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Plaintiff Dino Moody ("Plaintiff"), individually and on behalf of all others similarly situated, complains and alleges as follows based on personal knowledge as to himself, on the investigation of his counsel, and on information and belief as to all other matters. Plaintiff believes that substantial evidentiary support will exist for the allegations set forth in this complaint, after a reasonable opportunity for discovery.

INTRODUCTION AND SUMMARY OF CLAIMS

- 1. Plaintiff brings this Class Action Complaint to challenge Thistle Health Inc.'s ("Thistle" or "Defendant") deceptive advertising practices with respect to its automatic renewal and continuous service offers of an online meal kit service it provides to consumers. Among other things, Thistle (a) enrolls consumers in automatic renewal and continuous service subscriptions without providing clear and conspicuous disclosures about the program or the associated charges; (b) charges consumers' credit and debit cards without first obtaining their "affirmative consent" to the charge; and (c) fails to provide a costeffective, timely, and easy-to-use mechanism for cancellation.
- 2. In short, Thistle's automatic renewal and continuous service offers violate California's Automatic Renewal Law (the "ARL"), Cal. Bus. & Prof. Code §§ 17600, et seq., which requires companies like Thistle to clearly and conspicuously explain "automatic renewal offer terms." As a result of these ARL violations, Thistle has violated the California Consumer Legal Remedies Act (the "CLRA"), Cal. Civ. Code §§ 1750, et seq. See King v. Bumble Trading, Inc., 393 F.Supp.3d 856, 870 (N.D. Cal. 2019) (an ARL violation can form the basis for a CLRA claim); see also Johnson v. Pluralsight, LLC, 728 F. App'x 674, 676–77 (9th Cir. 2018) ("[Plaintiff's] complaint alleges that Pluralsight violated the ARL by charging him without first providing information on how to cancel the subscription. The record also indicates that consumers signing up for trial subscriptions were not specifically given instructions on how to cancel before payment. This amply satisfies the UCL requirement that an unlawful business practice be any violation of 'other laws."").
- Thistle has also violated the CLRA because (a) it "[u]ses[] deceptive representations . . . 3. in connection with [its] services" and "[a]dvertis[es] . . . [its] services with [the] intent not to sell them as advertised." See Cal. Civ. Code §§ 1770(a)(4) & (9).

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- 4. In addition, because Thistle's automatic renewal "business practices" violate the ARL, they also violate California Business & Professions Code §§ 17200 (the "UCL"). See, e.g., Kasky v. Nike, Inc., 27 Cal.4th 939, 950 (2002) (upholding false advertising claims against Nike; the Supreme Court explained that the "unlawful" prong of § 17200 makes a violation of the underlying law a per se violation of the UCL; the court held, "The UCL's scope is broad. By defining unfair competition to include any 'unlawful . . . business act or practice,' the UCL permits violations of other laws to be treated as unfair competition that is independently actionable.") (emphasis in original); see also Stop Youth Addiction, Inc. v. Lucky Stores, Inc., 17 Cal.4th 553, 561 (1998), overruled on other grounds in Arias v. Superior Court, 46 Cal.4th 969 (2009) (holding that § 17200 allows a remedy even if the underlying statute confers no private right of action). California law is clear that virtually any law or regulation—here, the ARL—can serve as a predicate for a § 17200 "unlawful" violation. See People v. E.W.A.P., Inc., 106 Cal.App.3d 315, 319 (1980); Farmers Ins. Exchange v. Superior Court, 2 Cal.4th 377, 383 (1992) (holding that § 17200 "borrows" violations of other laws and treats them as unlawful practices independently actionable under § 17200).
- 5. Plaintiff, on behalf of himself and the Class (defined below), seeks to obtain actual damages, injunctive relief, restitution, punitive damages, and other appropriate relief as a result of these violations. *See* Cal. Civ. Code § 1780(a)(1) (5); Cal. Bus. & Prof. Code §§ 17203, 17204 & 17535.
- 6. Plaintiff also seeks reasonable attorneys' fees pursuant to (a) the CLRA, which allows a prevailing plaintiff to recover court costs and attorneys' fees as a matter of right, *see* Cal. Civ. Code § 1780(e), and (b) California Code of Civil Procedure § 1021.5, as this lawsuit seeks the enforcement of an important right affecting the public interest and satisfies the statutory requirements for an award of attorneys' fees.

