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17	UNITED STATE	S DISTRICT COURT
18	SOUTHERN DIST	RICT OF CALIFORNIA
19	JAMIE ZELLER,	Case No. <b>'22CV434 BTM MSB</b>
20	Individually and on Behalf of All	<b>Class Action Complaint</b>
21	Others Similarly Situated,	Class Action Complaint
22		Demand for Jury Trial
23	V.	
24	OPTAVIA, LLC and	
25	MEDIFAST, INC.	
26		
27	Defendants.	
28		

	Case	e 3:22-cv-00434-BTM-MSB Document 1 Filed 04/01/22 PageID.2 Page 2 of 32	
1		Table of Contents	
2		Table of Contents	
3	I.	Introduction	1
4	II.	Parties	
5	III.	Jurisdiction and Venue	
6	IV.	Facts	
-		A. California Automatic Renewal Law.	2
7		B. Defendants charge consumers for automatically renewing weight loss products, in violation of the Automatic Renewal Law and other consumer protection laws	4
8 9		1. Defendants use multi-level marketing to sell subscription weight loss products	
10		<ol> <li>Defendants' Optavia Premier enrollment process violates the Automatic Renewal Law and misleads reasonable consumers.</li> </ol>	5
11 12		3. Defendants' post-order acknowledgement violates Automatic Renewal Law and misleads reasonable consumers.	8
12 13 14		4. Defendants fail to provide a "cost-effective, timely, and easy-to-use mechanism for cancellation." Instead, Defendants systematically continue to charge consumers who try to delay, cancel, or return shipments	10
14		5. Defendants know that their automatic renewal scheme is misleading consumers.	
16		6. Defendants misled and harmed Plaintiff Zeller.	16
17	<b>V</b> .	Class action allegations	17
18	VI.	Claims	20
		Count 1: False Advertising - California Automatic Renewal Law	20
19		Count 2: Unfair Competition Law (UCL)	
20		Count 3: Consumers Legal Remedies Act (CLRA)	
21		Count 4: California Weight Loss Contract Law	
22		Count 5: Fraud	
23	VII.	Count 6: Unjust Enrichment	
24		Prayer for Relief	20
25			
23 26			
27			
28			

### I. Introduction.

Defendants run a multi-level marketing business that sells "Optavia" weight
 loss products and services (like packaged meals) to consumers. Parent company
 Medifast has built Optavia into a \$1 billion brand. This growth, however, is fueled by an
 illegal automatic renewal scheme.

2. When consumers purchase any Optavia product, Defendants use dark patterns to enroll consumers in an automatic renewal plan called "Optavia Premier." Once enrolled, consumers are automatically shipped products and charged hundreds of dollars each month. When enrolling customers, Defendants fail to provide the disclosures required by law and fail to obtain sufficient consent. As a result, Defendants sign consumers up for automatically renewing charges without their knowledge. Then, when consumers try to cancel or return products, Defendants give them the runaround and continue to charge their payment methods.

3. This illegal automatic renewal scheme works. According to Defendants, the average Optavia client spends thirty times more money on diet products compared to industry benchmarks. More than 75% of Optavia's customers get auto-enrolled for at least one renewal fee and nearly 50% of customers get charged four or more times.

4. This class action seeks to put an end to Defendants' illegal auto-renewal practices and hold Medifast and Optavia accountable for the damages they have caused and continue to cause.

II. Parties.

5. Plaintiff Jamie Zeller is a citizen of California. She is domiciled in
Escondido, California. She was a customer of Optavia in August 2021, was enrolled in
Optavia Premier without her consent, and was automatically charged for recurring shipments.

6. Defendant Optavia, LLC is a Delaware Limited Liability Company
headquartered at 100 International Drive, 18th Floor, Baltimore, Maryland 21202. Upon
information and belief, Optavia is a subsidiary of Medifast, Inc.

7. Defendant, Medifast, Inc. is a Delaware corporation headquartered in 1 2 Baltimore, Maryland and located at 100 International Drive, 18th Floor, Baltimore, Maryland 21202. Medifast is a weight loss company that was founded in 1980. 3 Medifast's weight loss programs have undergone numerous re-brandings over the years. 4 Upon information and belief, in or about 2016 or 2017, Medifast re-branded its weight 5 loss program from "Take Shape for Life" to "Optavia." 6

III. Jurisdiction and Venue.

This Court has subject matter jurisdiction under 28 U.S.C. § 1332(d)(2). 8. The amount in controversy exceeds the sum or value of \$5,000,000, exclusive of interest and costs, and the matter is a class action in which one or more members of the proposed class are citizens of a state different from the Defendants.

12 9. The Court has personal jurisdiction over Defendants because Defendants purposefully marketed and sold Optavia products to consumers in California, including 13 Plaintiffs. 14

10. Venue is proper because a substantial portion of the acts, events, and/or failures to act giving rise to the claims occurred in this District.

IV. **Facts** 

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A. California Automatic Renewal Law.

19 11. The California Automatic Renewal Law (ARL) is part of California's False Advertising Law. The purpose of the ARL is to "end the practice of ongoing" 20 subscription charges "without the consumers' explicit consent for ongoing shipments of a product." Cal. Bus. & Prof. Code §17600. To this end, the law makes it illegal for companies to charge consumers for automatically - renewing shipments of goods, unless 23 24 the company meets strict disclosure requirements. This includes both pre-purchase and post-purchase disclosures. 25

### **Pre-Purchase Requirements**

A company must "present the automatic renewal offer terms or continuous 27 12. 28 service offer terms in a clear and conspicuous manner before the subscription or

### Case 3:22-cv-00434-BTM-MSB Document 1 Filed 04/01/22 PageID.5 Page 5 of 32

purchasing agreement is fulfilled and in visual proximity, or, in the case of an offer

conveyed by voice, in temporal proximity, to the request for consent to the offer." Cal.

Bus. & Prof. Code §17602. The "automatic renewal offer terms" that must be presented
include:

1) "That the subscription or purchasing agreement will continue until the consumer cancels.

2) The description of the cancellation policy that applies to the offer.

3) The recurring charges that will be charged to the consumer's credit or debit card or payment account with a third party as part of the automatic renewal plan or arrangement, and that the amount of the charge may change, if that is the case, and the amount to which the charge will change, if known.

4) The length of the automatic renewal term or that the service is continuous, unless the length of the term is chosen by the consumer.

5) The minimum purchase obligation, if any."

Cal. Bus. & Prof. Code §17601(b)(1)-(5).

13. A "clear and conspicuous" disclosure "means in larger type than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same size, or set off from the surrounding text of the same size by symbols or other marks, in a manner that clearly calls attention to the language." Cal. Bus. & Prof. Code §17601(c).

14. After presenting all of this information, the company must then obtain the "consumer's affirmative consent to the agreement containing the automatic renewal offer terms or continuous service offer terms." Id.

Post-Purchase Requirements

15. After the purchase, the company must provide "acknowledgment that includes the automatic renewal offer terms or continuous service offer terms, cancellation policy, and information regarding how to cancel in a manner that is capable of being retained by the consumer." Cal. Bus. & Prof. Code §17602. In addition, the

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acknowledgment must provide a "cost-effective, timely, and easy-to-use mechanism for cancellation." Id. 2

> **B**. **Defendants charge consumers for automatically renewing weight loss** products, in violation of the Automatic Renewal Law and other consumer protection laws.

Defendants use multi-level marketing to sell subscription weight 1. loss products.

At all relevant times, Defendants offered, via the Optavia website, various 16. food products, plans, and services related to weight loss. Defendants offered meal plans such as the Optimal Weight 5&1 Plan, Optimal Weight 4&2&1 Plan, and the Optimal Health 3&3 Plan, as well as individual food products referred to as Fuelings, such as Essential Smoky BBQ Crunchers or Jalapeno Cheddar Poppers. The 5 &1 Plan is pictured below:

Essential Optimal Kit  $(5 \& 1 Plan^{\circ})$ SKU# 76960 \$378.25 Servings per Container: 119 Add to Cart Customize Kit

17. Optavia is a multi-level marketing company. It recruits ordinary consumers to be Optavia "coaches," to market and sell Optavia products to their friends and family. Optavia's business is driven by automatically-renewing product subscriptions. According to Defendants' January 2021 investor presentation, subscription-based purchases account for 92% of their total revenue. In this presentation, Defendants highlight that the average Optavia client spends thirty times more money on diet products

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compared to industry benchmarks. According to Defendants, more than 75% of Optavia's
 customers are charged for at least one renewal fee and nearly 50% of customers get
 charged four or more times. The reason for these extreme results is Defendants' illegal
 automatic renewal scheme.

