 5-9. If nothing else, these complaints and responses—and many others like them—show that  
 9 Synapse has long been aware that many consumers feel deceived by the magazine offers and  
 10 subsequent charges, and that regardless of whatever other purpose the IVR phone-tree might  
 11 serve, it is woefully deficient as a “mechanism for cancellation” that is required by law to be  
 12 “cost-effective, timely, and easy-to-use.”

13 32. Complaints about Synapse on Yelp express similar grounds for frustration:

14 **Anastasia A. – San Francisco, CA (Mar. 29, 2017).** I learned my lesson today  
 15 that free cheese can be only in a mousetrap. Couple of months ago I ordered wine  
 16 online and they offered me a magazines trial for free, I just had to pay \$2 for the  
 17 shipping. You can imagine my shock when I opened my credit card statement and  
 saw that I was charged \$122 for People Magazine and \$90 for US Weekly. I would  
 have never spent over \$200 on magazines voluntarily!

18 Today I called their customer service line and tried to explain to them that I did not  
 19 authorize the charge, to which the representative said that some issues have been  
 20 sent already and I can get a partial refund or get a full refund now but get 2 more  
 21 months of magazines, which does not make any sense to me. I said firmly that I  
 22 want a full refund and no magazines EVER AGAIN. The sales rep tried to push  
 just a partial refund on me until I lost my patience and started yelling that I am  
 going to call BBB and AG for their unethical practices. Poor guy hung up on me  
 but issued me a full refund. I hate being rude to people but this place is full of  
 scammers!

23 A true and correct printout of that complaint is attached as Exhibit 10.

24 **Blake M. – Los Angeles, CA (Aug. 27, 2017).** Scam company, sells magazine  
 25 subscriptions at a low cost, in order to get recurring charges. Very, very difficult to  
 26 cancel. Cannot cancel through the magazine, you have to call a 800 number for this  
 company, with predictable results. “Cannot locate your subscription”...but they can  
 easily locate my credit card info. [¶] Those profiting from this sham can go to Hell.

27 A true and correct printout of that complaint is attached as Exhibit 11.

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1 **Linda B. – Los Angeles, CA (Aug. 26, 2015).** Total absolute scam! I filled out a  
2 review and got a bunch of magazines for \$2 a year. Hey, why not I thought. Great  
3 deal. Uh huh. NOT! They are supposed to send you an email or letter to let you  
know your sub is up and they will charge you for new subscription. Except that  
they didn't. They didn't contact me at all.

4 I use my credit card for everything. From parking to grocery store to Target, you  
5 know name, it's on that credit card. So I rarely review item by item. My mistake!  
6 Big time mistake. To find out, Synapse has charged me HUGE amounts to keep  
7 my subscription going. Like twice to three times as much as a regular subscription  
would really cost. Sometimes even more than that. For example, they charged me  
\$42 for Vogue. What? I could have gotten it on my own for \$10/year.  
Travel&Leisure for \$49? Insane!

8 In total, they charged me over \$300 in mags. I disputed this with my credit card  
9 company, alas they can't do anything with the ones charged earlier this year. But  
10 they did help me contact Synapse. You see, I tried myself, but they would not let  
me talk to a real person. I just kept getting the automated run around. Online, they  
won't let you cancel, unless you agree to sign up for another year for another \$2.  
Just give me a CANCEL AND REFUND button!

11 My credit card service called Synapse and got me a real person on the phone. I was  
12 told that they would cancel my subscriptions, and file a request for refund. And  
13 that someone would call me in 5 days to discuss how much refund I'd get. WHY  
14 WHY WHY! You took money from me without my authorization, and now I need  
to wait 5 days before someone can call me back about how much, if any, refund I'll  
get?

15 So much for \$2 subscriptions.

16 A true and correct printout of that complaint is attached as Exhibit 12.

17 33. Plaintiff alleges that defendants have made and continue to make offers to  
18 California consumers, in connection with which defendants do not disclose the statutorily-  
19 mandated "automatic renewal offer terms" and do not make disclosures in a manner that is "clear  
20 and conspicuous"; that defendants charge the consumers' credit cards, debit cards, and/or third-  
21 party payment accounts without affirmative consent, under the guise that the magazine selections  
22 automatically renew when, in fact, the offers and subsequent charges are in violation of California  
23 law; and that defendants do not provide the statutorily-mandated acknowledgment.

