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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN DIEGO**

HEATHER VILLEGAS, individually and on
behalf of all others similarly situated,

Plaintiff,

v.

CRICUT, INC.,

Defendant.

Case No. 37-2023-00009047-CU-FR-CTL

CLASS ACTION COMPLAINT

- (1) UNFAIR COMPETITION
- (2) CONVERSION
- (3) FALSE ADVERTISING
- (4) VIOLATION OF CALIFORNIA'S
CONSUMERS LEGAL REMEDIES ACT
- (5) UNJUST ENRICHMENT /
RESTITUTION
- (6) NEGLIGENT MISREPRESENTATION
- (7) FRAUD

DEMAND FOR JURY TRIAL

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Superior Court of California,
County of San Diego
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By Brandon Krause, Deputy Clerk

1 Plaintiff Heather Villegas (“Plaintiff”) brings this action on behalf of herself and all others
2 similarly situated against Defendant Cricut, Inc. (“Cricut” or “Defendant”). Plaintiff makes the
3 following allegations pursuant to the investigation of her counsel and based upon information and
4 belief, except as to allegations specifically pertaining to herself and her counsel, which are based
5 on personal knowledge.

6 **INTRODUCTION**

7 1. This is a putative class action lawsuit against Defendant for engaging in an illegal
8 “automatic renewal” scheme with respect to its subscription plans for Cricut-branded products and
9 services that are available exclusively to consumers who enroll in Defendant’s auto-renewal
10 membership programs (collectively, the “Cricut Subscriptions” or “Cricut Access,” described
11 below) through its website at <https://www.cricut.com> (the “Cricut Website”) or its mobile
12 applications (the “Cricut Apps”). Defendant is an American corporation that markets and sells
13 computer-controlled cutting machines designed for home crafters. Cricut’s machines can only be
14 used in tandem with Defendant’s software, called Design Space, via the Cricut Website or the
15 Cricut Apps. Additionally, through the Cricut Website and Apps, Defendant markets, advertises,
16 sells, and otherwise provides paid memberships to Cricut Access, which is an automatically
17 renewing “monthly or yearly subscription that unlocks access to unlimited use of a growing library
18 of beautiful fonts, images and projects in Design Space[,]” among other things.¹ Relevant to
19 Plaintiff’s allegations, when consumers sign up for the Cricut Subscriptions, Defendant actually
20 enrolls consumers in a program that automatically renews the Cricut Subscriptions from month-to-
21 month or year-to-year and results in monthly or annual charges to the consumer’s credit card, debit
22 card, or third-party payment account (“Payment Method”). In doing so, Defendant fails to provide
23 the requisite disclosures and authorizations required to be made to California consumers under
24 California’s Automatic Renewal Law (“ARL”), Cal. Bus. Prof. Code §§ 17600, *et seq.*

25
26
27 ¹ Cricut 101, *What is Cricut Access?* (Dec. 3, 2021), <https://cricut.com/blog/what-is-cricut-access/>;
28 *see also id.* (noting that the paid Cricut Subscriptions provide, among other things, “700+ fonts, ...
200,000+ images and cut files[,]” “1000+ customizable projects[,]” and “[e]xclusive” “subscriber-
only [Design Space] features like Automatic Background Remover and more”).

1 2. In connection with Cricut Access, Defendant offers two different subscription
2 plans: Standard and Premium (collectively, the “Cricut Subscriptions”). The Standard subscription
3 plan provides subscribers with design perks, such as the unlimited use of Cricut images, fonts, and
4 ready-to-make projects, as well as a savings benefit permitting a ten percent discount on purchases
5 through Defendant’s website. The Premium subscription plan features all the same perks and
6 benefits as the Standard subscription, plus a twenty percent discount on crafting materials, and free
7 economy shipping on orders over \$50.

8 3. Consumers can sign up for Defendant’s Cricut Subscriptions through either the
9 Cricut Website or the Cricut Apps. To do so, customers provide Defendant with their billing
10 information, and Defendant then automatically charges its customers’ Payment Method as
11 payments are due on a monthly or annual basis. Defendant is then able to unilaterally charge its
12 customers renewal fees without their consent, as it is in possession of its customers’ Payment
13 Information. Thus, Defendant has made the deliberate decision to charge Plaintiff and other
14 similarly situated customers on a monthly or yearly basis, relying on consumer confusion and
15 inertia to retain customers, combat consumer churn, and bolster its revenues.

16 4. Pursuant to the ARL, online retailers who offer automatically renewing
17 subscriptions to California consumers must: (a) obtain affirmative consent prior to the consumer’s
18 purchase; (b) provide the complete auto-renewal terms in a clear and conspicuous manner and in
19 visual proximity to the request for consent prior to the purchase; and (c) provide an
20 acknowledgment identifying an easy and efficient mechanism for consumers to cancel their
21 subscriptions. Those purchasing the Cricut Subscriptions do so by choosing a paid monthly
22 subscription (an option with the Standard subscription plan) or a paid yearly subscription (an
23 option on both Standard and Premium subscription plans) subscription plan. As will be discussed
24 below, the enrollment process for a Cricut Subscription on the Cricut Website and App uniformly
25 violates each of the core requirements of the ARL. Defendant also offers Cricut Access on a free
26 trial basis for a limited period of time,² after which Defendant automatically converts consumers’

27 _____
28 ² See https://cricut.com/en_us/cricut-access-free-trial.

1 free trials into paid monthly Cricut Subscriptions and automatically charges their Payment
2 Methods on a recurring basis at the full monthly renewal rate associated with the Standard
3 subscription plan. Defendant also makes it exceedingly difficult and unnecessarily confusing for
4 consumers to cancel their Cricut Subscriptions.

5 5. Specifically, Defendant systematically violates the ARL by: (i) failing to present the
6 automatic renewal offer terms in a clear and conspicuous manner and in visual proximity to the
7 request for consent to the offer before the subscription or purchasing agreement is fulfilled, in
8 violation of Section 17602(a)(1); (ii) charging consumers' Payment Method without first obtaining
9 their affirmative consent to the agreement containing the automatic renewal offer terms, in
10 violation of Section 17602(a)(2); and (iii) failing to provide an acknowledgment that includes the
11 automatic renewal offer terms, cancellation policy, and information regarding how to cancel in a
12 manner that is capable of being retained by the consumer, in direct violation of Sections
13 17602(a)(3) and 17602(b). Cal. Bus. & Prof. Code §§ 17602(a)(1), (a)(2), (a)(3), (b). As a result,
14 all goods, wares, merchandise, or products sent to Plaintiff and the Class under the automatic
15 renewal of continuous service agreements are deemed to be "unconditional gifts" under the ARL.
16 Cal. Bus. & Prof. Code § 17603.

17 6. For the foregoing reasons, Plaintiff brings this action individually and on behalf of
18 all California purchasers of any of Defendant's Cricut Subscriptions from the Cricut Website or
19 Cricut Apps who, within the applicable statute of limitations period up to and including the date of
20 judgment in this action, incurred unauthorized fees for the renewal of their Cricut Subscriptions.
21 Based on Defendant's unlawful conduct, Plaintiff seeks damages, restitution, declaratory relief,
22 injunctive relief, and reasonable attorneys' fees and costs, for: (1) violation of California's Unfair
23 Competition Law ("UCL"), Cal. Bus. & Prof. Code §§ 17200, *et seq.*; (2) conversion; (3) violation
24 of California's False Advertising Law ("FAL"), Cal. Bus. & Prof. Code §§ 17500, *et seq.*; (4)
25 violation of California's Consumers Legal Remedies Act ("CLRA"), Cal. Civ. Code §§ 1750, *et*
26 *seq.*; (5) unjust enrichment/restitution; (6) negligent misrepresentation; and (7) fraud.

THE PARTIES

7. Plaintiff Heather Villegas is a citizen of California, residing in San Diego, California. In or around August 2021, Ms. Villegas signed up for a free trial of Defendant's monthly Standard Cricut Access subscription from Defendant's website while in California. During the enrollment process but before finally consenting to Defendant's subscription offering, thereby completing the checkout process, Ms. Villegas provided her billing information directly to Defendant. At the time Ms. Villegas enrolled in her Cricut Subscription program, Defendant did not disclose to Ms. Villegas all required automatic renewal offer terms associated with the subscription program or obtain Ms. Villegas's affirmative consent to those terms. For instance, at the time of enrollment, Ms. Villegas was not aware that, upon the expiration of Ms. Villegas's free trial subscription, Defendant would automatically convert her free trial into a paid, automatically renewing subscription. Nor did Defendant adequately disclose the length of Ms. Villegas's free trial or when the first charge would occur. Further, after Ms. Villegas completed her initial order, Defendant sent Ms. Villegas an email receipt for her purchase of an Cricut Subscription (the "Acknowledgment Email"). However, the Acknowledgment Email, too, failed to provide Ms. Villegas with the complete automatic renewal terms that applied to Defendant's offer, a description of Defendant's full cancellation policy, or information regarding how to cancel Ms. Villegas's Cricut Subscription in a manner capable of being retained by her. Ms. Villegas did not receive any other acknowledgment that contained the required information. As a result, Ms. Villegas was not placed on notice of several material terms associated with her Cricut Subscription. In particular, Ms. Villegas was not made aware of the fact that her Cricut Subscription would automatically renew after the initial free trial period, of the length of the free trial period, or of when the first charge would occur, nor was she apprised of the cancellation policy associated with her Cricut Subscription, the most crucial aspects of which were missing from the Checkout Page and Acknowledgment Email. In or about December 2022, Ms. Villegas attempted to cancel her Cricut Subscription by both email and phone. Specifically, Ms. Villegas sent an email to Defendant's customer service / cancellation personnel, but she received no response to her email requesting cancellation. When this approach failed, Ms. Villegas

1 subsequently attempted to call Defendant in order affect cancellation by phone, but she gave up on
2 that approach too when no one answered the phone call after waiting on hold for a long period of
3 time. Thus, Ms. Villegas's attempts to cancel her Cricut Subscription in or about December 2022
4 earlier were utterly ineffective, and Ms. Villegas was unable to terminate her Cricut Subscription
5 at that time due to Defendant's obscured, confusing, and time-consuming cancellation policy, the
6 most crucial aspects of which were missing from the Checkout Page and Acknowledgment Email,
7 and because the "mechanism for cancellation" that exists is not one Ms. Villegas and other
8 reasonable consumers would consider "easy-to-use." As a result, Ms. Villegas remains subscribed
9 to Cricut to this day, and, notwithstanding her earlier cancellation attempts, Defendant has
10 continued, and still continues, to automatically renew her Cricut Subscription and, without Ms.
11 Villegas's affirmative consent, her Payment Method in the full monthly rate associated with her
12 Standard Cricut Subscription for the subsequent months, to and through the present. Defendant
13 has not issued Ms. Villegas any refund for the months in which Defendant automatically renewed
14 Ms. Villegas's Cricut Subscription and charged Ms. Villegas's Payment Method, without her
15 express authorization (and, indeed, despite her express denial of such authorization). Defendant's
16 missing and/or incomplete disclosures on the Checkout Page and in the Acknowledgment Email,
17 and its failure to obtain Ms. Villegas's affirmative consent before charging her Payment Method
18 on a recurring basis, are contrary to the ARL, which deems products provided in violation of the
19 statute to be a gift to consumers. *See* Cal. Bus. & Prof. Code § 17603. Had Defendant complied
20 with the ARL, Ms. Villegas would have been able to read and review the automatic renewal terms
21 prior to purchase, and she would have not subscribed to Cricut Access at all or on the same terms,
22 or she would have cancelled her Cricut Subscription earlier, *i.e.*, prior to the expiration of the
23 initial subscription period and/or any subsequent renewal term. As a direct result of Defendant's
24 violations of the ARL, Ms. Villegas suffered, and continues to suffer, economic injury.

25 8. Defendant Cricut, Inc. ("Cricut") is a Delaware corporation with its corporate
26 headquarters and principal place of business at 10855 South River Front Parkway, South Jordan,
27 Utah 84095. Cricut is a creative technology company that designs and markets hardware and
28 software products that enable users to turn their ideas into professional-looking handmade goods.

1 With respect to hardware, Cricut’s “industry-leading products include a flagship line of smart
2 cutting machines— the Cricut Maker® family, the Cricut Explore® family, and Cricut Joy® —
3 accompanied by other unique tools like Cricut EasyPress®, the Infusible Ink™ system, and a
4 diverse collection of materials.”³ In addition, Defendant owns and operates Cricut Design Space,
5 which is a creative technology software designed to encourage people to craft professional projects
6 by using the Cricut cutting machines and the crafting content and other benefits provided via the
7 Cricut Subscriptions. Relevant here, Defendant also offers access to certain exclusive Cricut-
8 branded content, products, and/or services on a contract or fee basis to customers who enroll in the
9 automatically renewing Cricut Subscriptions. Defendant wholly owns and operates the Cricut
10 Subscriptions, which include Standard and Premium plans. Defendant is also responsible for the
11 promotion, advertisement, marketing, and/or sale of the Cricut Subscription programs, and it owns
12 and operates the Cricut Website and Apps, through which Defendant markets and sells the Cricut
13 Subscriptions. Defendant sells – and, at all relevant times during the Class Period, sold – the
14 Cricut Subscriptions in California and has done business in and throughout California and the
15 United States. In connection with the Cricut Subscriptions, Defendant, at all relevant times, made
16 and continues to make automatic renewal offers to consumers in California and throughout the
17 United States via the Cricut Website and Cricut Apps.

18 9. Plaintiff reserves the right to amend this Complaint to add different or additional
19 defendants, including without limitation any officer, director, employee, supplier, or distributor of
20 Defendant who has knowingly and willfully aided, abetted, and/or conspired in the false and
21 deceptive conduct alleged herein.

22 **JURISDICTION AND VENUE**

23 10. This Court has subject matter jurisdiction pursuant to California Business and
24 Professions Code, Sections 17203, 17204 and 17535, and Civil Code, Section 1780.

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26
27 ³ Globe Newswire, *Cricut to Announce Fourth Quarter and Full Year Ended 2021 Financial*
28 *Results on March 8, 2022* (Jan. 18, 2022), <https://www.globenewswire.com/en/news-release/2022/01/18/2368906/0/en/Cricut-to-Announce-Fourth-Quarter-and-Full-Year-Ended-2021-Financial-Results-on-March-8-2022.html>.

11. This Court has personal jurisdiction over the parties because Plaintiff resides in California, is a citizen of California, and submits to the jurisdiction of the Court, and because Defendant has, at all times relevant hereto, systematically and continually conducted, and continues to conduct, business in this State. Defendant therefore has sufficient minimum contacts with this state, including within this County, and/or intentionally availed itself of the benefits and privileges of the California consumer market through the promotion, marketing, and sale of its products and/or services to residents within this County and throughout this State. Additionally, Defendant marketed and sold the Cricut Subscription to Plaintiff in this County. Defendant is also headquartered and incorporated in California.

12. Pursuant to Civil Code § 1780(d), this Court is the proper venue for this action because Defendant regularly does business in this County, and because the misrepresentations, omissions, and injures giving rise to the claims alleged herein occurred in this County.

