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[NAMES AND ADDRESSES OF ADDITIONAL
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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

JORDAN ZEICHNER,

On Behalf of Himself and All Others Similarly
Situated,

Plaintiff,

v.

**NORDVPN S.A. and TEFINCOM S.A. d/b/a
NordVPN,**

Defendants.

Case No.: 3:24-cv-2462-JSC

**SECOND AMENDED CLASS
ACTION COMPLAINT**

JURY TRIAL DEMANDED

1 Plaintiff Jordan Zeichner (“Plaintiff”), by his undersigned attorneys, Wittels McInturff Palikovic
2 and Milberg Coleman Bryson Phillips Grossman, PLLC, brings this consumer protection action in his
3 individual capacity and on behalf of a class of California consumers defined below against Defendants
4 Nordvpn S.A., and Tefincom S.A. d/b/a NordVPN (hereafter, “Defendants,” “Nord Security,” or the
5 “Company”) and hereby alleges the following with knowledge as to his own acts and upon information
6 and belief as to all other acts:

7 **INTRODUCTION**

8 1. This is a proposed class action lawsuit challenging Nord Security’s use of deceptive and
9 illegal “automatic renewal” tactics to trick consumers into paying for unwanted, pricey subscriptions
10 for internet security services. Nord Security intentionally misleads consumers into thinking that they
11 can subscribe to Nord Security’s virtual private network and other services for a discrete period of time.
12 The truth, however, is that Nord Security’s “disclosures” regarding the automatically renewing feature
13 of its subscriptions are hidden from consumers both before and after purchasing a subscription and fall
14 far short of the legal requirements for such subscriptions. Further, Nord Security intentionally makes
15 those subscriptions difficult to cancel.

16 2. Nord Security offers a suite of products and services to consumers that claim to provide
17 internet users with privacy and protection from cybersecurity threats. Those offerings include a virtual
18 private network (“VPN”) service called “NordVPN,”¹ a password manager called “NordPass,” and an
19 encrypted cloud storage service called “NordLocker.”

20 3. Potential customers are directed to Nord Security’s various sales websites through online
21 searches, its sponsorship of influencers, or by advertising for the Company’s VPN and/or other services.
22 Nord Security advertises widely online and on dozens of podcasts. Nord Security’s advertising touts
23 the benefits that its services allegedly offer the prudent consumer; for example, the Company claims
24

25 _____
26 ¹ A VPN service is one that purports to protect a user’s internet connection and online privacy. These
27 services typically route a user’s internet traffic through an encrypted tunnel to a server in another
28 location, masking the user’s location and protecting the user’s data from interception along the way.
Uses for VPNs range from casual entertainment (*i.e.*, using a VPN while abroad to watch a show that is
only available in the U.S.) to the distribution of politically significant information (*i.e.*, masking
journalistic sources within a totalitarian regime).

1 that its VPN service provides consumers “safe and private access to the internet” and that it is “trusted
2 by tech experts and users.”

3 4. While consumers enroll in Nord Security’s privacy and security products and services,
4 unbeknownst to these consumers Nord Security is actually collecting consumers’ payments and
5 payment information via deceptive and unlawful subscription practices designed to entrap consumers
6 into paying unknown and/or unwanted recurring subscription fees.

7 5. Nord Security’s products are offered with a “negative option” feature, which the
8 Consumer Financial Protection Bureau (“CFPB”) defines as “a term or condition under which a seller
9 may interpret a consumer’s silence, failure to take an affirmative action to reject a product or service,
10 or failure to cancel an agreement as acceptance or continued acceptance of the offer.”² As the CFPB
11 notes, “[n]egative option programs can cause serious harm to consumers,” which “is most likely to
12 occur when sellers mislead consumers about terms and conditions, fail to obtain consumers’ informed
13 consent, or make it difficult for consumers to cancel.”³

14 6. Nord Security’s subscription scheme hits the CFPB’s warning trifecta. Due to Nord
15 Security’s deceptive and unlawful negative option practices, many consumers who sign up for a Nord
16 Security service ultimately end up paying for subscriptions that they do not want.

17 **THE UNIFORM WEB OF NORD SECURITY’S NEGATIVE OPTION SCHEME**

18 7. Nord Security traps consumers into unintended purchases with a web of deceptive online
19 design features that exploit well-known shortcomings in consumer decision-making. The paragraphs
20 below describe the various deceptive strategies Nord Security employs in the structure of its service
21 offerings. While Nord Security’s deceptive web has several components that can independently trip up
22 consumers and lead to inadvertent purchases, taken together these components make up a larger
23 deceptive process that leads to a common and predictable outcome: saddling consumers with unwanted
24 recurring subscriptions.

25 _____
26 ² Consumer Financial Protection Circular 2023-01, Unlawful negative option marketing practices (Jan.
27 19, 2023), [https://files.consumerfinance.gov/f/documents/cfpb_unlawful-negative-option-marketing-
28 practices-circular_2023-01.pdf](https://files.consumerfinance.gov/f/documents/cfpb_unlawful-negative-option-marketing-practices-circular_2023-01.pdf).

³ *Id.* at 2.

1 8. Nord Security deceives consumers in at least six ways.

2 9. First, during the enrollment process, Nord Security fails to clearly and conspicuously
3 disclose the terms of the automatic renewal, including how to cancel. For example, instead of clearly
4 explaining to the consumer what they are actually getting into, Nord Security requires customers to
5 scroll to find the relevant (and inadequate) fine print on its payment page and buries its key autorenewal
6 provisions in confusing, inconsistent, and inaccurate terms scattered across multiple sections of at least
7 two fine print documents. Nor does Nord Security obtain consumers' affirmative consent to the
8 automatic renewal offer prior to charging consumers' payment cards or third party accounts.

9 10. Second, Nord Security's scheme continues post-sign up. The Company's receipt and
10 acknowledgement emails sent to consumers after they enroll in a Nord Security subscription contain no
11 information whatsoever on how to cancel a subscription and contain no contact information for
12 Defendants.

13 11. Third, Nord Security makes canceling exceedingly difficult and requires customers to
14 figure out—with no help from the Company—that to Defendants, cancelling means the entirely
15 unorthodox process of navigating Nord Security's account settings to find a buried feature labelled
16 "Auto-renewal" and turning it to "OFF" (rather than, for example, by clicking a button clearly and
17 prominently labelled, "CANCEL SUBSCRIPTION").

18 12. Fourth, Nord Security fails to provide sufficient notice under California law that the
19 customer's subscription will automatically renew at least 15 days, but no earlier than 45 days, before
20 the subscription automatically renews, because Nord Security's "notice" email fails to: (1) include
21 "[o]ne or more methods by which a consumer can cancel the automatic renewal or continuous service;"
22 (2) "include either a link that directs the consumer to the cancellation process, or another reasonably
23 accessible electronic method that directs the consumer to the cancellation process if no link exists;" and
24 (3) provide consumers with any contact information for Defendants.

25 13. Fifth, Nord Security employs a highly unconventional charging practice. Rather than
26 automatically renew consumers by charging their stored payment methods at the beginning of a new
27 subscription period if they do not cancel before the prior subscription is over, Nord Security extracts its
28 charges 14 days *before the customer's current subscription period even ends*. By doing so, Nord

1 Security locks consumers into another yearlong subscription well before any reasonable consumer
2 would expect such a subscription to renew, allowing Nord Security to collect and keep payment from
3 consumers who do not wish to remain Nord Security customers.

4 14. Sixth, Nord Security fails to clearly and conspicuously disclose material changes to its
5 customers' automatic renewal terms, and further fails to provide any information whatsoever about how
6 to cancel a subscription in connection with material change communications.

7 15. Again, while a given customer may not be ensnared by each and every aspect of Nord
8 Security's deceptive subscription web, all Nord Security customers face the same traps and need only
9 be tricked by one of them to end up paying a hefty subscription fee for a year (or more) of internet
10 security and privacy services they do not want.

11 16. These outcomes are not only unsurprising but are in fact the result of Defendants'
12 intentional and bad-faith design choices. Defendants are well aware that their scheme is tricking
13 customers, as complaints about Nord Security are legion, with hundreds of consumers complaining on
14 sites like Trustpilot, SiteJabber, and Reddit or directly to Nord Security. Upon information and belief,
15 Nord Security experiences a high rate of chargebacks when consumers, frustrated by Nord Security's
16 subscription scheme, initiate disputes through their credit card companies or other payment processors
17 over unwanted Nord Security transactions. Upon information and belief, Nord Security has developed
18 customer service protocols for dealing with customers complaining about unwanted subscription
19 charges.

20 17. Nevertheless, despite the clear messages Defendants' customers are sending them, Nord
21 Security continues to subject the consuming public to its unlawful subscription scheme and Defendants
22 continue to reap significant monetary benefits from their unlawful conduct.

23 18. Only through a class action can consumers remedy Defendants' unlawful practices.
24 Because the monetary damages suffered by each customer are small in comparison to the much higher
25 cost a single customer would incur in trying to challenge Nord Security's improper conduct, it makes
26 no financial sense for an individual customer to bring his or her own lawsuit. Furthermore, many
27 customers do not realize they are victims of Nord Security's unlawful acts and continue to be charged
28 to this day. With this class action, Plaintiff and the Class seek to level the playing field, enjoin Nord

1 Security’s unlawful business practices, and recover the charges Nord Security has imposed on Plaintiff
2 and the Class in violation of the law.

3 **JURISDICTION AND VENUE**

4 19. This Court has personal jurisdiction over Defendants because they conduct substantial
5 business in California, have sufficient minimum contacts with this state, and otherwise purposely avail
6 themselves of the privileges of conducting business in California by marketing and selling products and
7 services in California. Further, the injuries to California consumers that Plaintiff seeks to prevent
8 through public injunctive relief arise directly from Nord Security’s continuing conduct in California,
9 including, but not limited to, directing its subscription scheme at California consumers.

10 20. This Court has jurisdiction over the claims asserted in this action pursuant to the Class
11 Action Fairness Act of 2005, 28 U.S.C. § 1332(d), because the aggregate claims of the Class exceed
12 the sum or value of \$5,000,000, the Class has more than 100 members, and diversity of citizenship
13 exists between at least one member of the Class and Defendants.

14 21. This Court has original subject matter jurisdiction over all claims in this action pursuant
15 to the Class Action Fairness Act. However, if the Court determines that it lacks original jurisdiction
16 over any claim in this action, it may exercise supplemental jurisdiction over Plaintiff’s claims under 28
17 U.S.C. § 1367 because all of the claims arise from a common nucleus of operative facts and are such
18 that Plaintiff ordinarily would expect to try them in one judicial proceeding.

19 22. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b). Substantial acts in
20 furtherance of the alleged improper conduct occurred within this District, as Plaintiff resides in this
21 District, and Defendants reside in this District for venue purposes. *Id.* § 1391(c)(2).

22 **PARTIES**

23 23. Plaintiff Jordan Zeichner is a citizen of California and lives in San Francisco, California.
24 He enrolled in a Nord Security subscription on or around October 30, 2019.

25 24. Plaintiff is a consumer who was victimized by Nord Security’s unlawful subscription
26 scheme, suffered injury in fact, and lost money because of Nord Security’s violations of California
27 consumer protection statutes and the common law.

1 25. Upon information and belief, with respect to all actions and decisions relevant to this
2 action, Defendants, along with non-Defendants NordSec Ltd., NordSec B.V., and Nord Security Inc.,
3 have operated as a single company called “Nord Security.” Yet unbeknownst to the ordinary consumer,
4 “Nord Security,” is a brand and not a formal corporate entity.

5 26. Defendants, along with non-Defendants NordSec Ltd., NordSec B.V., and Nord Security
6 Inc., hold themselves out to the public, including Plaintiff, as if a single fictitious entity called “Nord
7 Security” sells the services consumers in California and the rest of the United States purchase. For
8 example, when a consumer visits www.nordsecurity.com they see a typical company website with the
9 “Nord Security” logo that features “our products” (including the products purchased by Plaintiff), “our
10 story,” “our team” and “our values.” Similarly, when top U.S. venture capital firm Warburg Pincus and
11 others invested \$100 million in Defendants and non-Defendants NordSec Ltd., NordSec B.V., and Nord
12 Security Inc., “Nord Security” issued a press release describing the funding as an investment in “Nord
13 Security, a global leader in internet privacy and security solutions.”⁴ This same press release states that
14 NordVPN is “the biggest and most popular VPN service in the world” and that “Nord Security was
15 founded in Lithuania in 2012 by co-founders and co-CEOs Tom Okman and Eimantas Sabaliauskas.”⁵
16 Likewise, the “Corporate responsibility” page for “Nord Security” shows pictures of the founders and
17 explains “our mission,” and contains links to Nord Security’s “corporate responsibility reports” and
18 Nord Security’s “Code of Conduct,”⁶ which discusses such topics as expectations for the “Nord Security
19 brand products, including NordVPN, NordPass, NordLocker, and NordLayer.”⁷

20 27. Defendant Nordvpn S.A. is a Panamanian corporation incorporated under the laws of
21 Panama. Nordvpn S.A.’s principal place of business is in Amsterdam, the Netherlands.⁸ Nordvpn S.A.

22
23 ⁴ Nord Security raised another \$100M investment round, NORD SECURITY,
<https://nordsecurity.com/blog/nord-security-raised-another-100m-investment-round>.

24 ⁵ *Id.*

25 ⁶ Corporate Responsibility, NORD SECURITY, <https://nordsecurity.com/corporate-responsibility>

26 ⁷ Code of Conduct, NORD SECURITY,
27 https://res.cloudinary.com/nordsec/image/upload/v1712078877/nord-security-web/corporate/code%20of%20conduct/Nord_Security_Code_of_Conduct.pdf.

28 ⁸ Dkt. No. 39-1, ¶ 3.