Defendants' automatic renewal scheme is called Optavia Premier. 5 18. Defendants market Optavia Premier as an exclusive program in which members can 6 "enjoy exclusive perks like extra savings, rewards, free or reduced shipping and more!" 7 Defendants refer to Optavia Premier as an "autoship program" and state that "Premier 8 9 member orders ship automatically each month, so your progress will never be interrupted or delayed." While Defendants refer to Optavia Premier as an "autoship program" it is in every respect an automatically renewing subscription and constitutes an automatic renewal and/or continuous service plan or arrangement under Cal. Bus. & Prof. Code §17601. The cost of an Optavia Premier membership can and does reach costs totaling \$500 per month.

### 2. Defendants' Optavia Premier enrollment process violates the Automatic Renewal Law and misleads reasonable consumers.

19. Consumers purchase Optavia products in two ways. First, the consumer can buy the products themselves, from the Optavia website. Second, a coach can take a consumer's payment information and place an order for the consumer. Through both purchase methods, Optavia systematically enrolls consumers in its Optavia Premier program, in violation of the Automatic Renewal Law and other consumer protection laws.

20. On the Optavia website, Defendants' automatic renewal program works as follows. Any consumer who selects a product for purchase is directed to a checkout page on the Optavia website, illustrated below:

### Case 3:22-cv-00434-BTM-MSB Document 1 Filed 04/01/22 PageID.8 Page 8 of 32

		UNIT PRICE	QTY	SUBTOTAL	enrolled in OPTAVIA	Premier.
ur free item(s)						
Contraction of the second seco	OPTAVIA Guide SKU# 37883	FREE	1	FREE	These seasonal bund available for a limited Add them to your orc	time only.
	Journey Kickoff Card Insert SKU# 50038	FREE	1	FREE	Yes, I would like to j OPTAVIA Premier I have reviewed and agree to th Premier Terms and Conditions. that OPTAVIA Premier is an au	e OPTAVIA I understand
	OPTAVIA Guide Top Tips Insert SKU# 50039	FREE	1	FREE	and that by enrolling in OPTAV automatically be charged for an OPTAVIA Premier order each n modify my order, change my sl cancel my membership. I also u	nd receive an nonth unless I nip date or understand that
OPTAVIA.	Get 1 Week FREE with your OPTAVIA Premier order (up to \$121.25 Value)! SKU# 79938	FREE	1	FREE	I can modify my order or cance membership at any time by cal OPTAVIA or by logging into my OPTAVIA account.	ling 1-888-
Edit Free Meal	Free Meal includes: • 1 Essential Sour Cream & Chive • 1 Select Buttermilk Cheddar He • 1 Select Honey Chili Cranberry 1 Almonds (Box)	rb Biscuit Mix (B Nut Bar with Flax	ox) seeds, Pumpkin		ORDER SUMMAR	
	<ul> <li>1 Select Chocolate Cherry Gana</li> <li>Pomegranate (Box)</li> <li>1 Select Dark Chocolate Cocont</li> </ul>				Subtotal Delivery Charge: Estimated tax:	\$428.2 FRE \$0.0
	OPTAVIA BlenderBottle* Classic SKU# 50015	FREE	1	FREE	Order Total:	\$428.2

21. The purported disclosures fail to comply with the Automatic Renewal Law, in several ways. The enrollment process also misleads reasonable consumers into thinking that they are not being signed up for auto-renewing shipments and charges.

22. To begin, the option to enroll in Optavia Premier box is pre-checked. This is the opposite of how an affirmative consent box is supposed to work. It is designed to, and does, cause reasonable consumers to miss the fact that they are being auto-enrolled. In order to unenroll from Optavia Premier, the consumer must affirmatively uncheck the box. In other words, instead of affirmative consent (which is legally required), the process requires affirmative opt-out (which is illegal).

Yes, I would like to join OPTAVIA Premier

23. In addition, as illustrated above, the information about the Optavia Premier program is in the smallest font on the page, set off to the side, and with the least contrast against the background compared to all the other text. The page is designed so that a reasonable consumer will click the prominent "Checkout" button without noticing that they are being signed up for automatically renewing shipments and charges.

24. Next, regardless of the Optavia item that the consumer selects to purchase, the relevant portion of the checkout page presents the consumer with a banner stating "Congratulations! You are now enrolled in OPTAVIA Premier."

> Congratulations! You are now enrolled in **OPTA**VIA Premier.

25. This box confusingly suggests to the consumer that they have already been enrolled in Optavia Premier, before Defendants have obtained any kind of consent whatsoever. Again, this is the opposite of clear and conspicuous, affirmative consent.

26. Beyond this, the page does not disclose the amount of the charge that will be recurring on a month-to-month basis, the length of time that the auto-renewal subscription will remain in place, or the minimum purchase.

27. Once the consumer clicks the "Checkout" button, the consumer is redirected to a webpage to complete their purchase where, among other things, the consumer creates a username and password, enters a delivery address, and inputs their payment method. Notably, once the consumer clicks the "Checkout" button, no subsequent webpage for completion of the purchase discloses or mentions the consumer's enrollment in Optavia Premier or its terms and conditions. Once the consumer inputs the requested information to complete the purchase, the consumer is enrolled in Optavia Premier and, every month

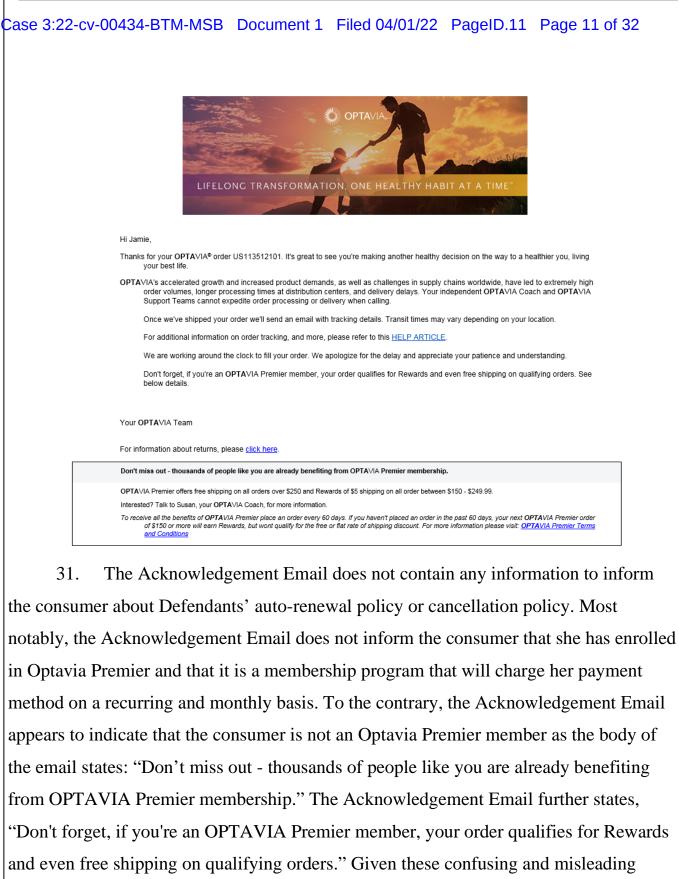
from that date forward, Defendants will automatically charge the consumer's payment
 method and ship products.

28. When customers are enrolled through coaches, the disclosures are even more
deficient. Coaches systematically fail to even disclose to consumers that they are being
auto-enrolled, much less comply with the detailed requirements of the Automatic
Renewal Law. This is because Optavia's coach training materials systematically (and
intentionally) fail to train coaches to comply with the Automatic Renewal Law.

29. In sum, either way a consumer buys Optavia products, Defendants fail to comply with the Automatic Renewal Law and mislead reasonable consumers about whether they are being signed up for automatic, monthly charges.

