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LawCrossing Dupes Subscribers With Renewals, Suit Says

By **Matthew Heller**

Law360, New York (August 29, 2012, 3:47 PM ET) -- A California resident on Monday filed a putative class action against attorney employment website LawCrossing, alleging it has preyed on consumers by automatically charging them for subscription renewals unless they opt out before they are billed.

Aaron Lloyd, who sued in California court, says LawCrossing's use of "negative option billing" violates consumer protection laws because it does not provide sufficient disclosure and a consumer-friendly mechanism for cancelling subscriptions. The suit seeks injunctive relief and damages under California's Automatic Purchase Renewal Act and unfair competition law.

"LawCrossing has continuously and systematically preyed on California consumers through its practice of using automatic purchase renewals without providing the acknowledgments and cancellation methods expressly required by California law," Lloyd alleges.

The California Legislature passed the Automatic Purchase Renewal Act in 2010 to protect consumers from being charged automatically and continuously without proper authorization. The act targets both "automatic renewal" offers and "continuous service" arrangements.

LawCrossing engages in both practices, Lloyd alleges, by automatically renewing subscriptions after the free trial period expires and then continuing to charge accounts until the subscriber cancels.

Lloyd says he signed up for a free, three-day trial in October. Unbeknownst to him, he says, LawCrossing began billing him at a monthly rate of \$39.95 after the trial period expired. He did not discover the charges until he checked his PayPal account nearly seven months later — by which time he had been charged a total of about \$280, according to the complaint.

When Lloyd emailed LawCrossing to cancel his subscription, he was told he would have to call its corporate headquarters in Pasadena, Calif., the complaint says. The company has "compounded" its wrongdoing, Lloyd alleges, by refusing to refund his subscription fees.

The suit alleges LawCrossing has violated the Automatic Purchase Renewal Act by failing to clearly disclose the terms of its renewals, automatically charging consumers without first obtaining their affirmative consent, failing to provide an acknowledgment of the terms and cancellation policy, and failing to provide a "cost-effective, timely and easy-to-use mechanism" for cancelling subscriptions.

Subscribers who email cancellation requests are told that LawCrossing “will continue to charge their accounts until they cancel their subscriptions by phone,” the complaint noted. Calls to the Pasadena headquarters are not toll-free and must be made during regular business hours, according to the complaint.

Lloyd is suing on behalf of all California residents who subscribed to LawCrossing and were charged for access to its website.

Lloyd is represented by Joseph Siprut and Gregg Barbakoff of Siprut PC.

Counsel information for LawCrossing was not immediately available.

The case is Lloyd v. Employment Crossing, d/b/a LawCrossing, case number BC491068, in Superior Court of the State of California, County of Los Angeles.

--Editing by Lindsay Naylor.

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