1 2 3 4 5 6 7	JAMES T. HANNINK (131747) jhannink@sdlaw.com ZACH P. DOSTART (255071) zdostart@sdlaw.com DOSTART HANNINK LLP 4225 Executive Square, Suite 600 La Jolla, California 92037-1475 Tel: 858-623-4200 Fax: 858-623-4299 Attorneys for Plaintiff	ELECTRONICALLY FILED Superior Court of California, County of San Diego 09/20/2022 at 12:57:00 PM Clerk of the Superior Court By Emily Schilawski,Deputy Clerk
8	SUPERIOR COURT OF TH	IE STATE OF CALIFORNIA
9	COUNTY OI	F SAN DIEGO
10		
11	LAURIE GORE and CYNTHIA TATE,	CASE NO. 37-2020-00019745-CU-BT-CTL
12	individually and on behalf of all others similarly situated,	CLASS ACTION
13	Plaintiffs,	SECOND AMENDED COMPLAINT FOR:
14	vs.	(1) FALSE ADVERTISING (BASED ON
15	POTPOURRI GROUP, INC., a Delaware	VIOLATION OF THE CALIFORNIA AUTOMATIC RENEWAL LAW)
16 17	corporation; CLARUS COMMERCE LLC, a Connecticut limited liability company; and DOES 2-50, inclusive,	[Bus. & Prof. Code, § 17535 & § 17600 et seq.]; and
18	Defendants.	(2) UNFAIR COMPETITION [Bus. & Prof. Code, § 17200 et seq.].
19		[Bus. & Fron. Code, § 17200 et seq.].
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INTRODUCTION

1. This class action complaint alleges that defendants Potpourri Group, Inc. ("PGI") and Clarus Commerce LLC ("Clarus") violate California law in connection with automatically renewing membership programs for PGI's various brands. Together, PGI and Clarus present offers to California consumers regarding an automatic renewal or continuous service program without providing "clear and conspicuous" disclosures of "automatic renewal offer terms," as mandated by California law; post charges to consumers' credit or debit cards for purported membership charges without first obtaining the consumers' affirmative consent to an agreement containing the requisite clear and conspicuous disclosures; and fail to provide an acknowledgment that includes the required clear and conspicuous disclosures. This course of conduct gives rise to restitution and injunctive relief pursuant to the general remedies provision of the False Advertising Law, Bus. & Prof. Code § 17535, based on violation of the California Automatic Renewal Law (Bus. & Prof. Code, § 17600 et seq.) ("ARL"); violates the Consumers Legal Remedies Act (Civ. Code, § 1750 et seq.) ("CLRA"); and violates the Unfair Competition Law (Bus. & Prof. Code, § 17200 et seq.) ("UCL").

THE PARTIES

- 2. Plaintiff Laurie Gore ("Plaintiff") is an individual residing in San Diego County, California.
- 3. Defendant Potpourri Group, Inc. is a Delaware corporation that does business in San Diego County, including the marketing of clothing and other merchandise and the dissemination and conveyance of offers for its VIP membership program.
- 4. Defendant Clarus Commerce LLC is the true name of the entity previously sued herein under the fictitious name DOE 1. Clarus is a limited liability company organized under the laws of Connecticut and does business in San Diego County, including but not limited to the dissemination and conveyance of offers for the automatically renewing or continuous service membership programs.
- 5. Plaintiff does not know the names of the defendants sued as DOES 2 through 50 but will amend this complaint when that information becomes known. Plaintiff alleges on information and belief that each of the DOE defendants is affiliated with one or more of the named defendants

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in some respect and is in some manner responsible for the wrongdoing alleged herein, either as a direct participant, or as the principal, agent, successor, alter ego, or co-conspirator of or with one or more of the other defendants. For ease of reference, Plaintiff will refer to the named defendants and the DOE defendants collectively as "Defendants."