24 34. Plaintiff further alleges that defendants do not provide a mechanism for  
25 cancellation that is "cost-effective, timely, and easy-to-use." To the contrary, defendants make it  
26 difficult, time-consuming, and burdensome for consumers to seek cancellation. Among other  
27 things, consumers who attempt to contact defendants via telephone are met with the automated  
28 IVR phone-tree, which does not provide a simple or straightforward opportunity to cancel a

1 subscription effective immediately, or to request a refund, or to reach a live representative. As  
2 reflected in consumer complaints, the IVR phone-tree options are crafted not for ease of  
3 cancellation, but to induce consumers unwittingly to extend a current magazine or create a new  
4 subscription. Moreover, on information and belief, for those instances in which a consumer is  
5 somehow able to reach a live representative, defendants train their representatives to resist  
6 complying with consumer requests for cancellation.

7 **CLASS ACTION ALLEGATIONS**

8 35. Plaintiff brings this lawsuit as class action under California Code of Civil  
9 Procedure § 382 on behalf of the following Class: “All individuals in California who, within the  
10 applicable limitations period, after responding to an online Bizrate survey, submitted a magazine  
11 order and were enrolled by Synapse in an automatic renewal program.”

12 36. Ascertainability. The members of the Class may be ascertained by reviewing  
13 records in the possession of defendants, their subsidiaries or affiliated entities, and/or third parties,  
14 including without limitation defendants’ marketing, promotion, and customer records.

15 37. Common Questions of Fact or Law. There are questions of fact or law that are  
16 common to the members of the Class, which predominate over individual issues. Common  
17 questions regarding the Class include, without limitation: (1) whether defendants present all  
18 statutorily-mandated “automatic renewal offer terms,” within the meaning of § 17601(b);  
19 (2) whether defendants present automatic renewal offer terms in a manner that is “clear and  
20 conspicuous,” within the meaning of § 17601(c); (3) whether defendants obtain consumers’  
21 affirmative consent to an agreement containing clear and conspicuous disclosure of automatic  
22 renewal offer terms before charging a credit card, debit card, or third-party payment account;  
23 (4) whether defendants provide consumers with an acknowledgment that includes clear and  
24 conspicuous disclosure of all statutorily-mandated automatic renewal offer terms, the cancellation  
25 policy, and information regarding how to cancel; (5) whether defendants provide a mechanism for  
26 cancellation that is cost-effective, timely, and easy-to-use; and (6) appropriate terms of an  
27 injunction.

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1 for an automatic renewal without first obtaining the consumer’s affirmative consent to an  
2 agreement containing clear and conspicuous disclosure of all statutorily-mandated automatic  
3 renewal offer terms; (d) failing to provide an acknowledgment that includes clear and conspicuous  
4 disclosure of automatic renewal offer terms, the cancellation policy, and information regarding  
5 how to cancel; and (e) failing to provide a mechanism for cancellation that is cost-effective,  
6 timely, and easy-to-use.

7 43. Plaintiff has suffered injury in fact and has lost money as a result of defendants’  
8 violations of the ARL.

9 44. Unless enjoined and restrained by this Court, defendants will continue to commit  
10 the violations alleged herein. Pursuant to § 17535, on behalf the Class, and also for the benefit of  
11 the general public of the State of California, Plaintiff seeks an injunction that:

12 a. Prohibits defendants from making any automatic renewal or continuous  
13 service offer to any consumer in the State of California without first presenting all “automatic  
14 renewal offer terms” (as defined in § 17601(b)) in a manner that is “clear and conspicuous” (as  
15 defined in § 17601(c)), as required by § 17602(a)(1);

16 b. Prohibits defendants from charging any California consumer’s credit card,  
17 debit card, or third party payment account for a subscription that includes automatic renewal or  
18 continuous service without first obtaining the consumer’s affirmative consent to an agreement  
19 containing clear and conspicuous disclosure of all automatic renewal offer terms, as those terms  
20 are defined in § 17601(b) and (c);

21 c. Requires defendants to provide California consumers with a method of  
22 cancellation that is cost-effective, timely, and easy-to-use, as required by § 17602(b), and to  
23 promptly give effect to all cancellation requests;

24 d. Requires defendants to provide each California consumer who enters into a  
25 subscription that includes automatic renewal or continuous service with an acknowledgement that  
26 includes (i) “clear and conspicuous” disclosure of the “automatic renewal offer terms” (as those  
27 terms are defined in § 17601(b) and (c)), (ii) the cancellation policy, and (iii) information  
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1 concerning the “cost-effective, timely, and easy-to-use” mechanism for cancellation, and to  
2 provide the acknowledgment in a manner that is capable of being retained by the consumer.

3 45. Plaintiff reserves the right to seek other prohibitory or mandatory aspects of  
4 injunctive relief, whether on behalf of the Class and/or for the benefit of the general public of the  
5 State of California.

