Case 2:23-cv-01259-JCM-VCF PSTONPREPR 1-1 Filed 07/27/23 Page 2 of 49

Assigned for all purposes to: Spring Street Courthouse, Judicial Officer: David Cunningham III

Electronically FILED by Superior Court of California, County of Los Angeles on 01/31/2023 04:55 PM David W. Slayton, Executive Officer/Clerk of Court, by G. Carini, Deputy Clerk REICH RADCLIFFE & HOOVER LLP 1 Marc G. Reich (State Bar No. 159936) Adam T. Hoover (State Bar No. 243226) 2 4675 MacArthur Court, Suite 550 3 Newport Beach, CA 92660 Telephone: (949) 975-0512 4 Facsimile: (949) 975-0514 E-mail: mgr@reichradcliffe.com 5 adhoover@reichradcliffe.com 6 **GUCOVSCHI ROZENSHTEYN, PLLC.** 7 Adrian Gucovschi (pro hac vice forthcoming) 630 Fifth Avenue, Suite 2000 8 New York, NY 10111 Telephone: (212) 884-4230 9 Facsimile: (212) 884-4230 E-Mail: adrian@gr-firm.com 10 11 Attorneys for Plaintiff 12 SUPERIOR COURT OF THE STATE OF CALIFORNIA 13 FOR THE COUNTY OF LOS ANGELES 14 15 ISAIAH SANCHEZ, individually and on behalf Case No. 23STCV02154 of all other persons similarly situated, 16 Plaintiff. **CLASS ACTION** 17 18 **COMPLAINT** v. 19 ZUFFA, LLC, d/b/a UFC FIGHT PASS and **JURY TRIAL DEMANDED** DOES ONE through ONE HUNDRED inclusive, 20 21 Defendants. 22 23 24 25 26 27 28

Plaintiff Isaiah Sanchez ("Plaintiff") brings this action individually and on behalf of all others similarly situated against Defendant Zuffa, LLC, ("Zuffa" or "Defendant"). Plaintiff makes the following allegations pursuant to the investigation of his counsel and based upon information and belief, except as to allegations specifically pertaining to himself and his counsel, which are based on personal knowledge.

INTRODUCTION

- 1. This is a putative class action lawsuit against Defendant for engaging in an illegal "automatic renewal" scheme with respect to its subscription sports broadcasting and streaming service (the "UFC Subscriptions,") through its website at https://ufcfightpass.com/ (the "Website"). Defendant is a Nevada based sports promotion company that specializes in mixed martial arts. As part of its sports broadcasting business, Defendant sells a subscription sports streaming service that, among other activities, streams live sporting events to audiences around the world. Relevant to Plaintiff's allegations, when customers sign up for the UFC Subscriptions to gain access to a live stream through the Website, Defendant enrolls customers in a program that automatically renews customers' UFC Subscriptions on a monthly or yearly basis and results in charges to customer's credit card, debit card, or third-party payment account (collectively, "Payment Method"). While doing so, Defendant fails to provide the requisite disclosures and authorizations required to be made to and obtained from California consumers under California's Automatic Renewal Law ("ARL"), Cal. Bus. & Prof. Code §§ 17600, et seq.
- 2. Through the Website, Defendant markets, advertises, and sells to consumers in California and throughout the United States paid memberships to the UFC Subscriptions, which includes Access to the Ultimate Fighting Championship ("UFC") events, the UFC fight library, live martial arts events from around the world and exclusive original series and shows. The UFC Subscriptions, however, misleadingly advertises to consumers access to pay-per-view events that are not included within the subscriptions, as discussed in greater detail below. To sign up for the Defendant's UFC Subscriptions through the Website, customers must provide Defendant with their billing information, and Defendant then automatically charges customers' Payment Method as

payments are due, typically on a monthly or yearly basis, depending on the option selected by the customer. Defendant is able to unilaterally charge its customers' renewal fees without their consent, as Defendant is in possession of its customers' billing information. Thus, Defendant has made the deliberate decision to charge Plaintiff and other similarly situated customers on a monthly or yearly basis, absent their consent under the ARL, relying on consumer confusion and inertia to retain customers, combat consumer churn, and bolster its revenues.

- 3. Pursuant to the ARL, online retailers who offer automatically renewing subscriptions to California consumers must: (a) obtain affirmative consent prior to the consumer's purchase; (b) provide the complete auto-renewal terms in a clear and conspicuous manner and in visual proximity to the request for consent prior to the purchase; and (c) provide an acknowledgement identifying an easy and efficient mechanism for consumers to cancel their subscriptions. As will be discussed below, the enrollment process for the UFC Subscriptions through the UFC Fight Pass Website uniformly violates each of the core requirements of the ARL.
- 4. Specifically, Defendant systematically violates the ARL by: (i) failing to present the automatic renewal offer terms in a clear and conspicuous manner and in visual proximity to the request for consent to the offer before the subscription or purchasing agreement is fulfilled, in violation of Section 17602(a)(1); (ii) charging consumers' Payment Method without first obtaining their affirmative consent to the agreement containing the automatic renewal offer terms, in violation of Section 17602(a)(2); and (iii) failing to provide an acknowledgment that includes the automatic renewal offer terms, cancellation policy, and information regarding how to cancel in a manner that is capable of being retained by the consumer, in direct violation of Sections 17602(a)(3) and 17602(b). Cal. Bus. & Prof. Code §§ 17602(a)(l), (a)(2), (a)(3), (b). As a result, the access to the sports broadcasting, or streaming services granted to Plaintiff and the Class under the automatic renewal of continuous service agreements are deemed "unconditional gifts" under the ARL. Cal. Bus. & Prof. Code § 17603.
- 5. For the foregoing reasons, Plaintiff brings this action individually and on behalf of all California purchasers of Defendant's UFC Subscriptions who, within the applicable statute of

limitations period up to and including the date of judgment in this action, incurred unauthorized fees for the renewal of their UFC Subscriptions. Based on Defendant's unlawful conduct, Plaintiff seeks damages, restitution, declaratory relief, injunctive relief, and reasonable attorneys' fees and costs, for: (i) violation of California's Unfair Competition Law ("UCL"), Cal. Bus. & Prof. Code §§ 17200, et seq.; (ii) violation of California's False Advertising Law ("FAL"), Cal. Bus. & Prof. Code §§ 17500, et seq.; (iii) conversion; and (iv) unjust enrichment/restitution.

THE PARTIES

6. Plaintiff Isaiah Sanchez is a citizen of California, residing in Los Angeles, California. On or around July 9, 2020, Mr. Sanchez purchased a monthly UFC Subscription from Defendant's Website while in California. During the enrollment process, but before finally consenting to Defendant's subscription offering, Mr. Sanchez provided his Payment Method information directly to Defendant. At the time that Mr. Sanchez enrolled in his UFC Subscription program, Defendant did not disclose to Mr. Sanchez all of the required automatic renewal offers terms associated with the subscription program or obtain Mr. Sanchez's affirmative consent to those terms. Further, after Mr. Sanchez completed his initial order, Defendant sent Mr. Sanchez an email confirmation and receipt for his purchase of and enrollment in the UFC Subscription (the "Acknowledgment Email"). However, the Acknowledgment Email, too, failed to provide Mr. Sanchez with the complete automatic renewal terms that applied to Defendant's offer, a description of Defendant's full cancellation policy, or information regarding how to cancel Mr. Sanchez's UFC Subscription in a manner capable of being retained by him. Mr. Sanchez did not receive any other acknowledgement that contained the required information. As a result, Mr. Sanchez was not placed on notice of several material terms associated with his UFC Subscription. In particular, Mr. Sanchez was not made aware of the recurring price to be charged upon renewal, the length of the renewal term, when the first charge would occur, or the complete cancellation policy associated with his UFC Subscription: the most crucial aspects of which were missing from the Checkout Page and Acknowledgment Email. As a result of Defendant's missing and otherwise deficient disclosures, when Mr. Sanchez selected and paid for his UFC Subscription in or around July 9,