6. Venue is proper in this judicial district. Neither PGI nor Clarus has designated a principal office in California, and therefore venue is proper in any county designated by Plaintiff.

BACKGROUND

- 7. PGI markets and sells apparel and a variety of other merchandise. PGI describes itself as "one of the most successful multi-brand direct-to-consumer merchants in America, serving millions of customers a year." PGI's brands include, without limitation, *Cuddledown, NorthStyle, The Pyramid Collection, Serengeti, In The Company Of Dogs, Magellan's, Catalog Favorites, Young Explorers, Back In The Saddle, Whatever Works, Country Store, Potpourri, Expressions, Nature's Jewelry, The Stitchery, SageFinds, TravelSmith, and Chadwicks.*
- 8. PGI has a VIP membership program for each of the foregoing brands (the "PGI VIP membership program"). Consumers who are enrolled in a PGI VIP membership program qualify for certain benefits including free or rebated shipping and 10% discount on purchases.
- 9. Clarus is a company that specializes in the design, development, and implementation of loyalty programs. As described on its website, Clarus "launch[es] and maintain[s] premium loyalty the world's (See programs for most recognizable brands." some https://www.claruscommerce.com/premium-loyalty-programs/premium-loyalty-101/ [last accessed January 11, 2021].) Pursuant to a contract between PGI and Clarus, those companies work together and assist each other to advertise and operate the various PGI VIP membership programs.
- 10. After enrolling a consumer in a PGI VIP membership program, Defendants thereafter post charges to the consumer's credit or debit card in the amount of \$14.95 each and every month. However, Defendants fail to provide the clear and conspicuous disclosures of automatic renewal offer terms as mandated by California law.

THE CALIFORNIA AUTOMATIC RENEWAL LAW

11. In 2009, the California Legislature passed Senate Bill 340, which took effect as the ARL on December 1, 2010, and was codified as Article 9 of Chapter 1 of the False Advertising Law. (Unless otherwise noted, statutory citations herein are to the California Business and Professions Code.) SB 340 was introduced because:

It has become increasingly common for consumers to complain about unwanted charges on their credit cards for products or services that the consumer did not explicitly request or know they were agreeing to. Consumers report they 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.

(See Exhibit 1 at p. 4.)

12. The Assembly Committee on Judiciary provided the following background for the legislation:

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

(See Exhibit 2 at p. 8.)

- 13. The ARL seeks to ensure that, before there can be a legally-binding automatic renewal or continuous service arrangement, there must first be adequate disclosure of certain terms and conditions and affirmative consent by the consumer. To that end, § 17602(a) makes it unlawful for any business making an automatic renewal offer or a continuous service offer to a consumer in California to do any of the following:
- (1) Fail to present the automatic renewal offer terms or continuous service offer terms in a clear and conspicuous manner before the subscription or 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. (§ 17602(a)(1).) For this purpose, "clear and conspicuous" 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." (§ 17601(c).) In the case of an audio disclosure, "clear and conspicuous" means "in a volume and cadence sufficient to be readily audible and understandable." (*Id.*) The statute defines "automatic renewal offer terms" to mean the "clear and conspicuous" disclosure of the following: (a) that the subscription or purchasing agreement will continue until the consumer cancels; (b) the description of the cancellation policy that applies to the offer; (c) 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; (d) the length of the automatic renewal term or that the service is continuous, unless the length of the term is chosen by the consumer; and (e) the minimum purchase obligation, if any. (§ 17601(b).)