1 is incorporated under the laws of Panama.⁹ Nordvpn S.A. currently “offers” Defendants’ and non-
2 Defendants NordSec Ltd., NordSec B.V., and Nord Security Inc.’s products “NordVPN, NordLocker,
3 and NordPass.”¹⁰ NordVPN is the product Defendants and non-Defendants NordSec Ltd., NordSec
4 B.V., and Nord Security Inc. marketed and sold to Plaintiff in California. Defendant Nordvpn S.A. also
5 currently operates Defendants’ and non-Defendants NordSec Ltd., NordSec B.V., and Nord Security
6 Inc.’s website, www.nordvpn.com.¹¹ Nordvpn S.A.’s corporate parents are non-Defendant NordSec
7 B.V., non-Defendant NordSec Ltd., and Cyberswift B.V., which is one of the corporate parents of non-
8 Defendant NordSec Ltd.¹² Nordvpn S.A. shares an unnamed director with Defendant Tefincom S.A.¹³

9 28. Defendant Tefincom S.A. d/b/a NordVPN is a Panamanian corporation incorporated
10 under the laws of Panama.¹⁴ Tefincom S.A.’s principal place of business is Panama City, Panama.¹⁵
11 Defendant Tefincom S.A.’s corporate parent is Stitching Raveset.¹⁶ Defendants and non-Defendants
12 NordSec Ltd., NordSec B.V., and Nord Security Inc. admit that Defendant Tefincom S.A. was the
13 contracting entity for California retail consumer VPN services purchased on or before November 15,
14 2020.¹⁷ Defendant Tefincom S.A. was the original owner of the trademark for “NordVPN.”

15 29. Non-Defendant NordSec Ltd. is an internet privacy and security company headquartered
16 in London, England.¹⁸ NordSec Ltd. is a private limited liability company organized under the laws of
17 England & Wales.¹⁹ Defendants and non-Defendants NordSec Ltd., NordSec B.V., and Nord Security
18

19
20 ⁹ *Id.*

21 ¹⁰ *Id.*

22 ¹¹ *Id.*

23 ¹² Dkt. No. 37.

24 ¹³ Dkt. No. 39-1, ¶ 8.

25 ¹⁴ Dkt. No. 39-3, ¶ 3.

26 ¹⁵ *Id.*

27 ¹⁶ Dkt. No. 38.

28 ¹⁷ Dkt. No. 39-3, ¶ 3.

¹⁸ Dkt. No. 39-5, ¶ 3.

¹⁹ *Id.*

1 Inc. claim that NordSec Ltd. “once owned the intellectual property of the Nord brand.”²⁰ NordSec
2 Ltd.’s corporate parents are Cyberswift B.V., Cyberspace B.V., and Stalwart Holding B.V.²¹ NordSec
3 Ltd. is also an owner of non-Defendant NordSec B.V.,²² Defendant Nordvpn S.A.,²³ and non-Defendant
4 Nord Security Inc.²⁴ Public records indicate that NordSec Ltd. is a prior owner of the “NordVPN”
5 trademark.

6 30. Non-Defendant NordSec B.V. is an internet privacy and security company
7 headquartered in Amsterdam, the Netherlands.²⁵ NordSec B.V. is a private limited liability company
8 organized under the laws of the Netherlands.²⁶ Defendants and non-Defendants NordSec Ltd., NordSec
9 B.V., and Nord Security Inc. claim that NordSec B.V. “currently owns the intellectual property of the
10 Nord brand.”²⁷ NordSec B.V.’s corporate parents are non-Defendant NordSec Ltd. and two of NordSec
11 Ltd.’s corporate parents, Cyberswift B.V. and Cyberspace B.V.²⁸ NordSec B.V. is also an owner of
12 Defendant Nordvpn S.A.²⁹ and non-Defendant Nord Security Inc.³⁰ Defendants’ and non-Defendants
13 NordSec Ltd., NordSec B.V., and Nord Security Inc.’s website www.nordsecurity.com claims that
14 “Nord Security trademarks, trade names, company names, logos,” whether registered or not, “as well
15 as other Nord Brand features (such as Nord Security websites, applications and creative works
16 embodied therein), are the exclusive property of NordSec B.V. (‘Nord Security’).”³¹ NordSec B.V.’s
17

18 ²⁰ Dkt. No. 39, at 5.

19 ²¹ Dkt. No. 35.

20 ²² Dkt. No. 36.

21 ²³ Dkt. No. 37.

22 ²⁴ Dkt. No. 27.

23 ²⁵ Dkt. No. 39-2, ¶ 3.

24 ²⁶ *Id.*

25 ²⁷ Dkt. No. 39, at 5.

26 ²⁸ Dkt. No. 36.

27 ²⁹ Dkt. No. 37.

28 ³⁰ Dkt. No. 27.

³¹ Nord Security Trademark and Brand Guidelines, NORD SECURITY,
<https://nordsecurity.com/trademark-policy>.

1 marks include the marks “Nord Security,” “NordVPN,” “Nord,” “NordSec,” NordLocker,” and
2 “NordPass.” Upon information and belief, the website Plaintiff used to enroll with Nord Security was
3 the website owned by non-Defendant NordSec B.V. and the Nord Security product he purchased bore
4 the “Nord Security,” “NordVPN,” “Nord,” and “NordSec” marks owned by non-Defendant NordSec
5 B.V.

6 31. Non-Defendant Nord Security Inc. is a Delaware corporation.³² Nord Security Inc.’s
7 corporate parents are non-Defendant NordSec B.V., non-Defendant NordSec Ltd., and Cyberswift B.V.,
8 which is also a corporate parent of non-Defendants NordSec B.V.³⁴ and NordSec Ltd.³⁵ Defendants
9 and non-Defendants NordSec Ltd., NordSec B.V., and Nord Security Inc. claim that Nord Security Inc.
10 is not the “Nord Security” that offers services to California consumers, instead claiming that non-
11 Defendant Nord Security Inc. provides only business-to-business services.³⁶

12 32. Upon information and belief, at all times pertinent to this action, the finances, policies,
13 and business practices of Defendants and non-Defendants NordSec Ltd., NordSec B.V., and Nord
14 Security Inc. are and were dominated and controlled by one another in such a manner that each
15 individual Defendant and each of non-Defendants NordSec Ltd., NordSec B.V., and Nord Security Inc.
16 has no separate mind, will, identity, or existence of its own and instead operated as mere
17 instrumentalities and alter egos of one another. For example, even though public records and fine print
18 on the www.nordsecurity.com website indicate that non-Defendant NordSec B.V. owns the
19 “NordVPN” trademark, one of Defendants’ other websites states that “NordVPN is owned and operated
20 by nordvpn S.A.”³⁷ Similarly, that same website also states that “[b]ack in 2012, two best friends sought
21 to create a tool for a safer and more accessible internet. Driven by the idea of internet freedom, Tom
22

23 ³² Dkt. No. 27.

24 ³³ *Id.*

25 ³⁴ Dkt. No. 36.

26 ³⁵ Dkt. No. 35.

27 ³⁶ Dkt. No. 39, at 5.

28 ³⁷ The founders and owners of NordVPN, NORDVPN, <https://support.nordvpn.com/hc/en-us/articles/20911146148113-The-founders-and-owners-of-NordVPN>.

1 Okman and Eimantas Sabaliauskas created NordVPN.”³⁸ Tom Okman and Eimantas Sabaliauskas are
 2 listed as directors of non-Defendant NordSec Ltd., but their respective LinkedIn pages claim they are
 3 co-founders of “Nord Security.”³⁹

4 33. Upon information and belief, Defendants and non-Defendants NordSec Ltd., NordSec
 5 B.V., and Nord Security Inc. are so closely related in ownership and management, and that each works
 6 closely in concert with the other, such that each has become the alter ego of the other, in that, among
 7 others:

- 8 a. Defendants and non-Defendants NordSec Ltd., NordSec B.V., and Nord Security Inc.
 9 operate and hold themselves out to the public as a single, fictitious entity, Nord Security.
- 10 b. Defendants and non-Defendants NordSec Ltd., NordSec B.V., and Nord Security Inc.
 11 operate and hold themselves out to the public in such a way that members of the public
 12 would be unable to identify and distinguish between one entity and another. For
 13 example, a consumer searching the internet for “NordVPN” would find
 14 www.nordvpn.com, which is owned and operated by Defendant Nordvpn S.A. but which
 Defendants represent is the website of the non-existent entity “Nord Security.” “Nord
 Security” is a trademark owned by non-Defendant NordSec B.V. The
 15 www.nordsecurity.com website, which Defendants also represent is owned by the brand
 “Nord Security” similarly lists the various “Nord Security” products, including
 NordVPN.
- 16 c. Defendants and non-Defendants NordSec Ltd., NordSec B.V., and Nord Security Inc.
 17 do not market themselves independently.
- 18 d. Olga Sinkeviciene, a director of non-Defendants NordSec Ltd., and Ruta
 Gorelcionkiene, a director of non-Defendant NordSec B.V., are both employees of
 CEOcorp, a company that “specializes in the incorporation of entities and
 19 implementation of corporate structures across diverse jurisdictions.”⁴⁰
- 20 e. Upon information and belief, Defendants and non-Defendants NordSec Ltd., NordSec
 B.V., and Nord Security Inc. share employees. For example, the LinkedIn pages of many
 21 of Defendants’ and non-Defendants NordSec Ltd., NordSec B.V., and Nord Security
 Inc.’s employees state that these employees work at “Nord Security,” even though no
 22 such entity exists. When a prospective employee visits Defendant Nordvpn S.A.’s
 website, www.nordvpn.com, they are redirected to the “careers” subpage of
 23 www.nordsecurity.com (<https://nordsecurity.com/careers>). That page contains various
 claims and a video about what it is like to work at “Nord Security.” Job applicants can
 24 apply for “Nord Security” positions available in Lithuania, Germany, Poland, and
 25 remotely.

26 ³⁸ *Id.*

27 ³⁹ See <https://www.linkedin.com/in/tokmanas/>; see also <https://www.linkedin.com/in/eimis/>.

28 ⁴⁰ Services, CEOCORP, <https://ceocorp.net/services/>.

1 f. When Defendants and non-Defendants NordSec Ltd., NordSec B.V., and Nord Security
2 Inc. issue press releases, they do so under the name “Nord Security” without identifying
or distinguishing between corporate entities.

3 g. On information and belief, there is a unified executive team that controls all operational
4 and financial aspects of Defendants and non-Defendants NordSec Ltd., NordSec B.V.,
and Nord Security Inc..

5 34. Both Defendants and non-Defendants NordSec Ltd., NordSec B.V., and Nord Security
6 Inc. are represented by the same counsel in this case.

7 35. Both Defendants and non-Defendants NordSec Ltd., NordSec B.V., and Nord Security
8 Inc. do business in California under the name “Nord Security” and interacted with Plaintiff in California
9 such that his claims described herein arise from Plaintiff’s contacts with Defendants and these non-
10 Defendants in California.

11 36. Any such conduct of Defendant Nordvpn S.A., Defendant Tefincom S.A., non-
12 Defendant NordSec Ltd., non-Defendant NordSec B.V., and non-Defendant Nord Security Inc. should
13 be imputed to each other.

14 **FACTUAL ALLEGATIONS**

15 **A. Background on the Subscription e-Commerce Industry**

16 37. The e-commerce subscription model is a business model in which retailers provide
17 ongoing goods or services “in exchange for regular payments from the customer.”⁴¹ Subscription e-
18 commerce services target a wide range of customers and cater to a variety of specific interests. Given
19 the prevalence of online and e-commerce retailers, subscription e-commerce has grown rapidly in
20 popularity in recent years. Indeed, the “subscription economy has grown more than 400% over the last
21 8.5 years as consumers have demonstrated a growing preference for access to subscription services[.]”⁴²

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23
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25 ⁴¹ See Sam Saltis, *How to Run an eCommerce Subscription Service: The Ultimate Guide*, CORE DNA,
26 <https://www.coredna.com/blogs/ecommerce-subscription-services>.

27 ⁴² Mary Mesienzahl, *Taco Bell’s taco subscription is rolling out nationwide — here’s how to get it*,
28 BUSINESS INSIDER, (Jan. 6, 2022), <https://www.businessinsider.com/taco-bell-subscription-launching-across-the-country-2022-1> (internal quotation marks omitted).

1 According to the Washington Post, analysts at UBS predict the subscription economy will expand into
2 a \$1.5 trillion market by 2025, up from \$650 billion in 2020.⁴³

3 38. The production, sale, and distribution of subscription-based products and services is a
4 booming industry that has exploded in popularity over the past few years. “Over the past 11 years,
5 subscription-based companies[] have grown 3.7x faster than the companies in the S&P 500.”⁴⁴

6 39. The expansion of the subscription e-commerce market shows no signs of slowing.
7 According to The Washington Post, “[s]ubscriptions boomed during the coronavirus pandemic as
8 Americans largely stuck in shutdown mode flocked to digital entertainment[.] . . . The subscription
9 economy was on the rise before the pandemic, but its wider and deeper reach in nearly every industry
10 is expected to last, even after the pandemic subsides in the United States.”⁴⁵

11 40. However, there are well-documented downsides associated with the subscription-based
12 business model. While the subscription e-commerce market has low barriers and is thus easy to enter,
13 it is considerably more difficult for retailers to dominate the market due to the “highly competitive
14 prices and broad similarities among the leading players.”⁴⁶ In particular, retailers struggle with the fact
15 that “[c]hurn rates are high, [] and consumers quickly cancel services that don’t deliver superior end-
16 to-end experiences.”⁴⁷ Yet, retailers have also recognized that, where the recurring nature of the service,
17 billing practices, or cancellation process is unclear or complicated, “consumers may lose interest but be
18
19

20
21 ⁴³ Heather Long and Andrew Van Dam, , *Everything’s becoming a subscription, and the pandemic is*
22 *partly to blame*, WASHINGTON POST (June 1, 2021),
<https://www.washingtonpost.com/business/2021/06/01/subscription-boom-pandemic/>.

23 ⁴⁴ *The Subscription Economy Index*, ZUORA (Mar. 2023),
<https://www.zuora.com/resources/subscription-economy-index/>.

24 ⁴⁵ Heather Long and Andrew Van Dam, *supra* note 43.