6 **SECOND CAUSE OF ACTION**

7 Violation of the Consumers Legal Remedies Act

8 (Cal. Civ. Code § 1750 *et seq.*)

9 46. Plaintiff incorporates the allegations of paragraphs 1-40 as though set forth herein.

10 47. Plaintiff and Class members are “consumers” within the meaning of Cal. Civil  
11 Code § 1761(d) in that Plaintiff and Class members sought or acquired defendants’ goods and/or  
12 services for personal, family, or household purposes.

13 48. Defendants’ magazine offers and the magazines pertaining thereto are “goods”  
14 and/or “services” within the meaning of Cal. Civil Code § 1761(a) and (b).

15 49. The purchases by Plaintiff and Class members are “transactions” within the  
16 meaning of Cal. Civil Code § 1761(e).

17 50. Defendants have violated Cal. Civil Code § 1770, subdivisions (a)(5) and (a)(9), by  
18 representing that defendants’ goods and services have certain characteristics that they do not have,  
19 and advertising goods and services with the intent not to sell them as advertised.

20 51. Plaintiff has suffered injury in fact and has lost money as a result of defendants’  
21 violations of the Consumers Legal Remedies Act.

22 52. Unless enjoined and restrained by this Court, defendants will continue to commit  
23 the violations alleged herein. Pursuant to Civil Code § 1780(a)(2), on behalf of the Class, and also  
24 for the benefit of the general public of the State of California, Plaintiff seeks an injunction  
25 prohibiting defendants from continuing their unlawful practices as alleged herein.

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**THIRD CAUSE OF ACTION**

Violation of the False Advertising Law  
(Cal. Bus. & Prof. Code § 17500 *et seq.*)

53. Plaintiff incorporates the allegations of paragraphs 1-40 as though set forth herein.

54. The False Advertising Law (“FAL”) makes it unlawful, in connection with any effort to induce the public to enter into any obligation relating to property or services, to disseminate any statement that is known to be untrue or misleading, or that through the exercise of reasonable care should be known to be untrue or misleading. Cal. Bus. & Prof. Code § 17500. The FAL encompasses not only statements that are literally false, but also statements that, although true, are either actually misleading or that have the capacity, likelihood, or tendency to deceive or confuse the consuming public.

55. Defendants’ advertising, statements, and omissions as alleged herein were and are false, misleading, and/or have the capacity, likelihood, or tendency to deceive or confuse the consuming public, in violation of § 17500.

56. Plaintiff has suffered injury in fact and has lost money as a result of defendants’ acts of false advertising.

57. Unless enjoined and restrained by this Court, defendants will continue to commit the violations alleged herein. Pursuant to § 17535, on behalf of the Class, and also for the benefit of the general public of the State of California, Plaintiff seeks an injunction prohibiting defendants from continuing their unlawful practices as alleged herein.

**FOURTH CAUSE OF ACTION**

Violation of the California Unfair Competition Law  
(Cal. Bus. & Prof. Code § 17200 *et seq.*)

58. Plaintiff incorporates the allegations of paragraphs 1-57 as though set forth herein.

59. The Unfair Competition Law defines unfair competition as including any unlawful, unfair, or fraudulent business act or practice; any unfair, deceptive, untrue, or misleading advertising; and any act of false advertising under § 17500. Cal. Bus. & Prof. Code § 17200.

1           60. In the course of conducting business in California within the applicable limitations  
2 period, defendants committed unlawful, unfair, and fraudulent business practices, and engaged in  
3 unfair, deceptive, untrue, or misleading advertising, by, *inter alia* and without limitation,  
4 (a) failing to present statutorily-mandated “automatic renewal offer terms,” and failing to present  
5 such terms in a “clear and conspicuous” manner, in violation of § 17602(a)(1); (b) charging the  
6 consumer’s credit card, debit card, or third-party payment account for an automatic renewal  
7 without first obtaining the consumer’s affirmative consent to an agreement containing clear and  
8 conspicuous disclosure of all required automatic renewal offer terms, in violation of  
9 § 17602(a)(2); (c) failing to provide a mechanism for cancellation that is “cost-effective, timely,  
10 and easy-to-use,” in violation of § 17602(b); (d) failing to provide an acknowledgment that  
11 includes clear and conspicuous disclosure of all required automatic renewal offer terms, the  
12 cancellation policy, and information regarding a cancellation mechanism that is cost-effective,  
13 timely, and easy-to-use, and failing to provide such an acknowledgment in a manner capable of  
14 being retained by the consumer, in violation of § 17602(a)(3); (e) utilizing a flyer that has the  
15 appearance of junk mail as a purported means of providing notice of impending renewal;  
16 (f) representing that defendants’ goods or services have certain characteristics that they do not  
17 have, in violation of Cal. Civil Code § 1770(a)(5); (g) advertising goods and services with the  
18 intent not to sell them as advertised, in violation of Cal. Civil Code § 1770(a)(9); and (h) making  
19 representations that are false, misleading, and/or likely to deceive the consuming public, in  
20 violation of § 17500. Plaintiff reserves the right to identify other acts or omissions that constitute  
21 unlawful, unfair or fraudulent business acts or practices, unfair, deceptive, untrue or misleading  
22 advertising, and/or other prohibited acts.