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1	2020, he was unaware that Defendant enrolled him in an "automatic renewal" program under
2	which the subscription would renew each month in the amount of \$9.99 unless Mr. Sanchez chose
3	to cancel. Specifically, Mr. Sanchez believed that by purchasing the UFC Subscription, he would
4	be able to access UFC's upcoming live pay-per-view fight scheduled for the weekend. But the UFC
5	Subscription that Mr. Sanchez purchased only provided him with the preliminary fights prior to the
6	main event and not the main event itself—which had to be purchased separately. Mr. Sanchez was
7	not aware that he had purchased anything other than a license to view the single pay-per-view fight
8	he was interested in viewing based on Defendant's misleading and inadequate Checkout Page and
9	Acknowledgment Email. Nonetheless, Defendant continued to automatically renew Mr. Sanchez's
10	UFC Subscription on a monthly basis, charging his Payment Method an additional fourteen times,
11	with the most recent charge occurring on or around September 9, 2021, for a total of fourteen
12	unauthorized charges amounting to \$139.86 to Mr. Sanchez's Payment Method. Mr. Sanchez did
13	not learn of these subscription charges until approximately August of 2021, when he noticed the
14	recurring monthly charges that Defendant had posted to his Payment Method upon review of his
15	monthly billing statement for unrelated reasons. Prior to learning of these charges, Mr. Sanchez did
16	not attempt to cancel his UFC Subscription because he had no actual belief or reason to believe that
17	the UFC Subscription would automatically convert to a recurring subscription, and thus he was not
18	aware that cancellation was required in the first place. Subsequent to his discovery of the
19	unauthorized charges, however, Mr. Sanchez attempted to cancel his UFC Subscription to avoid
20	incurring any additional future charges on or around August of 2021. As a result of Defendant's
21	missing and confusing cancellation policy, however, Defendant again charged Mr. Sanchez
22	Payment Method for a subsequent month after his cancellation, until Defendant finally terminated
23	Mr. Sanchez's UFC Subscription on or around October of 2021. Defendant's misleading, missing
24	and incomplete disclosures on the Checkout Pages and in the Acknowledgment Emails, its failure
25	to obtain Mr. Sanchez's affirmative consent before charging his Payment Method on a monthly
26	basis, and its refusal to timely terminate Mr. Sanchez's UFC Subscription are contrary to the ARL,
27	which deems products provided in violation of the statute to be a gift to consumers. See Cal. Bus.

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& Prof. Code § 17603. Had Defendant complied with the ARL, Mr. Sanchez would have been able to read and review the auto-renewal terms prior to purchase, and he would not have subscribed to UFC Subscription at all or on the same terms, or he would have canceled his UFC Subscription earlier, *i.e.*, prior to the expiration of the initial subscription. As a direct result of Defendant's violations of the ARL, Mr. Sanchez suffered an economic injury.

- Defendant Zuffa, LLC ("Zuffa" or "Defendant") is a Nevada limited liability 7. company founded in 2000 and headquartered in Las Vegas, Nevada. Zuffa is in the business of, among other things, promoting live Elite Professional Mixed Martial Arts ("MMA") events in the U.S. and throughout the world under the trade names of the Ultimate Fighting Championship® and UFC®. Under the UFC trademark, Defendant promotes and provides access to professional MMA events through live television, internet, and pay-per-view broadcasts, as well as other taped television programming, broadcasts and other MMA digital media products. Relevant here, Defendant offers access to certain exclusive content, products, and/or services on a contract or fee basis to customers who enroll in the automatically renewing UFC Subscription. Defendant owns and operates the UFC Subscription, which it markets to consumers through the Website and other platforms. Defendant is responsible for the promotion, advertisement, and/or marketing of the UFC Subscription, and it owns and operates the Website. Defendant sells – and, at all times during the applicable Class Periods, sold – the UFC Subscriptions in California and has done business throughout the United States. In connection with the UFC Subscriptions, Defendant made automatic renewal offers to consumers in California and throughout the United States via the Website at all relevant times during the applicable Class Periods.
- 8. Plaintiff is ignorant of the true names or capacities of the defendants sued herein under the fictitious names DOES ONE through ONE HUNDRED. Plaintiff will ask leave of court to amend the complaint to show their true names and capacities when the same has been ascertained. At all times relevant hereto, each of the Defendants was the agent and/or employee of the remaining Defendants, and in doing the things alleged herein, was acting within the course and scope of such agency and/or employment. For ease of reference, hereinafter, the terms

"Defendant" and/or "Zuffa" shall collectively refer to Defendant Zuffa, LLC and DOES ONE through ONE HUNDRED.

JURISDICTION AND VENUE

- 9. This is a class action brought pursuant to Code of Civil Procedure § 382, and this Court has jurisdiction over Plaintiff's claims because the amount in controversy exceeds this Court's jurisdictional minimum.
- 10. This Court has personal jurisdiction over the parties because Plaintiff resides in California and submits to the jurisdiction of the Court, and because Defendant has, at all times relevant hereto, systematically and continually conducted business in California, including within this county, and/or intentionally availed itself of the benefits and privileges of the California consumer market through the promotion, marketing, and sale of its products and/or services to residents within this county and throughout California. Additionally, Plaintiff purchased his UFC Subscription from Defendant while residing in this county.
- 11. Venue is proper under Code of Civil Procedure §395(a), §395.5, and Civil Code §1780(c) because a substantial part of the events or omissions giving rise to the claims asserted herein occurred in this county.

FACTUAL ALLEGATIONS

A. Background On The Subscription e-Commerce Market

12. The e-commerce subscription model is a business model in which retailers provide ongoing goods or services "in exchange for regular payments from the customer." Subscription e-commerce services target a wide range of customers and cater to a variety of specific interests. Given the prevalence of online and e-commerce retailers, subscription e- commerce has grown rapidly in popularity in recent years. Indeed, the "subscription economy has grown more than 400% over the last 8.5 years as consumers have demonstrated a growing preference for access to

¹ See https://www.coredna.com/blogs/ecommerce-subscription-services.

subscription services[.]"² Analysts at UBS predict that the subscription economy will expand into a \$1.5 trillion market by 2025, up from \$650 billion in 2020. ³ That constitutes an average annual growth rate of 18%, which makes the subscription economy "one of the fastest-growing industries globally. ⁴

products and services is a booming industry that has exploded in popularity over the past few years. According to Forbes, "[t]he subscription e-commerce market has grown by more than 100% percent a year over the past five years, with the largest retailers generating more than \$2.6B in sales in 2016, up from \$57.0M in 2011." ⁵ Following 2016, market growth within the industry increased exponentially, reaching \$650 billion in 2020. "As such, the financials of companies with subscription business models[] ... improved dramatically in 2020 thanks to limited revenue

https://www.juniperresearch.com/press/subscriptions-for-physical-goods-to-overtake (acknowledging "the significant lead the digital sector has had in th[e] area[of digital service subscriptions]").

⁵ The State Of The Subscription Economy, 2018, Forbes (Mar. 4, 2018), https://www.forbes.com/sites/louiscolumbus/2018/03/04/the-state-of-the-subscription-economy-2018/#6ad8251a53ef.

⁶ See UBS, Investing in digital subscriptions (Mar. 10, 2021), available at https://www.ubs.com/global/en/wealth-management/our-approach/marketnews/article.1525238.html.

² Business Insider, *Taco Bell's taco subscription is rolling out nationwide* — here's how to get it (January 6, 2022), https://www.businessinsider.com/taco-bell-subscription-launching-across-the-country-2022-1 (internal quotation marks omitted).

³ See UBS, Investing in digital subscriptions (March 10, 2021), https://www.ubs.com/global/en/wealth-management/our-approach/marketnews/article.1525238.html ("[A]t close to USD 650 billion in 2020, we expect the subscription economy to expand into a USD 1.5 trillion market by 2025, implying an average annual growth rate of 18%."). See also Subscribed, UBS Declares: It's Worth Investing in the Subscription Economy (April 17, 2021), https://www.subscribed.com/read/news-and-editorial/ubs-declares-its-worth-investing-in-the-subscription-economy; Business 2 Community, The Subscription Economy Is Booming Right Now. But Are You Reaping the Full Benefits? (October 7, 2021), https://www.business2community.com/ecommerce/the-subscription-economy-is-booming-right- now-but are-you-reaping-the-full-benefits-02434851.