FACTUAL BACKGROUND

A. Background On The Subscription e-Commerce Industry

13. The e-commerce subscription model is a business model in which retailers provide ongoing goods or services “in exchange for regular payments from the customer.”⁴ Subscription e-commerce services now target a wide range of customers and cater to a variety of specific interests. Given the prevalence of online and e-commerce retailers, subscription e-commerce has grown rapidly in popularity in recent years. Indeed, the “subscription economy has grown more than 400% over the last 8.5 years as consumers have demonstrated a growing preference for access to subscription services[.]”⁵ In terms of subscriptions sold through mobile applications alone, according to TechCrunch.com, “[s]ubscriptions have turned into a booming business for app developers, accounting for \$10.6 billion in consumer spending on the App Store in 2017, and are

⁴ Core DNA, *How to Run an eCommerce Subscription Service: The Ultimate Guide* (May 19, 2020), <https://www.coredna.com/blogs/ecommerce-subscription-services>.

⁵ Business Insider, *Taco Bell's taco subscription is rolling out nationwide — here's how to get it* (Jan. 6, 2022), <https://www.businessinsider.com/taco-bell-subscription-launching-across-the-country-2022-1> (internal quotation marks omitted).

1 poised to grow to \$75.7 billion by 2022.”⁶ And with respect to the broader market (extending
2 beyond in-app subscriptions), analysts at UBS predict that the subscription economy will expand
3 into a \$1.5 trillion market by 2025, up from \$650 billion in 2020.⁷ That constitutes an average
4 annual growth rate of 18%, which makes the subscription economy “one of the fastest-growing
5 industries globally.”⁸

6 14. Defendant founded Cricut, Inc., in or around 1962. The Cricut machines have been
7 around since the original Cricut Personal Electronic Cutter, which was released in or around
8 2006.⁹ In March 2021, Defendant adopted the subscription model with the launch of Cricut
9 Access, which provides paying subscribers with access to various design tools, materials, and other
10 perks, along with money-saving benefits.¹⁰ Through Cricut Access, Defendant provides
11 subscribers with access to two subscription plan options: Standard and Premium. The Standard
12 subscription provides subscribers with design perks, such as the unlimited use of Cricut images,
13 fonts, and ready-to-make projects, as well as a savings benefit permitting a ten percent discount on

14 ⁶ TechCrunch, *Sneaky subscriptions are plaguing the App Store* (Oct. 15, 2018),
15 <https://techcrunch.com/2018/10/15/sneaky-subscriptions-are-plaguing-the-app-store/>.

16 ⁷ See UBS, *Investing in digital subscriptions* (Mar. 10, 2021),
17 <https://www.ubs.com/global/en/wealth-management/our-approach/marketnews/article.1525238.html> (“[A]t close to USD 650 billion in 2020, we expect the
18 subscription economy to expand into a USD 1.5 trillion market by 2025, implying an average
19 annual growth rate of 18%.”).

20 *See also* Subscribed, *UBS Declares: It’s Worth Investing in the Subscription Economy* (Apr.
21 17, 2021), [https://www.subscribed.com/read/news-and-editorial/ubs-declares-its-worth-investing-](https://www.subscribed.com/read/news-and-editorial/ubs-declares-its-worth-investing-in-the-subscription-economy)
22 [in-the-subscription-economy](https://www.subscribed.com/read/news-and-editorial/ubs-declares-its-worth-investing-in-the-subscription-economy); Business 2 Community, *The Subscription Economy Is Booming*
23 *Right Now. But Are You Reaping the Full Benefits?* (Oct. 7, 2021),
24 [https://www.business2community.com/ecommerce/the-subscription-economy-is-booming-right-](https://www.business2community.com/ecommerce/the-subscription-economy-is-booming-right-now-but-are-you-reaping-the-full-benefits-02434851)
25 [now-but-are-you-reaping-the-full-benefits-02434851](https://www.business2community.com/ecommerce/the-subscription-economy-is-booming-right-now-but-are-you-reaping-the-full-benefits-02434851).

26 ⁸ UBS, *Investing in digital subscriptions* (Mar. 10, 2021), [https://www.ubs.com/global/en/wealth-](https://www.ubs.com/global/en/wealth-management/our-approach/marketnews/article.1525238.html)
27 [management/our-approach/marketnews/article.1525238.html](https://www.ubs.com/global/en/wealth-management/our-approach/marketnews/article.1525238.html) (“[Growth] was seen across many
28 areas, including e-commerce, video streaming, gaming, cloud-based applications, etc.”); *see also*
Juniper Research, *Subscriptions For Physical Goods To Overtake Digital Subscriptions By 2025;*
Growing To Over \$263bn Globally (Oct. 12, 2020),
<https://www.juniperresearch.com/press/subscriptions-for-physical-goods-to-overtake>
(acknowledging “the significant lead the digital sector has had in th[e] area[of digital service
subscriptions]”).

⁹ Cricut & Coffee, *What Exactly is a Cricut Machine? Everything You Need to Know* (Apr. 28,
2018), <https://cricutandcoffee.com/what-is-a-cricut-machine-and-what-does-it-do/>.

¹⁰ Utah Business, *Cricut announced a new subscription model – customers shut it down* (Jul. 13,
2021), [https://www.utahbusiness.com/cricut-announced-a-new-subscription-](https://www.utahbusiness.com/cricut-announced-a-new-subscription-model%E2%80%95customers-shut-it-down/)
[model%E2%80%95customers-shut-it-down/](https://www.utahbusiness.com/cricut-announced-a-new-subscription-model%E2%80%95customers-shut-it-down/).

1 non-recurring purchases of various Cricut products. The Premium subscription features all the
2 same perks and benefits as the Standard subscription, plus a twenty percent discount on crafting
3 materials and free economy shipping on orders over \$50.¹¹

4 15. The production, sale, and distribution of subscription-based products and services is
5 a booming industry that has exploded in popularity over the past few years. According to *Forbes*,
6 “[t]he subscription e-commerce market has grown by more than 100% percent a year over the past
7 five years, with the largest retailers generating more than \$2.6B in sales in 2016, up from \$57.0M
8 in 2011.”¹² Following 2016, market growth within the industry increased exponentially, reaching
9 \$650 billion in 2020.¹³ “As such, the financials of companies with subscription business models[]
10 ... improved dramatically in 2020 thanks to limited revenue volatility and strong cash flow
11 generation.”¹⁴ Thus, “[t]he share prices of most subscription companies have performed well in
12 recent years.”¹⁵

13 16. The expansion of the subscription e-commerce market shows no signs of slowing.
14 “We’re now in the subscriptions era, and the pandemic is accelerating its takeover. During the
15 COVID-19 lockdowns, many digital-based subscription business models fared well due to their
16 promise of convenience and strong business continuity.”¹⁶ According to *The Washington Post*,
17 “[s]ubscriptions boomed during the coronavirus pandemic as Americans largely stuck in shutdown
18 mode flocked to digital entertainment[.] ... The subscription economy was on the rise before the
19
20

21 ¹¹ Cricut Shop, *Subscribe to Cricut Access™ for more member perks*, Cricut.com (2022),
22 https://cricut.com/en_us/cricut-access.html.

23 ¹² *Forbes*, *The State Of The Subscription Economy, 2018* (Mar. 4, 2018),
24 <https://www.forbes.com/sites/louiscolumbus/2018/03/04/the-state-of-the-subscription-economy-2018/#6ad8251a53ef>.

25 ¹³ See UBS, *Investing in digital subscriptions* (Mar. 10, 2021),
26 <https://www.ubs.com/global/en/wealth-management/our-approach/marketnews/article.1525238.html>.

27 ¹⁴ *Id.*

28 ¹⁵ *Id.*

¹⁶ UBS, *Investing in digital subscriptions* (Mar. 10, 2021), <https://www.ubs.com/global/en/wealth-management/our-approach/marketnews/article.1525238.html>.

1 pandemic, but its wider and deeper reach in nearly every industry is expected to last, even after the
2 pandemic subsides in the United States.”¹⁷

3 17. However, as the *Washington Post* has noted, there are downsides associated with
4 the subscription-based business model.¹⁸ While the subscription e-commerce market has low
5 barriers and is thus easy to enter, it is considerably more difficult for retailers to dominate the
6 market due to the “highly competitive prices and broad similarities among the leading players.”¹⁹
7 In particular, retailers struggle with the fact that “[c]hurn rates are high, [] and consumers quickly
8 cancel services that don’t deliver superior end-to-end experiences.”²⁰ Yet, retailers have also
9 recognized that, where the recurring nature of the service, billing practices, or cancellation process
10 is unclear or complicated, “consumers may lose interest but be too harried to take the extra step of
11 canceling their membership[s].”²¹ As these companies have realized, “[t]he real money is in the
12 inertia.”²² As a result, “[m]any e-commerce sites work with third-party vendors to implement
13 more manipulative designs.”²³ That is, to facilitate consumer inertia, a number of subscription e-
14 commerce companies, including Defendant, “are now taking advantage of subscriptions in order to
15 trick users into signing up for expensive and recurring plans. They do this by intentionally

16 ¹⁷ The Washington Post, *Everything’s becoming a subscription, and the pandemic is partly to*
17 *blame* (June 1, 2021), [https://www.washingtonpost.com/business/2021/06/01/subscription-boom-](https://www.washingtonpost.com/business/2021/06/01/subscription-boom-pandemic/)
18 [pandemic/](https://www.washingtonpost.com/business/2021/06/01/subscription-boom-pandemic/) (noting that “e-commerce and entertainment subscriptions to sites such as Netflix, Hulu
and Disney Plus made headlines during the pandemic for soaring growth”).

19 ¹⁸ The Washington Post, *Little-box retailing: Subscription services offer new possibilities to*
20 *consumers, major outlets* (Apr. 7, 2014),
[https://www.washingtonpost.com/business/economy/tktktktk/2014/04/07/f68135b6-a92b-11e3-](https://www.washingtonpost.com/business/economy/tktktktk/2014/04/07/f68135b6-a92b-11e3-8d62-419db477a0e6_story.html)
[8d62-419db477a0e6_story.html](https://www.washingtonpost.com/business/economy/tktktktk/2014/04/07/f68135b6-a92b-11e3-8d62-419db477a0e6_story.html).

21 ¹⁹ McKinsey & Company, *Thinking inside the subscription box: New research on e-commerce*
22 *consumers* (Feb. 2018), [https://www.mckinsey.com/industries/technology-media-and-](https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/thinking-inside-the-subscription-box-new-research-on-e-commerce-consumers#0)
[telecommunications/our-insights/thinking-inside-the-subscription-box-new-research-on-](https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/thinking-inside-the-subscription-box-new-research-on-e-commerce-consumers#0)
[ecommerce-consumers#0](https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/thinking-inside-the-subscription-box-new-research-on-e-commerce-consumers#0).

23 ²⁰ *Id.*

24 ²¹ The Washington Post, *Little-box retailing: Subscription services offer new possibilities to*
25 *consumers, major outlets* (Apr. 7, 2014),
[https://www.washingtonpost.com/business/economy/tktktktk/2014/04/07/f68135b6-a92b-11e3-](https://www.washingtonpost.com/business/economy/tktktktk/2014/04/07/f68135b6-a92b-11e3-8d62-419db477a0e6_story.html)
[8d62-419db477a0e6_story.html](https://www.washingtonpost.com/business/economy/tktktktk/2014/04/07/f68135b6-a92b-11e3-8d62-419db477a0e6_story.html).

26 ²² *Id.*

27 ²³ Business Insider, *A new study from Princeton reveals how shopping websites use 'dark patterns'*
28 *to trick you into buying things you didn't actually want* (Jun. 25, 2019),
<https://www.businessinsider.com/dark-patterns-online-shopping-princeton-2019-6>.

1 confusing users with the design and flow of their Website and Apps, *e.g.*, by making promises of
2 ‘free trials’ that convert after only a matter of days, and other misleading tactics.”²⁴ To make
3 matters worse, once enrolled in the subscription, “[o]ne of the biggest complaints consumers have
4 about brand/retailers is that it’s often difficult to discontinue a subscription marketing plan.”²⁵
5 Moreover, “the rapid growth of subscriptions has created a host of challenges for the economy, far
6 outpacing the government’s ability to scrutinize aggressive marketing practices and ensure that
7 consumers are being treated fairly, consumer advocates say.”²⁶ Thus, although “Federal Trade
8 Commission regulators are looking at ways to make it harder for companies to trap consumers into
9 monthly subscriptions that drain their bank accounts[and] attempting to respond to a proliferation
10 of abuses by some companies over the past few years[,]”²⁷ widespread utilization of these
11 misleading dark patterns and deliberate omissions persist.

12 18. Defendant has successfully implemented these tactics. “Over the past few years,
13 financial performance at [Cricut] has been robust and the current data is pointing to another year of
14 record results.”²⁸ As of September 30, 2021, Defendant had 1.8 million paid subscribers to Cricut
15 Access and Cricut Access Premium, reflecting a subscriber base that has “increased by 56% [over
16 the fiscal year,] from 1.2 million as of September 30, 2020.”²⁹ Significantly, in 2021,
17 “[s]ubscriptions revenue increased by \$75.7 million, or 102%, to \$150.1 million for the nine

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

20 ²⁵ The Washington Post, *Everything’s becoming a subscription, and the pandemic is partly to*
21 *blame* (June 1, 2021), [https://www.washingtonpost.com/business/2021/06/01/subscription-boom-](https://www.washingtonpost.com/business/2021/06/01/subscription-boom-pandemic/)
22 [pandemic/](https://www.washingtonpost.com/business/2021/06/01/subscription-boom-pandemic/) (“‘Subscription services are a sneaky wallet drain,’ said Angela Myers, 29, of
Pittsburgh. ‘You keep signing up for things and they make it really hard to cancel.’”); *see also* New
Media and Marketing, *The problem with subscription marketing* (Mar. 17, 2019),
<https://www.newmediaandmarketing.com/the-problem-with-subscription-marketing/>.

23 ²⁶ *Id.*

24 ²⁷ *Id.*

25 ²⁸ Seeking Alpha, *Cricut: Rapid Growth At A Premium Price* (Oct. 26, 2021),
[https://seekingalpha.com/article/4461965-cricut-rapid-growth-at-a-premium-](https://seekingalpha.com/article/4461965-cricut-rapid-growth-at-a-premium-price?utm_source=simplywall.st&utm_medium=referral)
price?utm_source=simplywall.st&utm_medium=referral.

26 ²⁹ Cricut, Inc., *2021 Quarterly Report*, at 25, 31,
27 [https://app.quotemedia.com/data/downloadFiling?webmasterId=90423&ref=116247734&type=PD](https://app.quotemedia.com/data/downloadFiling?webmasterId=90423&ref=116247734&type=PDF&symbol=CRCT&companyName=Cricut+Inc.&formType=10-Q&formDescription=General+form+for+quarterly+reports+under+Section+13+or+15%28d%29&dateFiled=2021-11-12&CK=1828962)
F&symbol=CRCT&companyName=Cricut+Inc.&formType=10-
Q&formDescription=General+form+for+quarterly+reports+under+Section+13+or+15%28d%29&
dateFiled=2021-11-12&CK=1828962.

