1 Sophia Goren Gold (SBN 307971) **Electronically FILED by** Superior Court of California, KÂLIELGOLD PLLC County of Los Angeles 8/29/2023 1:43 PM 950 Gilman Street, Suite 200 Berkeley, California 94710 David W. Slayton, 3 Executive Officer/Clerk of Court, Telephone: (202) 350-4783 By J. Nunez, Deputy Clerk sgold@kalielgold.com 4 Jeffrey D. Kaliel (SBN 238293) 5 Amanda J. Rosenberg (SBN 278507) KALIELGOLD PLLC 1100 15th Street NW 4th Floor Washington, D.C. 20005 7 Telephone: (202) 350-4783 ikaliel@kalielgold.com 8 arosenberg@kalielgold.com 9 Counsel for Plaintiff and Proposed Classes 10 11 SUPERIOR COURT OF THE STATE OF CALIFORNIA 12 FOR THE COUNTY OF LOS ANGELES 13 14 AMANDA BOOE, on behalf of herself Case No. 238TCV20795 and all others similarly situated, 15 CLASS ACTION COMPLAINT Plaintiff, 16 VS. 17 GAMMABILLING INC., 18 Defendant. 19 20 21 Plaintiff Amanda Booe, on behalf of herself and all others similarly situated, complains and 22 alleges upon information and belief based, among other things, upon the investigation made by 23 Plaintiff and through her attorneys as follows: 24 INTRODUCTION 25 1. This is a proposed class action seeking monetary damages, restitution, and injunctive 26 and declaratory relief from Defendant GammaBilling Inc. ("GammaBilling"), arising from 27 GammaBilling's deceptive and fraudulent billing practices on its Adult Time website. 28 1 CLASS ACTION COMPLAINT

- 2. Specifically, GammaBilling lures consumers into providing their credit card information based on the promise of a cheap \$2 "trial" membership to its adult entertainment website. But that is false.
- 3. In fact, GammaBilling exploits the "trial" offer to sneak other expensive monthly subscription charges onto users' credit cards.
- 4. Here's how it works. During the "trial" sign-up process, GammaBilling surreptitiously (1) opts users into membership for a second, *additional* adult entertainment membership, then proceeds to charge consumers monthly subscription fees for the additional adult entertainment membership; and (2) opts users who elect to purchase a short 1 to 3 day trial subscription into an automatically renewing monthly subscription plan without clear and conspicuous notice.
- 5. GammaBilling's conduct amounts to a bait & switch, violates state consumer protection law, and breaches its contract with consumers.
- 6. Plaintiff and Class members have been injured by GammaBilling's deceptive and fraudulent practices. Plaintiff brings this action on behalf of herself, the putative Class, and the general public. Plaintiff seeks actual damages, punitive damages, restitution, and an injunction on behalf of the general public to prevent GammaBilling from continuing to engage in its illegal practices described herein.

PARTIES

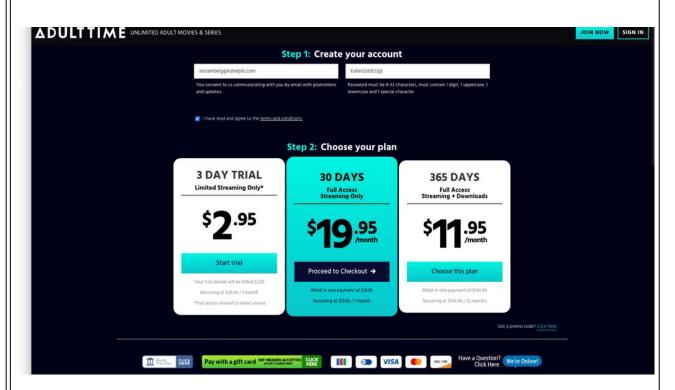
- 7. Plaintiff is a citizen and resident of Danville, Illinois. Plaintiff signed up for a \$2, 1-day trial membership, believing that she would incur no additional charges. She later learned, to her surprise, that Defendant attempted to bill her for (1) monthly fees at \$19.95 per month for a full Adult Time subscription which she did not want and did not use; (2) an additional \$2 for a trial membership of a different adult entertainment website she did not want or use; and (3) monthly fees at \$4.95 per month for a different adult entertainment membership which she did not want or use.
- 8. Defendant GammaBilling is engaged in the business of providing billing services to American consumers, including Plaintiff and members of the putative Classes. GammaBilling is