⁴ UBS, Investing in digital subscriptions (Mar. 10, 2021), supra ("[Growth] was seen across many areas, including e-commerce, video streaming, gaming, cloud-based applications, etc."); see also Juniper Research, Subscriptions For Physical Goods To Overtake Digital Subscriptions By 2025; Growing To Over \$263bn Globally (Oct. 12, 2020),

volatility and strong cash flow generation." Thus, "[t]he share prices of most subscription companies have performed well in recent years."

- 14. The expansion of the subscription e-commerce market shows no signs of slowing. "We're now in the subscriptions era, and the pandemic is accelerating its takeover. During the COVID-19 lockdowns, many digital-based subscription business models fared well due to their promise of convenience and strong business continuity." According to *The Washington Post*, "[s]ubscriptions boomed during the coronavirus pandemic as Americans largely stuck in shutdown mode flocked to digital entertainment[.] ... The subscription economy was on the rise before the pandemic, but its wider and deeper reach in nearly every industry is expected to last, even after the pandemic subsides in the United States."¹⁰
- 15. However, as *The Washington Post* has noted, there are downsides associated with the subscription-based business model. While the subscription e-commerce market has low barriers and is thus easy to enter, it is considerably more difficult for retailers to dominate the market due to the "highly competitive prices and broad similarities among the leading players." In particular, retailers struggle with the fact that "[c]hurn rates are high, [] and consumers quickly cancel services that don't deliver superior end-to-end experiences." Yet, retailers have also recognized that, where the recurring nature of the service, billing practices, or cancellation process is unclear or complicated, "consumers may lose interest but be too harried to take the extra step of canceling

⁷ *Id*.

⁸ *Id*.

⁹ UBS, Investing in digital subscriptions (Mar. 10, 2021), https://www.ubs.com/global/en/wealth-management/our-approach/marketnews/article.1525238.html.

¹⁰ The Washington Post, *Everything's becoming a subscription, and the pandemic is partly to blame* (June 1, 2021), https://www.washingtonpost.com/business/2021/06/01/subscription-boompandemic/ (noting that "e-commerce and entertainment subscriptions to sites such as Netflix, Hulu and Disney Plus made headlines during the pandemic for soaring growth").

¹¹ McKinsey & Company, *Thinking inside the subscription box: New research on e-commerce consumers*, (February 2018), https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/thinking- inside-the-subscription-box-new-research-on-ecommerce-consumers#0.

¹² *Id*.

their membership[s]."13 As these companies have realized, "[t]he real money is in the inertia."14 As a result, "[m]any e-commerce sites work with third-party vendors to implement more manipulative designs." That is, to facilitate consumer inertia, a number of subscription ecommerce companies, including Defendant, "are now taking advantage of subscriptions to trick users into signing up for expensive and recurring plans. They do this by intentionally confusing users with their app's design and flow, ... and other misleading tactics[,]" such as failure to fully disclose the terms of its automatic-renewal programs.¹⁶

16. To make matters worse, once enrolled in the subscription, "[o]ne of the biggest complaints consumers have about brand/retailers is that it's often difficult to discontinue a subscription marketing plan."¹⁷ Moreover, "the rapid growth of subscriptions has created a host of challenges for the economy, far outpacing the government's ability to scrutinize aggressive marketing practices and ensure that consumers are being treated fairly, consumer advocates say."18 Thus, although "Federal Trade Commission regulators are looking at ways to make it harder for companies to trap consumers into monthly subscriptions that drain their bank accounts [and] attempting to respond to a proliferation of abuses by some companies over the past few years[,]"19 widespread utilization of these misleading dark patterns and deliberate omissions persist.

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¹³Washington Post, Little-box retailing: Subscription services offer new possibilities to consumers, major outlets (April 7, 2014), https://www.washingtonpost.com/business/economy/tktktktk/2014/04/07/f68135b6-a92b-11e3-8d62-419db477a0e6 story.html.

¹⁴ *Id*.

¹⁵ Business Insider, A new study from Princeton reveals how shopping websites use 'dark patterns' to trick you into buying things you didn't actually want (June 25, 2019), https://www.businessinsider.com/dark-patterns-online- shopping-princeton-2019-6.

¹⁶ TechCrunch, Sneaky subscriptions are plaguing the App Store (October 15, 2018), https://techcrunch.com/2018/10/15/sneaky-subscriptions-are-plaguing-the-app-store/.

¹⁷ The Washington Post, Everything's becoming a subscription, and the pandemic is partly to blame (June 1, 2021), https://www.washingtonpost.com/business/2021/06/01/subscription-boompandemic/ ("Subscription services are a sneaky wallet drain,' said Angela Myers, 29, of Pittsburgh. 'You keep signing up for things and they make it really hard to cancel."); see also New

²⁵ Media and Marketing, The problem with subscription marketing (Mar. 17, 2019), 26

https://www.newmediaandmarketing.com/the-problem-with-subscription-marketing/.

¹⁸ *Id*.

¹⁹ *Id*.

1 17. Defendant has successfully implemented this tactic. According to Patrick Whitesell 2 (Defendant's Executive Chairman) and the CEO of Endeavor Group Holdings, Inc.—which owns a 3 majority stake in Defendant's company—Defendant's UFC Subscriptions boasted approximately 450,000 subscribers globally, as of 2016.²⁰ In 2020, Defendant's Vice President and General 4 5 Manager stated that "[e]ven without live events for two months, UFC Fight Pass [i.e., the "UFC Subscription] subscriptions are up 28% year-to-date and 23% year-over-year". 21 Based on 6 7 estimates from an analytics company that specialized in web traffic and performance, Defendant's 8 Website saw 6.3 million visits on desktop and mobile from June through August of 2022.²² 9 Defendant's rapid growth of its audience base is directly linked to its aggressive, and deceptive, 10 marketing tactics. Typically, the UFC Subscriptions costs \$9.99 for a monthly subscription and 11 \$95,99 for a yearly subscription. Defendant lures these customers into the UFC Subscription by 12 deceiving them into believing that they are purchasing a license to watch Defendant's pay-per-view

B. Online Consumer Complaints About The UFC Subscriptions

18. Defendant's recent growth in subscriber count and revenues with respect to its UFC Subscriptions coincides with a sharp decline in subscriber satisfaction. Consumers have complained on social media outlets about Defendant's unclear cancellation process. As one subscriber shared on twitter "For those that cancelled UFC 9.99 Fight Pass, and decided to do annual sub instead, check credit card statements. UFC. tv billed me twice." In fact, Defendant's conduct has drawn the attention and ire of customers across the country, with countless angry customers taking to the Internet to voice their discontent over Defendant's predatory subscription

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UFC events.

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²³ https://twitter.com/fight_ghost/status/493882761669656577

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²⁰ Fast Company, *Superagents Patrick Whitesell And Ari Emanuel Are Building The Future Of Hollywood* (November 16, 2016), https://www.fastcompany.com/3065450/superagents-patrick-whitesell-and-ari-emanuel-are-building-the-future-of-hollywood

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²¹Front Office Sports, https://frontofficesports.com/ufc-fight-pass-overhaul/*UFC Fight Pass Overhaul Hits At Prime Time, Revenue Streams Growing* (September 4, 2020), https://frontofficesports.com/ufc-fight-pass-overhaul/

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²²Similarweb, *ufcfightpass.com* (August, 2022), https://www.similarweb.com/website/ufcfightpass.com/#traffic

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practices. By way of example, TrustPilot - which hosts online reviews of businesses worldwide – is riddled with one-star reviews (one star being the minimum rating) for Defendant's UFC