1 months ended September 30, 2021 from \$74.4 million for the nine months ended September 30,
2 2020.”³⁰ As Cricut President and CEO Ashish Arora confirmed in Cricut’s third quarter earnings
3 conference call held on November 10, 2021, “[t]he number of subscribers and subscription ARPU
4 over time are important indicators of [Defendant’s] success,” and reported that he was “pleased
5 with the results in the third quarter[.]”³¹ And, in that vein, Defendant is well-positioned to
6 continue along this trajectory in the current climate. Indeed, as Defendant noted in its report
7 regarding financial results for the third quarter of FY 2021, “[d]uring the COVID-19 pandemic,” it
8 enjoyed a rapid “increase in demand for [Cricut’s] products and subscriptions.”³² Certainly, the
9 numbers speak for themselves: “from 2018 to 2019 [Cricut’s] ... revenue from subscriptions grew
10 72%. ... In comparison, from 2019 to 2020 [Cricut’s] ... revenue from subscriptions grew
11 107%.”³³ But Defendant experienced its steepest growth from 2020 to 2021, at the end of which
12 “subscription revenue came in 111% higher than it did the same time last year.”³⁴

13 **B. Defendant’s Dark Patterns And Online Consumer Complaints**
14 **About The Cricut Subscriptions**

15 19. Defendant’s recent growth in revenues and subscriber count with respect to its
16 Cricut Subscriptions coincides with a sharp decline in subscriber satisfaction as the Cricut
17 Subscriptions and the platforms from which they operate have become riddled with “dark
18 patterns.” A dark pattern is “a user interface carefully crafted to trick users into doing things they

19 ³⁰ *Id.* at 31.

20 ³¹ Seeking Alpha, *Cricut’s (CRCT) CEO Ashish Arora on Q3 2021 Results – Earnings Call*
21 *Transcript*, Seeking Alpha (Nov. 10, 2021), <https://seekingalpha.com/article/4468275-cricuts-crct-ceo-ashish-arora-on-q3-2021-results-earnings-call-transcript>.

22 ³² Cricut, Inc., *2021 Quarterly Report*, at 79.

23 ³³ *Id.*

24 ³⁴ Seeking Alpha, *Cricut: Rapid Growth At A Premium Price* (Oct. 26, 2021) (“[T]he most exciting
25 source [of revenue] in my opinion involves subscription fees associated with the [Cricut
26 Subscriptions]. These made up [] \$111.34 million in 2020[and] ... revenue associated with these
27 subscriptions is growing much more rapidly than [Cricut’s] other two revenue sources. For
28 instance, in the latest quarter this year, subscription revenue came in 111% higher than it did the
same time last year. That compares to the 40% growth associated with accessories and materials,
and the 29% associated with the Cricut machines. ... In the long run, subscription revenue will
ultimately generate stronger margins than the other two main product lines the company offers.
That, combined with strong growth, with the total number of subscribers up by 800,000 over the
past year, will help to fuel value for shareholders in the long run.”).

1 might not otherwise do, such as ... signing up for recurring bills.”³⁵ Indeed, as one *Ars Technica*
2 writer has suggested, Cricut is among the many companies with large user bases that “deceptively
3 push consumers into making certain disadvantageous decisions” by “demanding a monthly
4 subscription fee ... after users have already sunk hundreds of dollars into its products.”³⁶
5 Specifically, Defendant has been using various types of dark patterns, including but not limited to
6 “roach motel,”³⁷ “misdirection,”³⁸ and “forced continuity,”³⁹ in order to prevent user
7 unsubscription from the Cricut Subscriptions by adopting complex cancellation procedures to
8 increase the friction in the subscription cancellation process. Defendant’s utilization of these dark
9 patterns – especially in conjunction with its failure to fully disclose the terms of its automatic-
10 renewal programs (discussed further below) – has led to a reduction in churn rates by making it
11 next to impossible for subscribers to cancel their Cricut Subscriptions. It has further led to an
12 increase in accidental or unintentional sign-ups by consumers for paid Cricut Subscription plans, in
13 effect increasing subscriber count and, thus, Defendant’s overall revenues from renewal fees.

18 ³⁵ *Dark patterns in UX: how designers should be responsible for their actions* (Apr. 15, 2018),
19 <https://uxdesign.cc/dark-patterns-in-ux-design-7009a83b233c> (quoting UX designer Harry Brignull
(PhD Cognitive Science), who coined the term “Dark Patters” in August 2010).

20 ³⁶ Kate Cox, *Cricut backs off plan to add subscription fee to millions of devices [Updated]* (March
21 16, 2021), [https://arstechnica.com/tech-policy/2021/03/cricut-retroactively-adds-subscription-fee-](https://arstechnica.com/tech-policy/2021/03/cricut-retroactively-adds-subscription-fee-to-millions-of-devices/?comments=1)
[to-millions-of-devices/?comments=1](https://arstechnica.com/tech-policy/2021/03/cricut-retroactively-adds-subscription-fee-to-millions-of-devices/?comments=1).

22 ³⁷ “Roach motel” refers to a “design [that] makes it very easy for [consumers] to get into a certain
23 situation, but then makes it hard for [consumers] to get out of it (e.g. a subscription).”
<https://www.darkpatterns.org/types-of-dark-pattern/roach-motel>.

24 ³⁸ “Misdirection” is a type of dark pattern where a website’s “design purposefully focuses
25 [customers’] attention on one thing in order to distract [them] attention from another.” In many
cases, “[w]hat’s deceptive is the way [the website] presents [purchase] options: it uses misdirection
26 to hide what is actually happening[.]” [https://www.darkpatterns.org/types-of-dark-](https://www.darkpatterns.org/types-of-dark-pattern/misdirection)
[pattern/misdirection](https://www.darkpatterns.org/types-of-dark-pattern/misdirection).

27 ³⁹ One example of “forced continuity,” another type of dark pattern, is where customers’ sign up
28 for a “free trial with a service[that] comes to an end and [their] credit card silently starts getting
charged without any warning. [The subscriber is] are then not given an easy way to cancel the
automatic renewal.” <https://www.darkpatterns.org/types-of-dark-pattern/forced-continuity>.

20. Defendant's conduct has drawn the attention and ire of customers across the country, with countless angry customers taking to the Internet to voice their discontent over Defendant's broken promises. For instance, numerous subscribers have left scathing reviews on the Better Business Bureau website, complaining of confusion regarding obscured or undisclosed subscription terms, such as Defendant's unclear billing practices and the confusing cancellation policy associated with the Cricut Subscriptions.⁴⁰



10/20/2021

My mom and I bought my son a new cricut maker 3 for his birthday (in July 2021). I'm pretty good with electronics and graphic software but we can't even get it set up because when it calibrates it starts cutting past the top of the mat so we can't even get it calibrated. In trying to address the issue we went through the set up process twice. This resulted in them having 2 of my credit cards on file. I called and sat on the phone for hours with customer service. They said they would send us an email and we needed to respond with a video of the error and they would send us a replacement (I have since learned this is a known issue with the new maker 3). No problem. We never get an email from them. I contact customer service through email, their ***** page, no response. Meanwhile we are being charged twice a month for subscriptions on top of a \$400 machine we can't even use and we can't figure out how to resolve that without cancelling the cards because we never hear back from anyone.



09/29/2021

I purchased the Cricut Maker Machine. I waited until it was on sale. When I went to register the product, I was forced to give a credit card in order to complete the registration. I have checked on the packaging and with the company directly and there is no requirement to subscribe to Cricut Access software to use the machine. However, when I registered for the product I was forced to give a credit card, which was then used, without my authorization, for a subscription to Cricut access software. By the time I realized I was being charged, I had a total of 5 monthly charges, totaling \$50 plus tax. I contacted the company and they will only refund one \$10 charge plus tax and store credit. Considering I did not authorize any of the charges and was forced to give my credit card to register the product, I feel that I should be refunded the full amount: \$50 +tax. I feel that this business practice is misleading and plain unethical. User name for ***** Access is *****



09/15/2021

Have been charged ***** for the past 8 months for cricut. I've contacted them and they have nothing on file. ***** charges come thru as cricut south ***** Can you please help me get to the bottom of this?



09/10/2021

In September 2020 I purchased an annual subscription. September 2021 I was charged for another annual subscription. They never notified me that it was coming due or that it would be automatically taken out of my account. When I called to discuss the lady was

⁴⁰ See <https://www.bbb.org/us/ma/boston/profile/novelties/cricut-1166-22271676/complaints>.



04/08/2021

I had subscribe to a cricket service was supposed to be free for a while and then they start deducting money from my bank account. A week after subscribing I unsubscribed I've contacted them three times and explain they keep taking money out of my bank account every month now for probably 3 months maybe four. If you call the number you can't get anyone to talk to I got nowhere in the chats. At a frustration I told the last person I was going to call BBB he said go ahead do it but they continue to take my money and I am not subscribed anymore and I keep telling them that there's a problem with their billing department



03/02/2021

I had signed up for their monthly membership to have access to their digital inventory for use on my cricut. Since I had not been using my cricut much yet I had tried to cancel online. I followed all of their instructions but did not see a place to cancel. So I emailed their "customer service" email on 2/2/2021 asking to cancel and saying that I did not authorize any future charges. I never heard back and was charged again on 2/27/2021. So I followed up on my 2/8 email stating I wanted a refund and wanted my membership canceled moving forward for the 2/27 charge. It is 3/2 and I still have not heard back.



03/29/2021

On April 26, 2020 I purchased a Cricut machine. As a new owner you are allowed a one month access to Cricut Design Space. I signed up and at the time they asked for credit card info. After the one month I cancelled it. I have info showing that. Cricut has been charging my credit card for a service I didnt want or use. They have no way I can see to stop the payment AND then trying to call to talk to someone I listened to music for 45 min and no one came on.



04/06/2021

I used to hold a subscription for their Design Space to use with a previously owned Cricut Joy cutting machine which I have since given away due to their service. That subscription was canceled in September of 2020. In January, 2021, Cricut started billing me again and after many calls and emails to them they refunded, January thru March payments they took from me. This month I saw they had again charged my card, which I have removed from their site and yet they have the card. I want an apology from a member of management, them to remove my card, refund my money, and quit charging me for a subscription I have not held since September 2020. For some unknown reason they continue to charge me for an account I no longer have.



07/22/2021

I have a Cricut Maker Vinyl Cutting machine and agreed to pay for monthly access to special images etc. When I decided these designs were of no value to me I cancelled the membership. The company then continued to withdrawal money from our account without permission. I called several times to complain and get a refund. The decided they would list that as a credit in one of the websites instead of returning the unauthorized withdrawal. Each time I called to complain that I do not agree to this outcome the reassure me that they will return it and give my account credit (which they never did) for my inconvenience. My last call the actually tried to tell me that they couldnt offer a refund unless I spent more money. I repeated that I want my money back to which they agreed and stated I would have it within a week or two. It's been three months or so since that call with no resolution. Its the principle of pulling money out of an account they had no business in, then lying about a refund



06/23/2021

On 5/7/21 I was charged for and paid \$95.88 for an annual subscription to Cricut Access software to use on my newly purchased Cricut Maker machine. My subscription now states expired and I have no access (without further charges) to the software I need to access for use with the machine so purchased. Emails to the company have gone unanswered. Calls to the company go to automatic hold and I hang up after being on hold for over a half hour per call. The site says they have an online chat but there's no way that I have found to access the chat. I need help getting this company to honor the subscription for the year I fully paid for.



05/30/2021

On May 4th cricut charged my account for 1 month service. On May 14th and again on May 24th they attempted to charge me again but I got a new card they didn't have yet. Although they didn't get any \$\$ they turned off my cricut access service on May 14th just 10 days after I purchased 1 month because the payment didn't go through for a service I already paid for!!!!!! So I paid for 1 month and got 10 days.



12/10/2020

Cricut continually charged me a monthly service charge for items I DID NOT AIGN UP FOR. They charged me \$10.88 for 10 month. Stating I signed up for a 30 day trial which I never did. They can see in there system I never used any of the fonts or images that went with this service. I started to use the free pet of the website in 2017. At that time is when you qualify for the 30 day trial which i did not sign up for. Now they are saying I requested a free trial in Dec 2019. I had already been in the system for 2 years at the time and could not use the free trial because I was not a new member . I NEVER USED ANY OF THE ITEMS IN THE FREE TRIAL OR WITHIN THE MEMBERSHIP FONTS OR IMAGES OFFERED AND THEY CAN LOOK IT UP.



02/09/2021

On 24/10 I started a free trial with Cricut design space. On 27/11 I had the option of an ongoing monthly charge or a yearly subscription. I did this within the 30 free day trial. On 29/1/21 I received an email from apple stating they had charged my account \$13.99 for the Cricut monthly subscription. I then cancelled this immediately on my phone. I then contacted Apple who have refused to refund me any money even though I have receipts showing that I had purchased a yearly subscription to Cricut on 27/11/20. I immediately emailed Cricut and had no reply. On 9/2 I rang Cricut directly and spoke with Adam who was able to confirm 'yes I have had monthly subscriptions taken from my account as well as a yearly subscription.' He informed me that Cricut would not refund any monies. Cricut will not assist me any further. At no stage was I told if I elected to take a yearly membership that I would also have to cancel a monthly



03/26/2021

I ordered a Cricut machine through cricut.com. When I received the machine I downloaded the cricut app and because i used Google play to sign up for cricut access design space subscription, Google used my gmail email (*****) even though I ordered the machine through my aol email, the email I primarily use (*****). and the google play bills to my paypal account balance. I was not aware of any of this until two days ago when I sold my car had a paypal balance for the first time in a while, even though google is set in my account to use a card in my account, it still waited til I had a paypal balance for the \$10.00 fee to go through. I called cricut and they told me I had to go through paypal to fix the issue first, so I did and paypal had to contact cricut to make sure my complaint was valid for a refund and not being billed again on my paypal balance, I wanted to use a debit card. I called cricut again and this time they said I had to go through google. Upon going through google is when I realized I was billed with my gmail account but with my paypal account linked to my aol account. Google says I have to go through cricut. Its after 5pm easteen time on Friday and really dont have any more time to deal with this issue. I didnt have an account with my gmail account with cricut, so I signed up for an account under the gmail address. When I tried logging into the gmail account in cricut I still dont have an access subscription. I dont want the subscription anymore, I'm already fed with up with cricut design space without the subscription and this just put it over the top for me and I think I'll be going with another kind of machine. I want a refund for the \$10 and for my paypal account to not be billed again. Thank you!



02/22/2021

Cricut is charging customers renewal fees, but charging a credit card you used to sign up, to their free trial, but the website does not allow the customer a way to cancel their subscription. There is no button to select from the customers account in order to cancel their subscription. When you try and call to cancel via the customer service phone number provided, you are transferred to a call center located in the phillippines. The guy promised to send a email with proof of cancellation, as you can imagine, this was a lie, he never cancelled my subscription. To many times I have ran into businesses that have call centers outside of the country, and you end up being scammed. When I signed up for this service, I believed it to be a reputable business in the USA, do not believe that anymore.



03/11/2021

Per my request in the month of December to cancel my \$9.99 it has still yet to be done up until I called. I sent an email (attached) to Cricut support to kindly cancel my subscription. After reviewing a bank statement in the month of Feb, I sent another email. After being charged AGAIN, I finally called. With the request to have a retro active adjustment for the months it was rejected. CJ who was the mad hatter during the call, was telling his colleague that they could only refund a month. I told Melody (colleague) that she needs to relay to the message to CJ that this not ethical and not complying with my original request. If need be, for measly \$36, I will get ahold my lawyer with no issue. I would hate to see anyone at a multi million dollar company lose their job for not complying with a simple request.