- (2) Charge the consumer's credit or debit card, or the consumer's account with a third party, for an automatic renewal or continuous service without first obtaining the consumer's affirmative consent to the agreement containing the automatic renewal offer terms or continuous service offer terms, including the terms of an automatic renewal offer or continuous service offer that is made at a promotional or discounted price for a limited period of time. (§ 17602(a)(2).)
- (3) Fail to provide an acknowledgment that includes the 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. (§ 17602(a)(3).) If the offer includes a free trial, the business must also disclose in the acknowledgment how to cancel and allow the consumer to cancel before the consumer pays for the goods or services. (*Ibid.*) Section 17602(b) requires that the acknowledgment specified in § 17602(a)(3) include a toll-free telephone number, electronic mail address, a postal address if the seller directly bills the consumer, or it shall provide another cost-effective, timely, and easy-to-use mechanism for cancellation.
- 14. Violation of the ARL gives rise to restitution and injunctive relief under the general remedies provision of the False Advertising Law, § 17535, as well as under the remedies provision of the UCL, § 17203. (See § 17604(a) ("[A]Il available civil remedies that apply to a violation of this article may be employed.").)

CONSUMER COMPLAINTS ABOUT UNAUTHORIZED CHARGES

15. Many consumers report that, after making a purchase through a PGI brand, they were enrolled in and charged for a PGI VIP membership program without their consent. For example, customer reviews of PGI posted on the Better Business Bureau ("BBB") website include the following complaints (copied verbatim):

Complaint Type: Billing/Collection Issues (August 8, 2020). I purchase an item from Northstyle over a year ago and without my knowledge I was enrolled in the VIP club, and for at least the past 14 months my credit card (****************) has been charged \$14.95 without my consent. I just checked my card charges and discovered these charges. I immediately canceled my VIP membership and then I wrote to Northstyle requesting a refund of the \$209.30 that was surreptitiously taken from me. I have yet to hear from them.

(A true and correct printout of that complaint is attached as Exhibit 3.)

Complaint Type: Billing/Collection Issues (July 22, 2020). I have been ripped off and robbed since May 2019 on a monthly basis. I was innocently mis-led and made to join a club I never wanted or asked for. The only way I knew was by revieweing my monthly credit card charges. I have been charged \$14.95 every single month by this evil company that is being run by crooks and criminals. Please escalate this matter to DOJ, FBI and ** State Attorney. PLEASE HELP. This company needs to be put out of business, they should not exist or do business in any state or any country PERIOD. Owners of this company should go to jail.

(A true and correct printout of that complaint is attached as Exhibit 4.)

Complaint Type: Billing/Collection Issues (May 28, 2020). I am writing this letter to challenge some fraudulent charges to my debit card. On December 12, 2019, I ordered a Christmas gift from a company called PGI*Favorites/Catalog Favorites *** ******* *** **** ******* Potpouri Group Inc. ******** I was subsequently informed that the item was backordered. It did not arrive until March 15, 2020. That was when they hit my account for \$28.56 which I am not disputing. I am, however, disputing the \$14.95 charges on my account on January 14, 2020, February 12, 2020 and April 6, 2020. These unauthorized fraudulent charges totaled \$44.85. On April 12, 2020, I contacted the company at ******* to complain about the unauthorized fraudulent charges. In their response on April 23, 2020, they said "This charge is for a memebership fee for our VIP program that you joined after your last order." "This program is free for Catalog Favorites customers for 30 days after the order. After the cancel. You can also call us at ********* to cancel your membership. I did not knowingly join a "VIP program" - I ordered a shirt. I cancelled this "membership" immediately using their online system and requested they refund these unauthorized charges. I have not heard from them since and the unauthorized charges have not been refunded to my account.

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

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Complaint Type: Billing/Collection Issues (May 21, 2020). On 7/22/2019 I made a purchase from PGI Northstyle online using my credit card. Unbeknownst to me, they have been charging this card \$14.95 monthly since August 19, 2019 for a VIP membership which I never signed up for. I did not notice this until 5/21/2020 and called the number listed on my credit card statement. I explained that I did not sign up for this and I honestly did not even know what this VIP membership entailed. I was curtly informed that I had to have intentionally signed up for this program as you have to check a box and sign your name attesting to the fact that you are intentionally signing up or this program. I never, ever sign up for these type of things and as I only order from this particular company maybe twice a year at the most, I would not have signed up for any such program as there would be no value in it for me. The gentleman whom I spoke with cancelled my membership so I will not incur any future charges but I have now been charged a total of \$163.83 for a membership I never signed up for. Incidentally. on 11/22/2019 my card was charged \$29.28 instead of \$14.95. Puzzling to say the least.