1 headquartered in Santa Clarita, California. GammaBilling owns and operates the website 2 Adulttime.com. 3 JURISDICTION AND VENUE 4 9. This Court has jurisdiction over this matter because the amount in controversy exceeds 5 \$25,000. 6 10. Venue is proper in this District pursuant to CCP § 395(a) because Defendant 7 GammaBilling Inc., is headquartered in Santa Clarita, California, which is located in Los Angeles 8 County. 9 Defendant regularly and systematically provide adult entertainment services 11. 10 throughout the State of California, including in this county, and provide adult entertainment services 11 to their customers, including members of the putative Classes. As such, it is subject to the personal 12 jurisdiction of this Court. 13 FACTUAL BACKGROUND AND GENERAL ALLEGATIONS 14 Α. Pornography is a Multibillion Dollar Business 15 12. According to a recent study, 30% of all data transferred across the Internet is 16 pornography and pornography sites get more visitors each month than Netflix, Amazon and Twitter 17 combined.1 18 13. Globally, pornography is a \$97 billion industry, with an estimated \$10-\$12 billion 19 coming from the United States.² 20 14. 10.5 percent of U.S. men have paid for Internet pornography subscriptions.³ 21 22 23 24 ¹ "Porn Sites Get More Visitors Each Month Than Netflix, Amazon And Twitter Combined," Huffington Post, available at https://www.huffpost.com/entry/internet-porn-stats_n_3187682 (last 25 accessed May 15, 2021) ² "Things Are Looking Up in America's Porn Industry," NBC News, available at https://www.nbcnews.com/business/business-news/things-are-looking-americas-porn-industry-26 n289431 (last accessed May 15, 2021). 27 "How for This?," Many Men Actually Pay Bustle, at https://www.bustle.com/articles/189498-how-many-men-actually-pay-for-porn-one-in-10-guys-28 have-paid-porn-subscriptions (last accessed May 35, 2021).

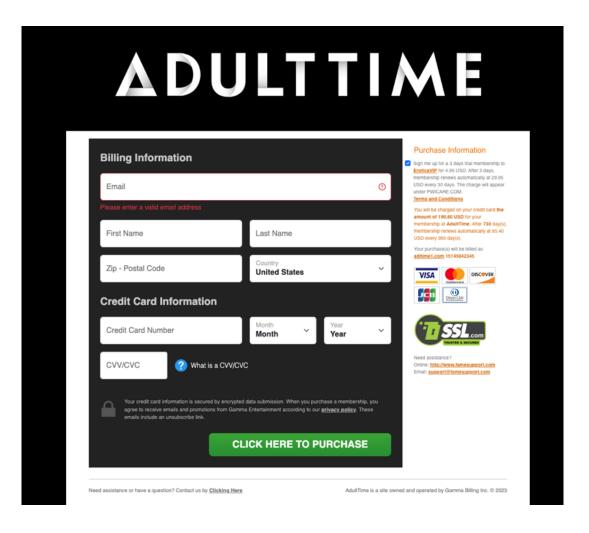
CLASS ACTION COMPLAINT

But as ubiquitous as it is, the pornography industry remains highly unregulated, and remains fertile ground for fraudulent business practices such as those that are the subject of this

- This lawsuit seeks to hold Defendant accountable for a practice that, in any other
 - Adult Time Is a Popular Membership-Based Website Which Is Owned and
 - Adult Time markets itself as "the ultimate subscription platform for adults."⁴
- Unlike many other websites offering similar content, Adult Time is not free. Instead, access to Adult Time content requires a "membership."
- Adult Time offers several membership programs, including monthly subscriptions, an annual subscription, and a trial membership. The cost and length of the trial membership vary
 - Adulttime.com is fully owned and operated by GammaBilling.
 - Plaintiff Was Deceived into Paying Monthly Subscription Fees and Enrolling In **An Ancillary Adult Entertainment Membership**
 - Plaintiff signed up for an Adult Time 1-day trial membership in March of 2023.
- On information and belief, at the time Plaintiff signed up for her Adult Time trial, the membership screen offered a 1-day trial membership for \$2.00. On information and belief, the style and format of the membership screen looked like the below, although the cost and length of trial



- 23. In a font size and color that was light gray and small, and therefore neither clear nor conspicuous, the screen offering the trial membership stated "Recurring at \$19.95/1 month." In other words, the fine print disclosure is designed to be easily overlooked, in violation of state law.
- 24. Next, via a tiny, automatically <u>pre-checked</u> box, users who click on the trial membership are automatically enrolled in a *second adult entertainment membership*. On information and belief, Defendant used a tiny prechecked box similar to the one in the below screenshot to enroll Plaintiff into the second membership:



The second adult membership costs \$4.95 per month, bringing the total cost for Plaintiff's membership to almost \$25/month, when she only intended to pay \$2.00 for a brief trial of Adult Time.