09/12/2020

I tried to call into circuit support on 6 consecutive days to cancel my circuit easy access for 4-6 hours per day and wasn't able to talk to anyone on the phone. I tried canceling before the renewal date on the website but I wasn't able to login to my account until after the renewal or so I thought I just checked my account again and it's still active so I've cancelled it a second time hopefully y'all's website won't glitch again



07/01/2020

I have been charged for months now of 10.99 by cricut. My account shows no membership and No subscription. When combing through the help section and FAQ, under updating credit cards it shows that there would be a membership tab under account. I have photos to show that mine does not. I have tried to contact Cricut since April, they are responding to emails with an " We are currently not providing support by email," Hold times are 2 hours on the phone, and the chat option is down.



02/28/2020

I received my cricut, as a gift for Christmas.... I setup my machine, gained full access of the design space from my free trial, and began crafting. I failed to cancel my trial period and was charged for the monthly service in February, once the charge reflected on my bank statement I then cancelled my subscription. Since then cricut has only allowed me limited access, even though I was informed my subscription was valid until 3/17. The customer service rep claims this not to be true, however I no long have access to the hundreds of fonts and images given to you as a subscriber. In the past not only have I used these said images and fonts, cricut allowed me to also make the project without an additional charge! Since I was charged for this entire month, I do feel I am rightfully owed the entire month without limitations. I can tell you myself, nor anyone I know will ever buy another cricut product... I find it ridiculous that you pay almost \$300 for your printer then have to pay a monthly subscription for the design space so that your printer works properly. I miss the days when the products you bought also included any necessary program to run it!



01/31/2019

I have reached out to this company several times about cancelling my membership after removing my credit card information from their website and I have not been contacted and they continue taking money out for the membership. I cancelled in November and I have been charged ever month since then. This company continues to take my money for services that I am not using. When I signed up it was under a free month trial and was told that it could be cancelled at anytime. But that is not the case, I have been charged even after removing my credit card information. I would like to get the last three months refunded and no more charges appearing on my credit card. I have been paying interest on something that I have been trying to cancel.



10/04/2019

This website/company seems to be an illegitimate fraudulent company operating as an arts and craft company. They stole my credit card information and have been charging my information continually ever month. I have disputed each charge and reached out to the company multiple times via email. I tried to login using their login in process, however my email does not exist in their database (but i'm a reoccurring customer ?). Additionally, when trying to reach out to the company via email (which again, I sent several emails), the email auto response "is Cricut is experiencing a high volume of emails in which could take up to 72 hours to respond" and have yet to receive a response from their team. In addition to lack of professional help via email, the company's phone number is nonexistent. Their website states that page does not exist? If this was a legitimate company operating under any profession/ethical manner wouldn't they have some type of contact number?? Please keep in mind, I do not use or utilize arts and crafts/printing for either my professional or personal life as my company provides all printing needs.



02/07/2020

I signed up for a free trial of their design space in October. I entered my credit card. When I attempted to cancel, there was no active subscription, but I got charged in November. Cricut customer service could find no active subscription. Raghu from their customer service team stated that access was not active after 11/2. He asked for details, which I provided on 11/17 and then never fixed the problem. I got charged again in December. These two previous disputed charges were refunded from my bank. I got charged again today, and looked back to see that they also charged me in January.



09/24/2020

I have been charged \$11 for 12 months in a row and have requested them to stop and have no idea why they are even charging me. I would like them to show me where we committed to this auto debit and please stop it. I have called numerous times only to be put on hold for hours and no answer and they will not return emails to their customer service department.

21. Another Cricut subscriber left a similar complaint on the Trustpilot website:⁴¹



Apr 8, 2021

Terrible customer service and predatory subscription

I got a Cricut for Christmas from my husband, who set it up for me. He spent hundreds of dollars on the top of the line machine and also many supplies. While setting up the Cricut to surprise me, it sounds like a trial subscription for Cricut Access was activated. I never signed up for this myself.

I was very disappointed at how buggy and difficult to use the Cricut was to use, in addition to the limited number of things I could use it for, so it has sat in a closet since early January. I have never once used the Cricut Access subscription. I've been charged \$10.70 for monthly without my knowledge. I don't even know what it is for. I just found it today on my credit card history, and reached out through Cricut's live chat to explain what happened and request a refund. They refused to do that, saying that the subscription is non-refundable even though I never signed up for it myself or accepted the contract terms they kept citing.

After spending \$500 for a useless crafting machine and supplies that aren't even useful and are now sitting in a closet, I feel the least that Cricut could have done is reimburse the \$32.10 accidental subscription cost. It is predatory not to, and in my opinion, they are relying on lots of older women who like crafting to not realize there is a subscription they have been paying every month. I am doing a credit card chargeback and want to get the word out about the company's dishonesty. I would never recommend that anyone buy a Cricut or do business with this company.

22. Yet another unhappy subscriber left a complaint in the comments of a YouTube video discussing the Cricut Access Subscriptions, hoping that other consumers might be able to shed light on the cancellation process where Defendant failed:⁴²



alice howrey 8 months ago

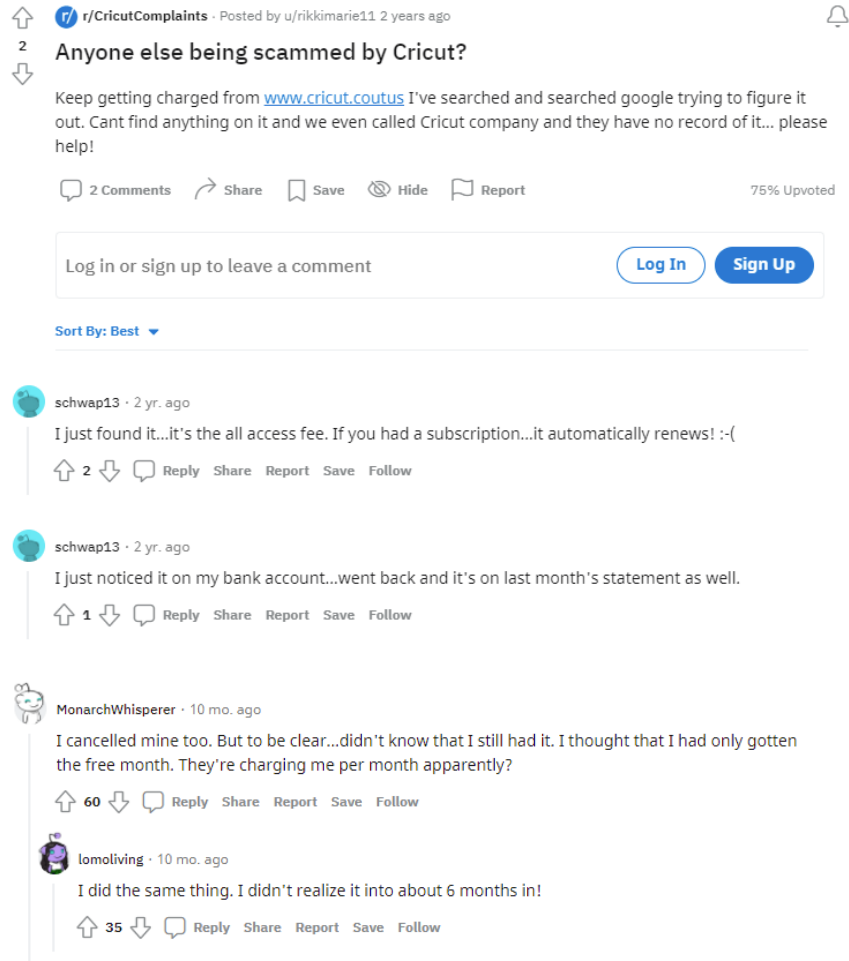
How do I cancel my subscription, I can't find anything on their site that tells me and when I finally found a phone number it was totally useless. Help I have been spending hours on this search.

23. Still more unhappy subscribers took to Reddit to express their frustrations on forums dedicated to Defendant's products and services, including the "r/CricutComplaints" and "r/cricut" subreddits:⁴³

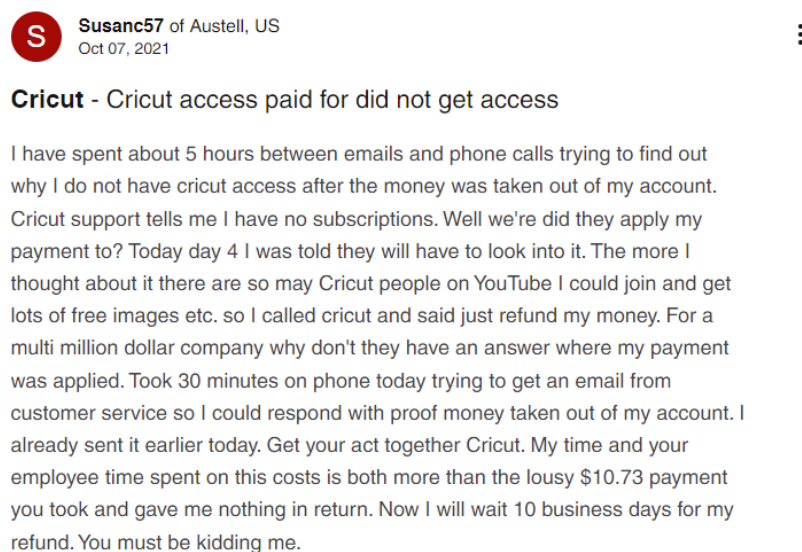
⁴¹ See <https://www.trustpilot.com/review/cricut.com?search=monthly>.

⁴² See <https://www.youtube.com/watch?v=zSiSBMofYMM>.

⁴³ See https://www.reddit.com/r/CricutComplaints/comments/d3zkj4/anyone_else_being_scammed_by_cricut/;
https://www.reddit.com/r/cricut/comments/m5vw4k/canceled_my_cricut_access_membership/.





24. Frustrated subscribers also expressed annoyance on the Complaints Board website:⁴⁴



⁴⁴ See <https://www.complaintsboard.com/cricut-b124013>.

Cricut — membership

 shandella Chaplin  Verified customer

If your new to the [cricut](#) machine and their different subscriptions they have in your new machine box they don't explain you do not need a membership to have or get images for your [cricut](#) there for you sign up for the 10.70\$ a month membership thinking its to get free images (yes i know it's only 10.70) but still what if that is the last of the money in someone's account an now their negative an have to pay a 35 overdraft fee plus a membership fee they wont even use and they will not refund you if you choose to cancel the membership unless you have a screen shot or copy of the email stating you cancelled your membership. Even if you explain that you thought it was part of setting up an getting images for your machine. I feel thats very rude to the "newbies" because your new an don't know exactly what all is required for the machine until you get the hang of it . there should be a one time generosity refund if somone didn't understand .

25. The above reviews are just a sampling of numerous negative reviews consumers have left regarding Defendant's Cricut Subscriptions and the unclear cancellation policies and confusing billing associated with the Subscriptions. As discussed below, the above online consumer complaints reveal a widespread pattern of uniform unlawful conduct by Defendant, underscoring the artifice devised and employed by Defendant to lure and deceive millions of consumers into enrolling, and remaining enrolled, in their paid Cricut Subscription programs.

C. California's Automatic Renewal Law

26. In 2010, the California Legislature enacted the Automatic Renewal Law ("ARL"), Cal. Bus. & Prof. Code §§ 17600, *et seq.*, with the intent to "end the practice of ongoing charging of consumer credit or debit cards or third party payment accounts without the consumers' explicit consent for ongoing shipments of a product or ongoing deliveries of service." Cal. Bus. & Prof. Code § 17600 (statement of legislative intent). More recently, in 2018, California's Senate Bill 313 amended Section 17602 of the ARL, adding new requirements meant to increase consumer protections for, among other things, orders that contain free trial and promotional pricing, and subscription agreements entered into online. The California Legislature again amended the ARL in 2022, adding additional notice, disclosure, and cancellation requirements, *see* Cal. Bus. & Prof. Code §§ 17602(4), 17602(b), 17602(d)(1)-(2).

27. The ARL makes it "unlawful for any business making an automatic renewal or continuous service offer to a consumer in this state to do any of the following:"

(1) Fail to present the automatic renewal offer terms or continuous service offer terms in a clear and conspicuous manner before the subscription or purchasing agreement is fulfilled and in visual proximity[] ... to the request for consent to the offer. If the offer also includes a free gift or trial, the offer shall include a clear and conspicuous explanation of the price that will be charged after the trial ends or the manner in which the subscription or purchasing agreement pricing will change upon conclusion of the trial.

(2) Charge the consumer's credit or debit card, or the consumer's account with a third party, for an automatic renewal or continuous service without first obtaining the consumer's affirmative consent to the agreement containing the automatic renewal offer terms or continuous service offer terms, including the terms of an automatic renewal offer or continuous service offer that is made at a promotional or discounted price for a limited period of time.

(3) Fail to provide an acknowledgment that includes the automatic renewal offer terms or continuous service offer terms, cancellation policy, and information regarding how to cancel in a manner that is capable of being retained by the consumer. If the automatic renewal offer or continuous service offer includes a free gift or trial, the business shall also disclose in the acknowledgment how to cancel, and allow the consumer to cancel, the automatic renewal or continuous service before the consumer pays for the goods or services.

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

28. As of 2018, the updated ARL also requires that, prior to the completion of the initial order for the automatic renewal or continuous service, sellers must explain the price to be charged when the promotion or free trial ends. *See* Cal. Bus. & Prof. Code § 17602(a)(1), *supra*. If the initial offer is at a promotional price that is only for a limited time and will increase later, the seller must obtain consumer consent to the non-discounted price prior to billing. *See id.* Sellers must also notify consumers in the acknowledgment about how to cancel the free trial before they are charged. *See* Cal. Bus. & Prof. Code § 17602(a)(3), *supra*.

29. Section 17602(c) of the ARL further provides:

A business that makes an automatic renewal offer or continuous service offer **shall provide a toll-free telephone number, electronic mail address**, a postal address if the seller directly bills the consumer, **or it shall provide another cost-effective, timely, and easy-to-use mechanism for cancellation** that shall be described in the acknowledgment specified in paragraph (3) of subdivision (a).

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

1 30. Additionally, following the 2018 and 2022 amendments to the ARL, the updated
2 law also requires e-commerce sellers, doing business in California, to allow online cancellation of
3 auto-renewing memberships or recurring purchases that were initiated online. Specifically,
4 Section 17602(d) provides:

5 [A] business that allows a consumer to accept an automatic renewal
6 or continuous service offer online shall allow a consumer to
7 terminate the automatic renewal or continuous service ***exclusively***
8 ***online, at will, and without engaging any further steps that obstruct***
or delay the consumer’s ability to terminate the automatic renewal
or continuous service immediately.

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

10 31. Section 17601(a) of the ARL defines the term “Automatic renewal” as a “plan or
11 arrangement in which a paid subscription or purchasing agreement is automatically renewed at the
12 end of a definite term for a subsequent term.” Cal. Bus. & Prof. Code § 17601(a).