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

Beth G. (April 9, 2020). Have been charged \$14.95 per month after using a coupon on Catalog Favorites for a purchase. It was not clear that I was enrolling in a "VIP" purchasing club. Same complaint as another reviewer below. I will never do business with any of the Potpourri companies in the future. Am concerned that the company(ies) still have an A+ rating after so many complaints. Terrible business practice to dupe customers when promising free shipping.

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

Complaint Type: Billing/Collection Issues (January 28, 2020). I recently discovered a charge that I have not signed up for. I have been charged 14.95 every month for almost a year. I would like my involuntary membership cancelled but am not sure where to go. I also want all of the illegitimate charges refunded.

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

Complaint Type: Problems with Product/Service (December 27, 2019). After purchasing one item from this catalog I was placed on the VIP membership without my knowledge or consent and subsequently charged 15.94 every month. The purchase was made in September 2019 and the "VIP" charges were made in Oct. and Nov. at which time I called them to get an explanation for the charges. They then removed me from the VIP membership which I never signed up for in the first place.

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

Complaint Type: Problems with Product/Service (December 15, 2019). I have repeatedly told this company that I do NOT want to be enrolled in their VIP plan. This was done without my knowledge or permission! They bill me \$14.95 per month for this "privilege". I had the first charge reversed and they promised they would not charge my credit again but they did. This is outright fraud. I made a purchase with them some time ago and now that they have my credit card number they seem to feel they can charge whatever they want on it. I will have this second charge reversed as well and then I will close out the card. I am furious over the inconvenience and theft. Please do something to put a stop to this very egregious practice! Thank you!

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

1	Complaint Type: Advertising/Sales Issues (February 26, 2019). I placed an order		
2	for clothing in May 2018 and ever since then this company has been charging me a stupid VIP club fee of \$14.95 each and every month since then. Evidently they have		
3	this silently included in their defaults when ordering, because this charge does not show up on the orders themselves. It only shows up as a separate charge each and every month of which I never asked for. I need a refund immediately of \$149.50 for		
4	each and every time they have charged my credit card.		
5	(A true and correct printout of that complaint is attached as Exhibit 11.)		
6	16. Consumer complaints about PGI's VIP program posted on the pissedconsumer.com		
7	website describe similar experiences (copied verbatim):		
8	user July 12, 2020). I want VIP membership to end and to be reimbursed the money		
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10	I can provide exact dates monies where removed from my account.		
11	May 14, 2020, June 11, 2020, and July 10, 2020. Thank you.		
12 13	(Original review posted by user Jul 12, 2020) I have been calling to cancel and I thought the charge was a one time charge not a recurring charge. Not able to get anyone on the phone to cancel. Keep getting the run around.		
14	User's recommendation: Don't buy from Potpourri save yourself the headache.		
15	(A true and correct printout of that complaint is attached as Exhibit 12.)		
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17	(May 14, 2020). Livid consumer wondering how you took \$14.95 from my account starting 7/11/2018 until 4/8/2019?? The amount changed to \$16.07 for 9 months, then starting 1/2/2020 went back to \$14.95 up until this month, withdrawing the last		
18	transaction on May 1st.		
19	number listed no answer just hangs up. I did not ask to be a VIP member because I		
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21	was I informed it was automatic if you ordered a sale item or received free shipping which is what other people are getting as a response?? I haven't even spent over		
22	\$353 from this company in total ever.		
23	Extremely upset that you took it upon yourselves to take in total \$353.93 from my bank account. I want my money returned.		
24	I'm not a VIP member nor do I want to be. I haven't even ordered from this company		
25	in 2+ years.		
26	(A true and correct printout of that complaint is attached as Exhibit 13.)		
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Troy S. of Walnut, CA – Fraudulent Monthly Charges to Mom's Credit Card (May 31, 2019). My mother is turning 82 in a few days. She bought something from Potpourri once, and now her credit card is charged 14.95 per month. This has been going on for several months. I just became aware of it today. I am trying to get Potpourri to cancel the charge but they have refused.