JURISDICTION AND VENUE

- 7. Subject matter jurisdiction is proper in this Court because the amount in controversy is within this Court's jurisdictional limit.
- 8. This Court has personal jurisdiction over Thistle because Thistle conducts substantial business in Los Angeles County, California. By offering online meal kit services to California consumers—and then automatically renewing their subscriptions—Thistle has "purposefully availed"

itself of forum benefits. *Pavlovich v. Superior Court*, 29 Cal.4th 262, 268 (2002). In addition, the controversy is related to or arises out of Thistle's contacts with the forum, and the assertion of personal jurisdiction would comport with "fair play and substantial justice." *Id*.

9. Venue is proper in the Los Angeles County Superior Court pursuant to Code of Civil Procedure, sections 394, 395, and 395.5. Wrongful conduct occurred and continues to occur in this County. Thistle conducted and continues to conduct business in this County as it relates to its automatic renewal and continuous service offers.

PARTIES

- 10. Plaintiff is and at all relevant times mentioned was both a resident of Los Angeles County, California and a "consumer," as defined by Cal. Civ. Code § 1761(d) and Cal. Bus. & Prof. Code § 17601(d).
- 11. Thistle is a Delaware corporation with its principal place of business in San Francisco, California. Thistle is and at all relevant times mentioned was a "person," as defined by Cal. Civ. Code § 1761(c).
 - 12. Thistle offers a meal kit service through its website, https://www.thistle.co/.

FACTUAL ALLEGATIONS

- 13. On July 25, 2022, Plaintiff purchased a meal kit (from https://www.thistle.co) for \$66.45, from his home in Los Angeles County, California. After this initial transaction, however, Thistle enrolled Plaintiff into an automatic renewal subscription—automatically charging him another \$88.95 on August 5, 2022 (a different and higher amount than the initial charge)—without providing the clear and conspicuous disclosures required by California law.
- 14. Automatic renewal subscriptions affecting California consumers are governed by the ARL, Cal. Bus. & Prof. Code §§ 17600, et seq., which requires companies like Thistle to clearly and conspicuously explain "automatic renewal offer terms," including by providing the following clear and conspicuous disclosures:
 - (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.

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

- 15. None of the above disclosures were properly provided to Plaintiff.
- 16. Thistle also failed to provide a means for Plaintiff to cancel by using a "cost-effective, timely, and easy-to-use mechanism for cancellation." *Id.*, § 17602(b).
- 17. Critically, the ARL requires the automatic renewal offer terms must be presented to the consumer both:
 - (a) <u>before</u> the purchasing contract is fulfilled, and in "visual proximity" to the <u>request for</u> <u>consent to the offer</u>; and
 - (b) clearly and conspicuously, defined by the statute as one or more of the following:
 - i. in larger type than the surrounding text;
 - ii. in contrasting type, font, or color to the surrounding text of the same size; or
 - iii. 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.

See id., §§ 17602(a)(1) & 17601(c).

18. Thistle does not clearly and conspicuously disclose its automatic renewal offer terms in the manner required by Section 17602. For example, Thistle does not use bold, highlighted, all-capitalized, or different-colored text for the automatic renewal terms; there is no "call out" box or anything like that near the terms. Instead, the disclosures appear in very small font, at the very bottom of the checkout screen, and are deliberately difficult to read.

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Checkout

Add a credit/debit card for payment processing. All payments are processed on Thursdays at midnight for the following week of service.

PLANTS120 applied 🧪



Card number

MM / YY CVC

START ENJOYING THISTLE

By clicking "Start Enjoying Thistle", you agree you are purchasing a continuous subscription that renews weekly and will receive weekly deliveries until you pause or cancel. Your credit card will be charged the total cost of your subscription each week. You may pause or cancel your subscription at any time by signing into your account, heading to your Account page and navigating to the "Meal Plan" tab (for pausing) or the "Account Details" tab (for cancelling) and following the prompts. All orders are processed at 11:59pm each Thursday. Any orders that have been processed, as reflected on your Coming Up page, cannot be cancelled and you will not receive a refund of fees already paid. For more information see our Terms of Use and FAOs.

- 19. Nor does Thistle properly disclose (a) any description of the cancellation policy that applies to the offer; (b) that the recurring charges 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 (c) when the consumer will be charged. In Plaintiff's case, he was billed on or soon after July 25, 2022, then billed again—without notice, and for a different and higher amount than the initial charge—on August 5, 2022.
- 20. In addition, Plaintiff did not receive an ARL-compliant retainable acknowledgement (e.g., email) explaining or providing (i) the automatic renewal offer's terms, (ii) the cancellation policy, and (iii) information about how to cancel Thistle's services. All are required by law. See Cal. Bus. & Prof. Code § 17602(a)(3).