25 ⁴⁶ Tony Chen, *et al.*, *Thinking inside the subscription box: New research on e-commerce consumers*,
26 MCKINSEY & COMPANY (February 2018), [https://www.mckinsey.com/industries/technology-media-
27 and-telecommunications/our-insights/thinking-inside-the-subscription-box-new-research-on-
28 ecommerce-consumers#0](https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/thinking-inside-the-subscription-box-new-research-on-ecommerce-consumers#0).

⁴⁷ *Id.*

1 too harried to take the extra step of canceling their membership[s].”⁴⁸ As these companies have realized,
2 “[t]he real money is in the inertia.”⁴⁹ As a result, “[m]any e-commerce sites work with third-party
3 vendors to implement more manipulative designs.”⁵⁰ That is, to facilitate consumer inertia, some
4 subscription e-commerce companies, including Defendants, “are now taking advantage of subscriptions
5 in order to trick users into signing up for expensive and recurring plans. They do this by intentionally
6 confusing users with their app’s design and flow, ... and other misleading tactics[,]” such as failure to
7 fully disclose the terms of its automatic-renewal programs.⁵¹

8 41. To make matters worse, once enrolled in the subscription, “[o]ne of the biggest
9 complaints consumers have about brand/retailers is that it’s often difficult to discontinue a subscription
10 marketing plan.”⁵² Moreover, “the rapid growth of subscriptions has created a host of challenges for
11 the economy, far outpacing the government’s ability to combat aggressive marketing practices and
12 ensure that consumers are being treated fairly, consumer advocates say.”⁵³ Thus, although “Federal
13 Trade Commission regulators are looking at ways to make it harder for companies to trap consumers
14 into monthly subscriptions that drain their bank accounts [and] attempting to respond to a proliferation
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18 ⁴⁸ Amrita Jayakumar, WASHINGTON POST, *Little-box retailing: Subscription services offer new*
19 *possibilities to consumers, major outlets* (Apr. 7, 2014),
20 https://www.washingtonpost.com/business/economy/tktktktk/2014/04/07/f68135b6-a92b-11e3-8d62-419db477a0e6_story.html.

21 ⁴⁹ *Id.*

22 ⁵⁰ Zoe Schiffer, *A new study from Princeton reveals how shopping websites use ‘dark patterns’ to trick*
23 *you into buying things you didn't actually want*, BUSINESS INSIDER (June 25, 2019),
<https://www.businessinsider.com/dark-patterns-online-shopping-princeton-2019-6>.

24 ⁵¹ Sarah Perez, *Sneaky subscriptions are plaguing the App Store*, TECHCRUNCH (Oct. 15, 2018),
<https://techcrunch.com/2018/10/15/sneaky-subscriptions-are-plaguing-the-app-store>.

25 ⁵² Heather Long and Andrew Van Dam, *supra* note 43 (“‘Subscription services are a sneaky wallet
26 drain,’ said Angela Myers, 29, of Pittsburgh. ‘You keep signing up for things and they make it really
27 hard to cancel.’”); *see also* *The problem with subscription marketing*, NEW MEDIA AND MARKETING
(Mar. 17, 2019), <https://www.newmediaandmarketing.com/the-problem-with-subscription-marketing>.

28 ⁵³ *Id.*

1 of abuses by some companies over the past few years[,]”⁵⁴ widespread utilization of these misleading
2 dark patterns and deliberate omissions persist.

3 42. The term “dark patterns” used herein is not a science fiction reference, but a term of art
4 from the field of user experience (“UX”). The International Organization for Standardization (ISO)
5 defines “user experience” as a “person’s perceptions and responses that result from the use or
6 anticipated use of a product, system or service.”⁵⁵ Dark patterns in UX are “carefully designed
7 misleading interfaces by UX design experts that trick the users into choosing paths that they didn’t
8 probably want to take, thus fulfilling the business objectives, completely ignoring the requirements and
9 ethics of users.”⁵⁶

10 43. The term “dark patterns” was first coined by cognitive scientist Harry Brignull, who
11 borrowed from existing UX terminology. In UX, designers refer to common, re-usable solutions to a
12 problem as a “design pattern,” and conversely to common mistakes to solutions as “anti-patterns.”⁵⁷
13 The term “dark patterns” was intended to “communicate the unscrupulous nature” of the design “and
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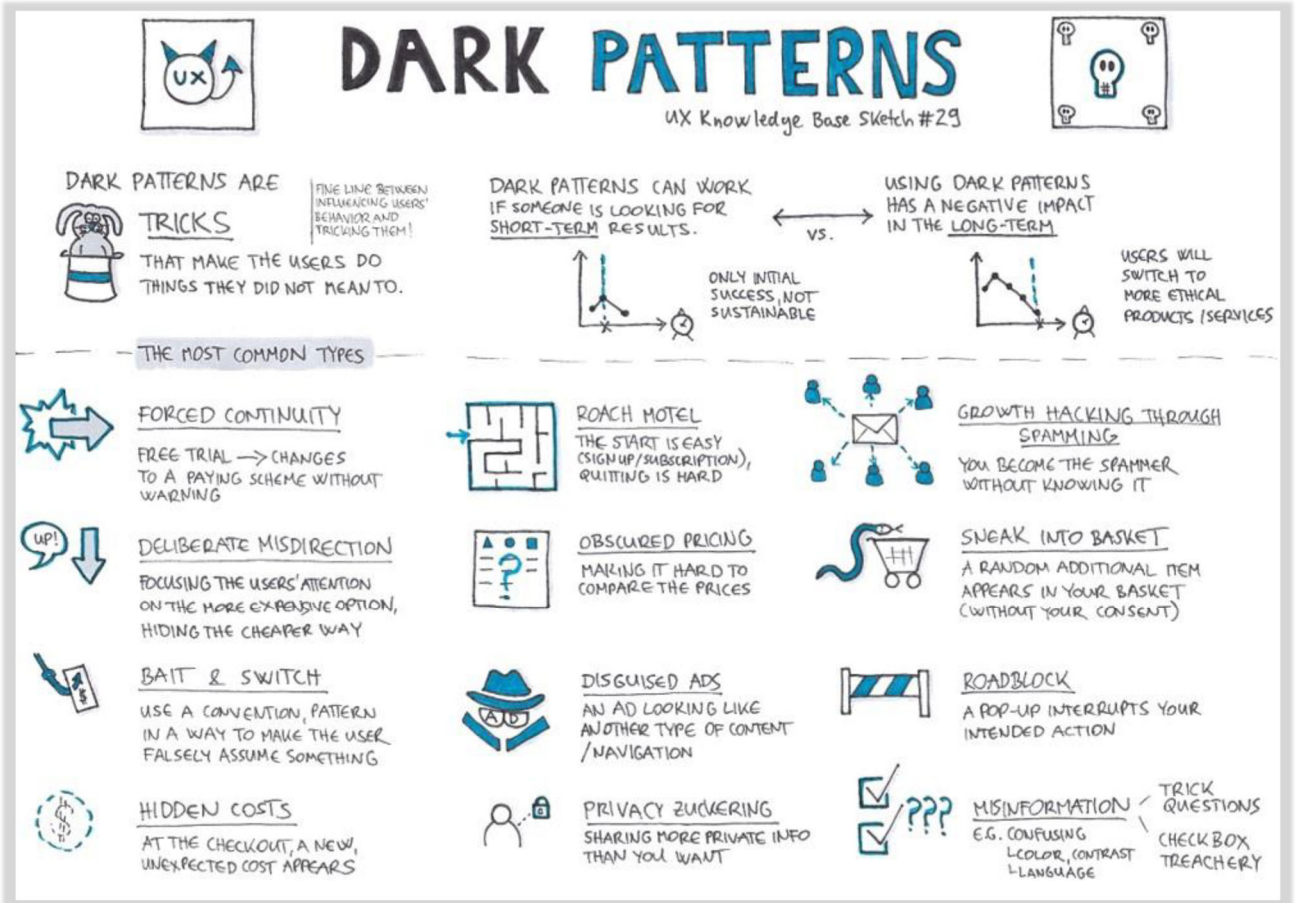
23 ⁵⁴ *Id.*

24 ⁵⁵ *User Experience (UX): Process and Methodology*, UIUX TREND, <https://uiuxtrend.com/user-experience-uxprocess/>.

25 ⁵⁶ Joey Ricard, *UX Dark Patterns: The Dark Side Of The UX Design*, KLIZO SOLS. PVT. LTD. (Nov. 9,
26 2020), <https://klizos.com/ux-dark-patterns-the-dark-side-of-the-ux-design>.

27 ⁵⁷ Harry Brignull, *Bringing Dark Patterns to Light*, MEDIUM (June 6, 2021),
28 <https://harrybr.medium.com/bringing-dark-patterns-to-light-d86f24224ebf>.

1 also the fact that it can be shadowy and hard to pin down.”⁵⁸ The below image provides some examples
 2 of commonly employed dark patterns:⁵⁹



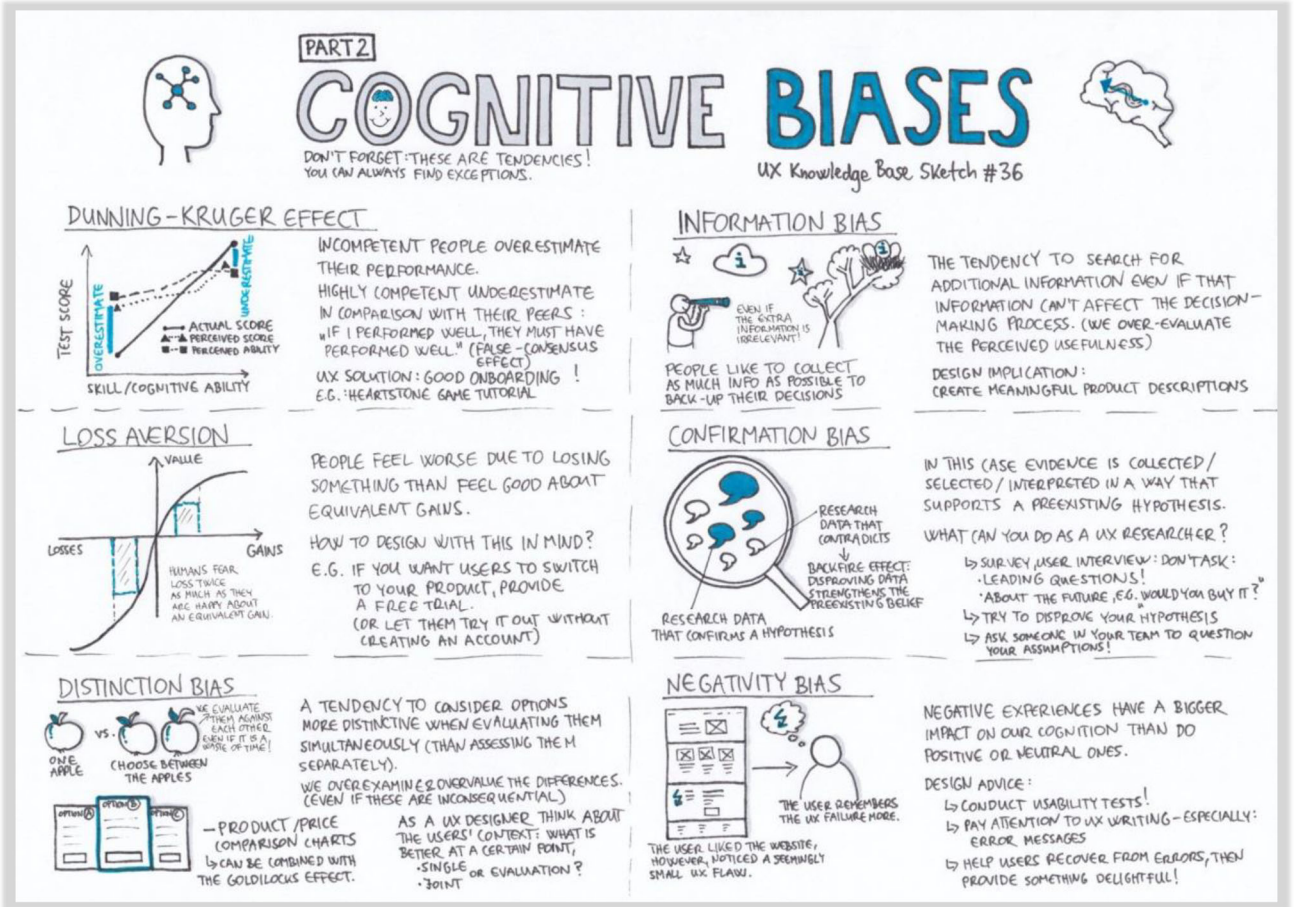
19 44. The origin of dark patterns can be traced to the use of applied psychology and A/B testing
 20 in UX.⁶⁰ In the 1970s, behavioral science sought to understand irrational decisions and behaviors and

24 ⁵⁸ Id.

25 ⁵⁹ Sarbashish Basu, *What is a dark pattern? How it benefits businesses- Some examples*, H2S MEDIA
 26 (Dec. 19, 2019), <https://www.how2shout.com/technology/what-is-a-dark-pattern-how-it-benefit-businesses-with-some-examples.html>.

27 ⁶⁰ Brignull, *supra* note 57.

1 discovered that cognitive biases guide all our thinking. The below image provides examples of
 2 cognitive biases, including some that Defendants employ in their cancellation process:⁶¹



14 45. But while the early behavioral research focused on understanding rather than
 15 intervention, later researchers, like Cass Sunstein and Richard Thaler (authors of the book *Nudge*)
 16 shifted focus and made the policy argument that institutions should engineer “choice architectures” in
 17 a way that uses behavioral science for the benefit of those whom they serve.⁶²

18 46. Another step in the development and application of such research is the use of A/B
 19 testing in UX. A/B testing is a quantitative research method that presents an audience with two
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 26 ⁶¹ Krisztina Szerovay, *Cognitive Bias — Part 2*, UX KNOWLEDGE BASE (Dec. 19, 2017),
<https://uxknowledgebase.com/cognitive-bias-part-2-fab5b7717179>.