(A true and correct printout of that complaint is attached as Exhibit 14.)

17. As described below, similar to many of the consumer complaints described above, the plaintiff in this action was charged for a PGI VIP membership program without having received clear and conspicuous disclosure of automatic renewal offer terms and without their affirmative consent to an agreement setting forth the required clear and conspicuous disclosures.

UNAUTHORIZED CHARGES TO PLAINTIFF

- 18. In or about September 2019, Plaintiff made an online purchase through the website of NorthStyle, one of PGI's retail brands.
- 19. When a consumer purchases merchandise through the NorthStyle website, the first step of the order flow is for the consumer to select one or more items of merchandise. To illustrate that step, attached hereto as Exhibit 15 is a printout of the NorthStyle webpage showing a selection of merchandise for purchase. The merchandise selection page does not contain disclosure of automatic renewal offer terms relating to the VIP program.
- 20. When a consumer clicks the "CHECKOUT" button that appears on Exhibit 15, the consumer is presented with a page on which the consumer selects whether to login as a returning customer or to continue to the checkout step as a new customer. Attached hereto as Exhibit 16 is a printout of the NorthStyle webpage showing that option.
- 21. When a consumer clicks the "CONTINUE" button that appears on Exhibit 16, the consumer is then presented with a checkout page, a printout of which is attached hereto as Exhibit 17. The checkout page includes spaces for the consumer to input shipping and payment information, including credit card or debit card details. The checkout page does not contain disclosure of automatic renewal offer terms regarding PGI's VIP program.
- 22. After the consumer submits an order, the consumer is then presented with a pop-up box (shown in Exhibit 18), which invites the consumer to enter his or her email address. The consumer is told, in large white printing displayed against a contrasting dark red background, that

the consumer can "CLAIM FREE SHIPPING & 10% CASH BACK on Every Order!" and that, by entering an email address, the consumer can claim "10% cash back and free shipping rebate on today's order." On the same page, however, set forth in small and faint print, the following five-line paragraph appears:

Offer and Billing Details: To activate your NorthStyle VIP membership simply enter your email address below as your electronic signature and click the "Start Saving" button. You'll enjoy all of your VIP benefits free for 30 days. If you decide not to continue your NorthStyle VIP membership, simply call 855-888-8292 or log on to cancel during your review. Otherwise, we'll automatically extend your VIP membership and benefits for just \$14.95 per month, plus taxes, if any, charged to the same card you used today.

That paragraph does not qualify as a "clear and conspicuous" disclosure of "automatic renewal offer terms" as mandated by § 17601(b) and (c) and § 17602.

- 23. After the consumer clicks the "START SAVINGS" button on Exhibit 18, the consumer is presented with a pop-up box entitled "Welcome to NorthStyle VIP," as shown on Exhibit 19. Exhibit 19 likewise does not contain "clear and conspicuous" disclosure of "automatic renewal offer terms" as mandated by § 17601(b) and (c) and § 17602.
- 24. When Plaintiff made her online purchase through the NorthStyle website in September 2019, she followed the sequence of steps set forth above. In doing so, Plaintiff submitted her credit card information to complete the purchase.
- 25. In April 2020, Plaintiff discovered that Defendants were charging her credit card \$14.95 per month for a PGI VIP membership program. On further investigation, Plaintiff discovered that Defendants had posted charges to her credit card of \$14.95 each month since October 2019.
- 26. Upon discovering those charges, Plaintiff cancelled the membership. On April 17, 2020, Plaintiff received an email from Defendants confirming that the PGI VIP membership program was canceled, effective on April 19, 2020. A true and correct copy of that cancellation email is attached hereto as Exhibit 20. Nevertheless, on April 23, 2020, Defendants posted another charge of \$14.95 to Plaintiff's credit card.
- 27. Between October 2019 and April 2020, Defendants posted seven (7) charges of \$14.95 each to Plaintiff's credit card, without her authorization.
- 28. When Plaintiff made her online purchase in September 2019, she was not aware that Defendants were going to enroll her in a program under which Defendants would post monthly