3 Marc Carroll 4 1 review @ AU 5 * * * * * * Oct 25, 2020 As bad as it gets 6 As bad as it gets! I just cancelled my subscription through apple tv after 4 years, \$169 for an annual subscription plus \$54.99 x 2 for the last 2 pay per views that the app 7 would not let me watch. There is absolutely no help or customer service from the ufc or app provider...nowhere to complain or ask for help...just give them all your money then bang your head against the wall! Just lost alot of revenue from a (formal) loyal 8 Date of experience: October 25, 2020 9 K 10 **Travis Worlock** 11 1 review @ US 12 \star \star \star \star \star Oct 19, 2020 I purchased the year plan to watch a... 13 I purchased the year plan to watch a pay per view fight last year and was not able to...money wasted. I thought there would be events to watch...NOT. I am trying to 14 cancel again because they charged me again for the full year. We use to be fans BUT NOT ANYMORE. I have sent several emails. When I log into my account to cancel my subscription there are no subscriptions to cancel. I hope someone answers my email. 15 Next step reporting them to BBB!!! Date of experience: October 19, 2020 16 17 Kyle Longsdorf 1 review

US 18 * * * * * Mar 25, 2021 19 If I could give a zero I would If I could give a zero I would, so I canceled my subscription and they hacked my card 20 and auto renewed my subscription. And to top it off they blocked me from canceling my subscription on their site. Total scam. If I could send the photo of the site blocking me I'd show everyone. 21 Date of experience: March 25, 2021 22 区 23 MR Maickel R Sanchez Leger 24 * * * * * * Oct 26, 2020 You cant cancel 25 You cant cancel. They still taking your money Date of experience: October 26, 2020 26

Subscriptions offering.²⁴

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19. A number of subscribers have left scathing reviews on the Better Business Bureau website, complaining of the unclear billing practices and confusing cancellation policy associated with Defendant's UFC Subscriptions:²⁵

Initial Complaint Complaint Type: Advertising/Sales Issues 07/21/2020 Status: Resolved ? I have tried to cancel UFC Fight Pass through the website, by phone, and by email. However, I continue to be charged by UFC. I have tried to cancel UFC Fight Pass to no avail. My username is my email, *********************. I've called, emailed, and tried to cancel over the website, UFC Fight Pass. UFC has fraudulently charged my credit card company for past 3 months while I have never used the product. **Initial Complaint** Complaint Type: Advertising/Sales Issues 09/19/2021 Status: Answered ? I have been trying to solve this problem for over 1 year. I have been charged \$10.44 every month for services I did not sign up for. *** charges to my account \$10.44 for unknown services. I did enroll in *** fight pass but I have canceled my subscription a few years ago. I kept calling *** ******* but keeps getting the run around. I finally got this number ****** associated with my charges. I have no other information. First, I am asking these charges to stop. Secondly, I am asking for reimbursement. **Business response** 05/06/2022 Business Response /* (1000, 8, 2021/10/15) */ Communication was made with the consumer on 10/1/2021 via email address: ************ Refund was issued and consumer accepted. **Initial Complaint** Complaint Type: Advertising/Sales Issues 01/16/2020 Status: Unanswered 3 They have been charging me a monthly subscription without my knowledge. Their UI is misleading and it's not clear how to even stop the subscription. I stumbled across a monthly charge from them since July 2019 that I was unaware of. They said I had signed up to a monthly subscription but I did not do that and I've never used their service. It's possible I did this unwittingly due to their confusing UI for a one-time event purchase (or so I thought). They refused to refund me and their UI is nearly impossible to figure out how to cancel the subscription. This is bad to make the UI such that you don't know you're getting a subscription and their response was "you had to accept the terms and conditions" which is thousands of words of legalese. I've never watched any of their stuff and I want my \$70

²⁴ https://www.trustpilot.com/review/www.ufc.tv, one-star reviews make up 83% of all reviews for UFC Fight Pass on TrustPilot (last accessed: October 26, 2022).

²⁵ https://www.bbb.org/us/nv/las-vegas/profile/sports-and-recreation/zuffa-llc-1086-67430/complaints

20. The above reviews are just a sampling of the widespread pattern of uniform unlawful conduct by Defendant, underscoring the artifice devised and employed by Defendant to lure and deceive millions of consumers into enrolling, and remaining enrolled, in its paid UFC Subscriptions.

C. California's Automatic Renewal Law

- 21. In 2010, the California Legislature enacted the Automatic Renewal Law ("ARL"), Cal. Bus. & Prof. Code §§ 17600, *et seq.*, with the intent 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 (statement of legislative intent). More recently, in 2018, California's Senate Bill 313 amended Section 17602 of the ARL, adding new requirements meant to increase consumer protections for, among other things, orders that contain free trial and promotional pricing, and subscription agreements entered into online.
- 22. The ARL makes it "unlawful for any business making an automatic renewal or continuous service offer to a consumer in this state 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. If the offer also includes a free gift or trial, the offer shall include a clear and conspicuous explanation of the price that will be charged after the trial ends or the manner in which the subscription or purchasing agreement pricing will change upon conclusion of the trial.
 - (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.

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(3) Fail to provide an 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. If the automatic renewal offer or continuous service offer includes a free gift or trial, the business shall also disclose in the acknowledgment how to cancel, and allow the consumer to cancel, the automatic renewal or continuous service before the consumer pays for the goods or services.

Cal. Bus. & Prof. Code § 17602(a)(1)-(3).

23. Section 17602(b) of the ARL further provides:

A business that makes an automatic renewal offer or continuous service offer shall provide another cost-effective, timely, and easy-to-use mechanism for cancellation that shall be described in the acknowledgment specified in paragraph (3) of subdivision (a).

Cal. Bus. & Prof. Code § 17602(b).

24. Additionally, following the 2018 amendment to the ARL, the updated law requires e-commerce sellers, doing business in California, to allow online cancellation of auto-renewing memberships or recurring purchases that were initiated online. Specifically, Section 17602(c) provides:

[A] consumer who accepts an automatic renewal or continuous service offer online shall be allowed to terminate the automatic renewal or continuous service *exclusively online*, which may include a termination email formatted and provided by the business that a consumer can send to the business without additional information.

Cal. Bus. & Prof. Code § 17602(c) (emphasis added).

25. The updated ARL also requires a seller who provides an automatic offer that includes a free gift, trial, or promotional pricing to notify consumers about how to cancel the autorenewal before they are charged. Sellers must also explain the price to be charged when the promotion or free trial ends. If the initial offer is at a promotional price that is only for a limited time and will increase later, the seller must obtain consumer consent to the non-discounted price prior to billing. *Id.* Section 17601(a) of the ARL defines the term "Automatic renewal" as a "plan

or arrangement in which a paid subscription or purchasing agreement is automatically renewed at the end of a definite term for a subsequent term." Cal. Bus. & Prof. Code § 17601(a).

- 26. Section 17601(b) of the ARL defines the term "Automatic renewal offer terms" as "the following clear and conspicuous disclosures: (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).
- 27. Pursuant to Section 17601(c) of the ARL, "clear and conspicuous" or "clearly and conspicuously" 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).
- 28. Finally, Section 17603 of the ARL provides that where a "business sends any goods, wares, merchandise, or products to a consumer, under a continuous service agreement or automatic renewal of a purchase, without first obtaining the consumer's affirmative consent[,]" the material sent will be deemed "an unconditional gift to the consumer, who may use or dispose of the same in any manner he or she sees fit without any obligation whatsoever on the consumer's part to the business[.]" Cal. Bus. & Prof. Code § 17603.
- 29. As alleged below, Defendant's practices on the Website systematically violate Sections 17602(a)(1), 17602(a)(2), and 17602(a)(3) of the ARL.

D. Defendant's Business: The Subscription Enrollment Process

30. At all relevant times, Defendant offered, via the Website, the UFC Subscriptions, which give consumers access to its video streaming services. These paid subscriptions are offered

on a recurring basis for monthly and/or yearly renewal terms, and all plans automatically renew at the end of the defined renewal term unless the subscriber cancels. For example, customers that sign up for a monthly UFC Subscription are, at the end of the initial one-month period, automatically renewed and typically charged the full amount for the next month, and every month thereafter if they do not cancel. Similarly, customers enrolled in an annual UFC Subscription are, at the end of the initial one-year period, automatically renewed and typically charged the full amount for the next year, and every year thereafter if they do not cancel. Defendant's UFC Subscriptions constitute automatic renewal and/or continuous service plans or arrangements for the purposes of Cal. Bus. & Prof. Code § 17601.