- 25. Plaintiff, like other reasonable consumers, selected the trial membership and clicked the large "Start Trial" button without realizing that by doing so, she would be automatically enrolled in two separate memberships and she would be forced to pay automatically recurring subscription fees for both memberships.
- 26. By using a large "Start Trial" button—which after all, refers to a single "trial", not multiple trials—along with other design tricks, Defendant ensured users did not and could not determine the truth: that GammaBilling was signing up users for two separate trials that required two separate cancellations to avoid expensive monthly subscription fees.

accessed August 7, 2023)

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⁷ *Id*.

(last

Also had this problem, signed up for adult time trial and cancelled 10 minutes later. A few days ago received a bill from adult time for the full price which is hilarious to me because I never had the full access to adult time whatsoever.⁸

I also want to add, the Erotic Vip addition you HAVE to untick before you register your account. I made that mistake and that was the thing that they charged me for and didn't refund me for. I think that's an extra service that is out of their control and they are hocking it from another company. They were freely open to refunding me for a mistake on the Base Adult Time membership issue, but were outright refusal on the Erotic Vip 4.99. It's extremely scammy to have it in the corner already checked by default in tiny letters with even tinier fine print...

The one you ticked is the extra one that they can cancel. I will say this though, they 9x outta 10 won't refund you for the "mistake". I wrote it like that because we all know they set the system up like that to fuck people. That's why they don't refund the $4.95.^{10}$

F. GammaBilling's Conduct Breaches its Contract with Consumers

- 32. GammaBilling's conduct as described herein breaches its contract with consumers.
- 33. First, Plaintiff and class members did not agree to be charged for anything more than the single trial membership they signed up for. Plaintiff and class members did not agree to pay for additional monthly subscriptions and ancillary memberships.
- 34. By charging Plaintiff and class members for monthly subscription fees and additional memberships that they did not affirmatively select, GammaBilling breaches its contract.

CLASS ALLEGATIONS

35. Plaintiff brings this action on behalf of herself, and all others similarly situated pursuant to California Code of Civil Procedure Rule 382. This action satisfies the numerosity, commonality, typicality, adequacy, predominance and superiority requirements of Rule 382. The proposed classes are defined as:

All consumers in the United States who, during the applicable statute of limitations, were charged for an add-on subscription purchased simultaneously with their Adult Time subscription. ("Add-On Membership Class")

All consumers in the United States who, during the applicable statute of limitations, purchased a trial membership and were subsequently charged monthly Adult Time membership fees. ("Recurring Membership Class")

⁸ *Id*. ⁹ *Id*.

 10 *Id*.

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- h. Whether an injunction is necessary to prevent Defendant from continuing to engage in the wrongful conduct described herein.
- 40. The parties are numerous such that joinder is impracticable. Upon information and belief, and subject to class discovery, the Classes consist of thousands of members or more, the identity of whom are within the exclusive knowledge of and can be ascertained only by resort to Defendants' records. Defendants has the administrative capability through its computer systems and other records to identify all members of the Classes, and such specific information is not otherwise available to Plaintiff.
- 41. It is impracticable to bring members of the Classes' individual claims before the Court. Class treatment permits a large number of similarly situated persons or entities to prosecute their common claims in a single forum simultaneously, efficiently and without the unnecessary duplication of evidence, effort, expense, or the possibility of inconsistent or contradictory judgments that numerous individual actions would engender. The benefits of the class mechanism, including providing injured persons or entities with a method for obtaining redress on claims that might not be practicable to pursue individually, substantially outweigh any difficulties that may arise in the management of this class action.
- 42. Plaintiff's claims are typical of the claims of the other members of the Classes in that they arise out of the same wrongful business practices by Defendants, as described herein.
- 43. Plaintiff is more than adequate representative of the Classes in that Plaintiff is a Defendants customer and has suffered damages as a result of Defendants' contract violations. In addition:
 - a) Plaintiff is committed to the vigorous prosecution of this action on behalf of herself and all others similarly situated and has retained competent counsel experienced in the prosecution of class actions and, in particular, class actions on behalf of accountholders against financial institutions;
 - b) There is no conflict of interest between Plaintiff and the unnamed members of the Classes:
 - Plaintiff anticipates no difficulty in the management of this litigation as a class action; c)

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- d) Plaintiff's legal counsel has the financial and legal resources to meet the substantial costs and legal issues associated with this type of litigation.
- 44. Plaintiff knows of no difficulty to be encountered in the maintenance of this action that would preclude its maintenance as a class action.
- 45. Defendants has acted or refused to act on grounds generally applicable to the class, thereby making appropriate corresponding declaratory relief with respect to the Classes as a whole.
 - 46. All conditions precedent to bringing this action have been satisfied and/or waived.