27 ⁶² Arvind Narayanan et al., *Dark Patterns: Past, Present, and Future. The evolution of tricky user*
 28 *interfaces*, 18 ACM QUEUE 67-91 (2002), <https://queue.acm.org/detail.cfm?id=3400901>.

1 variations of a design and then measures which actions they take (or do not take) in response to each
 2 variant.⁶³ UX designers use this method to determine which design or content performs best with the
 3 intended user base.⁶⁴ For example, a large health care provider might A/B test whether a website visitor
 4 is more or less likely to conduct a search of its doctors if the website’s search function is labelled
 5 “SEARCH” versus simply identified by a magnifying glass icon.

6 47. Unscrupulous UX designers have subverted the intent of the researchers who discovered
 7 cognitive biases by using these principles in ways that undermine consumers’ autonomy and informed
 8 choice, and they used A/B testing to turn behavioral insights into strikingly “effective” user interfaces
 9 that deceive consumers in ways that are more profitable to the company applying them.⁶⁵ For example,
 10 dark patterns can be used to increase a company’s ability to extract revenue from its users by nudging
 11 or tricking consumers to spend more money than they otherwise would, hand over more personal
 12 information, or see more ads.⁶⁶

13 48. Defendants have engaged in these unlawful subscription practices with great success. In
 14 2023, Nord Security raised \$100 million from investors, with the company valued at \$1.3 billion.⁶⁷
 15 Nord Security’s products and services have over 15 million users.

16 **B. Nord Security’s Material Misrepresentations and Omissions in Its Enrollment and**
 17 **Cancellation Process**

18 49. Upon information and belief, the payment page for Nord Security’s enrollment process
 19 that Plaintiff used in October 2019 was materially similar to the Nord Security payment page reproduced
 20 on the following page:

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 22
 23 ⁶³ UXPin, *A/B Testing in UX Design: When and Why It’s Worth It*,
<https://www.uxpin.com/studio/blog/abtesting-in-ux-design-when-and-why>.

24 ⁶⁴ *Id.*

25 ⁶⁵ Narayanan *et al.*, *supra* note 62.

26 ⁶⁶ *Id.*

27 ⁶⁷ Nord Security raised another \$100M investment round, NORD SECURITY,
 28 <https://nordsecurity.com/blog/nord-security-raised-another-100m-investment-round>.

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NordVPN[®] Checkout Already have Nord Account? [Log in](#)

30 DAY MONEY-BACK GUARANTEE

Create an account

Your email address

name@example.com

If you don't want to receive marketing emails about Nord services, you can change notification settings in Nord Account.

By submitting your information and continuing to purchase, you agree to our [terms of service](#) and [privacy policy](#).

Select a payment method

Credit or debit card >

PayPal >

AmazonPay >

Google Pay >

Crypto Currencies >

Order summary

Standard plan

2-year plan (\$3.79/mo) + 3 EXTRA months \$102.33

Save 54% \$228.89

Tax country: [United States](#)

Sales tax 8.875% \$9.08

Total \$111.41*

[Got a coupon?](#)

Dedicated IP (\$3.79/mo)

Get a personal IP address that's only yours.

[See available locations](#) [Add](#)

Recommended for NordVPN users **incogni**

Incogni data removal tool (\$3.69/mo)

Get your personal info off the market.

[View details and terms](#) [Add](#)

* The introductory price is valid for the first term of your subscription. Then it will be automatically renewed for an additional 1-year term annually and you'll be charged the ~~then-applicable~~ renewal price. Savings granted by the introductory price are compared to the current renewal price, which is subject to change. But don't worry — we'll always send you a notification email prior to charging. [Learn more](#)

© 2024 Nord Security. All Rights Reserved. support@nordsecurity.com [Terms of Service](#) [Cookie Preferences](#) English -

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50. The terms and conditions of Nord Security’s automatic renewal offer are not presented to consumers “clearly and conspicuously,” as required by the California Automatic Renewal Law, BUS. & PROF. CODE §§ 17600 *et seq.* (“ARL”). The fine print below the solid black line that includes Defendants’ (inadequate) “disclosures” about their automatic renewal offer is on Nord Security’s payment screen but is not visible unless the consumer scrolls down to view it. The automatic renewal language is also not in larger type than the surrounding font. Instead, it is colored light gray rather than a more conspicuous color and is not 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. All of the aforementioned intentional design choices made by Defendants violate the ARL. *See id.* § 17602(a)(1) (requiring companies like Nord Security to “present the automatic renewal offer terms in a clear and conspicuous manner”).

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51. Instead, the payment page’s overall design, including the location of Defendants’ supposed “disclosure,” its font size, and color, *deemphasize* the notice text rather than make it **conspicuous**. Defendants’ automatic renewal terms are not in visual connection with the purchase terms and are instead buried at the bottom of the page. This makes it unlikely reasonable consumers will even

1 see the “disclosures” because they must scroll down to view them, they are presented in a light grey font
2 against a lighter gray background, and are in a single-spaced format, which makes the “disclosures”
3 difficult to read.

4 52. Further, because consumers must scroll down to view the automatic renewal terms, Nord
5 Security’s automatic renewal offer is not “in visual proximity” to its request for consumers to consent
6 to the offer. *Id.* § 17602(a)(1).

7 53. Defendants’ fine print also fails to disclose key details about Nord Security’s subscription
8 practices, including the cancellation policy and information on how to cancel.

9 54. Moreover, any supposed “disclosures” on the Nord Security payment page are far
10 overshadowed by the page’s other components in a clear demonstration of the “Misinformation” dark
11 pattern. Defendants’ payment page uses at least 12 different colors, presents information in differently
12 sized fonts and in various boxes, and includes hyperlinks, drop-down menus styled as hyperlinks, two
13 call-outs for add-on products, and 13 different logos. In contrast, the automatic renewal terms are hidden
14 at the bottom of the page, difficult to discern, and easy to miss, especially since consumers must scroll
15 down on the screen to view them.

16 55. Nord Security’s “Order Summary” box likewise does not sufficiently present the terms
17 and conditions of its automatic renewal offer to consumers, nor does it present the consumer with an
18 easily accessible disclosure of the methods that the consumer may use to cancel the subscription.

19 56. When a consumer selects a payment method on the payment screen (*e.g.*, credit card,
20 Paypal, etc.), the payment method box expands, again failing to disclose Nord Security’s autorenewal
21 terms, let alone in a clear and conspicuous manner. The expanded payment boxes also do not present
22 the consumer with any disclosure of the cancellation policy or the methods that may be used to cancel
23 the subscription, let alone a method that is easily accessible.

24 57. In sum, the Nord Security payment page fails to obtain consumers’ affirmative consent
25 to the automatic renewal terms and contains no mechanism for affirmatively consenting to the automatic
26 renewal terms. For example, there is no checkbox that consumers must click to indicate that they accept
27 those terms. *See id.* § 17602(a)(2) (it is unlawful to charge consumers for an automatic renewal “without
28

1 first obtaining the consumer’s affirmative consent to the agreement containing the automatic renewal
2 offer terms”).

3 58. Nowhere on the payment page does Nord Security disclose critical information regarding
4 cancellation, such as how to cancel and how to turn off autorenewal, and certainly does not clearly and
5 conspicuously disclose how to do so in a manner that is capable of being retained by the consumer. *See*
6 *id.* § 17602(a)(3) (it is unlawful to fail to provide consumers with the “cancellation policy[] and
7 information regarding how to cancel in a manner that is capable of being retained by the consumer”).

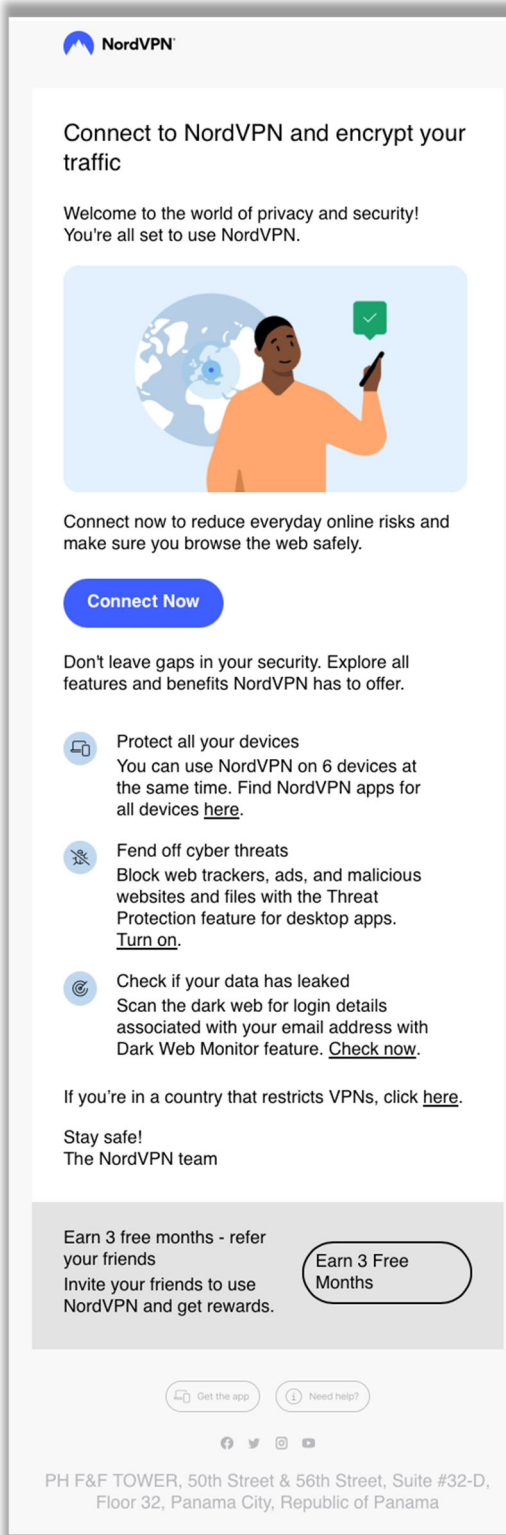
8 59. Instead, Nord Security provides tiny, inconspicuous hyperlinks to “terms of service” and
9 “terms” which themselves do not clearly and conspicuously explain the nature of Nord Security’s
10 automatic renewal offer or cancellation mechanism. Nord Security scatters confusing, inconsistent, and
11 inaccurate provisions addressing these and other issues across multiple sections of these documents
12 (which total more than 9,500 words), burying them inconspicuously in dense surrounding text.

13 60. For example, upon information and belief the then-most recent version of Nord
14 Security’s “terms of service” at the time Plaintiff enrolled in his Nord Security subscription contain a
15 paragraph labeled “Auto-Renewal,” which reads as follows:

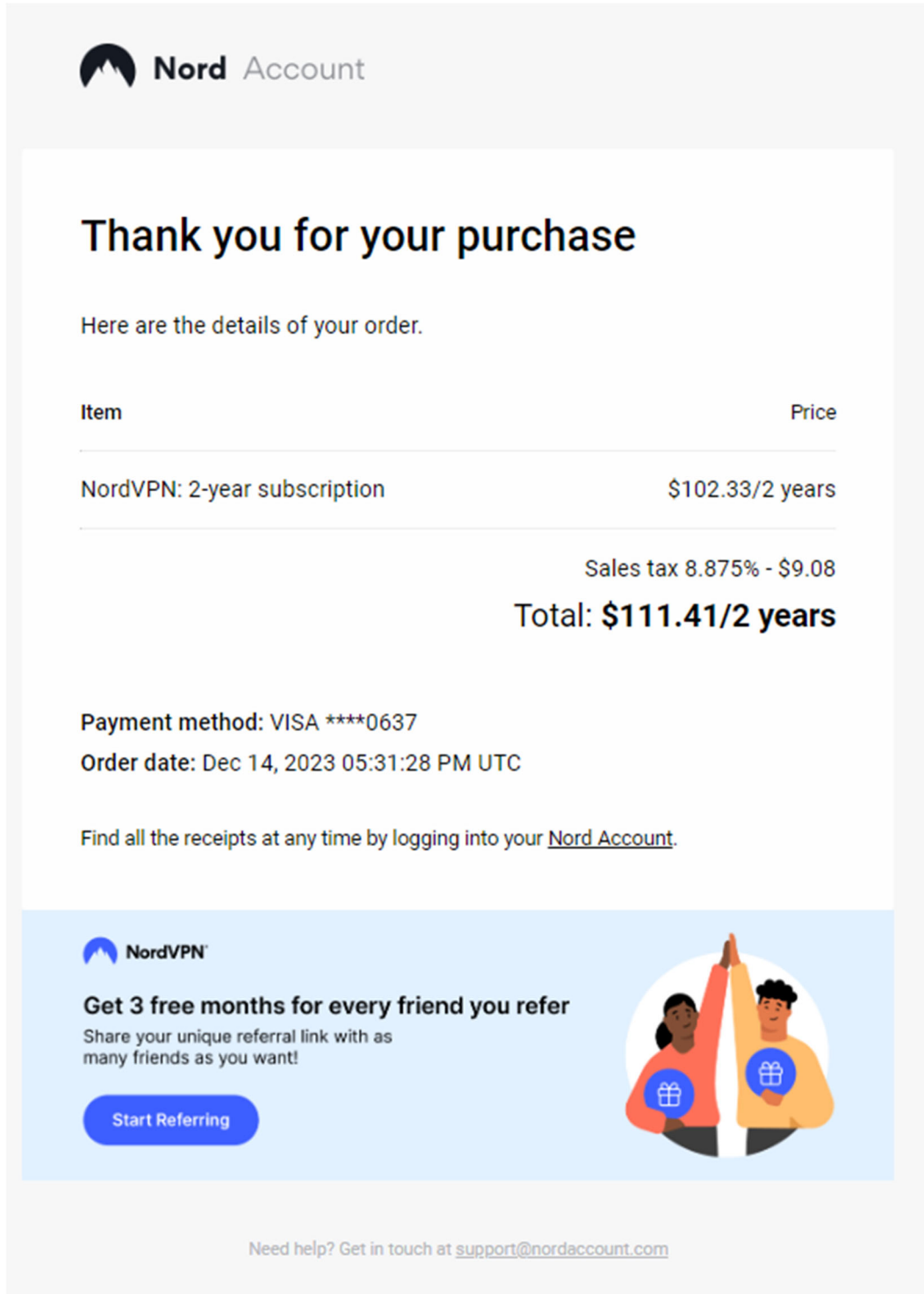
16 3.2 **Auto-Renewal.** After the end of your Service period, your Subscription will automatically
17 renew for the successive defined Service periods at the renewal dates, unless you decide to cancel
18 the Subscription renewal before the day of the charge. If you do not cancel the Subscription in
19 such due course, your chosen payment method will be charged the then-current renewal price
20 for the upcoming defined Service period.