31. To sign up for one of Defendant's UFC Subscriptions, the consumer must first

- 31. To sign up for one of Defendant's UFC Subscriptions, the consumer must first navigate to the desktop website and click on "sign-up" on the top right corner of the screen. On a mobile device, prospective customers are greeted with a banner which contains a button-link stating, "sign up today."
- 32. The enrollment process for each UFC Subscription is substantially the same, regardless of the medium used. After selecting a subscription option, consumers are directed to subsequent webpages on the Website, where they are prompted to create a membership account and input their billing information. After these steps, consumers are directed to another, final webpage (the "Checkout Page"), where prospective subscribers are invited to complete their purchases. For the purposes of the ARL and this Complaint, the "relevant portion of the Checkout Page" refers to the text of that portion of the Checkout Page that appears "in visual proximity to the request for consent to the offer[,]" which in this case pertains to the block of text located immediately below the "Order Summary" and above the final red "Secure Checkout" button that customers must press to complete the checkout process.
- 33. By way of example, at least as of October 2022, when a consumer signed up for a UFC Subscription via his or her computer web browser, the "relevant portion of the Checkout Page" refers to the disclosures in the block of text located immediately below the "Order

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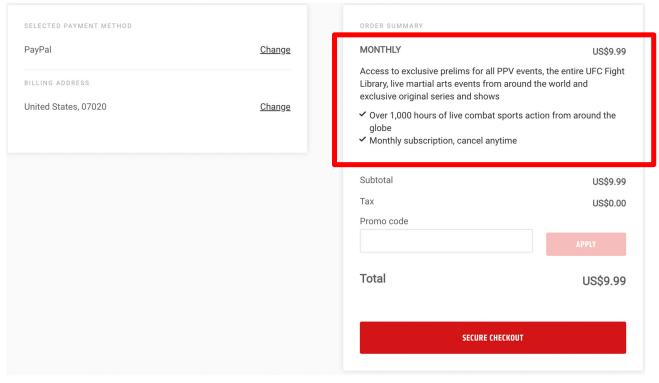
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Summary" and above the final red "Secure Checkout" button (i.e., the "request for consent"), which contains the following language and appearance (red box added for emphasis):



34. Regardless of how the consumer subscribes (via the Website on its mobile or desktop format), and irrespective of whether the consumer selects the UFC Subscriptions' monthly or yearly plan, Defendant fails to disclose the full terms of its auto-renewal program either before or after checkout. Consequently, Defendant uniformly fails to obtain any form of consent from – or even provide effective notice to – its subscribers before charging consumers' Payment Methods on a recurring basis.

Ε. Defendant Violates California's Automatic Renewal Law

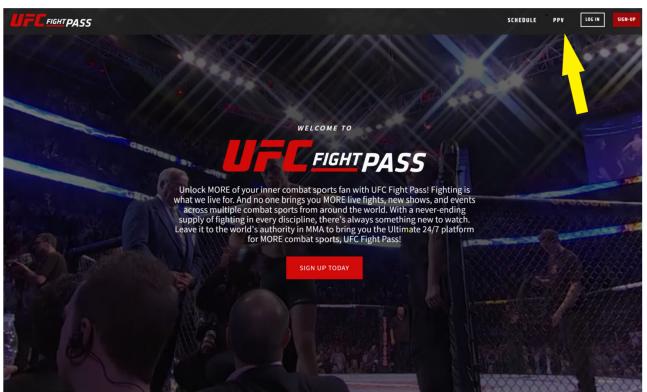
35. At all relevant times, Defendant failed to comply with the ARL in three ways: (i) Defendant failed to present the automatic renewal offer terms in a clear and conspicuous manner and in visual proximity to the request for consent to the offer before the subscription or purchasing agreement was fulfilled, in violation of Cal. Bus. & Prof. Code § 17602(a)(1); (ii) Defendant charged Plaintiff's and the proposed class members' Payment Methods without first obtaining their affirmative consent to the agreement containing the automatic renewal offer terms, in violation of

Cal. Bus. & Prof. Code § 17602(a)(2); and (iii) Defendant failed to provide an acknowledgment that included the automatic renewal offer terms, cancellation policy, and information regarding how to cancel in a manner that is capable of being retained by the consumer, in violation of Cal. Bus. & Prof. Code §§ 17602(a)(3).

i. <u>Defendant Fails To Clearly And Conspicuously Present The UFC</u> <u>Subscription Automatic Renewal Terms</u>

As explained in greater detail below, the relevant portion of Defendant's Checkout Page does not clearly and conspicuously present the complete "automatic renewal offer terms[,]" as defined by Cal. Bus. & Prof. Code §17601(b). First, Defendant fails to clearly and conspicuously disclose that "the subscription or purchasing agreement will continue until the consumer cancels" as defined by Cal. Bus. & Prof. Code § 17601(b)(1). As illustrated by the Checkout Page above, although the relevant portion mentions that "Monthly subscription, cancel anytime" this disclosure is overshadowed by the large red "Secure Checkout" button, which simply states "Total US\$9.99." That call to action does not clearly state that consumers are agreeing to a "monthly subscription," rather, it states that they are agreeing to a single charge to be placed that day. Thus, any reference to the recurring basis of the "monthly subscription" is anomalous because it is not tied to what consumers are purportedly agreeing to—*i.e.*, a single charge on the given day of purchase. This

impression is further bolstered by the web-flow of the Website which give consumers the impression that they are purchasing a single pay-per-view fight, as depicted below:



Clicking on the "PPV" symbol leads consumers to the bottom of the Website's home page, where a title bout (*e.g.*, "BARBOZA vs GAETHJE") accompanied by a red button which reads "WATCH LIVE"), as depicted below:



This, along with the tagline "ANYTIME. ANYWHERE. ANY DEVICE." further bolsters consumers' impressions that the UFC Subscriptions are tied to a specific live event.

Aside from being inconspicuous, as discussed in greater depth below, the Checkout Page thus fails to disclose "[t]hat the subscription or purchasing agreement will continue until the consumer cancels" in the manner required by the statute. Cal. Bus. & Prof. § 17601(b)(1). For the same reasons stated above, Defendant also fails to disclose the "length of the automatic renewal term or that the service is continuous" as defined by Cal. Bus. & Prof. Code § 17601(b)(4).

- 37. Second, Defendant fails to disclose the "description of the cancellation policy that applies to the offer" as defined by Cal. Bus. & Prof. Code § 17601(b)(2). Specifically, although the Checkout Page states that the "[m]onthly subscription, cancel any time" it fails to indicate the cutoff date for doing so. Specifically, the cancellation policy on the Checkout Page does not disclose that a consumer's "cancellation will become effective *as of the next monthly billing cycle following receipt*." Further, neither the Checkout Page nor the terms of service on the Website indicates the time zone that applies to the cutoff date—*e.g.*, Eastern Time or Pacific Time. Moreover, the Checkout Page fails to disclose the "description of the cancellation policy that applies to the offer" in the manner required by statute. Cal. Bus. & Prof. § 17601(b)(2).
- 38. Finally, Defendant fails to disclose 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" as defined by Cal. Bus. & Prof. Code § 17601(b)(3). Specifically, although the Checkout Page indicates that consumers are entering into a "Monthly subscription," and that they will be charged a "Total" of "US\$9.99," Defendant does not indicate how much money consumers will be charged for *each subsequent month*. To make matters worse, the Checkout Page also fails to disclose that Defendant "may make changes to any products or services offered on the Site, or to the applicable prices for any such products or services, at any time, without notice." ²⁷ Moreover, the Checkout Page fails to disclose the "recurring charges that will be charged to the consumer's credit or debit card or payment ...and

²⁶ https://www.ufc.com/terms

²⁷ *Id*.