13 32. Section 17601(b) of the ARL defines the term “Automatic renewal offer terms” as
14 “the following clear and conspicuous disclosures: (1) That the subscription or purchasing
15 agreement will continue until the consumer cancels. (2) The description of the cancellation policy
16 that applies to the offer. (3) The recurring charges that will be charged to the consumer’s credit or
17 debit card or payment account with a third party as part of the automatic renewal plan or
18 arrangement, and that the amount of the charge may change, if that is the case, and the amount to
19 which the charge will change, if known. (4) The length of the automatic renewal term or that the
20 service is continuous, unless the length of the term is chosen by the consumer. (5) The minimum
21 purchase obligation, if any.” Cal. Bus. & Prof. Code § 17601(b).

22 33. Pursuant to Section 17601(c) of the ARL, “clear and conspicuous” or “clearly and
23 conspicuously” means “in larger type than the surrounding text, or in contrasting type, font, or
24 color to the surrounding text of the same size, or set off from the surrounding text of the same size
25 by symbol ls or other marks, in a manner that clearly calls attention to the language.” Cal. Bus. &
26 Prof. Code § 17601(c).

1 34. Finally, Section 17603 of the ARL provides that where a “business sends any
2 goods, wares, merchandise, or products to a consumer, under a continuous service agreement or
3 automatic renewal of a purchase, without first obtaining the consumer’s affirmative consent[,]” the
4 material sent will be deemed “an unconditional gift to the consumer, who may use or dispose of
5 the same in any manner he or she sees fit without any obligation whatsoever on the consumer’s
6 part to the business[.]” Cal. Bus. & Prof. Code § 17603.

7 35. As alleged below, Defendant’s practices on the Cricut Platform systematically
8 violates Sections 17602(a)(1), 17602(a)(2), 17602(a)(3), 17602(c), and 17602(d) of the ARL.

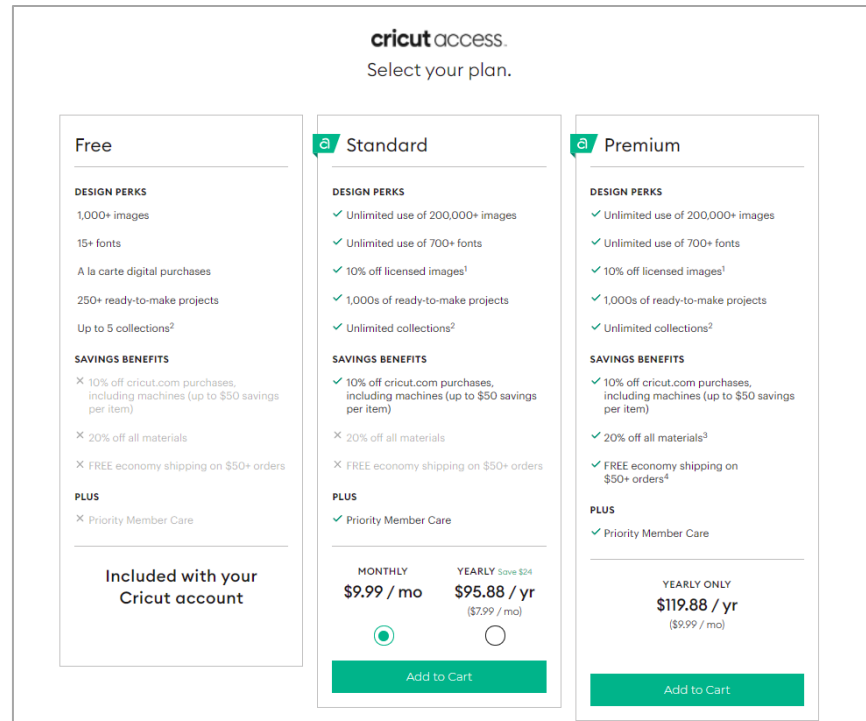
9 **D. Defendant’s Business: The Cricut Subscription Enrollment Process**

10 36. At all relevant times, Defendant offered, via the Cricut Website and Apps, various
11 Cricut Subscriptions for access to exclusive Cricut content, products, and/or services on a contract
12 or fee basis. The Cricut Subscriptions are offered on a recurring basis for monthly or yearly
13 renewal terms, and all plans automatically renew at the end of the defined renewal term unless the
14 subscriber cancels. For example, when customers sign up for the Standard subscription plan to
15 Cricut Access, subscribers are immediately charged the full renewal rate associated with the
16 monthly or annual Standard subscription plan, currently \$9.99 per month or \$95.88 per year, and
17 then again at the end of the one-month or one-year renewal period for the subsequent month or
18 year, and continuously every month or year thereafter if they do not cancel. Similarly, when
19 customers sign up for the Premium subscription plan to Cricut Access, subscribers are immediately
20 charged the full annual renewal rate associated with the annual Standard subscription plan,
21 currently \$119.88, and then again at the end of the one-year renewal period for the subsequent
22 year, and continuously every year thereafter if they do not cancel. Customers can also sign up for
23 Cricut Access on a free trial basis for a limited period of time, in which case, at the end of the
24 initial trial period (which is currently 30 days⁴⁵), their subscriptions are converted to paid monthly
25 Standard Cricut Access subscriptions and their Payment Methods are automatically charged the
26 full monthly renewal rate associated with the Standard subscription plan, \$9.99, for the next
27

28 ⁴⁵ See https://cricut.com/en_us/cricut-access-free-trial.

month, and every month thereafter if they do not cancel. Defendant's Cricut Subscriptions constitute automatic renewal and/or continuous service plans or arrangements for the purposes of the ARL. *See* Cal. Bus. & Prof. Code § 17601.

37. To sign up for one of Defendant's Cricut Subscriptions, the consumer must first select a program. Defendant provides monthly and/or yearly subscription plans, as shown in the screen shot below:



38. Consumers can sign up for one of Defendant's Cricut Subscription plans through the Cricut Website or the Cricut Apps.⁴⁶ Customers who purchase a Cricut Subscription via the Cricut Website or the Cricut Apps are automatically enrolled by Defendant in their chosen Cricut Subscription program going forward, by default. In addition, customers may sign up for the Subscriptions on a free-trial basis for a limited time, when such trials are offered by Defendant. Nevertheless, customers that enroll in a free trial, like those that sign up for a paid subscription, must provide Defendant their payment information at the time of enrollment. Customers' free trial subscriptions automatically convert to paid monthly subscriptions at the end of the trial period, at

⁴⁶ *See* <https://help.cricut.com/hc/en-us/articles/360009503713-How-do-I-purchase-Cricut-Access-> ("Cricut Access plans may be purchased through Design Space on a computer or mobile device (iOS or Android), the Cricut Joy app (iOS), or Cricut.com.").


1 which point those users are also automatically enrolled by Defendant in their chosen Cricut
2 Subscription program, and as such their Payment Methods are automatically charged by Defendant
3 on a recurring, monthly or yearly basis in the amount of the full, promotional, or discounted rate
4 associated with that program, continuing indefinitely until the customer takes affirmative steps to
5 cancel.

6 39. The enrollment process for each Cricut Subscription is substantially the same,
7 regardless of the medium used. After selecting a subscription option, consumers are directed to
8 subsequent pages on the Cricut Website or Apps where they are prompted to create a membership
9 account and input their billing information. After these steps, consumers are directed to another,
10 final webpage where prospective subscribers are invited complete their purchase (the “Checkout
11 Page”). By way of example, when a consumer signs up for a monthly Standard Cricut Access
12 subscription plan via the Cricut Website, consumers navigating the enrollment process for Cricut
13 Access are directed to the following Checkout Page:⁴⁷


PAYMENT > REVIEW

Order Review

Payment Change

New Card 

Items

	Cricut Access Monthly Subscription #7001569 Qty: 1	\$9.99
---	--	--------

[Back to Payment](#) Place My Order

By placing your order, you agree to the Cricut [Terms of Use](#) and [Privacy Policy](#)

Place My Order

By placing your order, you agree to the Cricut [Terms of Use](#) and [Privacy Policy](#)

Subtotal \$9.99
Estimated Tax \$0.00

Total \$9.99
Affirm monthly payments unavailable [Learn More](#)

Promo Code Apply

Only one promo code can be applied per transaction.
Enter shipping address before applying promo code.

24 40. Regardless of how the consumer subscribes (via the Cricut Website or the Cricut
25 Apps), and irrespective of which Cricut Subscription the subscriber selects (whether free trial or
26 straight-to-paid, Standard or Premium, monthly or annual), Defendant fails to disclose any of the

27 ⁴⁷ This screen shot was captured from the Cricut Website on November 29, 2021.

1 terms of its auto-renewal programs either before or after checkout, and it never requires the
2 individual consumer to read or affirmatively agree to any terms of service, *i.e.*, by requiring
3 consumers to click a checkbox next to the automatic renewal offer terms before consumers
4 complete the checkout process and submit their orders for their Cricut Subscriptions. Nowhere in
5 the checkout process does Defendant even mention that the amount charged to consumers for the
6 Subscriptions will continue on a recurring basis. Consequently, Defendant uniformly fails to
7 obtain any form of consent from – or even provide effective notice to – their subscribers before
8 charging consumers’ Payment Methods on a recurring basis.

9 **E. Defendant Violates California’s Automatic Renewal Law**

10 41. At all relevant times, Defendant failed to comply with the ARL in three ways: (i)
11 Defendant failed to present the automatic renewal offer terms in a clear and conspicuous manner
12 and in visual proximity to the request for consent to the offer before the subscription or purchasing
13 agreement was fulfilled, in violation of Cal. Bus. & Prof. Code § 17602(a)(1); (ii) Defendant
14 charged Plaintiff’s and Class members’ Payment Methods without first obtaining their affirmative
15 consent to the agreement containing the automatic renewal offer terms, in violation of Cal. Bus. &
16 Prof. Code § 17602(a)(2); and (iii) Defendant failed to provide an acknowledgment that included
17 the automatic renewal offer terms, cancellation policy, and information regarding how to cancel in
18 a manner that is capable of being retained by the consumer, in violation of Cal. Bus. & Prof. Code
19 §§ 17602(a)(3).

20 **i. Defendant Fails To Clearly And Conspicuously Present**
21 **The Cricut Subscription Terms Before The Subscription**
22 **Agreement Is Fulfilled And In Visual Proximity To The**
Request For Consent To The Offer.

23 42. First, the Checkout Page for the Cricut Subscriptions does not present the complete
24 “automatic renewal offer terms[,]” as defined by Cal. Bus. & Prof. Code § 17601(b), in violation
25 of Section 17602(a)(1) of the ARL. Specifically, using the pictured Checkout Page above as an
26 example, the Checkout Page does not clearly and conspicuously disclose that, by signing up for the
27 Cricut Subscriptions, the consumer is agreeing to have their Payment Methods continuously
28 charged on a monthly or yearly basis until they cancel. The lack of any such disclosure is

1 highlighted by comparison between the Checkout Page *for a continuous purchase of a Cricut*
2 *Subscription plan* (pictured above, *see supra* at ¶ 38), and the final step in the order flow *for a one-*
3 *time purchase of a Cricut Joy Cutting Machine*, pictured as follows:

The screenshot displays the 'Order Review' page for a Cricut Joy Cutting Machine. At the top, a progress bar shows 'SHIPPING > PAYMENT > REVIEW'. The page is divided into three main sections: Shipping, Payment, and Items. The Shipping section shows 'Economy' shipping with an estimated delivery date of Tuesday, Feb 08. The Payment section shows a 'New Card' payment method. The Items section shows one item: 'Cricut Joy™ #2007813 Qty:1' priced at \$149.99. On the right side, a 'Place My Order' button is visible, along with a summary of the order: Subtotal \$149.99, Shipping (Economy) \$12.00, Estimated Tax \$12.56, and a Total of \$174.55. Below the total, it mentions '4 interest-free payments or as low as \$16/mo with affirm'. At the bottom, there is a 'Back to Payment' link and another 'Place My Order' button. A small note at the bottom right states: 'Only one promo code can be applied per transaction. Enter shipping address before applying promo code.'

18 Comparison between these substantially similar webpages reveals that the Checkout Page for the
19 Cricut Subscriptions features no significant additional or varying disclosures to differentiate the
20 continuous purchase from a one-time transaction. Therefore, a reasonable consumer would find
21 the Checkout Page unclear in regards to whether formal cancellation is required in order to stop
22 Defendant from automatically charging renewal fees to customers' Payment Methods on a
23 recurring basis. Moreover, the Checkout Page does not include any information regarding the
24 cancellation process. It is not at all clear based on the Checkout Page or the checkout process that
25 customers who enroll in a paid or free trial Cricut subscription are agreeing to recurring monthly
26 payments that will continue indefinitely until the subscription is cancelled. As such, with respect
27 to each of the Cricut Subscriptions, Defendant fails to disclose "[t]hat the subscription or
28

1 purchasing agreement will continue until the consumer cancels” in the manner required by statute.
2 Cal. Bus. & Prof. Code §§ 17601(b)(1), 17602(a)(1).

3 43. Additionally, the Checkout Page for the Cricut Subscriptions does not adequately
4 disclose the recurring amount to be charged to the subscriber’s Payment Method each billing
5 period. Although the Checkout Page states the initial amount to be immediately charged to the
6 consumer’s Payment Method for the first renewal period of the consumer’s Cricut Subscription—
7 specifically, in the exemplar Checkout Page shown above (*see supra*), \$9.99 for a monthly
8 Standard Cricut Access Subscription—there is *no* term that explains to consumers that they will be
9 *continuously* charged this amount *on a recurring basis* every month until they cancel. Indeed, the
10 Checkout Page is utterly silent as to the monthly or yearly amounts to be charged following initial
11 enrollment. Thus, with respect to each of the Cricut Subscriptions, Defendant fails to provide
12 notice of “[t]he recurring charges that will be charged to the consumer’s [Payment Method] as part
13 of the automatic renewal plan or arrangement, and that the amount of the charge may change, if
14 that is the case, and the amount to which the charge will change, if known[,]” *see* Cal. Bus. & Prof.
15 Code § 17601(b)(3), in violation of Section 17602(a)(1) of the ARL.

16 44. Defendant also fails to present a complete “description of the cancellation policy
17 that applies to the offer[,]” *see* Cal. Bus. & Prof. Code § 17601(b)(2). With respect to cancellation,
18 the Checkout Page is, yet again, utterly silent. The Checkout Page for the Cricut Subscriptions
19 contains no explanation of *how* to cancel and no disclosure stating by *when* a consumer must
20 cancel to avoid further charges, nor does it even allude to the fact that subscribers *can* cancel at all.
21 For instance, the Checkout Page does not mention that, in order to cancel, subscribers must find
22 and click a “My Account” button, further select a “Subscriptions” button, and then “Select
23 ‘Cancel’ to stop the subscription renewal,” as is set forth elsewhere in the Cricut Website.⁴⁸ The
24 Checkout Page also fails to place subscribers on notice that, should they decide to cancel their
25 subscription or delete their account, “No refunds will be issued,” and “all annual and/or monthly
26 payments are nonrefundable and there are no refunds or credits for partially used periods,” as is

27 ⁴⁸ [https://help.cricut.com/hc/en-us/articles/360009429114-How-do-I-manage-the-renewal-for-my-](https://help.cricut.com/hc/en-us/articles/360009429114-How-do-I-manage-the-renewal-for-my-Cricut-Access-plan-)
28 [Cricut-Access-plan-](https://help.cricut.com/hc/en-us/articles/360009429114-How-do-I-manage-the-renewal-for-my-Cricut-Access-plan-).