21. The ARL also requires that "a business that allows a consumer to accept an automatic renewal or continuous service offer online shall allow a consumer to terminate the automatic renewal or continuous service exclusively online, at will, and without engaging any further steps that obstruct or delay the consumer's ability to terminate the automatic renewal or continuous service immediately." Cal. Bus. & Prof. Code § 17602(d)(1). The online method of termination must be in the form of either: (a) "[a] prominently located direct link or button which may be located within either a customer account or profile, or within either device or user settings," or (b) "[b]y an immediately accessible termination email formatted and provided by the business that a consumer can send to the business without additional information." *Id.* Thistle violated these provisions, as well.

CLASS ACTION ALLEGATIONS

- 22. Plaintiff brings this action on behalf of himself and all others similarly situated ("the Class").
 - 23. Plaintiff represents, and is a member of, the Class consisting of:

 All persons in California who purchased a product or service from Thistle as part of an automatic renewal plan or continuous service offer within the four years prior to the filing of this Complaint.
- 24. Thistle and its employees or agents are excluded from the Class. Plaintiff does not know the number of Class members, but estimates it to be greater than 100 individuals, if not many more. As a result, this matter should be certified as a class action to assist in the expeditious litigation of this matter.
 - 25. The "Class Period" means the four years prior to the filing of this Complaint.
- 26. Plaintiff reserves the right to redefine the Class, and to add and redefine any additional subclasses as appropriate based on discovery and specific theories of liability.
- 27. There is a well-defined community of interest in the litigation, the proposed class is easily ascertainable, and Plaintiff is a proper representative of the Class.
- 28. *Ascertainability*: Class members are readily ascertainable from Thistle's own records and/or Thistle's agents' records.
- 29. *Numerosity*: The potential Class members as defined are so numerous and so diversely located throughout California, that joinder of all the Class members is impracticable. Class members are dispersed throughout California. Joinder of all members of the proposed Class is therefore not practicable.

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- 30. Commonality: There are questions of law and fact common to Plaintiff and the Class that predominate over any questions affecting only individual Class members, in particular because every member of the class has an identical check-out and subscription process. The common questions of law and fact include, without limitation:
 - (a) Do Thistle's automatic renewal practices violate the ARL, Cal. Bus & Prof. Code §§ 17600, et seq.?
 - (b) Does Thistle violate the CLRA, Cal. Civ. Code §§ 1750, et seq.?
 - (c) Does Thistle violate the UCL, Cal. Bus. & Prof. Code §§ 17200, et seq.?
 - (d) Whether the members of the Class are entitled to damages and/or restitution.
 - (e) What type of injunctive relief is appropriate and necessary to enjoin Thistle from continuing its unlawful automatic renewal practices?
 - (f) Whether Thistle's conduct was undertaken with conscious disregard of the rights of the members of the Class and was done with fraud, oppression, and/or malice.
- 31. **Typicality**: Plaintiff's claims are typical of the claims of the members of the Class in that Plaintiff is a member of the Class he seeks to represent. Identical to all members of the Class, Thistle (a) enrolled Plaintiff in an automatic renewal and continuous service subscription without providing clear and conspicuous disclosures as required by California law; (b) charged Plaintiff for those services without obtaining his affirmative consent; (c) did not provide Plaintiff with information on how to cancel those services; (d) did not provide Plaintiff with a cost-effective, timely, and easy-to-use mechanism for cancellation, nor a method of cancellation required by § 17602; and (e) failed to send an ARL-compliant retainable acknowledgement consistent with Cal. Bus. & Prof. Code § 17602(a)(3). Plaintiff is advancing the same claims and legal theories on behalf of himself and all absent members of the Class. Defendant has no defenses unique to the Plaintiff.
- 32. **Adequacy of Representation**: Plaintiff will fairly and adequately represent and protect the interests of the Class. Plaintiff's interests do not conflict with those of the Class members. Plaintiff has retained counsel experienced in consumer protection law, including class actions, and specifically, California's ARL. Plaintiff has no adverse or antagonistic interest to those in the Class and will fairly and

adequately protect the interests of the Class. Plaintiff's attorneys are aware of no interests adverse or antagonistic to those of Plaintiff and the proposed Class.