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that the amount of the charge may change, if that is the case, and the amount to which the charge will change, if known" as defined by Cal. Bus. & Prof. Code § 17601(b)(3).

ii. Defendant Fails To Clearly And Conspicuously Present The UFC Subscription Terms Before The Subscription Agreement Is Fulfilled And In Visual Proximity To The Request For Consent To The Offer

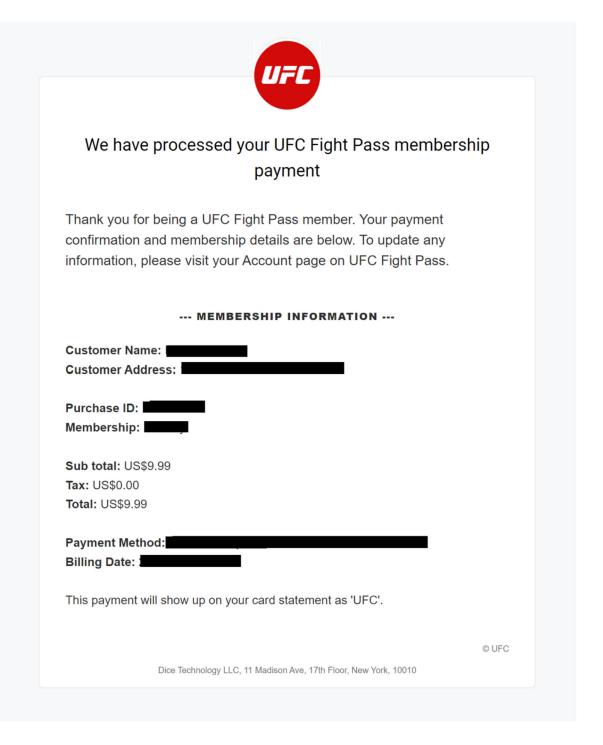
- 39. Because Defendant failed to present the full "automatic renewal offer terms" of its UFC Subscriptions on its Checkout Page, as defined by Cal. Bus. & Prof. Code §17601(b), it, therefore, failed to present the material terms of its UFC Subscriptions "before the subscription or purchasing agreement [was] fulfilled", in violation of Cal. Bus. & Prof. Code § 17602(1). Further, even if Defendant has presented the full "automatic renewal offer terms" of its UFC Subscriptions (it did not), those terms were not presented "in a clear and conspicuous manner... and in visual proximity... to the request for consent to the offer" in violation of Cal. Bus. & Prof. Code § 17602(1).
- Pursuant to Section 17601(c) of the ARL, "clear and conspicuous" or "clearly and 40. conspicuously" 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). Defendant's inadequate "automatic renewal terms" fall well short of the mark from being conspicuous as defined under the ARL. Specifically, the terms are not "clear and conspicuous" because they are smaller than the bold text featured in and under the "Monthly," and "US\$9.99" headers above. Additionally, the terms, which appears in a 11-point font, without emphasis, are illegible to the naked eye without increasing the zoom level even on a large computer screen. At the same time, the illegible terms are much less obvious or noticeable than the preceding text, in paragraph form, and are found after an indistinguishable checkmark located directly on top with no paragraph spacing in between. Finally, the terms are clearly overshadowed by the large call-to-action "Secure Checkout" button which immediately turns red after a consumer finish entering their payment information (drawing attention away from the faint text at issue). The "Secure Checkout" is also found at the very bottom of the Checkout Page and not in "visual

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proximity" to the inadequate automatic-renewal terms found all the way on the top. Based on the above, Defendant's Checkout Page does not "clearly call attention" to its otherwise inadequate "automatic renewal terms" in violation of Cal. Bus. & Prof. Code § 17602(1).

iii. <u>Defendant Fails To Obtain Consumers' Affirmative Consent To The Automatic Renewal Terms Associated With The UFC Subscriptions</u>

- 41. Furthermore, Defendant unlawfully charged Plaintiff's and the proposed class members' Payment Methods without first obtaining their affirmative consent to the agreement containing the automatic renewal (and continuous service terms) in violation of Cal. Bus. & Prof. Code § 17602(2). Specifically, Defendant does not at any point during the checkout process require consumers to read or affirmatively agree to any terms of service associated with their UFC Subscriptions, *e.g.*, by requiring consumers to select or click a "checkbox" next to the automatic renewal offer terms to complete the checkout process. In fact, as discussed above, the only terms that consumers could have purportedly agreed to, even without a checkbox manifesting affirmative consent, was a "Total" charge of "USD\$9.99." That call to action, however, does not otherwise state that by clicking the call-to-action button consumers were also agreeing to a "[m]onthly subscription." Thus, at no point, during the enrollment process or on the Checkout Page, was there an unambiguous or affirmative consent to Defendant's automatic-renewal terms in violation of Cal. Bus. & Prof. Code § 17602(2).
 - iv. <u>Defendant Fails To Provide A Post-Checkout Acknowledgment That</u>
 <u>Clearly And Conspicuously Discloses The Required UFC Subscriptions</u>
 <u>Offer Terms.</u>
- 42. Finally, after Plaintiff and the proposed class members subscribed to one of Defendant's UFC Subscriptions, Defendant sent email follow-ups regarding their purchases (the "Acknowledgment Emails").
- 43. By way of example, as of 2021, the subject line of the email stated: "UFC Fight Pass Receipt." The body of the email contained, in relevant part, the following text and images:



44. The Acknowledgment Email contains even less of the required information than is featured on the relevant portion of the Checkout Page, discussed above. Namely, the purchase confirmation does not provide: that the subscription "will continue until the consumer cancels[,]" Cal. Bus. & Prof. Code § 17601(b)(1); a "description of the cancellation policy that applies to the

offer[,]" Cal. Bus. & Prof. Code § 17601(b)(2); a statement of "[t]he recurring charges that will be charged to the consumer's [Payment Method] as part of the automatic renewal plan or arrangement, and that the amount of the charge may change, [and] if that is the case, and the amount to which the charge will change, Cal. Bus. & Prof. Code § 17601(b)(3); or "[t]he length of the automatic renewal term or that the service is continuous, unless the length of the term is chosen by the consumer[,]" Cal. Bus. & Prof. Code § 17601(b)(4). As such, the Acknowledgment Email fails to "include[] the automatic renewal offer terms ... and information regarding how to cancel in a manner that is capable of being retained by the consumer[,]" in violation Cal. Bus. & Prof. Code § 17602(a)(3).

- 45. At all relevant times, Defendant has been well aware that its UFC Subscriptions fail to comply with California's ARL as evidenced by the number of complaints lodged against it in the Better Business Bureau website. The facts giving rise to Plaintiff's claims are materially the same as the Class he seeks to represent.
- 46. By and through these actions, Defendant has charged Plaintiff's and the proposed class members' Payment Methods in direct violation of the ARL. As a result, all goods, wares, merchandise, or products sent to Plaintiff and the Class under the automatic renewal of continuous service agreements are deemed to be "unconditional gifts" pursuant to Cal. Bus. & Prof. Code § 17603.

CLASS ACTION ALLEGATIONS

- 47. Plaintiff seeks to represent a class of California residents who, within the applicable statute of limitations period, up to and including the date of final judgment in this action, incurred renewal fee(s) in connection with Defendant's UFC Subscriptions offerings (the "Class").
- 48. Specifically excluded from the Class are Defendant and any entities in which Defendant has a controlling interest, Defendant's agents and employees, the judge to whom this action is assigned, members of the judge's staff, and the judge's immediate family.
- 49. Plaintiff reserves the right to amend the definitions of this Class if discovery or further investigation reveals that the Class should be expanded or otherwise modified.