21 61. This “Auto-Renewal” paragraph gives reasonable consumers the impression that they
22 will be charged only *after* the original subscription ends. Meanwhile, a separate Nord Security “terms”
23 document reveals, in a paragraph not cross referenced in the “Auto-Renewal” paragraph above, that
24 customers on plans lasting greater than a month will be charged in advance: “at least 14 days before”
25 the scheduled auto-renewal. This provision is itself in conflict with another “provision in the same
26 “terms” document, which provides that “[*a*fter the end of your initial plan, your subscription *will be*
27 *automatically renewed*, and you will *be charged*[.]” (emphasis added). In other words, this paragraph
28 in the “terms” document expressly states that the consumer will *not* be charged until “after” the
subscription period ends, not “at least fourteen days” before.

1 62. After Plaintiff enrolled in Nord Security, Nord Security sent Plaintiff an email with the
2 subject line “Welcome to NordVPN!” A representative version of the acknowledgement email sent to
3 Plaintiff and other consumers is shown below:



1 63. After Plaintiff enrolled in Nord Security, Nord Security also sent Plaintiff a second email
2 containing the word “receipt” in the subject line. A representative version of the receipt email sent to
3 Plaintiff is shown below:



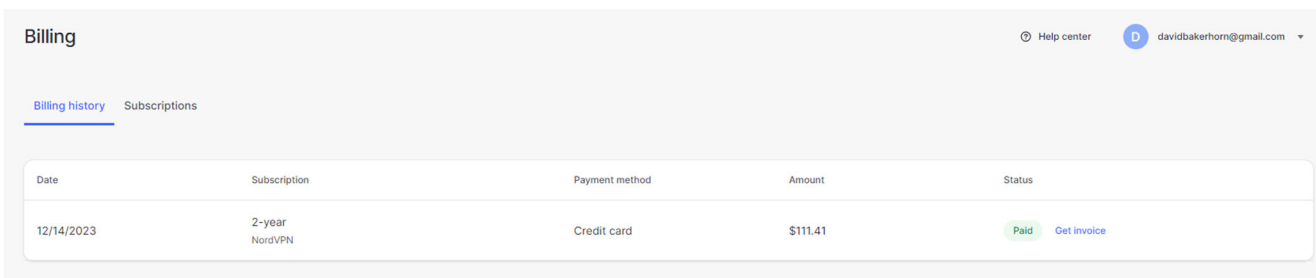
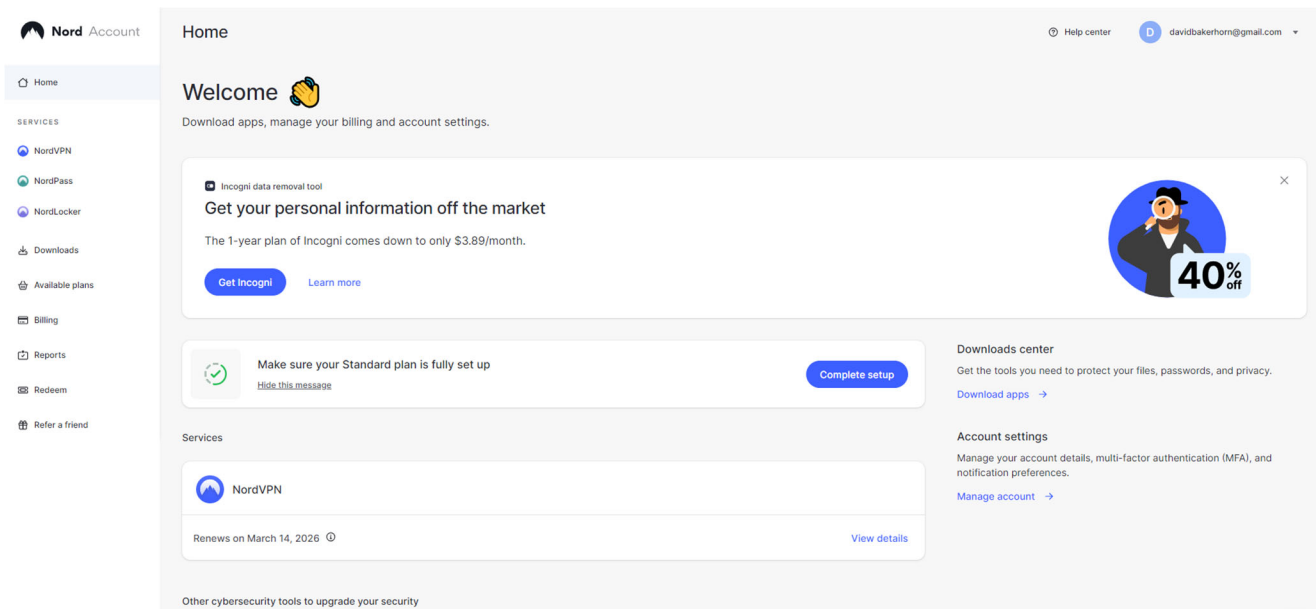
1 64. Neither Defendants’ post-enrollment acknowledgement nor receipt emails meet the post
2 purchase requirements that the ARL imposes on an automatically renewing product or service. They do
3 not provide “the automatic renewal offer terms . . . , cancellation policy, and information regarding how
4 to cancel” for Nord Security subscriptions, *id.* § 17602(a)(3), nor disclose “how to cancel” the renewal
5 “before the consumer pays” for a Nord Security subscription, *id.*, nor “allow the consumer to cancel”
6 before they pay for a Nord Security subscription, *id.* In fact, neither of these emails include any
7 disclosure whatsoever about how to cancel a Nord Security subscription.

8 65. Moreover, neither Defendants’ acknowledgement nor receipt emails disclose “clearly and
9 conspicuously” that the automatic renewal will automatically renew unless the consumer cancels, *id.* §
10 17602(a)(4)(A), the length and any additional terms of the renewal period, *id.* § 17602(a)(4)(B), one or
11 more methods by which a consumer can cancel the automatic renewal, *id.* § 17602(a)(4)(C), a link that
12 directs the consumer to Nord Security’s cancellation process or another reasonable accessible electronic
13 method that directs the consumer to the cancellation process, *id.* § 17602(a)(4)(D), or contact information
14 for Defendants, *id.* § 17602(a)(4)(E).

15 **C. Nord Security’s Cancellation Process Violates the ARL**

16 66. Nord Security’s cancellation process is not simple, cost-effective, timely, easy-to-use,
17 nor readily accessible to consumers. Instead, Nord Security employs the “roach motel” dark pattern
18 strategy: it is easy to sign up for Nord Security products and services, but hard to get out.

19 67. Nord Security buries its cancellation mechanism four layers deep in its customer account
20 portal, with no clear path evident to the consumer for how to get there. Canceling a Nord Security
21 subscription first requires consumers to (1) log into their customer account, and (2) select “Billing” from
22 a list of at least nine options. Once “Billing” is selected, the default view on the “Billing” page does not
23 mention anything about cancellation, and instead shows the consumer’s “Billing history.” Upon
24 information and belief, Nord Security’s “Home” and “Billing” pages available to Plaintiff in
25 approximately October 2019 were materially similar to Nord Security’s current Home and Billing pages
26 copied on the following page:



68. After navigating to Nord Security’s “Billing page,” consumers wishing to cancel must then (3) figure out how to navigate to the “Subscriptions” tab on the “Billing” page. Once customers access the “Subscriptions” tab, they are still not presented with a “Cancel” option. Instead, consumers must then (4) understand that they need to click on “Manage” on a line pertaining to “Auto-renewal” to finally access a page where they can cancel their account. Upon information and belief, Nord Security’s “Subscriptions” tab available to Plaintiff in or around August 2023 was materially similar to the Nord Security “Subscriptions” tab as copied as the first image on the next page, as well as the page consumers view when they click “Manage” next to “Auto-renewal,” in the second image on the following page:

1 Billing Help center davidbakerhorn@gmail.com

2 Billing history Subscriptions

3 NordVPN Active

Subscription	2-year plan
Auto-renewal	ON Manage
Renews on	Mar 14, 2026
Payment method	Visa ****0637 Exp 12/27 Update

7 Considering a security upgrade? [See available plans](#)

FAQ

- What happens if I enable auto-renewal?
- When will I be charged for auto-renewal?
- What happens if my auto-renewal is off?
- What if I buy a new plan before my current one ends?

Downloads center

Get the tools you need to protect your files, passwords, and privacy.

[Download apps](#)

9 Billing history Subscriptions

11 What will happen if you cancel auto-renewal?

- 12 ✓ Your subscription will no longer automatically renew and will expire on **Mar 14, 2026**.
- 13 ✓ When it expires, you will lose access to NordVPN and advanced security features like ad blocking, tracker blocking, and malware protection.
- 14 ✓ If you want to use NordVPN again, you'll need to purchase a new subscription.

[Keep auto-renewal](#) [Cancel auto-renewal](#)

16 If you've run into any issues, we'd love to help. [Contact support](#)

19 69. For consumers who manage to find and click “Cancel auto-renewal,” the autorenewal is
 20 finally canceled. But Nord Security’s multi-step cancellation process is specifically and intentionally
 21 designed to thwart cancellation—a “roach motel” dark pattern—that prevents consumers from finding
 22 and canceling autorenewal. This violates the ARL because it is not cost-effective, timely, or easy-to-
 23 use. BUS. & PROF. CODE § 17602(c). Nor does Nord Security provide a toll-free telephone number or
 24 electronic mail address consumers may contact to cancel the automatic renewal. *Id.*

26 70. Nord Security’s cancellation process further violates the ARL because it does not allow
 27 consumers to terminate the automatic renewal “at will, and without engaging any further steps that
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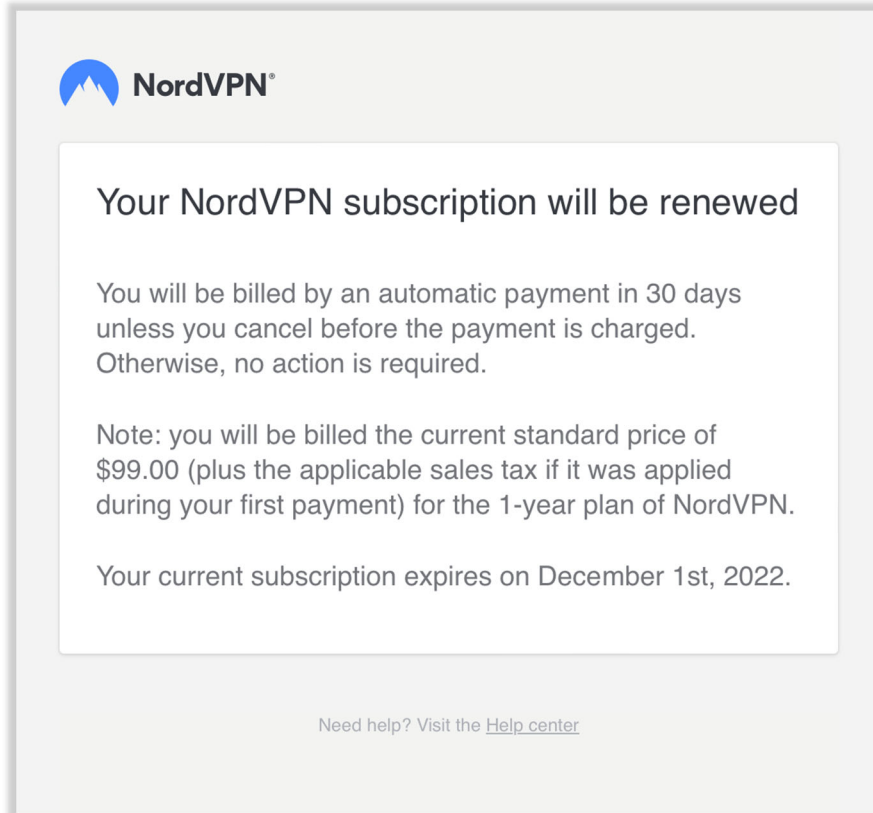
1 obstruct or delay the consumer’s ability to terminate the automatic renewal . . . immediately.” *Id.*
2 § 17602(d)(1).

3 71. For those consumers who use Nord Security’s mobile application, like Plaintiff, there is
4 no way in which to cancel autorenewal. This too violates the ARL. *Id.* § 17602(c).

5 **D. Nord Security’s Insufficient Autorenewal “Notice” Violates the ARL**

6 72. Nord Security offers subscriptions with an initial plan term of one year or longer that
7 later automatically renew. For customers with such subscriptions, under the ARL Nord Security must
8 provide notice of the upcoming automatic renewal “at least 15 days and not more than 45 days before
9 the automatic renewal offer or continuous service offer renews.” *Id.* § 17602(b)(2). The notice must
10 “clearly and conspicuously” disclose (1) that the account will automatically renew unless the consumer
11 cancels; (2) the length and any additional terms of the renewal period; (3) one or more cancellation
12 methods; (4) a link to the cancellation process; and (5) Defendants’ contact information. *Id.*
13 §§ 17602(b), 17602(a)(4)(A)–(E).

14 73. On October 17, 2022, approximately one month before Nord Security charged Plaintiff
15 for an unwanted and unauthorized automatic renewal, Nord Security sent Plaintiff an email with the
16 subject line “Subscription renewal in 30 days.” The content of the email sent to Plaintiff is shown on
17 the following page:



14 74. Nord Security’s email misleads the customer as to the date by which the customer must
15 cancel to avoid being charged for an automatic renewal. The email lists the date on which the current
16 subscription period expires (here, “December 1st”), but carefully and intentionally omits the fact that
17 the customer must cancel at least 14 days prior to December 1st to avoid being charged again.