1 also set forth elsewhere in the Cricut Website.⁴⁹ Moreover, Defendant does not specify anywhere
2 on the Checkout Page that if a customer's "Cricut Access plan was purchased through the Apple
3 App Store or Google play [via the Cricut App], [they] must cancel [their] subscription via Apple or
4 Google or [they] will continue to be charged," as is set forth on other pages of Defendant's
5 website.⁵⁰ In fact, the word "cancel" does not appear anywhere on the Checkout Page whatsoever.
6 Yet, prior to checkout, Defendant was obligated by law to place consumers on notice of these
7 aspects of Defendant's cancellation policy in accordance with the ARL, which requires that
8 companies provide such information "in visual proximity to the request for consent to the
9 [automatic renewal] offer." Cal. Bus. & Prof. Code § 17602(a)(1). However, Defendant failed,
10 and continues to fail, to satisfy that requirement.

11 ii. **Defendant Fails To Obtain Consumers' Affirmative**
12 **Consent To The Automatic Renewal Terms Associated**
13 **With The Cricut Subscriptions.**

14 45. Second, at no point during the checkout process does Defendant require consumers
15 to read or affirmatively agree to any terms of service associated with their Cricut Subscriptions,
16 *i.e.*, by requiring consumers to select or click a "checkbox" next to the automatic renewal offer
17 terms to complete the checkout process. Accordingly, when Defendant automatically renews
18 customers' Cricut Subscriptions, Defendant charges consumers' Payment Methods without first
19 obtaining their affirmative consent to the agreement containing the automatic renewal offer terms,
20 in violation of Cal. Bus. & Prof. Code § 17602(a)(2).
21
22
23
24
25

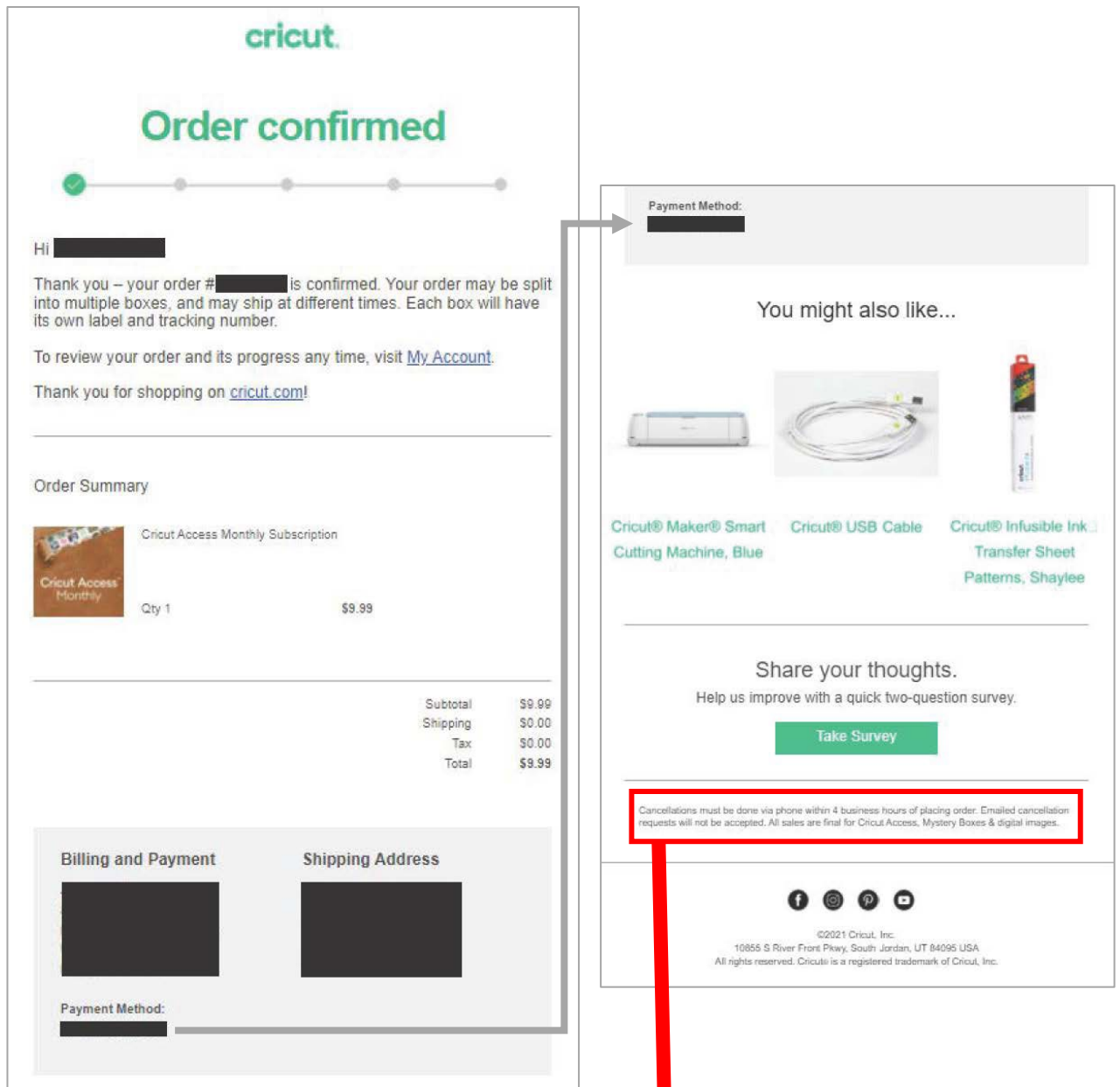
26 ⁴⁹ <https://help.cricut.com/hc/en-us/articles/1500012935442-How-do-I-delete-my-Cricut-account->;
27 *see also Cricut Access Policy*, <https://cricut.com/legal#cricut-access-policy> ("ALL ANNUAL
28 REFUNDS OR CREDITS FOR PARTIALLY USED PERIODS.").

⁵⁰ *Id.*

1 iii. **Defendant Fails To Provide A Post-Checkout**
2 **Acknowledgment That Clearly And Conspicuously**
3 **Discloses The Required Cricut Subscription Offer Terms.**

4 46. Finally, after Plaintiff and the members of the Class subscribed to one of
5 Defendant’s Cricut Subscriptions, Defendant sent to Plaintiff and the Class email follow-ups
6 regarding their purchases (the “Acknowledgment Email”).

7 47. By way of example, at least as of November 2021, the subject line of the
8 Acknowledgment Email Defendant sent to Cricut subscribers stated: “Your Order Confirmation #
9 is [NUMBERS].” The body of the Acknowledgment Email contained, in relevant part, the
10 following text and images (email split into two images for visual clarity; red boxes added to
11 highlight relevant text):



48. As with the Checkout Page, the Acknowledgment Email failed to provide Plaintiff and members of the Class with the complete automatic renewal or continuous service terms that

1 applied to the offer, a description of the full cancellation policy, and specific and complete
2 information regarding how to cancel.

3 49. The Acknowledgment Email suffers from substantially the same deficiencies as
4 those on the Checkout Page of the Cricut Website, discussed above. Namely, the
5 Acknowledgment Email, like the Checkout Page, fails to clearly and conspicuously disclose that
6 the subscription or purchasing agreement will continue until the consumer cancels or the recurring
7 charges that will be charged to the consumer's credit or debit card or payment account with a third
8 party as part of the automatic renewal plan or arrangement, in violation of the ARL's mandate
9 under Section 17602(a)(3) to disclose all "automatic renewal offer terms," as that term is defined
10 by Sections 17601(b)(1) and (3) of the ARL.

11 50. Additionally, although the Acknowledgment Email contains some relevant
12 language concerning cancellation that was missing from the Checkout Page (*i.e.*, the text stating
13 that "Cancellations must be done via phone within 4 business hours of placing order. Emailed
14 cancellation requests will not be accepted. All sales are final for Cricut Access, Mystery Boxes &
15 digital images."), this information is not nearly enough to satisfy the ARL, which requires that
16 Defendant "provide an acknowledgment that includes the automatic renewal offer terms or
17 continuous service offer terms, cancellation policy, and information regarding how to cancel in a
18 manner that is capable of being retained by the consumer." Cal. Bus. & Prof. Code § 17602(a)(3).
19 For instance, as with the Checkout Page discussed above, the Acknowledgment Email does not
20 mention, among other things: that, in order to cancel, subscribers must find and click a "My
21 Account" button, select a "Subscriptions" button, and then "Select 'Cancel' to stop the
22 subscription renewal;" that, should subscribers decide to cancel their subscription or delete their
23 account, "No refunds will be issued," and "all annual and/or monthly payments are nonrefundable
24 and there are no refunds or credits for partially used periods;" or that if a customer's "Cricut
25 Access plan was purchased through the Apple App Store or Google play [via the Cricut App],
26 [they] must cancel [their] subscription via Apple or Google or [they] will continue to be charged."
27 As such, the Acknowledgment Email fails to provide a full and accurate description of Defendant's
28 complete cancellation policy, in violation of both Sections 17602(a)(3) and 17602(b) of the ARL.

1 51. Moreover, any language that *is* featured on the Acknowledgment Email regarding
2 cancellation is located at the very bottom of the Acknowledgment Email in tiny font. The text
3 related to cancellation is in *smaller* type than the surrounding text and is otherwise *not* in
4 contrasting type, font, or color to the surrounding text and is *not* set off from the surrounding text
5 of the same size by symbols or other marks, in any manner that clearly calls attention to the
6 language. Thus, the incomplete cancellation policy disclosure featured in Defendant’s
7 Acknowledgment Email is, by definition, not conspicuous based on its placement and appearance.
8 *See* Cal. Bus. & Prof. Code § 17601(c) (“‘Clear and conspicuous’ or ‘clearly and conspicuously’
9 means in larger type than the surrounding text, or in contrasting type, font, or color to the
10 surrounding text of the same size, or set off from the surrounding text of the same size by symbols
11 or other marks, in a manner that clearly calls attention to the language.”). Accordingly, Defendant
12 has failed to place consumers on notice of its cancellation policy in accordance with statute
13 because the ARL requires that companies provide such information “clearly and conspicuously” in
14 the post-purchase Acknowledgment Email. *See* Cal. Bus. & Prof. Code § 17602(a)(3) (“It shall be
15 unlawful for any business that makes an automatic renewal offer ... to a consumer in this state to
16 ... [f]ail to provide an acknowledgment that includes the *automatic renewal offer terms* ... in a
17 manner that is capable of being retained by the consumer.”) (emphasis added); *see also id.* §
18 17601(b) (defining “automatic renewal offer terms” to include “the following clear and
19 conspicuous disclosures: ... (2) The description of the cancellation policy that applies to the
20 offer”).

21 52. By and through these actions, Defendant has charged Plaintiff’s and Class
22 members’ Payment Methods in direct violation of the ARL. As a result, all goods, wares,
23 merchandise, and/or products sent to Plaintiff and the Class upon the automatic renewal of their
24 continuous service agreements are deemed to be “unconditional gifts” pursuant to Cal. Bus. &
25 Prof. Code § 17603.

26 53. Plaintiff brings this action individually and on behalf of similarly situated
27 individuals against Defendant for conversion, unjust enrichment, negligent misrepresentation, and
28 fraud. Plaintiff also brings this action against Defendant for violations of California’s Unfair

1 Competition Law (“UCL”), Cal. Bus. & Prof. Code §§ 17200, *et seq.*, among other consumer
2 protection statutory and common law claims asserted below. As set forth in detail below,
3 Plaintiff’s claims, which are based on Defendant’s failure to comply with the ARL, arise under the
4 “unlawful” prong of the UCL.

5 **PLAINTIFF’S INDIVIDUAL ALLEGATIONS**

6 54. Plaintiff Heather Villegas is an individual consumer who signed up for a free trial to
7 Cricut Access from Defendant’s website while in California on or around August 2021. At the
8 time Ms. Villegas signed up for her Cricut Subscription, she provided her Payment Method
9 information directly to Defendant.

10 55. Before Ms. Villegas purchased her Cricut Subscription, Defendant did not disclose
11 to Ms. Villegas all required automatic renewal offer terms associated with the subscription
12 program. Additionally, although the Checkout Page from which Ms. Villegas made her purchase
13 included some relevant information regarding automatic renewal, the manner in which this
14 information was presented was insufficient to put Ms. Villegas on notice. Specifically, prior to
15 completing her initial Cricut Subscription order, the relevant screens and buttons presented to Ms.
16 Villegas did not clearly and conspicuously state that her Cricut Subscription would automatically
17 renew every month until she cancelled; they did not state the recurring charges that would be
18 charged to Ms. Villegas’s Payment Method as part of the automatic renewal plan, explain that the
19 timing of the charge would change, or disclose the monthly date to which the charge would
20 change; and they did not describe the full cancellation policy that applied to her purchase.

21 56. At no point prior to completing her initial purchase did Defendant obtain Ms.
22 Villegas’s affirmative consent to an agreement containing the automatic renewal offer terms.

23 57. After Ms. Villegas completed her initial order, Defendant sent Ms. Villegas an
24 Acknowledgment Email stating that her Cricut Subscription had been activated. However, that
25 Acknowledgment Email failed to provide Ms. Villegas with the complete automatic renewal terms
26 that applied to Defendant’s offer, a description of Defendant’s full cancellation policy, or
27 information regarding how to cancel Ms. Villegas’s Cricut Subscription in a manner capable of
28

1 being retained by her. Ms. Villegas did not receive any other acknowledgments that contain the
2 required information.

3 58. As a result of Defendant's missing and otherwise deficient disclosures, when Ms.
4 Villegas selected and enrolled in her free trial Cricut Subscription, she was unaware that Defendant
5 enrolled her in an "automatic renewal" program under which the subscription would renew each
6 month and result in continuous monthly automatic renewal charges to her Payment Method unless
7 and until Plaintiff chose to cancel.

8 59. Nevertheless, in or around September of 2021, approximately one month after Ms.
9 Villegas first signed up for her free trial to Cricut Access, Defendant automatically renewed Ms.
10 Villegas's Cricut Subscription and charged Ms. Villegas's Payment Method the full monthly rate
11 then-associated with the paid monthly Standard Cricut Access Subscription. Every month
12 thereafter, Defendant continued to automatically renew Ms. Villegas's Cricut Subscription and
13 charge her Payment Method at the full Standard rate on a monthly basis, to and through the
14 present.

15 60. Upon becoming aware of such charges, Ms. Villegas promptly attempted to cancel
16 her Cricut Subscription. Specifically, in or about December 2022, Ms. Villegas attempted to
17 cancel her Cricut Subscription, first by email and then by phone. Indeed, Ms. Villegas sent an
18 email to Defendant's customer service / cancellation personnel requesting cancellation, but she
19 received no response and her Cricut Subscription was not terminated. When the email approach
20 failed, Ms. Villegas subsequently attempted to call Defendant in order affect cancellation by
21 phone, but that effort, like her attempt to cancel by email, failed because no one from Defendant's
22 end answered the phone call after Ms. Villegas waited on hold for a long period of time. Thus,
23 Ms. Villegas's attempts to cancel her Cricut Subscription in or about December 2022 earlier were
24 utterly ineffective, and Ms. Villegas was unable to terminate her Cricut Subscription at that time
25 due to Defendant's obscured, confusing, and time-consuming cancellation policy, the most crucial
26 aspects of which were missing from the Checkout Page and Acknowledgment Email, and because
27 the "mechanism for cancellation" that exists is not one Ms. Villegas and other reasonable
28 consumers would consider "easy-to-use." As a result, Ms. Villegas remains subscribed to Cricut to

1 this day, and, notwithstanding her earlier cancellation attempts, Defendant has continued, and still
2 continues, to automatically renew her Cricut Subscription and, without Ms. Villegas's affirmative
3 consent, her Payment Method in the full monthly rate associated with her Standard Cricut
4 Subscription for the subsequent months, to and through the present.