charges to her credit card, and Plaintiff did not consent to be enrolled in or charged for such a program. If Plaintiff had known that Defendants were going to enroll her in a program that would result in subsequent charges of \$14.95 each month, Plaintiff either would not have purchased merchandise from NorthStyle in the first place, or would have declined to enter her email address in the pop-up box, or would have taken other steps to avoid becoming enrolled in and being charged for such a program, such that Plaintiff would not have paid money to Defendants for the PGI VIP membership program.

29. Plaintiff received no value in return for the PGI VIP membership program charges that Defendants posted to her credit card.

CLASS ACTION ALLEGATIONS

- 30. Plaintiff brings this lawsuit as a class action under Code of Civil Procedure § 382 on behalf of the following Class: "All California residents who, between June 10, 2016 and February 15, 2022, were both (i) enrolled in any PGI VIP membership program and (ii) charged at least one membership fee for such program. Excluded from the Class are all employees of Defendant, all employees of Plaintiff's counsel, and the judicial officers to whom this case is assigned." The term "PGI VIP membership program" consists of VIP programs relating to the following brands: Cuddledown, NorthStyle, The Pyramid Collection, Serengeti, In The Company Of Dogs, Magellan's, Catalog Favorites, Young Explorers, Back In The Saddle, Whatever Works, Country Store, Potpourri, Expressions, Nature's Jewelry, The Stitchery, SageFinds, TravelSmith, and Chadwicks.
- 31. <u>Ascertainability</u>. The members of the Class may be ascertained by reviewing records in the possession of Defendants and/or third parties, including without limitation Defendants' marketing and promotion records, customer records, and billing records.
- 32. <u>Common Questions of Fact or Law</u>. There are questions of fact or law that are common to the members of the Class, which predominate over individual issues. Common questions regarding the Class include, without limitation: (1) whether Defendants present all statutorily-mandated automatic renewal offer terms, within the meaning of § 17601(b); (2) whether Defendants present automatic renewal offer terms in a manner that is "clear and conspicuous," within the

meaning of § 17601(c), and in "visual proximity" to a request for consent to the offer, or in the case of an offer conveyed by voice, in temporal proximity to a request for consent to the offer, as required by § 17602; (3) whether Defendants obtain consumers' affirmative consent to an agreement containing clear and conspicuous disclosure of automatic renewal offer terms before charging a credit card, debit card, or third-party payment account; (4) whether Defendants provide consumers with an acknowledgment that includes clear and conspicuous disclosure of all statutorily-mandated automatic renewal or continuous service offer terms, the cancellation policy, and information regarding how to cancel; (5) Defendants' record-keeping practices; and (6) the appropriate remedies for Defendants' conduct.

- 33. <u>Numerosity</u>. The Class is so numerous that joinder of all class members would be impracticable. Plaintiff is informed and believe and thereon allege that the Class consists of at least 100 members.
- 34. Typicality and Adequacy. Plaintiff alleges that Defendants enrolled Class members in an automatic renewal membership program without disclosing all terms required by law, and without presenting such terms in the requisite "clear and conspicuous" manner; charged Class members' credit cards, debit cards, or third-party accounts without first obtaining the Class members' affirmative consent to an agreement containing clear and conspicuous disclosure of automatic renewal offer terms; and failed to provide the requisite acknowledgment. Plaintiff has no interests that are adverse to those of the other Class members. Plaintiff will fairly and adequately protect the interests of the Class members.
- 35. <u>Superiority</u>. A class action is superior to other methods for resolving this controversy. Because the amount of restitution or damages to which each Class member may be entitled is low in comparison to the expense and burden of individual litigation, it would be impracticable for class members to redress the wrongs done to them without a class action forum. Furthermore, on information and belief, Class members do not know that their legal rights have been violated. Class certification would also conserve judicial resources and avoid the possibility of inconsistent judgments.