- 33. Superiority of Class Action: A Class Action is superior to other available means for the fair and efficient adjudication of this controversy. Individual joinder of all Class members is not practicable, and questions of law and fact common to the Class predominate over any questions affecting only individual members of the Class. Plaintiff and the Class members have suffered or may suffer loss in the future by reason of Defendant's illegal policies and/or practices. Certification of this case as a class action will allow those similarly situated persons to litigate their claims in the manner that is most efficient and economical for the parties and the judicial system. Certifying this case as a class action is superior because it allows for efficient relief to Class members, and will thereby effectuate California's strong public policy of protecting the California consumer from violations of its laws.
- 34. Even if every individual Class member could afford individual litigation, the court system could not. It would be unduly burdensome to the courts if individual litigation of the numerous cases were to be required. Individualized litigation also would present the potential for varying, inconsistent, or contradictory judgments, and would magnify the delay and expense to all parties and to the court system resulting from multiple trials of the same factual issues.
- 35. By contrast, conducting this action as a class action will present fewer management difficulties, conserve the resources of the parties and the court system, and protect the rights of each Class member. Further, it will prevent the very real harm that would be suffered by numerous putative Class members who will be unable to enforce individual claims of this size on their own, and by Thistle's competitors, who will be placed at a competitive disadvantage because they chose to obey the law. Plaintiff anticipates no difficulty in the management of this case as a class action.
- 36. Plaintiff reserves the right to expand the Class definition to seek recovery on behalf of additional persons as warranted as facts are learned in further investigation and discovery.

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FIRST CAUSE OF ACTION

Violation of the California Consumer Legal Remedies Act, Cal. Civ. Code §§ 1750, et seq. (Automatic Renewal Law) (By Plaintiff Against Defendants on Behalf of the Class)

- 37. Plaintiff repeats and re-alleges the allegations contained in every preceding paragraph.
- 38. The CLRA is a California consumer protection statute which allows plaintiffs to bring private civil actions for "unfair methods of competition and unfair or deceptive acts or practices undertaken by any person in a transaction . . . which results in the sale or lease of goods or services to any consumer." Cal. Civ. Code § 1770(a). The purposes of the CLRA are "to protect consumers against unfair and deceptive business practices and to provide efficient and economical procedures to secure such protection." Cal. Civ. Code § 1760.
- 39. California enacted the ARL "to end the practice of ongoing charging of consumer credit or debit cards or third party payment accounts without the consumers' explicit consent for ongoing shipments of a product or ongoing deliveries of service." Cal. Bus. & Prof. Code § 17600.
- 40. Plaintiff and each member of the Class are "consumers" as defined by California Business & Professions Code section 17601(d). Thistle's sales of its products on its website to Plaintiff and the Class were for an "automatic renewal" within the meaning of California Business & Professions Code section 17601(a).
- 41. Defendants failed to clearly and conspicuously disclose (a) the nature of the subscription agreement as one that will continue until the consumer canceled, (b) how to cancel the subscription, (c) the recurring amounts that would be charged to the consumer's payment account, (d) the length of the automatic renewal term, or (e) any minimum purchasing obligation(s).
 - 42. Defendants have violated several of the ARL's provisions:
 - (a) Defendants have violated Cal. Bus. & Prof. Code § 17602(a)(1) because their offer did not "include a clear and conspicuous explanation of the price that will be charged . . .";
 - (b) Defendants have violated Cal. Bus. & Prof. Code § 17602(a)(2) by charging consumers' credit and debit cards without first obtaining their "affirmative consent" to the charge; and
 - (c) Defendants have violated Cal. Bus. & Prof. Code § 17602(d)(1) by failing to "allow a

- consumer" who "accept[s] an automatic renewal or continuous service offer online" to "terminate the automatic renewal or continuous service exclusively online, at will, and without engaging any further steps that obstruct or delay the consumer's ability to terminate the automatic renewal or continuous service immediately."
- (d) Defendants have violated Cal. Bus. & Prof. Code § 17602(a)(3) by failing to provide a permanently retainable post-transaction acknowledgment that allows cancellation before payment.
- 43. Through their violations of the ARL, Defendants have violated the CLRA. *See King*, 393 F.Supp.3d at 870 (an ARL violation can form the basis for a CLRA claim); *see also Pluralsight*, 728 F. App'x at 676–77 ("[Plaintiff's] complaint alleges that Pluralsight violated the ARL by charging him without first providing information on how to cancel the subscription. The record also indicates that consumers signing up for trial subscriptions were not specifically given instructions on how to cancel before payment. This amply satisfies the UCL requirement that an unlawful business practice be any violation of 'other laws.'").
- 44. Pursuant to Cal. Civ. Code § 1782, on September 9, 2022, Plaintiff's counsel notified Defendants in writing (by certified mail, with return receipt requested) of the particular violations of the CLRA and demanded that they correct or agree to correct the actions described in this Complaint, including by giving notice to all affected consumers.
- 45. Defendants did not agree to rectify the problems associated with the actions described above and to give notice to all affected consumers within 30 days of the date of the written notice, as prescribed by § 1782.
- 46. Plaintiff seeks actual, consequential, punitive, and statutory damages, as well as mandatory attorneys' fees and costs, against Defendants.