18 75. Nord Security’s email is intended to mislead consumers into thinking that they can avoid
19 an autorenewal charge if they cancel by the subscription expiration date.

20 76. Nord Security’s email also omits the *time* a consumer must cancel their subscription in
21 order to avoid future charges. For example, the email Plaintiff received was sent on October 17, 2022
22 at 8:05 p.m. PDT. But a consumer who attempted to cancel their Nord Security subscription on
23 November 16, 2022 (30 days later) might find that they were too late: for example, Plaintiff was billed
24 automatically on November 16, 2022 at 7:06 p.m. PST, with nearly 5 hours remaining in the day.

25 77. Nord Security’s email does not include “[o]ne or more methods by which a consumer
26 can cancel the automatic renewal or continuous service.” *See* BUS. & PROF. CODE § 17602(a)(4)(C).
27 The email simply states that the user must “cancel” to avoid a charge but provides no information
28 whatsoever on how to do so, let alone one or more methods.

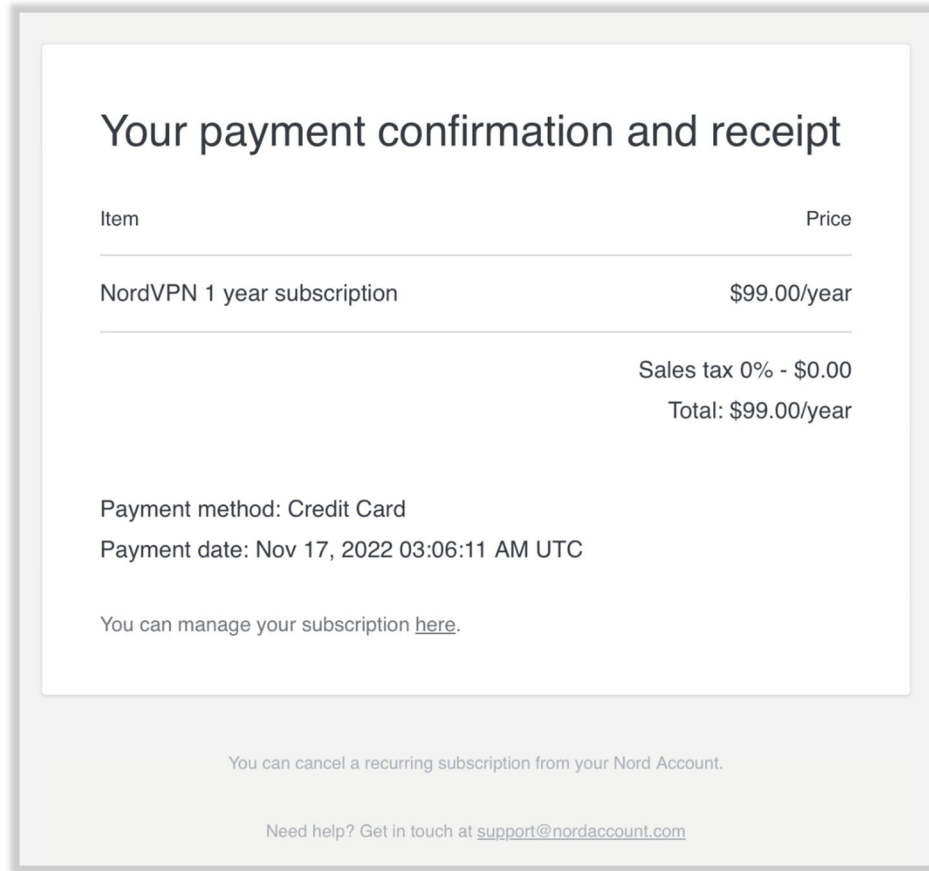
1 78. Similarly, Nord Security’s email is sent electronically but does not “include either a link
2 that directs the consumer to the cancellation process, or another reasonably accessible electronic method
3 that directs the consumer to the cancellation process if no link exists.” *See id.* § 17602(a)(4)(D). Indeed,
4 the only link that Nord Security provides—in tiny, light gray font at the bottom of the email, which is
5 not clear and conspicuous—is to Nord Security’s “Help center.” The landing page consumers go to if
6 they click on the link to the “Help center” does not even include the word “cancel.”⁶⁸

7 79. Nord Security’s email does not provide consumers with any contact information for
8 Defendants, another violation of the ARL. *See id.* § 17602(a)(4)(E).

9 80. Nord Security’s email, sent prior to automatic renewal, is in stark contrast to Nord
10 Security’s receipt email it sends *after* a consumer has been charged for an automatic renewal—and
11 when it is too late to cancel and avoid the charge. Although Nord Security’s automatic renewal receipt
12 email also violates the ARL, as described in detail above, it does at least attempt to provide consumers
13 with clues on how to cancel. For example, as shown below, the automatic renewal receipt email states
14 that the consumer “can manage [their] subscription here” where “here” is a hyperlink to a login page
15 for Nord Security’s account dashboard. It also advises (albeit again neither clearly nor conspicuously)
16 that the consumer “can cancel a recurring subscription from your Nord Account” and tells the consumer
17 that they may “[g]et in touch” with the Company using the email address support@nordaccount.com,
18 as reproduced on the following page:

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⁶⁸ <https://support.nordvpn.com/hc/en-us>.



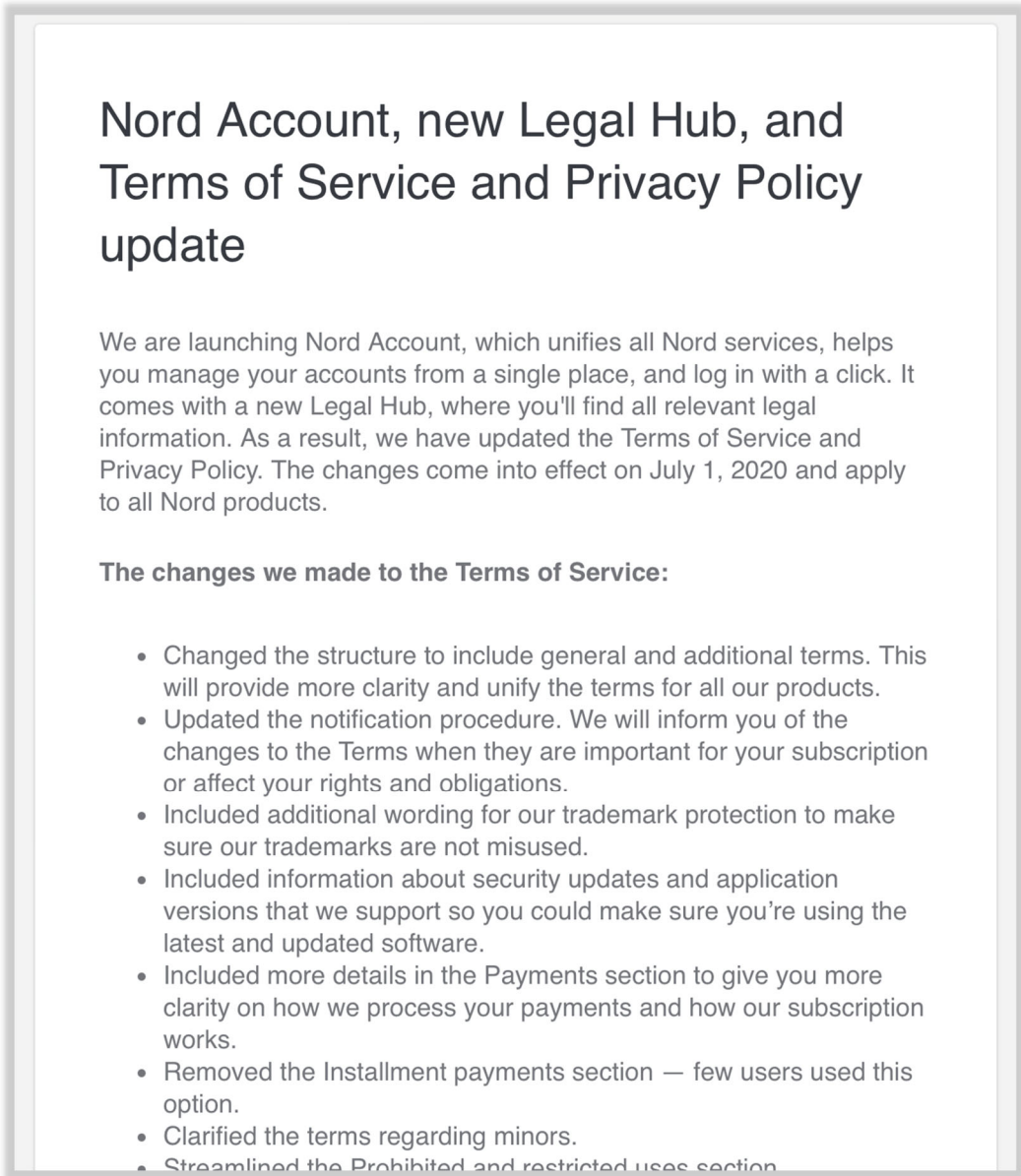
E. Nord Security Violates the ARL’s Requirements with Respect to Material Changes to Consumers’ Automatic Renewal Terms

81. In at least July 2020 and July 2022, Nord Security made material changes to the automatic renewal terms applicable to Plaintiff and other California consumers whose accounts were set to automatically renew.

82. First, on June 26, 2020, Nord Security sent consumers an email regarding updates to Nord Security’s “Terms of Service” effective July 1, 2020. In relevant part, the email stated that the Company made the following changes:

- “Updated the notification procedure. We will inform you of the changes to the Terms when they are important for your subscription or affect your rights and obligations.”
- “Included more details in the Payments section to give you more clarity on how we process your payments and how our subscription works.”

1 83. An excerpt of the June 26, 2020 email sent to Plaintiff that contains material changes to
2 the terms of Nord Security customers' automatic renewal terms is reproduced below:



23 84. The June 26, 2020 email fails to comply with the ARL's material change provision
24 because it does not provide clear and conspicuous notice of the changes that would be made to
25 consumers' existing autorenewal terms on July 1, 2020. BUS. & PROF. CODE § 17602(e) (eff. July 1,
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27
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1 2022).⁶⁹ Instead, Nord Security’s email offers only vague statements that changes have been made, and
 2 does so in text the same size, and in the same type, font, or color, as the surrounding language. The
 3 format of the June 26, 2020 email also fails to set the language off from the surrounding text of the
 4 same size in a manner that calls attention to the language.

5 85. The June 26, 2020 email further fails to comply with the ARL’s material change
 6 provision because it does not “provide information regarding how to cancel in a manner that is capable
 7 of being retained by the consumer.” *Id.* Indeed, the June 26, 2020 email provides *no* information
 8 whatsoever on how to cancel.

9 86. Second, on June 15, 2022, Nord Security sent California consumers an email regarding
 10 updates to Nord Security’s “Terms of Service” effective July 1, 2022. In relevant part, the email stated
 11 that the Company made the following changes:

- 12 • **“New and clearer rules for subscriptions and auto-renewals.** We’ve revised
 13 and reorganized some of the terms regarding subscriptions and auto-renewals.
 14 We now emphasize in more detail that our paid services are provided on a
 15 subscription basis and will be renewed automatically unless you cancel the
 16 subscription before the upcoming charge.”
- 17 • **“Clarified rules for cancelation and refunds.** We've provided more details on
 18 cancelation and refund policies.”

19 87. An excerpt of the June 15, 2022 email sent to Plaintiff that contains material changes to
 20 the terms of Nord Security customers’ automatic renewal terms is reproduced on the following page:
 21
 22
 23
 24
 25

26
 27 ⁶⁹ The same requirement regarding material changes was previously found in subsection (d) of in BUS.
 28 & PROF. CODE § 17602. *See* BUS. & PROF. CODE § 17602(d) (eff. Jan. 1, 2022); BUS. & PROF. CODE §
 17602(d) (eff. July 1, 2018).

Dear customer,

We're updating our Terms of Service and Privacy Policy. These changes will take effect on July 1, 2022, and won't have any technical impact on the use of Nord's services. We're letting you know ahead of time what's changing.

Summary of the changes to the Terms of Service:

- **Improved readability.** The updated documents are easier to read, have a clearer language, and provide more examples. We've added definitions to help you better understand key aspects and legal concepts we're using.
- **New and clearer rules for subscriptions and auto-renewals.** We've revised and reorganized some of the terms regarding subscriptions and auto-renewals. We now emphasize in more detail that our paid services are provided on a subscription basis and will be renewed automatically unless you cancel the subscription before the upcoming charge.
- **Clarified rules for cancelation and refunds.** We've provided more details on cancelation and refund policies.
- **New and clearer rules for prohibited and restricted use.** Our Terms of Service now better define how our services work and what rights and obligations users have. We want to help you understand

88. The June 15, 2022 email fails to comply with the ARL's material change provision because it does not provide clear and conspicuous notice of the changes that would be made to consumers' existing autorenewal terms on July 1, 2022. BUS. & PROF. CODE § 17602(e) (eff. July 1, 2022).⁷⁰ Instead, the email offers only vague statements that changes will be made and makes no distinction as to the format for the material changes to customers' automatic renewal terms and all other changes to Nord Security's "Terms of Service" more broadly (bullet point with bolded clause followed by unbolded sentence(s)).

⁷⁰ The same requirement regarding material changes was previously found in subsection (d) of in BUS. & PROF. CODE § 17602. See BUS. & PROF. CODE § 17602(d) (eff. Jan. 1, 2022); BUS. & PROF. CODE § 17602(d) (eff. July 1, 2018).

1 89. The June 15, 2022 email also fails to comply with the ARL’s material change provision
2 because it does not “provide information regarding how to cancel in a manner that is capable of being
3 retained by the consumer.” Indeed, the email provides *no* information whatsoever on how to cancel.