## 3. Defendants' post-order acknowledgement violates Automatic Renewal Law and misleads reasonable consumers.

30. After consumers are enrolled in Optavia Premier, Defendants send consumers an email confirming their purchase (the "Acknowledgement Email"). The subject line of the Acknowledgement Email states: "Optavia Order confirmation:" with an order number listed. A screen shot example of the Acknowledgement Email appears as follows:



statements, a reasonable consumer would conclude that they are not an Optavia Premier
member. Additionally, the Acknowledgement Email does disclose the following

28 || information:

	Case 3:22-cv-00434-BTM-MSB Document 1 Filed 04/01/22 PageID.12 Page 12 of 32
1	
2	1) "That the subscription or purchasing agreement will continue until the consumer cancels.
3	2) The description of the cancellation policy that applies to the offer.
4	3) The recurring charges that will be charged to the consumer's credit or debit card
5	or payment account with a third party as part of the automatic renewal plan or arrangement, and that the amount of the charge may change, if that is the case, and the
6	amount to which the charge will change, if known.
7	4) The length of the automatic renewal term or that the service is continuous, unless the length of the term is chosen by the consumer.
8	5) The minimum purchase obligation, if any."
9	Cal. Bus. & Prof. Code §17601(b)(1)-(5).
10	
11	32. As such, the Acknowledgement Email fails to "include[] the automatic
12	renewal offer terms, cancellation policy, and information regarding how to cancel in a
13	manner that is capable of being retained by the consumer" in violation of Section
14	17602(a)(3).
15	4. Defendants fail to provide a "cost-effective, timely, and easy-to-
16	4. Defendants fail to provide a "cost-effective, timely, and easy-to- use mechanism for cancellation." Instead, Defendants
16 17	
16 17 18	use mechanism for cancellation." Instead, Defendants
16 17 18 19	use mechanism for cancellation." Instead, Defendants systematically continue to charge consumers who try to delay,
16 17 18	use mechanism for cancellation." Instead, Defendants systematically continue to charge consumers who try to delay, cancel, or return shipments.
16 17 18 19	<ul> <li>use mechanism for cancellation." Instead, Defendants</li> <li>systematically continue to charge consumers who try to delay,</li> <li>cancel, or return shipments.</li> <li>33. As described above, the ARL requires that Defendants conspicuously</li> </ul>
16 17 18 19 20	use mechanism for cancellation." Instead, Defendants systematically continue to charge consumers who try to delay, cancel, or return shipments. 33. As described above, the ARL requires that Defendants conspicuously present their full cancellation policy at the time of purchase and provide a post-sale
16 17 18 19 20 21	use mechanism for cancellation." Instead, Defendants systematically continue to charge consumers who try to delay, cancel, or return shipments. 33. As described above, the ARL requires that Defendants conspicuously present their full cancellation policy at the time of purchase and provide a post-sale acknowledgment identifying an easy and efficient mechanism for consumers to cancel
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> </ol>	<ul> <li>use mechanism for cancellation." Instead, Defendants systematically continue to charge consumers who try to delay, cancel, or return shipments.</li> <li>33. As described above, the ARL requires that Defendants conspicuously present their full cancellation policy at the time of purchase and provide a post-sale acknowledgment identifying an easy and efficient mechanism for consumers to cancel their subscriptions. Defendants' website and Acknowledgement Email fail to satisfy</li> </ul>
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> </ol>	<ul> <li>use mechanism for cancellation." Instead, Defendants systematically continue to charge consumers who try to delay, cancel, or return shipments.</li> <li>33. As described above, the ARL requires that Defendants conspicuously present their full cancellation policy at the time of purchase and provide a post-sale acknowledgment identifying an easy and efficient mechanism for consumers to cancel their subscriptions. Defendants' website and Acknowledgement Email fail to satisfy either of these requirements. Instead, Defendants systematically make it confusing and</li> </ul>
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>25</li> <li>26</li> </ol>	<ul> <li>use mechanism for cancellation." Instead, Defendants systematically continue to charge consumers who try to delay, cancel, or return shipments.</li> <li>33. As described above, the ARL requires that Defendants conspicuously present their full cancellation policy at the time of purchase and provide a post-sale acknowledgment identifying an easy and efficient mechanism for consumers to cancel their subscriptions. Defendants' website and Acknowledgement Email fail to satisfy either of these requirements. Instead, Defendants systematically make it confusing and difficult to cancel Optavia Premier subscriptions and continue to charge consumers who have attempted to cancel.</li> <li>34. With respect to cancellation, the relevant portion of the checkout page states:</li> </ul>
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>25</li> <li>26</li> <li>27</li> </ol>	<ul> <li>use mechanism for cancellation." Instead, Defendants systematically continue to charge consumers who try to delay, cancel, or return shipments.</li> <li>33. As described above, the ARL requires that Defendants conspicuously present their full cancellation policy at the time of purchase and provide a post-sale acknowledgment identifying an easy and efficient mechanism for consumers to cancel their subscriptions. Defendants' website and Acknowledgement Email fail to satisfy either of these requirements. Instead, Defendants systematically make it confusing and difficult to cancel Optavia Premier subscriptions and continue to charge consumers who have attempted to cancel.</li> <li>34. With respect to cancellation, the relevant portion of the checkout page states: "I can modify my order or cancel my membership at any time by calling 1-888-</li> </ul>
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>25</li> <li>26</li> </ol>	<ul> <li>use mechanism for cancellation." Instead, Defendants systematically continue to charge consumers who try to delay, cancel, or return shipments.</li> <li>33. As described above, the ARL requires that Defendants conspicuously present their full cancellation policy at the time of purchase and provide a post-sale acknowledgment identifying an easy and efficient mechanism for consumers to cancel their subscriptions. Defendants' website and Acknowledgement Email fail to satisfy either of these requirements. Instead, Defendants systematically make it confusing and difficult to cancel Optavia Premier subscriptions and continue to charge consumers who have attempted to cancel.</li> <li>34. With respect to cancellation, the relevant portion of the checkout page states: "I can modify my order or cancel my membership at any time by calling 1-888- OPTAVIA or by logging into my online Optavia account." This vague description on</li> </ul>
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> <li>25</li> <li>26</li> <li>27</li> </ol>	<ul> <li>use mechanism for cancellation." Instead, Defendants systematically continue to charge consumers who try to delay, cancel, or return shipments.</li> <li>33. As described above, the ARL requires that Defendants conspicuously present their full cancellation policy at the time of purchase and provide a post-sale acknowledgment identifying an easy and efficient mechanism for consumers to cancel their subscriptions. Defendants' website and Acknowledgement Email fail to satisfy either of these requirements. Instead, Defendants systematically make it confusing and difficult to cancel Optavia Premier subscriptions and continue to charge consumers who have attempted to cancel.</li> <li>34. With respect to cancellation, the relevant portion of the checkout page states: "I can modify my order or cancel my membership at any time by calling 1-888-</li> </ul>

### Case 3:22-cv-00434-BTM-MSB Document 1 Filed 04/01/22 PageID.13 Page 13 of 32

cancellation procedure is not a sufficient disclosure. Moreover, BBB complaints show
that canceling Optavia's automatic renewals can be difficult, frustrating, and time
consuming. Worse, Optavia fails to honor requests to delay, refund, or cancel orders, and
continues to fraudulently charge consumers.

35. The following screenshots of customer complaints from the BBB website are illustrative:

#### 12/01/2021

This company puts you automatically on an autoship policy. The order has not even shipped and was in process just today. I called and wanted them to refund my money and they were not helpful. I explained I do not want my account on autoship and if the order has not shipped they should be able to cancel the order. I was given the run around about opening a case and having to do a return to distributor on their end and even so it wasn't 100% guaranteed to get my money back. If they are doing an "in house" return then I should get my money!!! They shouldn't tie peoples money up with all of this back and forth!!! It's ridiculous!! I just want the money taken from my account put back in as the order has not even SHIPPED to me at all!!!