FIRST CAUSE OF ACTION

False Advertising – Based on Violation of the Automatic Renewal Law (Bus. & Prof. Code, § 17535 and § 17600 et seq.)

- 36. Plaintiff incorporates the previous allegations as though set forth herein.
- 37. Plaintiff is informed and believe and thereon allege that, during the applicable statute of limitations period, Defendants have enrolled consumers, including Plaintiff and Class members, in automatic renewal and/or continuous service membership programs for a PGI VIP membership program and have (a) failed to present the automatic renewal or continuous service offer terms in a clear and conspicuous manner before the membership 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; (b) charged the consumer's credit or debit card or the consumer's third-party payment account for an automatic renewal or continuous service without first obtaining the consumer's affirmative consent to an agreement containing clear and conspicuous disclosure of all automatic renewal offer terms or continuous service offer terms; and (c) failed to provide an acknowledgment that includes clear and conspicuous disclosure of automatic renewal or continuous service offer terms, the cancellation policy, and information regarding how to cancel.
- 38. As a result of Defendants' conduct, pursuant to § 17535, Plaintiff and Class members are entitled to restitution of all amounts that Defendants charged for a PGI VIP membership program during the four years preceding the filing of the initial Complaint in this action and continuing until Defendants' statutory violations cease.
- 39. Pursuant to § 17535, for the benefit of the general public of the State of California, Plaintiff and Class members seek a public injunction enjoining Defendants from making offers to California consumers for a PGI VIP membership program that do not comply with California law and from posting membership charges to a consumer's credit card, debit card, or third party payment account without first obtaining the consumer's affirmative consent to an agreement containing the required clear and conspicuous disclosures.

SECOND CAUSE OF ACTION

Unfair Competition

(Bus. & Prof. Code, § 17200 et seq.)

- 40. Plaintiff incorporates the previous allegations as though fully set forth herein.
- 41. 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 prohibited by Chapter 1 of Part 3 of Division 7 of the Business and Professions Code. (§ 17200.)
- engaged in unfair, deceptive, untrue, or misleading advertising, by, inter alia and without limitation:
 (a) failing to present the automatic renewal offer terms in a clear and conspicuous manner before a subscription or purchasing agreement is fulfilled and in visual proximity, or in the case of an offer conveyed by voice, in temporal proximity, to a request for consent to the offer, in violation of § 17602(a)(1); (b) charging the consumer in connection with an automatic renewal or continuous service without first obtaining the consumer's affirmative consent to an agreement containing clear and conspicuous disclosures of automatic renewal offer terms or continuous service offer terms, in violation of § 17602(a)(2); and (c) failing to provide an acknowledgment that includes clear and conspicuous disclosure of all required automatic renewal offer terms, the cancellation policy, and information regarding how to cancel, in violation of § 17602(a)(3). Plaintiff reserves the right to identify other acts or omissions that constitute unlawful, unfair or fraudulent business acts or practices, unfair, deceptive, untrue or misleading advertising, and/or other prohibited acts.
- 43. Defendants' acts and omissions as alleged herein violate obligations imposed by statute, are substantially injurious to consumers, offend public policy, and are immoral, unethical, oppressive, and unscrupulous as the gravity of the conduct outweighs any alleged benefits attributable to such conduct.
- 44. There were reasonably available alternatives to further Defendants' legitimate business interests, other than the conduct described herein.