4 90. The changes Nord Security made to its automatic renewal terms on July 1, 2022 were
5 material. For example, the June 15, 2022 email states that the Terms of Service will be changed to
6 provide “more details on cancelation and refund polices.” A “description of [a company’s] cancellation
7 policy” is one of the automatic renewal offer terms that must be disclosed to consumers under the ARL,
8 BUS. & PROF. CODE § 17601(b)(2), and thus notice of any material changes to that policy must be made
9 in a manner that complies with BUS. & PROF. CODE § 17602(e), which Nord Security’s June 15, 2022
10 email fails to do.

11 91. Nord Security’s “notice” email before a customer’s subscription is automatically
12 renewed, as described above at ¶¶ 72–79, likewise contains material changes to automatic renewal
13 terms, including the length of the subscription term and the price. Nord Security’s email also fails to
14 comply with the ARL’s material change provision because it does not “provide information regarding
15 how to cancel in a manner that is capable of being retained by the consumer.”

16 **F. How Nord Security’s Subscription Scheme Injured Plaintiff**

17 92. Plaintiff was injured by Nord Security’s unlawful and deceptive subscription scheme
18 because had Plaintiff known that he was enrolling in an automatically renewing subscription, he would
19 not have enrolled in a Nord Security subscription.

20 93. On approximately October 30, 2019 Plaintiff enrolled in a two-year subscription to Nord
21 Security’s NordVPN service.

22 94. On October 30, 2019, Plaintiff received a receipt from Nord Security for \$119.76 for the
23 NordVPN service.

24 95. After signing up for Nord Security’s VPN service, Plaintiff downloaded the NordVPN
25 mobile application.

26 96. Plaintiff decided he did not want to continue with Nord Security after his two year plan
27 ended.

1 97. Having decided not to continue with Nord Security, Plaintiff believed that once his plan
2 period was over, he would no longer be a Nord Security customer. Indeed, Plaintiff never expected to
3 pay Nord Security anything beyond what he had already paid in October 2019 because Nord Security
4 did not adequately disclose to Plaintiff that it would begin charging non-refundable recurring fees of
5 \$99 on a yearly basis after his two-year plan concluded.

6 98. Nonetheless, on or about November 16, 2021 (more than two years after Plaintiff
7 purchased the two-year plan) Nord Security charged Plaintiff's credit card \$99 without his knowledge
8 or permission for a one-year NordVPN subscription set to begin on or about December 2, 2021.

9 99. On or about November 16, 2022, Nord Security again charged Plaintiff's credit card \$99
10 without his knowledge or permission for a one-year NordVPN subscription set to begin on or about
11 December 2, 2022.

12 100. At some point after Nord Security made the second unauthorized \$99 charge to
13 Plaintiff's credit card in November 2022, Plaintiff discovered that Nord Security was repeatedly
14 charging his credit card without his knowledge or permission.

15 101. Thereafter, Plaintiff attempted to cancel his Nord Security subscription via the NordVPN
16 mobile app but was unable to do so. He then searched for information on the internet about how to
17 cancel the unauthorized subscription but was nonetheless unable to figure out how to cancel.

18 102. Nord Security again charged Plaintiff's credit card \$99 without his permission on or
19 about November 16, 2023 for a one-year NordVPN subscription set to begin on or about December 2,
20 2023.

21 103. Plaintiff was finally able to cancel autorenewal of his Nord Security subscription on
22 April 23, 2024 with the assistance of his counsel.

23 104. Nord Security did not "clearly and conspicuously" disclose to Plaintiff that it would
24 automatically renew his Nord Security subscription for a one-year term at \$99 after his initial two-year
25 plan expired. This information is not clearly and conspicuously provided in the contract offers made
26 on Nord Security's website, in any hyperlinked terms on the website, or in any post-purchase
27 acknowledgement or receipt email.

1 105. Similarly, Nord Security did not “clearly and conspicuously” disclose to Plaintiff how
2 he could cancel his Nord Security subscription. This information is not clearly and conspicuously
3 provided in the contract offers made on Nord Security’s website, in any hyperlinked terms on the
4 website, or in any post-purchase acknowledgement or receipt email.

5 106. Nord Security failed to provide Plaintiff with the legally required notice of upcoming
6 automatic renewal of his Nord Security subscription. Nord Security’s supposed “notice” email misled
7 Plaintiff regarding the date and time he would be billed for an automatic renewal, does not include one
8 or more methods by which Plaintiff could cancel the automatic renewal, does not include a link or other
9 reasonably accessible electronic means for cancellation, and does not provide contact information.

10 107. Nord Security also failed to clearly and conspicuously provide required notices of
11 material changes made to its automatic renewal terms and did not disclose how to cancel Plaintiff’s
12 Nord Security subscription in its emails in June 2020 and June 2022, as well as the emails sent to
13 Plaintiff that included material changes to the terms of Plaintiff’s initial Nord Security subscription in
14 the price and length for autorenewals made in 2021, 2022, and 2023.

15 108. Plaintiff did not authorize or want his Nord Security subscription to renew once, let alone
16 three times.

17 109. Plaintiff was injured when Nord Security charged his credit card \$99 three times, for a
18 total of \$297, for a Nord Security subscription he did not want and did not want to pay for.

19 110. Plaintiff was further injured by Nord Security’s subscription scheme because had he
20 known the truth about Nord Security’s intentionally misleading subscription practices, he would not
21 have enrolled in a Nord Security subscription.

22 111. Plaintiff intends to purchase products and services in the future for himself from internet
23 security companies, including Nord Security, as long as he can gain some confidence in Nord Security’s
24 representations about its products and services and subscription practices, including autorenewal and
25 cancellation. Moreover, Nord Security still has Plaintiff’s payment information and could use it process
26 unauthorized payments in the future.

27 112. Given that Nord Security has engaged in a series of deceptive acts and omissions for
28 which it billed consumers and consumers continued to pay, the continuing violation doctrine applies,

1 effectively tolling the limitations period until the date of Nord Security’s last wrongful act against
2 Plaintiff, which was in November of 2023, when Nord Security last charged Plaintiff for an
3 automatically renewing subscription he did not want and did not want to pay for.

4 **RULE 9(B) ALLEGATIONS**

5 113. To the extent necessary, as detailed in the paragraphs above and below, Plaintiff has
6 satisfied the requirements of Rule 9(b) by establishing the following elements with sufficient
7 particularity:

8 114. WHO: Defendants, through a single fictitious entity called Nord Security by which they
9 collectively hold themselves out to the public, sell services to consumers in California through a
10 deceptive and unlawful subscription scheme by making the material misrepresentations and omissions
11 alleged in detail above in violation of California consumer protection statutes and the common law,
12 including with respect to automatic renewal and cancellation, leaving many consumers who sign up for
13 a Nord Security service paying for subscriptions that they do not want.

14 115. WHAT:

- 15 • Nord Security conducts its deceptive and unlawful subscription scheme by
16 failing to clearly and conspicuously disclose the Company’s terms and
17 conditions to customers, including how to cancel a subscription. For example,
18 instead of clearly explaining to the consumer what they are actually getting
19 into, Nord Security requires customers to scroll to find the relevant (and
20 inadequate) fine print on its payment page and buries the key provisions in
21 confusing, inconsistent, and inaccurate terms scattered across multiple sections
22 of at least two fine print documents.
- 23 • Nord Security conducts its deceptive and unlawful subscription scheme by
24 subjecting Nord Security customers to an exceedingly difficult cancellation
25 process that requires consumers to figure out—with no help from the
26 Company—the entirely unorthodox process of navigating Nord Security’s
27 account settings to find a buried feature labelled “Auto-renewal” and turning it
28 to “OFF” (rather than, for example, by clicking a button clearly and
prominently labelled, “CANCEL SUBSCRIPTION”). And for those
consumers who contact the Company directly prior to the end of their
subscription period to cancel, Nord Security refuses to cancel any upcoming
payments and instead only turns off autorenewal for later payments. Nord
Security’s cancellation process is intentionally difficult to navigate and
complete in order to trap consumers into paying for recurring Nord Security
subscriptions that they do not want.

- 1 • Nord Security conducts its deceptive and unlawful subscription scheme by
2 failing to meet the post purchase requirements that the ARL imposes on an
3 automatically renewing product or service. Nord Security does not provide
4 “the automatic renewal offer terms . . . , cancellation policy, and information
5 regarding how to cancel” for Nord Security subscriptions, *id.* § 17602(a)(3),
6 nor does it disclose “how to cancel” the renewal “before the consumer pays”
7 for a Nord Security subscription, *id.*, nor does it “allow the consumer to cancel”
8 before they pay for a Nord Security subscription, *id.* In fact, neither Nord
9 Security’s acknowledgment nor receipt emails include any disclosure
10 whatsoever about how to cancel a Nord Security subscription.
- 11 • Nord Security conducts its deceptive and unlawful subscription scheme by
12 employing a highly unconventional charging practice. Rather than
13 automatically renew consumers by charging their stored payment methods at
14 the beginning of a new subscription period if they do not cancel before the prior
15 subscription is over, Nord Security extracts its charges 14 days *before the*
16 *customer’s current subscription period even ends.* By doing so, Nord
17 Security locks consumers into another yearlong subscription well before any
18 reasonable consumer would expect to be auto-renewed, allowing Nord
19 Security to collect and keep payment from consumers who do not wish to
20 remain Nord Security customers.
- 21 • Nord Security conducts its deceptive and unlawful subscription scheme by
22 failing to meet the requirements to notify customers about forthcoming
23 automatic subscription renewals, including by failing to: (1) include “[o]ne or
24 more methods by which a consumer can cancel the automatic renewal or
25 continuous service:” (2) “include either a link that directs the consumer to the
26 cancellation process, or another reasonably accessible electronic method that
27 directs the consumer to the cancellation process if no link exists;” and (3)
28 provide consumers with any contact information for Defendants. Nord
Security also actively misleads consumers in supposed “notice” emails that
provide the subscription end date without making clear that to avoid a future
charge the customer must cancel at least 14 days before that date.
- Nord Security conducts its deceptive and unlawful subscription scheme by
failing to provide clear and conspicuous notice of material changes to
customers’ existing autorenewal terms and failing to provide information
regarding how to cancel in a manner that is capable of being retained by
consumers in connection with those material changes.

116. WHERE: Nord Security’s deceptive and unlawful subscription scheme is conducted
through its website, mobile/tablet/desktop applications, and electronic communications with customers.

117. WHEN: Nord Security has been engaging in its deceptive and unlawful subscription
scheme for years, and the scheme is ongoing. For specific examples, Nord Security used its deceptive
and unlawful subscription practices scheme when Plaintiff first enrolled in a Nord Security subscription

1 on approximately October 30, 2019, through Nord Security’s acknowledgment and receipt emails sent
2 to Plaintiff, Nord Security’s “terms of service” and “terms” hyperlinks, Nord Security’s June 26, 2020
3 and June 15, 2022 material change emails, and Plaintiff’s unsuccessful attempt to cancel his account
4 after learning that Nord Security had charged him for a second unwanted automatic renewal sometime
5 after November 2022. Nord Security uses the same or substantially similar deceptive and unlawful
6 subscription practices scheme for all of its customers.

7 118. WHY: Nord Security uses its deceptive and unlawful subscription scheme in order to
8 trap Nord Security customers into paying for Nord Security subscriptions that they do not want. As a
9 direct result of this scheme, Defendants have successfully reaped tens of millions in unlawful charges
10 at the expense of unsuspecting customers.

11 119. HOW: Nord Security conducts its deceptive and unlawful practices scheme by making
12 the material misrepresentations and omissions in violation of California consumer protection law and
13 the common law alleged in detail above.

14 **CLASS ACTION ALLEGATIONS**

15 120. Plaintiff brings this action on his own behalf and additionally, pursuant to Rule 23(b)(2)
16 and (3) of the Federal Rules of Civil Procedure, on behalf of a class that is preliminarily defined as all
17 Nord Security customers in California (including customers of companies Nord Security acts as a
18 successor to) who were automatically enrolled into and charged for at least one month of Nord Security
19 membership by Defendants at any time from the applicable statute of limitations period to the date of
20 judgment (the “Class”).

21 121. As alleged throughout this Complaint, the Class’s claims all derive directly from a single
22 course of conduct by Defendants. Defendants have engaged in uniform and standardized conduct
23 toward the Class and this case is about the responsibility of Defendants, at law and in equity, for their
24 knowledge and conduct in deceiving their customers. Defendants’ conduct did not meaningfully differ
25 among individual Class Members in their degree of care or candor, their actions or inactions, or in their
26 false and misleading statements or omissions. The objective facts on these subjects are the same for all
27 Class Members.

1 122. Excluded from the Class are: Defendants; any parent, subsidiary, or affiliate of
2 Defendants; any entity in which Defendants have or had a controlling interest, or which Defendants
3 otherwise control or controlled; and any officer, director, employee, legal representative, predecessor,
4 successor, or assignee of Defendants. Also excluded are federal, state and local government entities;
5 and any judge, justice, or judicial officer presiding over this action and the members of their immediate
6 families and judicial staff.

7 123. Plaintiff reserves the right, as might be necessary or appropriate, to modify or amend the
8 definition of the Class and/or add Subclasses, when Plaintiff files his motion for class certification.

9 124. Plaintiff does not know the exact size of the Class since such information is in the
10 exclusive control of Defendants. Plaintiff believes, however, that the Class encompasses thousands of
11 consumers whose identities can be readily ascertained from Nord Security's records. Accordingly, the
12 members of the Class are so numerous that joinder of all such persons is impracticable.

13 125. The Class is ascertainable because its members can be readily identified using data and
14 information kept by Defendants in the usual course of business and within their control. Plaintiff
15 anticipates providing appropriate notice to each Class Member in compliance with all applicable federal
16 rules.

17 126. Plaintiff is an adequate class representative. Plaintiff's claims are typical of the claims
18 of the Class and do not conflict with the interests of any other members of the Class. Plaintiff and the
19 other members of the Class were subject to the same or similar conduct engineered by Defendants.
20 Further, Plaintiff and members of the Class sustained substantially the same injuries and damages
21 arising out of Defendants' conduct.