Desired Outcome Refund

#### 09/28/2021

On June 30th 2021 Optavia shipped a box of products to my home which was received on July 12th. the cost of the box was \$299.67. I intern cancelled my services with Optavia and returned the box to them. My bank card was not charged the \$299.67 at the time. The box was returned via USPS with a tracking #XXXX XXXX XXXX XXXX XXXX XX and received by them on July 26, 2021 at 11:30. On September 27, 2021 I received an e-mail that Optavia stating that they were going to charge me for the 299.67. I called them and gave them the tracking # but they still have made attempts to charge my card. I have called 3 times only to be told they have forwarded the case to the operations department without the case being resolved. I want my card information removed from Optavias system and for them to stop attempting to put this charge on my card. My bank has been made aware. At 9:30am 9/28 Optavia made another attempt to charge my card.

### Desired Outcome

No further contact by the business

#### 07/20/2021

I was sent an email on on July 4th that my box was to ship. I called customer service and asked that they cancel cancel this shipment. I went in and canceled my account out. I was assured that The shipment would be stopped and the money would not come from my account. On July 17th I received an email that my Box was shipping. I called customer service was told they would try to stop the shipment. July 18th, the money was taken out of my account, but the tracking number showed that it had not yet shipped. I called customer service. Spoke w a supervisor, she samtated they would escalate the issue w their operations support team. 7/20, called again. Box still showing as label being created. Being told they still need to try to intercept box, but can't put money back into my acct. Even though, bills i paid are bouncing because they took the money w out my authorization or w out me receiving product. They give me the same scripted answer when i call. I need help!

Desired Outcome Refund

#### 07/16/2021

Date of transaction: 7/16/21 I ordered a nutrition program from Optavia 5/13/21 for \$364. On 7/1/21 I canceled my future orders. I noticed that \$419 was removed from my bank account from Optavia. I have been on the phone with their customer support all morning and the order HAS NOT even shipped yet and they refuse to issue a refund. Please help

Desired Outcome

Refund

#### 07/14/2021

In lake June 2021 I received notice that my order was going to ship in seven days. I logged into my account and canceled the order, only to get notification on July 1, 2021, that my order is shipping. I called that morning and talked to client support, which told me they are canceling my order and future repeat orders. At that time I had not been charged. Today, July 14, 2021, I was charged \$633.61 for the order I canceled. When I called Client Support again today I was told they need to get the package, which has not been mailed, back before they can refund the money. 1) The order was canceled two weeks ago, and 2) the order still has not been shipped or filled as only a tracking label has been created. They cannot give me a time or estimate of when this will be fixed, even after it should not have happened.

Desired Outcome

Refund

07/02/2021 On June 30, 2021 at 10:00am a health coach from Optavia sold me on their food and health plan, she told me that my credit card would not be charged for 3 weeks when the food was mailed to me. She also said that I could cancel my order at anytime. On the same day, June 30, 2021 at 2:58pm I let the health coach know that I did not want the food and I wanted to cancel my order. The next morning, July 1, 2021 at 9:21am the health coach told me that my order could not be canceled. I then checked with my credit card company and my card was already charged but a customer representative from Optavia told me that my order was not shipped. Now I have to wait 3 weeks, receive the order, and then at my expense (because Optavia does not send prepaid return labels) return it and wait for a refund. I want my order canceled now and my credit card refunded- as it should not have been charged in the first place because nothing was shipped to me. This company is a scam to take my money. **Desired Outcome** Refund

Case 3:22-cv-00434-BTM-MSB Document 1 Filed 04/01/22 PageID.15 Page 15 of 32

\* \* \*

36. In sum, for every subscription product purchased from the Optavia website, Defendants fail to make the legally required disclosures, fail to obtain affirmative consent for automatic recurring charges, misrepresent and conceal material facts regarding Optavia Premier, and mislead reasonable consumers into thinking that they are simply making a one-time purchase. Defendants then make it difficult to cancel and fraudulently continue to charge consumers who seek refunds or cancellation. And as described next, Defendants do all of this knowingly.

# 5. Defendants know that their automatic renewal scheme is misleading consumers.

37. Defendants are well aware that their auto-enrollment scheme is deceiving consumers. Through the BBB, Optavia has received hundreds of complaints from customers.

38. The complaints listed on the BBB website echo Plaintiff's experience, as consumers complain that they were unaware that they would be auto-enrolled in a monthly subscription plan. The following complaints are illustrative:



This company's dark pattern practices online results in holding your personal information and credit info hostage leading to unwanted monthly orders. I've repeatedly requested my information be deleted from their database only to be given a link to go to, on their policy page, where you have to sift through paragraphs of irrelevant information to find the place to then fill out another form that creates a "case #" to request your credit card and contact info be removed from their database. Despite cancelling an order within 24 hours of my initial introduction to this company, I had another order placed on my credit card 30 days later that I then had to request be cancelled again and tried to get my information to be removed again. I have stated unequivocally to this company that I will never do business with them yet they continue to email me. This is a terrible company and there should be federal legislation against this type of consumer abuse and privacy violations.

#### 05/25/2021

My coach placed my order via debit card on May 15th for a \$416 dollar kit. My kit still says it's "in processing" but my BF ordered after me (a week later) and his has been shipped. I called customer service and was told " we are experiencing demands we can't meet and deliveries are taking longer than usual. Most of our orders are being shipped out without tracking" So, I paid \$416 and have no idea if it shipped or not and who knows where it is? I went through my bank statements and it doesn't even show charged even though I was told it was? Best thing? I found out that I was signed up for automatic shipping/bill and I wasn't even informed of this? My next scheduled shipment is June 11th and I haven't even received my first box but they have me already scheduled? I have no food and no way to track where it is but my bf who orders after me has tracking and his box??? Help?

**Desired Outcome** 

Contact by the business

#### 05/03/2021

I did not sign up for "autoship" and feel this business practice is deceptive. I have requested for order #\*\*\*\*\*\*\*\* to be canceled and NOT SHIPPED while it is still showing as in process and has, in fact, not already shipped. The "customer service rep" denied saying there is simply no way to do that. That she would send me a return label simply so that I have to pay for shipping to Optivia and again to ship it back. I am requesting for the \$341.59 to be immediately refunded to my credit card and if they continue to refuse to cancel the order, that they send me a prepaid shipping return label for this false shipment to be returned. Additionally, I am requesting for my credit card information to be removed from the Optivia database to ensure no further unauthorized charges can be made to my account.

#### **Desired Outcome**

I am requesting for the 341.59 to be immediately refunded to my credit card and if they continue to