5 61. All told, as of February 2023, Defendant has posted at least eighteen (18)
6 unauthorized charges to Ms. Villegas's Payment Method over a period 18 months, amounting to a
7 total of approximately \$180 in unauthorized renewal fees withdrawn from Ms. Villegas's Payment
8 Method without her knowing or affirmative consent. Further, because (as explained above) Ms.
9 Villegas has been unable to successfully cancel her Cricut Subscription – despite making sincere
10 efforts to terminate the subscription on several occasions and by various methods – the monthly
11 continue to this day. Thus, Ms. Villegas's financial injury will increase as time passes and
12 Defendant's continue to engage in the unlawful conduct as alleged herein.

13 * * *

14 62. In sum, because Ms. Villegas did not expect that her free trial would automatically
15 convert into a paid Cricut Subscription in the first place, Ms. Villegas was unaware at the time she
16 initially signed up for a free trial in August 2021 that she would incur *any* renewal charges
17 whatsoever in connection with Cricut Access, and she remained unaware of the automatic renewal
18 feature associated with Defendant's free trial offer until approximately December 2022, when Ms.
19 Villegas learned that she had in fact been charged renewal fees by Defendant on a monthly basis
20 and made her first attempt to cancel. But once Ms. Villegas learned that her Cricut Subscription
21 did, pursuant to Defendant's policies and practices, automatically renew and would continue to do
22 so without her intervention, Ms. Villegas did not know how to cancel her Cricut Subscription and
23 did not expect that it would be as difficult and confusing a process as it turned out to be.

24 63. Ms. Villegas's confusion and surprise as described above concerning the monthly
25 renewal fees she incurred during the life of her Cricut Subscription is the direct result of
26 Defendant's failure to adequately place Ms. Villegas on notice of several material automatic
27 renewal offer terms associated with her Cricut Subscription, such as the basic fact that the free trial
28

1 would automatically convert into a paid subscription for which Defendant would indefinitely
2 charge her Payment Method on a recurring basis. That is, Ms. Villegas was not made aware of the
3 fact that Defendant enrolled her in an “automatic renewal” program under which her Cricut
4 Subscription would automatically renew each month after the initial one-month free trial period,
5 unless and until Ms. Villegas took action to effectively cancel that subscription.

6 64. Additionally, Ms. Villegas was not previously aware of any of the undisclosed
7 aspects of Defendant’s cancellation policy discussed above, the most crucial aspects of which were
8 missing from the Checkout Page and Acknowledgment Email. Notably, in addition to omissions
9 regarding the automatic renewal feature and the recurring price to be charged, neither the Checkout
10 Page nor the Acknowledgment Email contain Defendant’s full cancellation policy or an adequate
11 explanation regarding how to cancel the Cricut Subscriptions.

12 65. Defendant neglected to disclose this information to Ms. Villegas on the Checkout
13 Page at the point of purchase or in the Acknowledgment Email that Defendant sent to Ms. Villegas
14 after she completed the checkout process. Further, at no point during the life of her Cricut
15 Subscription was Ms. Villegas required or even prompted to navigate to or otherwise examine any
16 of the terms disclosed on any other page of the Cricut Website or Apps, aside from the Checkout
17 Page. Because Defendant failed to disclose this material information in the manner required by
18 statute, Ms. Villegas was unable at the point of sale to accept Defendant’s offer or knowingly enter
19 into to the purchase agreement. Thus, as a direct result of Defendant’s missing, incomplete, and
20 otherwise deficient disclosures on the Checkout Page and in the Acknowledgment Email, Ms.
21 Villegas was induced to sign up for, and unable to terminate, her Cricut Subscription.

22 66. Accordingly, Defendant failed to place Ms. Villegas on notice of the requisite
23 automatic renewal offer terms or provide Ms. Villegas information regarding how to cancel in a
24 manner that is capable of being retained by her, in violation of Cal. Bus. & Prof. Code §§
25 17602(a)(1)-(3).

26 67. Moreover, even if the Acknowledgment Email *had* contained Defendant’s complete
27 cancellation policy (it did not), for the reasons stated above the “mechanism for cancellation” that
28 exists is not one Ms. Villegas and other reasonable consumers would consider “easy-to-use.”

1 Defendant therefore failed to provide Ms. Villegas with an “easy-to-use mechanism for
2 cancellation” or describe any such mechanism in an acknowledgment email, in violation of Cal.
3 Bus. & Prof. Code § 17602(b).

4 68. Defendant’s failure to fully and adequately disclose the automatic renewal offer
5 terms associated with the Cricut Subscriptions on the Checkout Page and in the Acknowledgment
6 Email, its failure to obtain Ms. Villegas’s affirmative consent before charging her Payment Method
7 on a recurring basis, and its failure to issue a refund for the several months of unauthorized
8 renewal charges it posted to Ms. Villegas’s Payment Method notwithstanding the lack of
9 affirmative consent are contrary to the ARL, which deems products provided in violation of the
10 statute to be unconditional gifts to consumers. *See* Cal. Bus. & Prof. Code § 17603.

11 69. As a direct result of Defendant’s unlawful conduct described above, Ms. Villegas
12 suffered economic injury. Specifically, Defendant’s ARL violations caused financial injury to Ms.
13 Villegas’s because she reasonably relied on Defendant’s conspicuous disclosures of the Checkout
14 Page and the Acknowledgment Email (and, as a natural corollary, Defendant’s omissions and/or
15 the inconspicuousness of the disclosures required pursuant to the ARL, contained therein) in
16 deciding whether to sign up for free trial Cricut Subscription in the first place and to maintain her
17 Cricut Access membership as a paying subscriber after that (*i.e.*, by not cancelling the auto-
18 renewal).

19 70. Had Defendant complied with the ARL by adequately disclosing – and then
20 obtaining Ms. Villegas’s affirmative consent to – the requisite Cricut Subscription terms on the
21 Checkout Page at the point of Ms. Villegas’s initial enrollment in August of 2021, Ms. Villegas
22 would have been able to read and review the auto renewal terms prior to enrollment and she would
23 have not subscribed to Cricut Access in the first place, or she would have subscribed on materially
24 different terms, thereby avoiding financial injury of any kind as a result of Defendant’s ARL
25 violations. Similarly, had Defendant complied with the ARL by adequately disclosing the terms
26 associated with Ms. Villegas’s Cricut Subscription in the post-checkout Acknowledgment Email
27 (*i.e.*, after initial enrollment but before any one of the numerous times Defendant subsequently
28 automatically renewed Ms. Villegas’s Cricut Subscription and charged her Payment Method

1 accordingly), Ms. Villegas would have been able to read and review the auto renewal terms prior
2 to the commencement of another automatic renewal, and she would have cancelled her Cricut
3 Subscription prior to the expiration of the subscription period in which she would have learned
4 such information, thereby avoiding all or part of the approximately \$180 in automatic renewal
5 charges (and counting) that Ms. Villegas incurred during the life of her Cricut Subscription, or
6 would have taken related actions if she were adequately apprised, as the ARL requires, of the
7 nature of Defendant's automatically renewing subscription.

8 71. But Defendant did not adequately disclose the required automatic renewal terms in
9 either the Checkout Page or the Acknowledgment Email, depriving Ms. Villegas of the opportunity
10 to make an informed decision as to the transaction(s).

11 72. The facts giving rise to Ms. Villegas's claims are materially the same as the Class
12 she seeks to represent.

13 **CLASS ACTION ALLEGATIONS**

14 73. ***Class Definition.*** Plaintiff brings this action pursuant to Code of Civil Procedure §
15 382 and Civil Code § 1781 on behalf of a class of similarly situated individuals, defined as follows
16 (the "Class"):

17 All persons in California who, within the applicable statute of
18 limitations period, up to and including the date of final judgment in
19 this action, incurred renewal fee(s) in connection with Defendant's
20 offerings for paid Cricut Subscriptions.

21 74. Specifically excluded from the Class are Defendant and any entities in which
22 Defendant have a controlling interest, Defendant's agents and employees, the judge to whom this
23 action is assigned, members of the judge's staff, and the judge's immediate family.

24 75. Plaintiff reserves the right to amend the definition of the Class if discovery or
25 further investigation reveals that the Class should be expanded or otherwise modified.

26 76. ***Numerosity.*** Members of the Class are so numerous that their individual joinder
27 herein is impracticable. On information and belief, the Class comprises at least millions of
28 consumers throughout California. The precise number of Class members and their identities are
unknown to Plaintiff at this time but may be determined through discovery. Class members may

1 be notified of the pendency of this action by mail and/or publication through the distribution
2 records of Defendant.

3 77. ***Commonality and Predominance.*** Common questions of law and fact exist as to
4 all Class members and predominate over questions affecting only individual Class members.
5 Common legal and factual questions include, but are not limited to: (a) whether Defendant's Cricut
6 Subscriptions constitute "Automatic renewal[s]" within the meaning of Cal. Bus. & Prof. Code §
7 17601(a); (b) whether Defendant failed to present the automatic renewal offer terms, or continuous
8 service offer terms, in a clear and conspicuous manner before the subscription or purchasing
9 agreement was fulfilled and in visual proximity to the request for consent to the offer, in violation
10 of Cal. Bus. & Prof. Code § 17602(a)(1); (c) whether Defendant charged Plaintiff's and Class
11 members' Payment Method for an automatic renewal or continuous service without first obtaining
12 their affirmative consent to the automatic renewal offer terms or continuous service offer terms in
13 violation of Cal. Bus. & Prof. Code § 17602(a)(2); (d) whether Defendant failed to provide an
14 acknowledgment that included the automatic renewal or continuous service offer terms,
15 cancellation policy, and information on how to cancel in a manner that is capable of being retained
16 by Plaintiff and the Class, in violation of Cal. Bus. & Prof. Code § 17602(a)(3); (e) whether the
17 goods and services provided by Defendant are deemed an "unconditional gift" in accordance with
18 Cal. Bus. & Prof. Code § 17603; (f) whether Defendant's conduct alleged herein violated
19 California's False Advertising Law ("FAL"), Cal. Bus. & Prof. Code §§ 17500, *et seq.*,
20 California's Consumers Legal Remedies Act ("CLRA"), Cal. Civ. Code §§ 1750, *et seq.*, and/or
21 California's Unfair Competition Law ("UCL"), Cal. Bus. & Prof. Code §§ 17200, *et seq.*; (g)
22 whether Defendant's conduct alleged herein constitutes conversion and/or unjust enrichment; (h)
23 whether Plaintiff and the Class are entitled to damages and/or restitution; (i) whether Defendant
24 should be enjoined from further engaging in the misconduct alleged herein; and (j) whether
25 Plaintiff and the Class are entitled to attorneys' fees and costs under California Code of Civil
26 Procedure § 1021.5.

27 78. ***Typicality.*** The claims of Plaintiff Villegas are typical of the claims of the Class in
28 that Plaintiff and the Class sustained damages as a result of Defendant's uniform wrongful

1 conduct, based upon Defendant's failure to obtain Plaintiff's and the Class's affirmative consent to
2 the automatic renewal offer terms or continuous service offer terms associated with the Cricut
3 Subscriptions before charging their Payment Methods.

4 79. **Adequacy.** Plaintiff will fairly and adequately protect Class members' interests.
5 Plaintiff has no interests antagonistic to Class members' interests, and Plaintiff has retained
6 counsel that have considerable experience and success in prosecuting complex class-actions and
7 consumer-protection cases.

8 80. **Superiority.** A class action is superior to all other available methods for the fair and
9 efficient adjudication of this controversy for, *inter alia*, the following reasons: prosecutions of
10 individual actions are economically impractical for members of the Class; the Class is readily
11 definable; prosecution as a class action avoids repetitious litigation and duplicative litigation costs,
12 conserves judicial resources, and ensures uniformity of decisions; and prosecution as a class action
13 permits claims to be handled in an orderly and expeditious manner.

14 81. Defendant has acted or failed to act on grounds generally applicable to the Class,
15 thereby making appropriate final injunctive relief with respect to the Class as a whole.

16 82. Without a class action, Defendant will continue a course of action that will result in
17 further damages to Plaintiff and members of the Class and will likely retain the benefits of its
18 wrongdoing.

19 83. Based on the foregoing allegations, Plaintiff's claims for relief include those set
20 forth below.

21 **FIRST CAUSE OF ACTION**
22 **Violations of California's Unfair Competition Law ("UCL"),**
23 **Cal. Bus. & Prof. Code §§ 17200, *et seq.***

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

26 85. Plaintiff brings this claim individually and on behalf of the members of the
27 proposed Class against Defendant.

28 86. The UCL prohibits unfair competition in the form of "any unlawful, unfair, or

1 fraudulent business act or practice and unfair, deceptive, untrue or misleading advertising and any
2 act[.]” Cal. Bus. & Prof. Code § 17200. The UCL allows “a person who has suffered injury in
3 fact and has lost money or property” to prosecute a civil action for violation of the UCL. Cal. Bus.
4 & Prof. Code § 17204. Such a person may bring such an action on behalf of himself or herself and
5 others similarly situated who are affected by the unlawful and/or unfair business practice or act.

6 87. As alleged below, Defendant has committed unlawful and/or unfair business
7 practices under the UCL by: (a) representing that Defendant’s goods and services have certain
8 characteristics that they do not, in violation of Cal. Civil Code § 1770(a)(5); (b) advertising goods
9 and services with the intent not to sell them as advertised, in violation of Cal. Civil Code §
10 1770(a)(9); and (c) converting to Defendant’s own use and benefit money that rightfully belongs to
11 Plaintiff and the Class.

12 88. Additionally, at all relevant times, Defendant has violated, and continues to violate,
13 the UCL’s proscription against engaging in unlawful and/or unfair conduct as a result of its
14 violations of the ARL, Cal. Bus. & Prof. Code §§ 17600, *et seq.* Specifically, Defendant failed,
15 and continues to fail, to: (a) provide the auto-renewal terms associated with its Cricut
16 Subscriptions “in a clear and conspicuous manner before the subscription or purchasing agreement
17 is fulfilled and in visual proximity[] ... to the request for consent to the offer,” in violation of Cal.
18 Bus. & Prof. Code § 17602(a)(1); (b) obtain the affirmative consent of Plaintiff and the Class to
19 those terms before charging their Payment Methods, in violation of Cal. Bus. & Prof. Code §
20 17602(a)(2); and (c) provide an acknowledgment that includes the automatic renewal or
21 continuous service offer terms, cancellation policy, and information regarding how to cancel in a
22 manner that is capable of being retained by the consumer, in violation of Cal. Bus. & Prof. Code
23 §§ 17602(a)(3). Defendant also makes it exceedingly difficult and unnecessarily confusing for
24 consumers to cancel their Cricut Subscriptions, in violation of Cal. Bus. & Prof. Code § 17602(b).