22 127. Plaintiff will fairly and adequately protect the interests of all Class Members. Plaintiff
23 has retained competent and experienced class action attorneys to represent his interests and those of the
24 Class.

25 128. Questions of law and fact are common to the Class and predominate over any questions
26 affecting only individual Class members, and a class action will generate common answers to the
27 questions below, which are apt to drive the resolution of this action:

- 28 a. Whether Defendants' conduct violates the ARL;

- b. Whether Defendants' conduct violates the applicable California consumer protection statutes;
- c. Whether Defendants' conduct violates the applicable common law doctrines;
- d. Whether Defendants were unjustly enriched as a result of their conduct;
- e. Whether Class Members have been injured by Defendants' conduct;
- f. Whether, and to what extent, equitable relief should be imposed on Defendants to prevent them from continuing their unlawful practices; and
- g. The extent of class-wide injury and the measure of damages for those injuries.

129. A class action is superior to all other available methods for resolving this controversy because (1) the prosecution of separate actions by Class Members will create a risk of adjudications with respect to individual Class Members that will, as a practical matter, be dispositive of the interests of the other Class Members not parties to this action, or substantially impair or impede their ability to protect their interests; (2) the prosecution of separate actions by Class Members will create a risk of inconsistent or varying adjudications with respect to individual Class Members, which will establish incompatible standards for Defendants' conduct; (3) Defendants have acted or refused to act on grounds generally applicable to all Class Members; and (4) questions of law and fact common to the Class predominate over any questions affecting only individual Class Members.

130. Further, the following issues are also appropriately resolved on a class-wide basis under Federal Rule of Civil Procedure 23(c)(4):

- a. Whether Defendants' conduct violates the ARL;
- b. Whether Defendants' conduct violates the applicable California consumer protection statutes;
- c. Whether Defendants' conduct violates the applicable common law doctrines;
- d. Whether Defendants were unjustly enriched as a result of their conduct;
- e. Whether Class Members have been injured by Defendants' conduct; and
- f. Whether, and to what extent, equitable relief should be imposed on Defendants to prevent them from continuing their unlawful practices.

131. Accordingly, this action satisfies the requirements set forth under Rules 23(a), (b)(2), (b)(3), and (c)(4) of the Federal Rules of Civil Procedure.

1 **COUNT I**

2 **CALIFORNIA UNFAIR COMPETITION LAW–UNLAWFUL BUSINESS PRACTICES**

3 132. Plaintiff incorporates by reference all preceding and subsequent paragraphs.

4 133. Plaintiff brings this claim on his own behalf and on behalf of each member of the Class.

5 134. BUS. & PROF. CODE § 17200 *et seq.* (the “Unfair Competition Law” or “UCL”) prohibits
6 acts of “unfair competition,” including any unlawful, fraudulent or unfair business acts or practices as
7 well as any acts contrary to the requirements of BUS. & PROF. CODE § 17500.

8 135. Under the “unlawful” prong of the UCL, a violation of another law is treated as unfair
9 competition and is independently actionable.

10 136. Nord Security committed unlawful business practices under the UCL because it imposed
11 charges without complying with all applicable requirements of BUS. & PROF. CODE §§ 17600 *et seq.*,
12 as alleged above.

13 137. As a result of Nord Security’s unlawful business practices, Plaintiff suffered an injury in
14 fact and lost money or property.

15 138. Pursuant to BUS. & PROF CODE §17203, Plaintiff and the Class are entitled to an order:
16 (1) requiring Nord Security to make restitution to Plaintiff and the Class; (2) enjoining Nord Security
17 from charging Plaintiff’s and Class Members’ credit cards, debit cards, and/or third party payment
18 accounts until such time as Nord Security obtains the consumer’s affirmative consent to an agreement
19 that contains clear and conspicuous disclosures of all automatic renewal or continuous service offer
20 terms and meets all other legal requirements; and (3) enjoining Nord Security from making automatic
21 renewal or continuous service offers in the State of California that do not comply with the California
22 Automatic Renewal Law.

23 **COUNT II**

24 **CALIFORNIA UNFAIR COMPETITION LAW–UNFAIR BUSINESS PRACTICES**

25 139. Plaintiff incorporates by reference all preceding and subsequent paragraphs.

26 140. Plaintiff brings this claim on his own behalf and on behalf of each member of the Class.

1 141. The Unfair Competition Law prohibits acts of “unfair competition,” including any
2 unlawful, fraudulent or unfair business acts or practices as well as any acts contrary to the requirements
3 of BUS. & PROF. Code § 17500.

4 142. The courts have adopted differing tests for determining whether a business act or practice
5 is “unfair” under the UCL. Nord Security’s practices as alleged above were and are “unfair” and
6 therefore violative of the UCL, under any and all of these tests. Nord Security’s practices have resulted
7 in substantial injury to consumers that was not outweighed by any countervailing benefits to consumers
8 or to competition and was not reasonably avoidable by the consumers themselves. Alternatively, Nord
9 Security’s practices offended an established public policy and/or were immoral, unethical, oppressive,
10 unscrupulous or substantially injurious to consumers. Alternatively, Nord Security’s practices were
11 contrary to a public policy “tethered” to a specific constitutional, statutory or regulatory provision.

12 143. As a result of Nord Security’s unlawful, unfair, and fraudulent business practices,
13 Plaintiff suffered an injury in fact and lost money or property.

14 144. Pursuant to BUS. & PROF CODE §17203, Plaintiff and the Class are entitled to an order:
15 (1) requiring Nord Security to make restitution to Plaintiff and the Class; (2) enjoining Nord Security
16 from charging Plaintiff’s and Class members’ credit cards, debit cards, and/or third party payment
17 accounts until such time as Nord Security obtains the consumer’s affirmative consent to an agreement
18 that contains clear and conspicuous disclosures of all automatic renewal or continuous service offer
19 terms and meets all other legal requirements; and (3) enjoining Nord Security from making automatic
20 renewal or continuous service offers in the State of California that do not comply with California
21 Automatic Renewal Law.

22 **COUNT III**

23 **CALIFORNIA UNFAIR COMPETITION LAW–FRAUDULENT PRACTICES**
24 **AND FALSE ADVERTISING**

25 145. Plaintiff incorporates by reference all preceding and subsequent paragraphs.

26 146. Plaintiff brings this claim on his own behalf and on behalf of each member of the Class.
27
28

1 147. The Unfair Competition Law prohibits acts of “unfair competition,” including any
2 unlawful, fraudulent or unfair business acts or practices as well as any acts contrary to the requirements
3 of BUS. & PROF. CODE § 17500.

4 148. Nord Security’s acts, omissions, nondisclosures, and misleading statements as alleged
5 herein were and are false, misleading, and/or likely to deceive the consuming public, and thus
6 constituted fraudulent business practices in violation of the UCL. Moreover, those acts, omissions,
7 nondisclosures, and misleading statements were contrary to the provisions of the False Advertising
8 Law, BUS. & PROF. CODE § 17500 and constitute violations of the UCL for that reason as well.

9 149. As a result of Nord Security’s unlawful and unfair business practices, Plaintiff suffered
10 an injury in fact and lost money or property.

11 150. Pursuant to BUS. & PROF. CODE §17203, Plaintiff and the Class are entitled to an order:
12 (1) requiring Nord Security to make restitution to Plaintiff and the Class; (2) enjoining Nord Security
13 from charging Plaintiff’s and Class members’ credit cards, debit cards, and/or third party payment
14 accounts until such time as Nord Security obtains the consumer’s affirmative consent to an agreement
15 that contains clear and conspicuous disclosures of all automatic renewal or continuous service offer
16 terms and meets all other legal requirements; and (3) enjoining Nord Security from making automatic
17 renewal or continuous service offers in the State of California that do not comply with California
18 Automatic Renewal Law.

19 **COUNT IV**

20 **CALIFORNIA CONSUMERS LEGAL REMEDIES ACT**

21 151. Plaintiff incorporates by reference all preceding and subsequent paragraphs.

22 152. Plaintiff brings this claim on his own behalf and on behalf of each member of the Class.

23 153. The California Consumers Legal Remedies Act (the “CLRA”), CIV. CODE §
24 1770(a)(14), prohibits “[r]epresenting that a transaction confers or involves rights, remedies, or
25 obligations that it does not have or involve, or that are prohibited by law.”

26 154. As alleged in detail above, Nord Security violated and continues to violate CIV. CODE §
27 1770, subdivisions (a)(5), (a)(9), (a)(14) and (a)(16) by, inter alia, representing that Nord Security’s
28 goods and services have certain characteristics that they do not have; advertising goods and services

1 with the intent not to sell them as advertised; representing that a transaction confers or involves rights,
2 remedies, or obligations that it does not have or involve, or that are prohibited by law; representing that
3 the subject of a transaction has been supplied in accordance with a previous representation when it has
4 not; and representing that Nord Security has the right to charge Plaintiff and the California Class's
5 payment methods without first making the statutorily required disclosures under California's Automatic
6 Renewal Law and obtaining their affirmative consent to the agreement containing the automatic renewal
7 terms and continuous offer terms, and through other conduct described above, in violation of
8 California's Automatic Renewal Law. Nord Security does not have the legal right to charge for these
9 subscriptions because at all relevant times, it was not in compliance with California's Automatic
10 Renewal Law.

11 155. Plaintiff and the Class members are "consumers" within the meaning of CIV. CODE §
12 1761(d) in that Plaintiff and members of the Class were charged by Nord Security in connection with
13 transactions involving goods or services sought or acquired for personal, family, or household purposes.

14 156. Nord Security's automatically renewing subscriptions constitute "goods or services"
15 within the meaning of CIV. CODE § 1761.

16 157. Plaintiff has standing to pursue these claims because he suffered injury in fact and a loss
17 of money and/or property as a result of the wrongful conduct alleged herein. Plaintiff would not have
18 enrolled in Nord Security's subscription had he known the truth about Nord Security's intentionally
19 misleading subscription practices.

20 158. The charges imposed by Nord Security, purportedly in exchange for automatically
21 renewing subscriptions, on Plaintiff and Class Members are "transactions" within the meaning of CIV.
22 CODE § 1761(e).

23 159. As a direct and proximate result of result of Nord Security's violations of the CLRA,
24 Plaintiff and the Class were wrongfully charged fees for Nord Security's automatically renewing
25 subscriptions.

26 160. Nord Security's conduct alleged herein was undertaken knowingly, willfully, and with
27 oppression, fraud, and/or malice, within the meaning of CAL. CIV. CODE § 3294(c).

28

1 161. On August 21, 2024, Plaintiff, through counsel, sent a notice and demand letter to
2 Defendants pursuant to CAL. CIV. CODE § 1782. The letter advised Defendants that they were in violation
3 of the CLRA and demanded that Defendants cease such violations and make full restitution by refunding
4 unlawfully retained monies acquired by Defendants' CLRA violations upon customers' request.
5 Defendants failed to comply with the letter within thirty (30) days.

6 162. Accordingly, Plaintiff and members of the Class seek an injunction prohibiting Nord
7 Security from engaging in the unlawful practices alleged herein. If Nord Security fails to rectify or
8 agree to rectify the unlawful acts detailed above and fails to give notice to all affected consumers within
9 30 days of written notice pursuant to § 1782 of the CLRA, Plaintiff will amend this Complaint to add
10 claims for compensatory damages, and restitution of any ill-gotten gains due to Nord Security's acts
11 and practices, as well as any other remedies the Court may deem appropriate.

12 **COUNT V**

13 **CONVERSION**

14 163. Plaintiff incorporates by reference all preceding and subsequent paragraphs.

15 164. Plaintiff brings this claim on his own behalf and on behalf of each member of the Class.

16 165. Plaintiff and the Class own and have a right to possess the money that is in their
17 respective bank accounts, internet payment accounts, and/or credit cards.

18 166. Defendants substantially interfered with Plaintiff and the Class's possession of this
19 money by knowingly and intentionally making unauthorized charges to their bank accounts, internet
20 payment accounts, and/or credit cards for Nord Security subscriptions.

21 167. Plaintiff and the Class never consented to Defendants taking of this money from their
22 bank accounts, internet payment accounts, and/or credit cards.

23 168. Defendants wrongfully retained dominion over this monetary property and/or the time-
24 value of the monetary property.

25 169. Plaintiff and the Class have been damaged by Defendants' wrongful taking and/or
26 possession of such money from their bank accounts, internet payment accounts, and/or credit cards in
27 an amount that is capable of identification through Defendants' records.

1 170. By reason of the foregoing, Defendants are liable to Plaintiff and the Class for
2 conversion in an amount to be proved at trial.

3 **PRAYER FOR RELIEF**

4 WHEREFORE, Plaintiff respectfully requests that the Court:

- 5 (a) Issue an order certifying the Class defined above, appointing the Plaintiff as Class
6 representative, and designating Milberg Coleman Bryson Phillips Grossman, PLLC and
7 Wittels McInturff Palikovic as Class Counsel;
- 8 (b) Find that Defendants have committed the violations of law alleged herein;
- 9 (c) Determine that Defendants have been unjustly enriched as a result of their wrongful
10 conduct, and enter an appropriate order awarding restitution and monetary damages to
11 the Class;
- 12 (d) Enter an order granting all appropriate relief including injunctive relief on behalf of the
13 Class under the applicable laws;
- 14 (e) Render an award of compensatory damages of at least \$100,000,000, the exact amount
15 of which is to be determined at trial;
- 16 (f) Issue an injunction or other appropriate equitable relief requiring Defendants to refrain
17 from engaging in the deceptive and unlawful practices alleged herein;
- 18 (g) Declare that Defendants have committed the violations of law alleged herein;
- 19 (h) Render an award of punitive damages;
- 20 (i) Enter judgment including interest, costs, reasonable attorneys' fees, costs, and expenses;
21 and
- 22 (j) Grant all such other relief as the Court deems appropriate.
- 23
- 24
- 25
- 26
- 27
- 28

1 Dated: January 10, 2025.

2 New York, New York

3 **WITTELS MCINTURFF PALIKOVIC**

4 s/ Jessica L. Hunter

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