- 50. *Numerosity*. Members of the Class are so numerous that their individual joinder herein is impracticable. On information and belief, the Class comprises at least thousands of consumers throughout California. The precise number of Class members and their identities are unknown to Plaintiff at this time but may be determined through discovery. Class members may be notified of the pendency of this action by mail and/or publication through the distribution records of Defendant.
- 51. Commonality and Predominance. Common questions of law and fact exist as to all Class members and predominate over questions affecting only individual Class members. Common legal and factual questions include, but are not limited to: (a) whether Defendant's UFC Subscriptions constitute "Automatic renewal[s]" within the meaning of Cal. Bus. & Prof. Code § 17601(a); (b) whether Defendant failed to present the automatic renewal offer terms, or continuous service offer terms, in a clear and conspicuous manner before the subscription or purchasing agreement was fulfilled and in visual proximity to the request for consent to the offer, in violation of Cal. Bus. & Prof. Code § 17602(a)(1); (c) whether Defendant charged Plaintiff's and Class members' Payment Method for an automatic renewal service without first obtaining their affirmative consent to the automatic renewal offer terms in violation of Cal. Bus. & Prof. Code§ 17602(a)(2); (d) whether Defendant failed to provide an acknowledgement that included the automatic renewal or continuous service offer terms, cancellation policy, and information on how to cancel in a manner that is capable of being retained by Plaintiff and the Class, in violation of Cal. Bus. & Prof. Code § 17602(a)(3); (e) whether the goods and services provided by Defendant are deemed an "unconditional gift" in accordance with Cal. Bus. & Prof. Code § 17603; (f) whether Defendant's conduct alleged herein violated California's False Advertising Law ("FAL"), Cal. Bus. & Prof. Code §§ 17500, et seq., and/or California's Unfair Competition Law ("UCL"), Cal. Bus. & Prof. Code §§ 17200, et seq.; (g) whether Defendant's conduct alleged herein constitutes conversion and/or unjust enrichment; (h) whether Plaintiff and the Class are entitled to damages and/or restitution; (i) whether Defendant should be enjoined from further engaging in the

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misconduct alleged herein; and (j) whether Plaintiff and the Class are entitled to attorneys' fees and costs under California Code of Civil Procedure § 1021.5.

- 52. *Typicality*. The claims of Plaintiff are typical of the claims of the Class in that Plaintiff and the Class sustained damages as a result of Defendant's uniform wrongful conduct, based upon Defendant's failure to obtain Plaintiff's and the Class's affirmative consent to the automatic renewal offer terms or continuous service offer terms associated with the UFC Subscriptions before charging their Payment Methods.
- 53. *Adequacy*. Plaintiff will fairly and adequately protect Class members' interests. Plaintiff has no interests antagonistic to Class members' interests, and Plaintiff has retained counsel that have considerable experience and success in prosecuting complex class-actions and consumer protection cases.
- 54. **Superiority.** A class action is superior to all other available methods for the fair and efficient adjudication of this controversy for, *inter alia*, the following reasons: prosecutions of individual actions are economically impractical for members of the Class; the Class is readily definable; prosecution as a class action avoids repetitious litigation and duplicative litigation costs, conserves judicial resources, and ensures uniformity of decisions; and prosecution as a class action permits claims to be handled in an orderly and expeditious manner.
- 55. Defendant has acted or failed to act on grounds generally applicable to the Class, thereby making appropriate final injunctive relief with respect to the Class as a whole.
- 56. Without a class action, Defendant will continue a course of action that will result in further damages to Plaintiff and the Class and will likely retain the benefits of its wrongdoing.
- 57. Based on the foregoing allegations, Plaintiff's claims for relief include those set forth below.

COUNT I

Violations of California's Unfair Competition Law ("UCL"), Cal. Bus. & Prof. Code §§ 17200, et seq.

58. Plaintiff re-alleges and incorporates by reference every allegation set forth in the preceding paragraphs as though alleged in this Count.

- 59. Plaintiff brings this claim individually and on behalf of the members of the proposed Class against Defendant.
- 60. The UCL prohibits unfair competition in the form of "any unlawful, unfair, or fraudulent business act or practice and unfair, deceptive, untrue or misleading advertising and any act[.]" Cal. Bus. & Prof. Code § 17200. The UCL allows "a person who has suffered injury in fact and has lost money or property" to prosecute a civil action for violation of the UCL. Cal. Bus. & Prof. Code § 17204. Such a person may bring such an action on behalf of himself or herself and others similarly situated who are affected by the unlawful and/or unfair business practice or act.
- 61. As alleged in more detail below, Defendant's acts and practices alleged herein are "unlawful" within the meaning of the UCL because they violated the following laws, regulations, and rules, including the Automatic Renewal Law ("ARL"), Cal. Bus. & Prof. Code §§ 17600, et seq., as well as the FAL, and all other consumer protection statutes and common laws as asserted in Counts II through V below.

Violations of California's Automatic Renewal Law

- 62. Additionally, at all relevant times, Defendant has violated, and continues to violate, the UCL's proscription against engaging in unlawful and/or unfair conduct as a result of its violations of the ARL, Cal. Bus. & Prof. Code §§ 17600, *et seq.*, as alleged in the above paragraphs of this complaint, which are incorporated herein by reference.
- 63. Specifically, Defendant failed, and continues to fail, to: (a) provide the automatic renewal terms associated with its UFC Subscriptions "in a clear and conspicuous manner before the subscription or purchasing agreement is fulfilled and in visual proximity[] ... to the request for consent to the offer[,]" in violation of Cal. Bus. & Prof. Code § 17602(a)(1); (b) obtain the affirmative consent of Plaintiff and the Class to those terms before charging their Payment Method, in violation of Cal. Bus. & Prof. Code § 17602(a)(2); and (c) 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, in violation of Cal. Bus. & Prof. Code §§ 17602(a)(3). Defendant also makes it exceedingly

- difficult and unnecessarily confusing for consumers to cancel their UFC Subscriptions, in violation of Cal. Bus. & Prof. Code § 17602(b).
- 64. Each of these acts and practices constitutes an independent violation of the ARL, and thus an independent violation of the UCL.
- 65. All products received from Defendant in violation of the ARL, Cal. Bus. Prof. Code §§ 17602, *et seq.*, constitute "unconditional gifts." *See* Cal. Bus. Prof. Code § 17603.
- 66. As a direct and proximate result of Defendant's unlawful and/or unfair practices described herein, Defendant has received, and continues to hold, unlawfully obtained property and money belonging to Plaintiff and the Class in the form of payments made by Plaintiff and the Class for their UFC Subscriptions. Defendant has profited from its unlawful and/or unfair acts and practices in the amount of those business expenses and interest accrued thereon. Thus, Plaintiff have suffered injury in fact and lost money or property as a result of Defendant's violations of California's ARL.
- 67. Defendant was prohibited from making these charges and taking Plaintiff's money without the required affirmative consent. If Defendant had complied with the law, Defendant could not have made the charges, and would not have obtained this money from Plaintiff.

Violations of Other Statutes and Common Laws

- 68. Furthermore, alleged below, Defendant has committed unlawful and/or unfair business practices under the UCL by: (a) representing that Defendant's goods and services have certain characteristics that they do not, in violation of Cal. Civil Code § 1770(a)(5); (b) advertising goods and services with the intent not to sell them as advertised, in violation of Cal. Civil Code § 1770(a)(9); and (c) converting to Defendant's own use and benefit money that rightfully belongs to Plaintiff and the Class.
- 69. Defendant's 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.

- 70. There were reasonably available alternatives to further Defendant's legitimate business interests, other than the conduct described herein.
- 71. Defendant's acts, omissions, nondisclosures, and misleading statements as alleged herein were and are false, misleading, and/or likely to deceive the consuming public.
- 72. Plaintiff and the members of the Class have suffered a substantial injury in fact and lost money by virtue of Defendant's acts of unfair competition, which caused them to purchase the UFC Subscriptions. Had Defendant complied with its disclosure obligations under the ARL, Plaintiff and members of the Class would not have purchased their FS Subscriptions or would have canceled their UFC Subscriptions prior to the renewal of the subscriptions, so as to not incur additional fees. Thus, Plaintiff and members of the Class were damaged and have suffered economic injuries as a direct and proximate result of Defendant's unlawful and/or unfair business practices
- 73. Defendant's violations have continuing and adverse effects because Defendant's unlawful conduct is continuing, with no indication that Defendant intends to cease this unlawful course of conduct. The public and the Class are subject to ongoing harm because the unlawful and/or unfair business practices associated with the UFC Subscriptions are still used by Defendant today.
- 74. Plaintiff and the Class seek restitution pursuant to Cal. Bus. & Prof. Code § 17203 of all amounts that Defendant charged or caused to be charged to Plaintiff's and the Class's Payment Methods in connection with their UFC Subscriptions during the four years preceding the filing of this Complaint. Defendant should be required to disgorge all the profits and gains it has reaped and restore such profits and gains to Plaintiff and the Class, from whom they were unlawfully taken.
- 75. Pursuant to Cal. Bus. & Prof. Code § 17203, Plaintiff and members of the Class seek a court order enjoining Defendant from such future misconduct, and any other such orders that may be necessary to rectify the unlawful business practices of Defendant.