23           61. Defendants’ acts and omissions as alleged herein violate obligations imposed by  
24 statute, are substantially injurious to consumers, offend public policy, and are immoral, unethical,  
25 oppressive, and unscrupulous as the gravity of the conduct outweighs any alleged benefits  
26 attributable to such conduct.

27           62. There were and are reasonably available alternatives to further defendants’  
28 legitimate business interests, other than the conduct described herein.

1           63. Defendants’ acts, omissions, nondisclosures, and statements as alleged herein were  
2 and are false, misleading, and/or likely to deceive the consuming public.

3           64. Plaintiff has suffered injury in fact and has lost money as a result of defendants’  
4 acts of unfair competition.

5           65. Unless enjoined and restrained by this Court, defendants will continue to commit  
6 the violations alleged herein. Pursuant to § 17203, on behalf of the Class, and also for the benefit  
7 of the general public of the State of California, Plaintiff seeks an injunction that:

8           a. Prohibits defendants from making any automatic renewal or continuous  
9 service offer to any consumer in the State of California without first presenting all “automatic  
10 renewal offer terms” (as defined in § 17601(b)) in a manner that is “clear and conspicuous” (as  
11 defined in § 17601(c)), as required by § 17602(a)(1);

12           b. Prohibits defendants from charging any California consumer’s credit card,  
13 debit card, or third party payment account for a subscription that includes automatic renewal or  
14 continuous service without first obtaining the consumer’s affirmative consent to an agreement  
15 containing clear and conspicuous disclosure of all automatic renewal offer terms, as those terms  
16 are defined in § 17601(b) and (c);

17           c. Requires defendants to provide California consumers with a method of  
18 cancellation that is cost-effective, timely, and easy-to-use, as required by § 17602(b), and to  
19 promptly give effect to all cancellation requests;

20           d. Requires defendants to provide each California consumer who enters into a  
21 subscription that includes automatic renewal or continuous service with an acknowledgement that  
22 includes (i) “clear and conspicuous” disclosure of the “automatic renewal offer terms” (as those  
23 terms are defined in § 17601(b) and (c)), (ii) the cancellation policy, and (iii) information  
24 concerning the “cost-effective, timely, and easy-to-use” mechanism for cancellation, and to  
25 provide the acknowledgment in a manner that is capable of being retained by the consumer;

26           e. Prohibits defendants from representing that defendants’ goods or services  
27 have characteristics that they do not have;

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1 f. Prohibits defendants from advertising goods or services with the intent not  
2 to sell them as advertised; and

3 g. Prohibits defendants from including in any advertising, marketing, offer  
4 materials, or other materials any statement that is false, misleading, and/or likely to deceive the  
5 consuming public, or omitting any fact the omission of which renders the advertising, marketing,  
6 offer materials, or other materials false, misleading, and/or likely to deceive the consuming public  
7 in any respect.

8 66. Plaintiff reserves the right to seek other prohibitory or mandatory aspects of  
9 injunctive relief, whether on behalf of the Class and/or for the benefit of the general public of the  
10 State of California, to prevent defendants' use or employment of practices that constitute unfair  
11 competition.

12 **PRAYER**

13 WHEREFORE, Plaintiff prays for judgment against defendants as follows:

14 1. For a judicial declaration that, by employing the business practices alleged in this  
15 Complaint, defendants have violated the ARL, the CLRA, the FAL, and the UCL;

16 2. For entry of an order requiring defendants immediately to cease the wrongful  
17 conduct described herein, so that other California consumers do not fall victim to defendants'  
18 unlawful scheme;

19 3. For a permanent injunction enjoining defendants from violating the ARL, the  
20 CLRA, the FAL, and the UCL in connection with defendants' offers and fulfillment of magazine  
21 subscriptions, on behalf of the Class, and also for the benefit of the general public of the State of  
22 California;

23 4. For reasonable attorneys' fees, pursuant to California Civil Code § 1780(e) and/or  
24 California Code of Civil Procedure § 1021.5;

25 5. For costs of suit; and

26 6. For such other relief as the Court may deem just and proper.

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1 Dated: June 28, 2018

DOSTART HANNINK & COVENEY LLP



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