Saadya	н
***	
	cause severe GI issues which aren't resolved by discontinuing their snack
day 2 and day 4th	The ingredients in their products have caused severe GI issues starting from on their products was full blown symptoms that impaired functioning for that
wonders why the I	e agency has long wait time which was already mentioned by their rep. One ong wait time is predicted! Their selling involves zero disclosure as to what e is, how much would be charged as a whole to one's cc and enrolling in
automatic renewal their website eithe	l of products without client's consent. To cancel a cc on file isn't an option on r. I was made aware by my cc company when I lost my wallet and found out
my cc info. I do no	s put on default on company's website and that I had no way of cancelling t appreciate being signed up for something based on trusting a rep and ation/disclosure on company name, and cost of products in order to form my
own informed deci	
	06/12/20
	i did not want. They did auto re order and charged me \$447 that i did ant. They refused to cancel the order. So i had my bank dispute the
	e was dropped from my pending. That was Monday 6/8. I woke up harge for the same order.
Desired Outcome	
	back and for them to not do this to other people.
I want my money b Company sells pro	back and for them to not do this to other people. 04/12/2019 oducts, with a return guarantee. Still waiting for a return filed months
I want my money b Company sells pro ago This is easy continue sending y that we did not wa	04/12/2019 oducts, with a return guarantee. Still waiting for a return filed months , their "coach" sets up their "auto order" system. It is auto populated to you random products it "auto ordered" us over \$500 worth of food, nt Nobody will answer the phone, and nobody will give us our money
I want my money b Company sells pro ago This is easy continue sending y that we did not wa	04/12/2019 oducts, with a return guarantee. Still waiting for a return filed months t, their "coach" sets up their "auto order" system. It is auto populated to you random products it "auto ordered" us over \$500 worth of food, nt Nobody will answer the phone, and nobody will give us our money I, pure and simple
I want my money b Company sells pro ago This is easy continue sending y that we did not wa back. This is fraud	04/12/2019 oducts, with a return guarantee. Still waiting for a return filed months t, their "coach" sets up their "auto order" system. It is auto populated to you random products it "auto ordered" us over \$500 worth of food, nt Nobody will answer the phone, and nobody will give us our money I, pure and simple
I want my money b Company sells pro ago This is easy continue sending y that we did not wa back. This is fraud Desired Outcome	04/12/2019 oducts, with a return guarantee. Still waiting for a return filed months t, their "coach" sets up their "auto order" system. It is auto populated to you random products it "auto ordered" us over \$500 worth of food, nt Nobody will answer the phone, and nobody will give us our money I, pure and simple
I want my money b Company sells pro ago This is easy continue sending y that we did not wa back. This is fraud Desired Outcome	04/12/2019 oducts, with a return guarantee. Still waiting for a return filed months t, their "coach" sets up their "auto order" system. It is auto populated to you random products it "auto ordered" us over \$500 worth of food, nt Nobody will answer the phone, and nobody will give us our money I, pure and simple
I want my money b Company sells pro ago This is easy continue sending y that we did not wa back. This is fraud Desired Outcome	04/12/2019 oducts, with a return guarantee. Still waiting for a return filed months t, their "coach" sets up their "auto order" system. It is auto populated to you random products it "auto ordered" us over \$500 worth of food, nt Nobody will answer the phone, and nobody will give us our money I, pure and simple
I want my money b Company sells pro ago This is easy continue sending y that we did not wa back. This is fraud Desired Outcome	04/12/2019 oducts, with a return guarantee. Still waiting for a return filed months t, their "coach" sets up their "auto order" system. It is auto populated to you random products it "auto ordered" us over \$500 worth of food, nt Nobody will answer the phone, and nobody will give us our money I, pure and simple
I want my money b Company sells pro ago This is easy continue sending y that we did not wa back. This is fraud Desired Outcome	04/12/2019 oducts, with a return guarantee. Still waiting for a return filed months t, their "coach" sets up their "auto order" system. It is auto populated to you random products it "auto ordered" us over \$500 worth of food, nt Nobody will answer the phone, and nobody will give us our money I, pure and simple
I want my money b Company sells pro ago This is easy continue sending y that we did not wa back. This is fraud Desired Outcome	04/12/2019 oducts, with a return guarantee. Still waiting for a return filed months t, their "coach" sets up their "auto order" system. It is auto populated to you random products it "auto ordered" us over \$500 worth of food, nt Nobody will answer the phone, and nobody will give us our money I, pure and simple

Case 3:22-c	v-00434-BTM-MSB Document 1 Filed 04/01/22 PageID.18 Page 18 of 32
	Display the provided of the provided pr
39.	There are hundreds more similar complaints on the BBB website, and many
of these co	mplaints contain various responses from Optavia, which demonstrates
Optavia's l	knowledge of the problems.
40.	Thus, after receiving hundreds of complaints from customers who were
misled abo	ut Optavia's auto-recurring charges, Defendants knew or should have known
that they w	vere misleading consumers.
	6. Defendants misled and harmed Plaintiff Zeller.
41.	The experience of Plaintiff Jamie Zeller is typical of other Optavia
customers	harmed by Defendants' auto-enrollment scheme.
42.	Plaintiff Zeller purchased the Optavia Essential Optimal Kit (5&1 Plan)
from the O	ptavia Website on about July 3, 2021, through her coach. She was auto-
enrolled in	Optavia Premier without her knowledge or consent (much less the required

Case No.

affirmative consent). At the time of purchase and enrollment, Plaintiff Zeller provided 1 2 her credit card information to Defendants, via her coach.

3 43. After Plaintiff Zeller completed her initial purchase, Defendants sent Plaintiff Zeller an Acknowledgement Email confirming that Defendants had processed a 4 charge of \$409.60 to Plaintiff Zeller's credit card. Plaintiff Zeller's Acknowledgement Email is misleading and defective in several respects. As illustrated above, it does not 6 disclose the renewal policy, or the renewal terms, or the amount of the monthly charge, or the length of time that auto renewal will continue. Plaintiff Zeller's Acknowledgement Email also failed to provide notice of the cancellation policy for Optavia Premier.

10 44. As a result of Defendants' misrepresentations and deficient disclosures, 11 when Plaintiff Zeller was enrolled, she was unaware that Defendants had enrolled her in an "automatic renewal" program under which she would be charged for product each 12 month. Plaintiff believed she was just signing up for a one-time purchase. 13

45. After Plaintiff Zeller's initial purchase in July 2021, Defendants began automatically charging her for renewals. Around September 27, 2021, Defendant charged her \$202.27 for additional food.

If Plaintiff Zeller had known that Defendants were automatically enrolling 46. her in a subscription program with monthly recurring charges to her Payment Method, she would not have purchased any products from Optavia (much less recurring purchases).

21 47. In or around November 2021, Plaintiff sought to cancel her Optavia Premier 22 membership in order to cease the automatically renewing and recurring charges. Optavia's online cancellation procedure was a multi-step process that was needlessly 23 24 time-consuming. On or around December 2, 2021, Plaintiff received confirmation of 25 cancellation.

**Class action allegations.** V.

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Plaintiff brings this action on behalf of a class of similarly situated 27 48. individuals. The Class is defined as follows: 28

All Optavia/Medifast customers in the state of California who were automatically enrolled in Optavia Premier and were charged at least one renewal fee by Defendants, within the governing statute of limitations period.

49. Excluded from the Class are officers and directors of Defendants, members of the immediate families of the officers and directors of Defendants, and their legal representatives, heirs, successors or assigns and any entity in which they have or have had a controlling interest. Also excluded are all federal, state and local government entities; and any judge, justice or judicial officer presiding over this action and the members of their immediate families and judicial staff.

### Numerosity

50. Plaintiff does not know the exact size of the Class, since this information is in the exclusive control of Defendants. Plaintiff believes, however, that based on Defendants' assertions, the Class encompasses hundreds of thousands of individuals whose identities can be readily ascertained from Defendants' records. Accordingly, the members of the Class are so numerous that joinder of all such persons is impractical.

### Ascertainability

51. The Class is ascertainable because its members can be readily identified using data and information kept by Defendants in the usual course of business. Plaintiff anticipates providing appropriate notice to each Class member, in compliance with all applicable federal rules.

### Typicality

52. Plaintiff Zeller is a typical and adequate class representative. Her claims are typical of the claims of the Class and do not conflict with the interests of any other members of the Class. Plaintiff and the other members of the Class were subject to the same or similar deceptive marketing and billing practices. Further, Plaintiff and members of the Class sustained substantially the same injuries and damages arising out of Defendants' conduct, including unjust renewal fees. Plaintiff will fairly and adequately protect the interests of all Class members. Plaintiff has retained competent and experienced class action attorneys to represent her interests and those of the Class.

### Commonality and Predominance

53. Questions of law and fact are common to the Class and predominate over any questions affecting only individual Class members, and a class action will generate common answers to questions that drive the resolution of this case. For example, the following questions:

- Whether Defendants' conduct constitutes unfair, unlawful and/or fraudulent practices prohibited by the laws of California;
  - Whether Defendants were unjustly enriched as a result of their conduct;
- The extent of class-wide injury and the measure of damages for those injuries.
- Whether, and to what extent, equitable relief should be imposed on Defendants to prevent them from continuing their unlawful practices.

### Superiority

54. A class action is superior to all other available methods for resolving this controversy because: i) the prosecution of separate actions by Class members will create a risk of adjudications with respect to individual Class members that will, as a practical matter, be dispositive of the interests of the other Class members not parties to this action, or substantially impair or impede their ability to protect their interests; ii) the prosecution of separate actions by Class members will create a risk of inconsistent or varying adjudications with respect to individual Class members, which will establish incompatible standards for Defendants' conduct; iii) Defendants have acted or refused to act on grounds generally applicable to all Class members; and iv) questions of law and fact common to the Class predominate over any questions affecting only individual Class members.