SECOND CAUSE OF ACTION

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

(By Plaintiff Against Defendants on Behalf of the Class)

47. Plaintiff repeats and re-alleges the allegations contained in every preceding paragraph.

- 48. The UCL prohibits, and provides civil remedies for, "unfair competition," which is defined as "any unlawful, unfair or fraudulent business act or practice." The UCL is written in "sweeping language" to include "anything that can properly be called a business practice and that at the same time is forbidden by law." *Bank of the West v. Superior Court*, 2 Cal.4th 1254, 1264 (1992) (internal brackets and quotation marks omitted).
- 49. The UCL has several substantive "prongs" which are a function of the statutory definition of "unfair competition." More specifically, under the UCL, "unfair competition" includes (i) an "unlawful" business act or practice, (ii) an "unfair" business act or practice, and (iii) a "fraudulent" business act or practice. *See* Bus. & Prof. Code, §§ 17200, *et seq*.
- 50. The "unlawful" prong of the UCL makes a violation of the underlying law a *per se* violation of the UCL. "By defining unfair competition to include any 'unlawful... business act or practice,' the UCL permits violations of other laws to be treated as unfair competition that is independently actionable." *Kasky*, 27 Cal.4th at 950 (emphasis in original).
- 51. Defendants committed "unlawful," "unfair," and/or "fraudulent" business practices by, among other things: (a) enrolling Plaintiff and the Class in an automatic renewal and continuous service subscription without providing clear and conspicuous disclosures as required by California law; (b) charging Plaintiff and the Class for those services without obtaining the requisite affirmative consent; (c) failing to provide Plaintiff or the Class with information on how to cancel those services; (d) failing to provide Plaintiff or the Class with a cost-effective, timely, and easy-to-use mechanism for cancellation, nor a method of cancellation required by § 17602; and (e) failing to send an ARL-compliant retainable acknowledgement consistent with Cal. Bus. & Prof. Code § 17602(a)(3). Plaintiff reserves the right to allege other violations of law that constitute unlawful, unfair, or fraudulent business acts or practices.
- 52. Defendants' acts and omissions as alleged in this Complaint 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.
- 53. There were reasonably available alternatives to further Defendants' legitimate business interests, other than the conduct described in this Complaint.

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- 54. Defendants' acts, omissions, nondisclosures, and misleading statements as alleged in this Complaint were and are false, misleading, and/or likely to deceive the consuming public.
- 55. Plaintiff has suffered injury in fact and lost money as a result of Defendants' acts of unfair competition.
- 56. Pursuant to § 17203, Plaintiff and all Class members are entitled to restitution of all amounts Defendants received from them as a result of the foregoing conduct during the four years preceding the filing of this Complaint and continuing until Defendants' acts of unfair competition cease.
- 57. Pursuant to § 17203, Plaintiff is entitled to an order enjoining Defendants from committing further acts of unfair competition.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment in favor of himself and the Class as follows:

- 1. For an order certifying that the action be maintained as a class action, that Plaintiff be designated the class representative, and that undersigned counsel be designated as class counsel.
- 2. For an injunction putting a stop to the illegal conduct described herein and ordering Defendants to correct their illegal conduct and refrain from automatically charging consumers without properly informing them in the future.
- 3. For an order awarding Plaintiff and the proposed Class members actual, consequential, restitution, punitive, and statutory damages, as appropriate.
 - 4. For pre- and post-judgment interest and costs of suit incurred herein.
 - 5. For attorneys' fees incurred herein.
 - 6. For such other and further relief as the Court may deem just and proper.

DEMAND FOR JURY TRIAL

Plaintiff, on behalf of himself and the Class, hereby demands a trial by jury.

DATED: October 28, 2022 KJC LAW GROUP, A.P.C.

By: /s/ Kevin J. Cole Kevin J. Cole, Esq.

Attorneys for Plaintiff Dino Moody