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76. Plaintiff, individually and on behalf of similarly situated California consumers, brings this action as private attorneys general and to vindicate and enforce an important right affecting the public interest. Plaintiff and the Class are therefore entitled to an award of attorneys' fees under Code of Civil Proc. § 1021.5 for bringing this action.

COUNT II Conversion

- 77. Plaintiff re-alleges and incorporates by reference every allegation set forth in the preceding paragraphs as though alleged in this Count.
- 78. Plaintiff brings this claim individually and on behalf of the members of the proposed Class against Defendant.
- 79. As a result of charges made by Defendant to Plaintiff's and Class members' Payment Methods without authorization and in violation of California law, Defendant has taken money that belongs to Plaintiff and the Class.
 - 80. The amount of money wrongfully taken by Defendant is capable of identification.
- 81. Defendant engaged in this conduct knowingly, willfully, and with oppression, fraud, and/or malice within the meaning of Cal. Civil Code § 3294(c).
 - 82. As a result of Defendant's actions, Plaintiff and the Class have suffered damages.

COUNT III

Violations of California's False Advertising Law ("FAL"), Cal. Bus. & Prof. Code §§ 17500, et seq.

- 83. Plaintiff re-alleges and incorporates by reference every allegation set forth in the preceding paragraphs as though alleged in this Count.
- 84. Plaintiff brings this claim individually and on behalf of the members of the proposed Class against Defendant.
- 85. California's False Advertising Law, Cal. Bus. & Prof. Code §§ 17500, et seq., makes it "unlawful for any person to make or disseminate or cause to be made or disseminated before the public in this state, ...in any advertising device ... or in any other manner or means whatever, including over the Internet, any statement, concerning ... personal property or services,

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- professional or otherwise, or performance or disposition thereof, which is untrue or misleading and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading."
- 86. Defendant committed acts of false advertising, as defined by § 17500, by intentionally making and disseminating statements to consumers in California and the general public concerning Defendant's products and services, as well as circumstances and facts connected to such products and services, which are untrue and misleading on their face and by omission, and which are known (or which by the exercise of reasonable care should be known) by Defendant to be untrue or misleading. Defendant has also intentionally made or disseminated such untrue or misleading statements and material omissions to consumers in California and to the public as part of a plan or scheme with intent not to sell those services as advertised.
- 87. Defendant's statements include but are not limited to representations and omissions made to consumers before and after enrollment in Defendant's UFC Subscriptions regarding the terms of payment for and cancellation of a consumer's automatic payments. For instance, Defendant's representation on the Checkout Pages of the UFC Website that members can "cancel" their UFC Subscriptions "anytime" is contradicted by its policy set forth elsewhere on the UFC Website that a customer's cancellation of their UFC Subscriptions would become effective "as of the next monthly billing cycle following receipt." In light of Defendant's disclosure of the former and silence as to the latter on the Checkout Pages for the UFC Subscriptions, the representations and omissions on the Checkout Pages constitute false and deceptive advertisements. Similarly, Defendant willfully induced Plaintiff and the Class members into believing that by purchasing its UFC Subscriptions they would be able to access to view the "PPV" they were interested in viewing; without clarifying that their purchase did not include the main match of the event—the most sought out and advertised fight.
- 88. Defendant's actions in violation of § 17500, as described herein, were false and misleading such that the general public is and was likely to be deceived.

- 89. Defendant knew that its actions were misleading based on the sheer number of complaints that it has received from consumers who were unwillingly enrolled in its UFC Subscriptions under false pretenses.
- 90. Plaintiff and the members of the Class were deceived by Defendant's statements and omissions made online when they signed up and started paying for their UFC Subscriptions, and other California consumers and members of the public were also or are likely to be deceived as well. Any reasonable consumer would be misled by Defendant's false and misleading statements and material omissions. Plaintiff and other members of the Class did not learn of Defendant's UFC Subscriptions price, cancellation, and automatic payment policies until after they had already signed up and started paying for Defendant's UFC Subscriptions. Thus, they relied on Defendant's statements and omissions to their detriment.
- 91. Plaintiff and the Class lost money or property as a result of Defendant's FAL violations because they would not have purchased the UFC Subscriptions on the same terms if the true facts were known about the product and the UFC Subscriptions do not have the characteristics or the purchase price as promised by Defendant.
- 92. Plaintiff, individually and on behalf of all similarly situated California consumers, seeks individual, representative, and public injunctive relief and any other necessary orders or judgments that will prevent Defendant from continuing with its false and deceptive advertisements and omissions; restitution that will restore the full amount of their money or property; disgorgement of Defendant's relevant profits and proceeds; and an award of costs and reasonable attorneys' fees.

COUNT IV Unjust Enrichment / Restitution

- 93. Plaintiff re-alleges and incorporates by reference every allegation set forth in the preceding paragraphs as though alleged in this Count.
- 94. Plaintiff brings this claim individually and on behalf of Class members under the laws of the State of California.

- 95. Plaintiff and the Class conferred benefits on Defendant by purchasing the UFC Subscriptions.
- 96. Defendant has been unjustly enriched in retaining the revenues derived from Plaintiff's and the Class's purchases of the UFC Subscriptions. Retention of those moneys under these circumstances is unjust and inequitable because Defendant's failure to disclose material terms of the purchase agreement, in violation of California law, induced Plaintiff and the Class to purchase the UFC Subscriptions. These omissions caused injuries to Plaintiff and the Class because they would not have purchased the UFC Subscriptions at all, or on the same terms if the true facts were known.
- 97. Because Defendant's retention of the non-gratuitous benefits conferred on them by Plaintiff and Class members is unjust and inequitable, Defendant has been unjustly enriched in an amount to be determined at trial

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, individually and on behalf of all others similarly situated, seeks judgment against Defendant, as follows:

- (a) For an order certifying the putative class and naming Plaintiff as the representatives of the putative class and Plaintiff's attorneys as Class Counsel to represent the putative class;
- (b) For an order declaring that the Defendant's conduct violates the statutes referenced herein;
- (c) For an order finding in favor of Plaintiff and the putative class on all counts asserted herein;
 - (d) For prejudgment interest on all amounts awarded;
 - (e) For statutory damages in amounts to be determined by the Court and/or jury;
 - (f) For prejudgment interest on all amounts awarded;
 - (g) For injunctive relief as pleaded or as the Court may deem proper; and
- (h) For an order awarding Plaintiff and the putative class their reasonable attorneys' fees and expenses and costs of suit

1 **DEMAND FOR TRIAL BY JURY** 2 Plaintiff demands a trial by jury on all claims so triable. 3 4 Dated: January 31, 2023 REICH RADCLIFFE & HOOVER LLP 5 By: Man & Reich 6 7 Marc G. Reich (State Bar No. 159936) Adam T. Hoover (State Bar No. 243226) 8 4675 MacArthur Court, Suite 550 Newport Beach, CA 92660 9 Telephone: (949) 975-0512 Facsimile: (949) 975-0514 10 E-mail: mgr@reichradcliffe.com 11 adhoover@reichradcliffe.com 12 GUCOVSCHI ROZENSHTEYN, PLLC. Adrian Gucovschi (pro hac vice forthcoming) 13 630 Fifth Avenue, Suite 2000 14 New York, NY 10111 Telephone: (212) 884-4230 15 Facsimile: (212) 884-4230 E-Mail: adrian@gr-firm.com 16 17 Attorneys for Plaintiff 18 19 20 21 22 23 24 25 26 27 28