55. Further, the following issues are appropriately resolved on a classwide basis under Fed. R. Civ. P. 23(c)(4):

- 1
  - Whether Defendants' conduct constitutes unfair, unlawful and/or fraudulent practices prohibited by the laws of California;

	Case 3:22-cv-00434-BTM-MSB Document 1 Filed 04/01/22 PageID.22 Page 22 of 32
1 2 3 4 5 6 7 8	<ul> <li>Whether Defendants were unjustly enriched as a result of their conduct;</li> <li>Whether Class members have been injured by Defendants' conduct;</li> <li>Whether any or all applicable limitations periods are tolled by Defendants' acts;</li> <li>Whether, and to what extent, equitable relief should be imposed on Defendants to prevent them from continuing their unlawful practices; and</li> <li>The extent of class-wide injury and the measure of damages for those injuries.</li> </ul>
9	56. Accordingly, this action likely presents no difficulties in management that
10	would preclude maintenance as a class action and satisfies the requirements set forth
11	under Fed. R. Civ. P. 23(a), 23(b), and 23(c)(4).
12	VI. Claims
13	Count 1: False Advertising - California Automatic Renewal Law
14	57. Plaintiff re-alleges and incorporates by reference each and every allegation
15	contained in the preceding paragraphs as if fully set forth herein.
16	58. Plaintiff brings this claim on her own behalf and on behalf of each member
17	of the Class.
18	59. As alleged in detail above, Defendants violated California Automatic
19 20	Renewal Law in numerous, independent ways:
20	• Defendants failed to present the terms of their automatic renewal or
21 22	continuous service offer in a clear and conspicuous manner before fulfilling
22	the subscription and in visual proximity to the request for consent to the
23	offer, as required by Cal. Bus. & Prof. Code §§ 17602(a)(1);
24	• Defendants charged Plaintiff's and the Class's credit or debit cards, or the
26	consumer's account with a third party, for an automatic renewal or
27	continuous service without first obtaining the consumer's affirmative
28	consent to the agreement containing the automatic renewal offer terms or
-	

	Case 3:22-cv-00434-BTM-MSB Document
1	continuous offer terms, as re
2	17602(a)(2);
3	Defendants failed to provide
4	renewal offer terms or conti
5	information regarding how
6	cancel, the automatic renew
7	as required by Cal. Bus. & I
8	Defendants failed to provide
9	mechanism for cancellation
10	17602(a)(3), as required by
11	60. As a result of Defendants' n
12	\$17603, all recurring Optavia Premier sh
13	Plaintiff and the Class are entitled to rest
14	caused to be charged to Plaintiff's and C
15	limitations and continuing until Defenda
16	61. As a result of Defendants' n
17	§17535, Plaintiff and the Class are entitle
18	making automatic renewal offers that do
19	making charges to customers' payment r
20	agreement containing "clear and conspic
21	continuous service offer terms, (c) enjoir
22	offers that fail to provide an acknowledg
23	disclosure of automatic renewal or contin
24	and information regarding how to cancel
25	the consumer, and (d) enjoining Defendation
26	fail to provide an online, easy-to-use med
27	62. Pursuant to Cal. Bus. & Pro
28	award such equitable relief, including bu

continuous offer terms, as required by Cal. Bus. & Prof. Code §§ .7602(a)(2);

- Defendants failed to provide an acknowledgment that includes the automatic renewal offer terms or continuous offer terms, cancellation policy, and information regarding how to cancel, and to allow Plaintiff and the Class to cancel, the automatic renewal or continuous service before they paid for it, as required by Cal. Bus. & Prof. Code §§ 17602(a)(3);
- Defendants failed to provide a cost-effective, timely, and easy-to-use mechanism for cancellation described in Cal. Bus. & Prof. Code §§ 17602(a)(3), as required by Cal. Bus. & Prof. Code §§ 17602(b);

60. As a result of Defendants' misconduct, pursuant to Cal. Bus. & Prof. Code §17603, all recurring Optavia Premier shipments are treated as unconditional gifts, and Plaintiff and the Class are entitled to restitution of all amounts that Defendants charged or caused to be charged to Plaintiff's and Class members' during the applicable statute of limitations and continuing until Defendants' statutory violations cease.

61. As a result of Defendants' misconduct, pursuant to Cal. Bus. & Prof. Code \$17535, Plaintiff and the Class are entitled to an injunction (a) enjoining Defendants from making automatic renewal offers that do not comply with California law, (b) from making charges to customers' payment methods without prior affirmative consent to an agreement containing "clear and conspicuous" disclosures of automatic renewal or continuous service offer terms, (c) enjoining Defendants from making automatic renewal offers that fail to provide an acknowledgment that includes "clear and conspicuous" disclosure of automatic renewal or continuous service offer terms, cancellation policy, and information regarding how to cancel in a manner that is capable of being retained by the consumer, and (d) enjoining Defendants from making automatic renewal offers that fail to provide an online, easy-to-use mechanism for cancellation.

62. Pursuant to Cal. Bus. & Prof. Code §17535, this Court has the power to award such equitable relief, including but not limited to, an order declaring Defendants'

auto-renewal practices to be unlawful, an order enjoining Defendants from engaging in
 any such further unlawful conduct, and an order directing Defendants to refund to the
 Plaintiff and the Class all monthly fees wrongfully assessed and/or collected on its auto renew subscription plan.

### Count 2: Unfair Competition Law (UCL)

63. Plaintiff re-alleges and incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

64. Plaintiff brings this claim on her own behalf and on behalf of each member of the Class.

65. Cal. Bus. & Prof. Code §17200, et seq. (the "UCL") prohibits acts of "unfair
competition," including any unlawful, deceptive and unfair business acts or practices.

### Unlawful

66. Under the "unlawful" prong of the UCL, a violation of another law is treated as unfair competition and is independently actionable. Defendants committed unlawful practices because, as alleged above and incorporated here, they violated California
Automatic Renewal Law. In addition, as alleged below and incorporated here,
Defendants violated the CLRA.

### Unfair

67. As alleged in detail above, Defendants committed "unfair" acts by deceiving consumers into signing up for auto-recurring shipments, making it difficult to cancel, and continuing to charge consumers who sought refunds or cancellations.

68. The harm to Plaintiff and the Class greatly outweighs the public utility of
Defendants' conduct. There is no public utility to deceptive automatic renewal practices.
This injury was not outweighed by any countervailing benefits to consumers or
competition. Misleading auto-renewal practices only injure healthy competition and
harm consumers.

69. Plaintiff and the Class could not have reasonably avoided this injury. As
 alleged above, Defendants' representations were deceiving to reasonable consumers like
 Plaintiff. There were reasonably available alternatives to further Defendants' legitimate
 business interests, such as complying with the Automatic Renewal Law and providing
 appropriate disclosures and an effective cancellation policy.

Deceptive

70. Defendants' acts, omissions, nondisclosures, and misleading statements as alleged in detail above, were false, misleading, and/or deceptive to reasonable consumers.

71. Plaintiff saw and relied upon Defendants' misleading representations and omissions, as detailed above. Classwide reliance can be inferred because Defendants' misrepresentations and omissions were material, i.e., a reasonable consumer would consider them important in deciding whether to buy Optavia products.

72. Defendants' unlawful, unfair, and deceptive conduct was a substantial factor and proximate cause in causing damages and losses to Plaintiff and Class members.

73. As a result of Defendants' unlawful, deceptive, and unfair business practices, Plaintiff and the Class have suffered an injury and have lost money in an amount to be determined at the trial of this action.

74. Pursuant to Cal. Bus. & Prof. Code §17203 Plaintiff and the other members of the Class are entitled to an order: (1) requiring Defendants to make restitution to Plaintiff and the Class; (2) enjoining Defendants from charging Plaintiff's and Class members' payment methods until such time as Defendants obtain the consumer's affirmative consent to an agreement that contains clear and conspicuous disclosures of all automatic renewal or continuous service offer terms; and (3) enjoining Defendants from making automatic renewal or continuous service offers in the State of California that do not comply with California's Automatic Renewal Law.

**Count 3: Consumers Legal Remedies Act (CLRA)** 

2 75. Plaintiff re-alleges and incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein. 3

76. Plaintiff brings this claim on her own behalf and on behalf of each member 4 of the Class.

77. The California Consumers Legal Remedies Act, Cal. Civ. Code § 1750, et seq. (the "CLRA"), prohibits "unfair or deceptive acts or practices undertaken by any person in a transaction intended to result or which results in the sale or lease of goods or services to any consumer."