25 89. Each of these acts and practices constitutes an independent violation of the ARL,
26 and thus an independent violation of the UCL.

27 90. All products received from Defendant in violation of the ARL, Cal. Bus. Prof. Code
28 §§ 17602, *et seq.*, constitute “unconditional gifts.” *See* Cal. Bus. Prof. Code § 17603. As a direct

1 and proximate result of Defendant's unlawful and/or unfair practices described herein, Defendant
2 has received, and continues to hold, unlawfully obtained property and money belonging to Plaintiff
3 and the Class in the form of payments made by Plaintiff and Class members for their Cricut
4 Subscriptions. Defendant has profited from its unlawful and/or unfair acts and practices in the
5 amount of those business expenses and interest accrued thereon.

6 91. Defendant's acts and omissions as alleged herein violate obligations imposed by
7 statute, are substantially injurious to consumers, offend public policy, and are immoral, unethical,
8 oppressive, and unscrupulous as the gravity of the conduct outweighs any alleged benefits
9 attributable to such conduct.

10 92. There were reasonably available alternatives to further Defendant's legitimate
11 business interests, other than the conduct described herein.

12 93. Defendant's acts, omissions, nondisclosures, and misleading statements as alleged
13 herein were and are false, misleading, and/or likely to deceive the consuming public.

14 94. Plaintiff and the members of the Class have suffered a substantial injury in fact and
15 lost money by virtue of Defendant's acts of unfair competition, which caused them to purchase the
16 Cricut Subscriptions. Had Defendant complied with its disclosure obligations under the ARL,
17 Plaintiff and members of the Class would not have purchased their Cricut Subscriptions or would
18 have cancelled their Cricut Subscriptions prior to the renewal of the subscriptions, so as not to
19 incur additional fees. Thus, Plaintiff and members of the Class were damaged and have suffered
20 economic injuries as a direct and proximate result of Defendant's unlawful and/or unfair business
21 practices.

22 95. Defendant's violations have continuing and adverse effects because Defendant's
23 unlawful conduct is continuing, with no indication that Defendant intends to cease this unlawful
24 course of conduct. The public and the Class are subject to ongoing harm because the unlawful
25 and/or unfair business practices associated with the Cricut Subscriptions are still used by
26 Defendant today.

27 96. Plaintiff and the Class seek restitution pursuant to Cal. Bus. & Prof. Code § 17203
28 of all amounts that Defendant charged or caused to be charged to Plaintiff's and the Class's

1 Payment Methods in connection with their Cricut Subscriptions during the four years preceding the
2 filing of this Complaint. Defendant should be required to disgorge all the profits and gains it has
3 reaped and restore such profits and gains to Plaintiff and the Class, from whom they were
4 unlawfully taken.

5 97. Pursuant to Cal. Bus. & Prof. Code § 17203, Plaintiff and members of the Class
6 seek a court order enjoining Defendant from such future misconduct, and any other such orders
7 that may be necessary to rectify the unlawful business practices of Defendant.

8 98. Plaintiff Villegas brings this action as private attorney general and to vindicate and
9 enforce an important right affecting the public interest. Plaintiff and the Class are therefore
10 entitled to an award of attorneys' fees under Code of Civil Proc. § 1021.5 for bringing this action.

11 **SECOND CAUSE OF ACTION**

12 **Conversion**

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

15 100. Plaintiff brings this claim individually and on behalf of the members of the
16 proposed Class against Defendant.

17 101. As a result of charges made by Defendant to Plaintiff's and Class members'
18 Payment Methods without authorization and in violation of California law, Defendant has taken
19 money that belongs to Plaintiff and the Class.

20 102. The amount of money wrongfully taken by Defendant is capable of identification.

21 103. Defendant engaged in this conduct knowingly, willfully, and with oppression,
22 fraud, and/or malice within the meaning of Cal. Civil Code § 3294(c).

23 104. As a result of Defendant's actions, Plaintiff and the Class have suffered damages.

24 **THIRD CAUSE OF ACTION**

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

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

28 106. Plaintiff brings this claim individually and on behalf of the members of the

1 proposed Class against Defendant.

2 107. California's False Advertising Law, Cal. Bus. & Prof. Code §§ 17500, *et seq.*,
3 makes it "unlawful for any person to make or disseminate or cause to be made or disseminated
4 before the public in this state, ...in any advertising device ... or in any other manner or means
5 whatever, including over the Internet, any statement, concerning ... personal property or services,
6 professional or otherwise, or performance or disposition thereof, which is untrue or misleading and
7 which is known, or which by the exercise of reasonable care should be known, to be untrue or
8 misleading."

9 108. Defendant committed acts of false advertising, as defined by § 17500, by
10 intentionally making and disseminating statements to consumers in California and the general
11 public concerning Defendant's products and services, as well as circumstances and facts connected
12 to such products and services, which are untrue and misleading on their face and by omission, and
13 which are known (or which by the exercise of reasonable care should be known) by Defendant to
14 be untrue or misleading. Defendant has also intentionally made or disseminated such untrue or
15 misleading statements and material omissions to consumers in California and to the public as part
16 of a plan or scheme with intent not to sell those services as advertised.

17 109. Defendant's statements include but are not limited to representations and omissions
18 made to consumers before and after enrollment in Defendant's Cricut Subscriptions regarding the
19 terms of payment for and cancellation of a consumer's automatic payments. Defendant is silent
20 with regard to the terms of its cancellation policy. These omissions on the Checkout Page and the
21 Acknowledgment Email constitute false and deceptive advertisements.

22 110. Defendant's actions in violation of § 17500, as described herein, were false and
23 misleading such that the general public is and was likely to be deceived.

24 111. Plaintiff and the members of the Class were deceived by Defendant's statements
25 and omissions made online when they signed up and started paying for their Cricut Subscriptions,
26 and there is a strong probability that other California consumers and members of the public were
27 also or are likely to be deceived as well. Any reasonable consumer would be misled by
28 Defendant's false and misleading statements and material omissions. Plaintiff and other members

1 of the Class did not learn of Defendant's cancellation and automatic payment policies until after
2 they had already signed up and started paying for Defendant's Cricut Subscription. They relied on
3 Defendant's statements and omissions to their detriment.

4 112. Plaintiff and the Class lost money or property as a result of Defendant's FAL
5 violations because they would not have purchased the Cricut Subscriptions on the same terms if
6 the true facts were known about the product and the Cricut Subscriptions do not have the
7 characteristics as promised by Defendant.

8 113. Plaintiff Villegas, individually and on behalf of all similarly situated California
9 consumers, seeks individual, representative, and public injunctive relief and any other necessary
10 orders or judgments that will prevent Defendant from continuing with its false and deceptive
11 advertisements and omissions; restitution that will restore the full amount of their money or
12 property; disgorgement of Defendant's relevant profits and proceeds; and an award of costs and
13 reasonable attorneys' fees.

14 **FOURTH CAUSE OF ACTION**
15 **Violations of California's Consumers Legal Remedies Act ("CLRA"),**
16 **Cal. Civ. Code §§ 1750, *et seq.***

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

19 115. Plaintiff brings this claim individually and on behalf of the members of the
20 proposed Class against Defendant.

21 116. Plaintiff and the members of the Class are "consumers" within the meaning of Cal.
22 Civil Code § 1761(d) in that Plaintiff and the Class sought or acquired Defendant's goods and/or
23 services for personal, family, or household purposes.

24 117. Defendant's selection and/or subscription offers and the other products pertaining
25 thereto are "goods" and/or "services" within the meaning of Cal. Civil Code § 1761(a) and (b).
26 The purchases by Plaintiff and the Class are "transactions" within the meaning of Cal. Civil Code
27 § 1761(e).

28 118. The acts and practices of Defendant as described above were intended to deceive

1 Plaintiff and the Class as described herein, and have resulted, and will result, in damages to
2 Plaintiff and the Class. These actions violated, and continue to violate, the CLRA in at least the
3 following respects: (a) Defendant's acts and practices constitute representations or omissions
4 deceiving that the Cricut Subscriptions have characteristics, uses, and/or benefits, which they do
5 not, in violation of Cal. Civil Code §1770(a)(5); and (b) Defendant's acts and practices constitute
6 the advertisement of the goods in question without the intent to sell them as advertised, in violation
7 of Cal. Civil Code § 1770(a)(9).

8 119. Plaintiff and the Class suffered economic injury as a direct result of Defendant's
9 misrepresentations and/or omissions because they were induced to purchase Cricut Subscriptions
10 and/or pay renewal fees they would not have otherwise purchased and/or paid. Had Defendant
11 fully and clearly disclosed the terms associated with the Cricut Subscriptions, Plaintiff and the
12 Class would have not subscribed to the Cricut Subscriptions, or they would have cancelled their
13 Cricut Subscriptions earlier, *i.e.*, prior to the expiration of the initial subscription period.

14 120. Plaintiff Villegas, on behalf of herself and all other members the Class, seeks an
15 injunction prohibiting Defendant from continuing its unlawful practices in violation of the CLRA.

16 121. In compliance with the provisions of California Civil Code § 1782, Plaintiff sent
17 written notice to Defendant on March 1, 2023, informing Defendant of her intention to seek
18 damages under California Civil Code § 1750. The letter was sent via certified mail, return receipt
19 requested, advising Defendant that it was in violation of the CLRA and demanding that it cease
20 and desist from such violations and make full restitution by refunding the monies received
21 therefrom. The letter expressly stated that it was sent on behalf of Plaintiff and "all other persons
22 similarly situated." Accordingly, if Defendant fails to take corrective action within 30 days of
23 receipt of the demand letter, Plaintiff Villegas will amend her complaint to include a request for
24 damages as permitted by Civil Code § 1782(d) for Defendant's violations of the CLRA.

25 **FIFTH CAUSE OF ACTION**
26 **Unjust Enrichment / Restitution**

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

123. Plaintiff brings this claim individually and on behalf of the members of the proposed Class against Defendant.

124. Plaintiff and the Class conferred benefits on Defendant by purchasing the Cricut Subscriptions.

125. Defendant has been unjustly enriched in retaining the revenues derived from Plaintiff and the Class's purchases of the Cricut Subscriptions. Retention of those moneys under these circumstances is unjust and inequitable because Defendant's failure to disclose material terms of the purchase agreement, in violation of California law, induced Plaintiff and the Class to purchase the Cricut Subscriptions. These omissions caused injuries to Plaintiff and the Class because they would not have purchased the Cricut Subscriptions at all, or on the same terms, if the true facts were known.

126. Because Defendant's retention of the non-gratuitous benefits conferred on them by Plaintiff and the Class is unjust and inequitable, Defendant must pay restitution to Plaintiff and the Class for their unjust enrichment, as ordered by the Court.

SIXTH CAUSE OF ACTION

Negligent Misrepresentation

127. Plaintiff hereby re-alleges and incorporates by reference the allegations contained in all preceding paragraphs of this complaint.

128. Plaintiff brings this claim individually and on behalf of the members of the proposed Class against Defendant.

129. As discussed above, Defendant omitted, failed to disclose, and intentionally concealed from its advertisements and related statements regarding the Subscriptions material facts concerning billing, cancellation, and automatic payment terms, policies, and requirements.

130. At the time Defendant made these representations, Defendant knew or should have known that these representations were false or made them without knowledge of their truth or veracity.

131. At an absolute minimum, Defendant negligently misrepresented and/or negligently omitted material facts about the Cricut Subscriptions and their associated terms.

1 132. The negligent misrepresentations and omissions made by Defendant, upon which
2 Plaintiff and Class members reasonably and justifiably relied, were intended to induce and actually
3 induced Plaintiff and Class members to purchase and enroll in Defendant's Cricut Subscription
4 programs.

5 133. Plaintiff and Class members would not have purchased the Cricut Subscriptions if
6 the true facts had been known.

7 134. The negligent actions of Defendant caused damage to Plaintiff and Class members,
8 who are entitled to damages and other legal and equitable relief as a result.

9
10 **SEVENTH CAUSE OF ACTION**

11 **Fraud**

12 135. Plaintiff hereby re-alleges and incorporates by reference the allegations contained in
13 all preceding paragraphs of this complaint.

14 136. Plaintiff brings this claim individually and on behalf of the members of the
15 proposed Class against Defendant.

16 137. As discussed above, Defendant provided Plaintiff and Class members with false or
17 misleading material information and failed to disclose material facts about the Cricut Subscriptions
18 and their associated automatic renewal terms, including terms regarding Defendant's cancellation
19 policy and billing practices and policies. These misrepresentations and omissions were made by
20 Defendant with knowledge of their falsehood.

21 138. The misrepresentations and omissions made by Defendant, upon which Plaintiff and
22 Class members reasonably and justifiably relied, were intended to induce and actually induced
23 Plaintiff and Class members to purchase the Cricut Subscriptions.

24 139. The fraudulent actions of Defendant caused damage to Plaintiff and the members of
25 the Class, who are entitled to damages and other legal and equitable relief as a result.

26 **PRAYER FOR RELIEF**

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

- 1 a. For an order certifying the Class, naming Plaintiff as a representative of the Class,
2 and appointing Plaintiff's attorneys as Class Counsel to represent the Class;
3 b. For an order declaring Defendant's conduct violates the statutes referenced herein;
4 c. For an order finding in favor of Plaintiff and the Class on all counts asserted herein;
5 d. For actual, compensatory, statutory, and/or punitive damages in amounts to be
6 determined by the Court and/or jury;
7 e. For prejudgment interest on all amounts awarded;
8 f. For an order of restitution and all other forms of equitable monetary relief;
9 g. For injunctive relief as pleaded or as the Court may deem proper; and
10 h. For an order awarding Plaintiff and the Class their reasonable attorneys' fees,
11 expenses, and costs of suit.

12 **JURY DEMAND**

13 Plaintiff demands a trial by jury on all causes of action and issues so triable.

14 Dated: March 3, 2023

15 Respectfully submitted,

16 **BURSOR & FISHER, P.A.**

17 By: 
18 Julia K. Venditti

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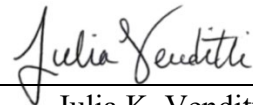
1 **CLRA Venue Declaration Pursuant to California Civil Code Section 1780(d)**

2 I, Julia K. Venditti, declare as follows:

3 1. I am an attorney at law licensed to practice in the State of California and a member
4 of the bar of this Court. I am an Associate at Bursor & Fisher, P.A., counsel of record for Plaintiff
5 Heather Villegas in this action. Plaintiff alleges that is a citizen of California who resides in San
6 Diego, California. I have personal knowledge of the facts set forth in this declaration and, if called
7 as a witness, I could and would competently testify thereto under oath.

8 2. The Complaint filed in this action is filed in the proper place for trial under Civil
9 Code Section 1780(d) because Defendant Cricut, Inc., regularly does business in San Diego
10 County, California, and a substantial portion of the events alleged in the Complaint – including the
11 misrepresentations, omissions, and injures as alleged herein – occurred in this County.

12 I declare under the penalty of perjury under the laws of the State of California and the
13 United States that the foregoing is true and correct and that this declaration was executed at Walnut
14 Creek, California, this 3rd day of March, 2023.

15
16 
17 _____
18 Julia K. Venditti
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