Plaintiff and the Class members are "consumers" within the meaning of Cal. 10 78. 11 Civ. Code §1761(d) in that Plaintiff and the Class members sought or acquired 12 Defendants' services for personal, family, or household purposes.

Optavia food products are "goods" within the meaning of Cal. Civ. Code 79. 13 §1761(a). 14

Defendants' weight-loss coaching program constitute "services" within the 80. meaning of Cal. Civ. Code §1761(b).

The purchases by Plaintiff and Class Members are "transactions" within the 81. meaning of Cal. Civ. Code §1761(e).

As alleged in detail above, Defendant violated Cal. Civ. Code §1770, 82. subdivisions (a)(5), (a)(9), (a)(14) and (a)(16) by, inter alia, representing that Defendants' goods and services have certain characteristics that they do not have; advertising goods and services with the intent not to sell them as advertised; representing that a transaction confers or involves rights, remedies, or obligations that it does not have or involve, or that are prohibited by law; and representing that the subject of a transaction has been supplied in accordance with a previous representation when it has not.

83. As a direct and proximate result of Defendants' violations of the CLRA, Plaintiff and the Class were wrongfully charged illegal renewal fees.

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84. Defendants' conduct alleged herein was undertaken by Defendants
knowingly, willfully, and with oppression, fraud, and/or malice, within the meaning of
Cal. Civ. Code §3294(c).

85. Plaintiff and members of the Class seek an injunction requiring Defendants to cease their unlawful practices.

86. On about February 21, 2022, Plaintiff provided written notice pursuant to § 1782 of the CLRA. Defendants failed to rectify or agree to rectify the unlawful acts detailed above within 30 days, thus Plaintiff and the Class are entitled to actual, punitive, and statutory damages, as appropriate, as well as any other remedies the Court may deem appropriate under Cal. Civ. Code §1750 et seq.

### Count 4: California Weight Loss Contract Law

87. Plaintiff re-alleges and incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

88. Plaintiff brings this claim on her own behalf and on behalf of each member of the Class.

89. Plaintiff's subscription with Optavia is a "weight loss contract" as used in Cal. Civ. Code §1694.5 because it is a membership to a weight loss program, formed for the purposes of providing instruction, counseling, supervision, or assistance in weight reduction, body shaping, diet, and/or eating habits.

90. Defendants violated Cal. Civ. Code §1694.7(b) because the subscriptions entered into by Plaintiff and the Class did not contain, on their face and in close proximity to the space reserved for the signature of the buyer (i.e., in close proximity to the "Checkout" button on the Checkout Page), a conspicuous statement in a size equal to at least 10-point boldface type, as follows: "You, the buyer, may cancel this agreement, without any penalty or obligation, at any time prior to midnight of the original contract seller's third business day following the date of this contract, excluding Sundays and holidays. To cancel this agreement, mail or deliver a signed and dated notice, or send a

telegram which states that you, the buyer, are canceling this agreement," or words of
 similar effect.

91. Plaintiff was also not made aware, at the point of purchase or any time
during the pendency of her Optavia subscription thereafter, of her right to cancel her
Optavia subscription "without any penalty or obligation, at any time prior to midnight of
the original contract seller's third business day following the date of [] contract
[formation]" or of how to go about invoking that right.

92. Defendants also violated Cal. Civ. Code §1694.7(c) because the subscription entered into by Plaintiff and the Class did not contain, "on the first page, in a type size no smaller than that generally used in the body of the document, the name and address of the weight loss program operator to which the notice of cancellation is to be mailed; and the date the buyer signed the contract."

93. Defendants also violated Cal. Civ. Code §1694.7(d) because by enrolling
Plaintiff into perpetually auto-renewing subscriptions they violated the requirement that
"[t]he services to be rendered to the buyer under the contract shall not extend for more
than three years after the date the contract is entered into."

94. As a direct result of Defendants' unlawful conduct described above, Plaintiff suffered economic injury. Had Optavia's checkout page complied with California's
Weight Loss Contracts Law, Plaintiff would have been able to avoid financial injury. If Defendants had provided the required disclosures, including disclosing the auto-renewal,
Plaintiff would have cancelled her subscription within the grace period. However,
Defendants did not comply with California's Weight Loss Contract Law, thereby harming Plaintiff and the Class.

95. Defendants' violation of Cal. Civ. Code§§ 1694.7(b)–(d) renders the subscriptions entered into by Plaintiff and the Class void and unenforceable such that they may be cancelled at any time. Cal. Civ. Code §1694.7(e); Cal. Civ. Code §1694.9(a); Cal. Civ. Code §1694.9(d).

Further, Defendants' unlawful conduct was willful and/or fraudulent in that 96. 1 they knew or should have known that their enrollment process features misleading 2 statements and outright omissions of material information mandated by both Cal. Civ. 3 Code §1694.7(b) and California's Automatic Purchase Renewal Statute, Cal. Bus. & 4 5 Prof. Code §§17601, et seq., that such misrepresentations and/or omissions would and in fact did induce subscribers, including Plaintiff and the Class, to enter into weight loss 6 subscriptions with Optavia. As such, Defendants' willful and/or fraudulent conduct 7 provides an independent basis for finding that Defendants' subscriptions with Plaintiff 8 9 and the Class are void and unenforceable such that they may be cancelled at any time. Cal. Civ. Code §1694.9(b). 10

97. As a result, Plaintiff and the Class seek recovery of actual damages
 including all membership or installment fees paid by Plaintiff and the Class under their
 void and unenforceable subscriptions with Optavia, the trebling thereof, and reasonable
 attorneys' fees. Cal. Civ. Code §1694.9(c).

### **Count 5: Fraud**

98. Plaintiff re-alleges and incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

99. Plaintiff brings this claim on her own behalf and on behalf of each member of the Class.

100. As alleged in detail above, Defendants made a number of materially misleading statements and/or omissions in the marketing and billing of its monthly subscriptions.

101. In deciding to purchase consumable products from Defendants, Plaintiff and the Class reasonably relied on these misrepresentations and omissions to form the mistaken belief that they were making a one-time purchase, and that they could easily cancel.

102. As alleged above, Defendants' fraudulent conduct was knowing and
 intentional. The omissions and misrepresentations made by Defendants were intended to
 induce and actually induced Plaintiff and Class Members to become Optavia Premier
 customers. Classwide reliance can be inferred because Defendant's misrepresentations
 and omissions were material, i.e., a reasonable consumer would consider them important
 to their purchase decision.

103. Defendants' fraud caused damage to Plaintiff and the Class, who are entitled to damages and other legal and equitable relief as a result.

104. Defendants' acts were done maliciously, oppressively, deliberately, with intent to defraud, and in reckless disregard of Plaintiff's rights and well-being to enrich Defendants. Defendants' conduct warrants an assessment of punitive damages in an amount sufficient to deter such conduct in the future, which amount is to be determined according to proof.

### Count 6: Unjust Enrichment

105. Plaintiff re-alleges and incorporates by reference each and every allegation contained in the preceding paragraphs as if fully set forth herein.

106. Plaintiff brings this claim on her own behalf and on behalf of each member of the Class.

107. As alleged in detail above, by reason of Defendants' wrongful conduct, Defendants received a direct and unjust benefit, at Plaintiff's expense. Defendants have benefited from receipt of improper subscription funds, and under principles of equity and good conscience, Defendants should not be permitted to keep this money.

108. It would be unjust and inequitable for Defendants to retain the benefits of their conduct without restitution to Plaintiff and the Class. Accordingly, Plaintiff and the Class are entitled to restitution.

### VII. Prayer for Relief.

109. Plaintiff seeks the following relief on behalf of herself and the Class:

Case No.

	Case 3:22-cv-00434-BTM-MSB Document 1 Filed 04/01/22 PageID.31 Page 31 of 32
1 2 3 4 5 6 7 8 9 10 11 12 13	<ul> <li>An order certifying the asserted claims, or issues raised, as a class action;</li> <li>An order appointing Plaintiff as Class representative, and designating Golomb Spirt Grunfeld and Dovel &amp; Luner as Class Counsel;</li> <li>A judgment in favor of Plaintiff and the Class on the claims and issues raised;</li> <li>Restitution, disgorgement, and other just equitable relief;</li> <li>Am order granting all appropriate injunctive relief;</li> <li>Compensatory damages, the exact amount of which is to be determined at trial;</li> <li>An award of punitive damages and enhanced damages as allowed by statute;</li> <li>Pre and post judgment interest, costs, reasonable attorneys' fees, costs, and expenses; and</li> <li>All such other relief as the Court deems appropriate.</li> </ul>
14	• Thi such other rener as the court deems appropriate.
15 16	Dated: April 1, 2022 Respectfully submitted,
17	By: /s/ Jonas B. Jacobson
18	Jonas B. Jacobson (Cal. Bar No. 269912)*
19	jonas@dovel.com
20	Simon C. Franzini (Cal. Bar No. 287631)* simon@dovel.com
21	DOVEL & LUNER, LLP
22	201 Santa Monica Blvd., Suite 600 Santa Monica, California 90401
23	Telephone: (310) 656-7066
24	Facsimile: (310) 656-7069
25	*Admitted to the S.D. Cal. Bar.
26	Kenneth J. Grunfeld, Esquire**
27	kgrunfeld@golomblegal.com Kevin W. Fay, Esquire**
28	kfay@golomblegal.com
	29 Case No.

	Case 3:22-cv-00434-BTM-MSB	Document 1 Filed 04/01/22 PageID.32 Page 32 of 32
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### JS 44 (Rev. 10/26) ase 3:22-cv-00434-BTM-MSELPECUCIOVER SFIEL 04/01/22 PageID.33 Page 1 of 2

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. *(SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)* 

I. (a) PLAINTIFFS	ocket sheet. (SEE INSTRUC	TIONS ON NEXT PAGE C	OF THIS FC	DEFENDAN'	TS					
Jamie Zeller				Optavia, LLC and Medifast, Inc.						
<ul> <li>(b) County of Residence of First Listed Plaintiff <u>San Diego</u> (EXCEPT IN U.S. PLAINTIFF CASES)</li> <li>(c) Attorneys (Firm Name, Address, and Telephone Number)</li> </ul>			County of Residence of First Listed Defendant Baltimore (IN U.S. PLAINTIFF CASES ONLY) NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED. Attorneys (If Known)							
	Adaress, and Telephone Numbe	r)		Autorneys (1) Kno	wh)					
See attachment							'22C	V434 I	BTM N	ISB
II. BASIS OF JURISD	ICTION (Place an "X" in	One Box Only)		<b>FIZENSHIP OF</b> (For Diversity Cases Or		CIPAL PAR		ace an "X" in d One Box for		
1 U.S. Government Plaintiff	3 Federal Question (U.S. Government)	Not a Party)		en of This State	<b>PTF X</b> 1		ted <i>or</i> Princ ness In Thi	cipal Place	<b>PTF</b> 4	DEF
2 U.S. Government Defendant	X 4 Diversity (Indicate Citizensh	ip of Parties in Item III)	Citize	en of Another State	2		ted <i>and</i> Print ness In And	ncipal Place other State	5	<b>X</b> 5
				en or Subject of a reign Country	3	3 Foreign N			6	6
IV. NATURE OF SUIT		aly) PRTS	FC	ORFEITURE/PENALT		ck here for: Natu BANKRUPTCY			scription R STATUT	_
110 Insurance         120 Marine         130 Miller Act         140 Negotiable Instrument         150 Recovery of Overpayment         & Enforcement of Judgment         151 Medicare Act         152 Recovery of Defaulted         Student Loans         (Excludes Veterans)         153 Recovery of Overpayment         of Veteran's Benefits         160 Stockholders' Suits         190 Other Contract         X         195 Contract Product Liability         196 Franchise         REAL PROPERTY         210 Land Condemnation         220 Foreclosure         230 Rent Lease & Ejectment         240 Torts to Land         245 Tort Product Liability         290 All Other Real Property	330 Federal Employers' Liability         340 Marine         345 Marine Product         Liability         350 Motor Vehicle         355 Motor Vehicle         355 Motor Vehicle         960 Other Personal Injury         360 Other Personal Injury         362 Personal Injury - Medical Malpractice         CIVIL RIGHTS         440 Other Civil Rights         441 Voting         442 Employment         443 Housing/ Accommodations         445 Amer. w/Disabilities - Employment         446 Amer. w/Disabilities - Other         448 Education	PERSONAL INJUR 365 Personal Injury - Product Liability Pharmaceutical Personal Injury Product Liability 368 Asbestos Personal Injury Product Liability PERSONAL PROPER 370 Other Fraud 371 Truth in Lending 380 Other Personal Property Damage Product Liability PRISONER PETITION Habeas Corpus: 463 Alien Detainee 510 Motions to Vacate Sentence 530 General 535 Death Penalty Other: 540 Mandamus & Oth 550 Civil Rights 555 Prison Condition 560 Civil Detainee - Conditions of Confinement	<b>IY</b> 71 72 74 75 79 79 469	<ul> <li>5 Drug Related Seizure of Property 21 USC 8: 0 Other</li> <li>0 Other</li> <li>6 Pair Labor Standards Act</li> <li>0 Labor/Management Relations</li> <li>0 Railway Labor Act</li> <li>1 Family and Medical Leave Act</li> <li>0 Other Labor Litigation</li> <li>1 Employee Retirement Income Security Act</li> <li>1 IMMIGRATION</li> <li>2 Naturalization Applica</li> <li>5 Other Immigration Actions</li> </ul>		<ul> <li>422 Appeal 28 USC</li> <li>423 Withdrawal 28 USC 157</li> <li>PROPERTY RIGH</li> <li>830 Patent</li> <li>830 Patent</li> <li>835 Patent - Abbrev New Drug App</li> <li>840 Trademark</li> <li>880 Defend Trade S Act of 2016</li> <li>SOCIAL SECURI</li> <li>861 HIA (1395ft)</li> <li>862 Black Lung (92</li> <li>863 DIWC/DIWW</li> <li>864 SSID Title XVI</li> <li>865 RSI (405(g))</li> <li>FEDERAL TAX SI</li> <li>870 Taxes (U.S. Pla or Defendant)</li> <li>871 IRS—Third Par 26 USC 7609</li> </ul>	TS riated lication Gecrets (TY (405(g)) ( (405(g))) ( ( UITS intiff	376 Qui T           3779(           400 State           410 Antitr           430 Banks           450 Comn           460 Depor           470 Racke           Corrug           485 Telep           Prote           490 Cable           850 Secur           890 Other           893 Envir           895 Freed           Act           899 Admir           950 Const	Reapportior ust and Bankin herce tation tteer Influen of Organizat immer Credit SC 1681 or SC 1681 or hone Consu toion Act /Sat TV ities/Communge Statutory A ultural Acts ponmental M	c nment ng need and tions 1692) mer odities/ xetions tatters mation rocedure ppeal of
<b>x</b> 1 Original □2 Ren	noved from 3 te Court	Remanded from Appellate Court	]4 Reins Reop	ened And	nsferred other Dis ecify)	strict Lit Tra	ultidistrict tigation - ansfer	<sup>2</sup> □ <sup>8</sup>	Multidis Litigatio Direct F	on -
VI. CAUSE OF ACTIO	Diversity jurisdiction ex Brief description of ca Consumer protection la CHECK IF THIS	IS A CLASS ACTION	§ 1332(d)		l statutes	CHECK YF	•			nt:
COMPLAINT: VIII. RELATED CASH IF ANY	UNDER RULE 2 E(S) (See instructions):	JUDGE				JURY DEN		<b>X</b> Yes	No	
DATE 4/1/2022		SIGNATURE OF ATT /s/ Jonas Jacobson	FORNEY C	DF RECORD						
FOR OFFICE USE ONLY       RECEIPT #	AOUNT	APPLYING IFP		JUDGI	Е	M	IAG. JUDO	ЪЕ		

### Attachment: Per requirements under "Attorneys" section of Civil Cover Sheet rules

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