CAUSES OF ACTION

FIRST CLAIM FOR RELIEF

Breach of Contract, Including Breach of the Covenant of Good Faith and Fair Dealing (On Behalf of Plaintiff and the Add-On Membership Class and Illinois Subclass)

- 47. Plaintiff realleges the preceding paragraphs as though fully set forth herein.
- 48. Plaintiff and Defendant contracted for certain services.
- 49. No contract provision authorizes Defendant to charge consumers for more than the one trial membership they affirmatively select.
 - 50. Therefore, Defendant breached the terms of its contract.
- 51. In addition, there exists an implied covenant of good faith and fair dealing in all contracts that neither party shall do anything which will have the effect of destroying or injuring the right of the other party to receive the fruits of the contract. Good faith and fair dealing, in connection with executing contracts and discharging performance and other duties according to their terms, means preserving the spirit not merely the letter of the bargain. Put differently, the parties to a contract are mutually obligated to comply with the substance of their contract in addition to its form. Evading the spirit of the bargain and abusing the power to specify terms constitute examples of bad faith in the performance of contracts.
- 52. Subterfuge and evasion violate the obligation of good faith in performance even when an actor believes their conduct to be justified. Bad faith may be overt or may consist of inaction, and fair dealing may require more than honesty. Examples of bad faith are evasion of the spirit of the

bargain, willful rendering of imperfect performance, abuse of a power to specify terms, and interference with or failure to cooperate in the other party's performance.

- 53. The implied covenant of good faith and fair dealing applies to the performance and enforcement of contracts, limits the parties' conduct when their contract defers decision on a particular term, omits terms, or provides ambiguous terms.
- 54. Defendant has breached the covenant of good faith and fair dealing and abused its discretion in its contract as described herein.
- 55. Plaintiff and members of the Classes have performed all, or substantially all, of the obligations imposed on them under the contract.
- 56. Plaintiff and members of the Classes have sustained damages as a result of Defendant's breaches of the contract.

SECOND CLAIM FOR RELIEF

Violation of California's Unfair Competition Law ("UCL") Cal. Bus. & Prof. Code § 17200, et seq. (On Behalf of Plaintiff and the Nationwide Classes)

- 57. Plaintiff incorporates the preceding allegations by reference as if fully set forth herein.
- 58. California Business & Professions Code § 17200 prohibits acts of "unfair competition," including any "unlawful, unfair or fraudulent business act or practice." Defendants' conduct as described herein violates each of the statute's "unfair," "unlawful," and "fraudulent" prongs.
- 59. The UCL imposes strict liability. Plaintiff need not prove that Defendants intentionally or negligently engaged in unlawful, unfair, or fraudulent business practices—but only that such practices occurred.
- 60. A business act or practice is "unfair" under the UCL if it offends an established public policy or is immoral, unethical, oppressive, unscrupulous, or substantially injurious to consumers, and that unfairness is determined by weighing the reasons, justifications, and motives of the practice against the gravity of the harm to the alleged victims.
- 61. A business act or practice is "fraudulent" under the UCL if it is likely to deceive members of the public.

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- 62. A business act or practice is "unlawful" under the UCL if it violates any other law or regulation.
- 63. Defendants committed unfair and fraudulent business acts and practices in violation of Cal. Bus. & Prof. Code § 17200, et seq., by affirmatively and knowingly misrepresenting that users were signing up for a limited trial, when, in reality, they were signing up for two recurring monthly memberships. Defendants' conduct amounted to a bait & switch.
- 64. Defendant's acts and practices offend an established public policy of fee transparency in the marketplace, and constitute immoral, unethical, oppressive, and unscrupulous activities that are substantially injurious to consumers.
- 65. The harm to Plaintiff and the Classes outweighs the utility of Defendant's practices. There were reasonably available alternatives to further Defendant's legitimate business interests, other than the misleading and deceptive conduct described herein.
- 66. Defendant's conduct also constitutes an "unlawful" act under the UCL because, as detailed in Plaintiff's Third Claim for Relief below, it also constitutes a violation of sections 1770(a)(5) and (a)(9) of the California Consumer Legal Remedies Act ("CLRA"), Cal. Civ. Code § 1750, et seq., infra. Defendant's conduct also violates Cal. Bus. & Prof. Code § 17602 et seq. because Defendant failed to provide with the statutory requirements regarding auto-renewals, as outlined under that statute.
- 67. Defendants' business practices have misled Plaintiff and the proposed Classes and will continue to mislead them in the future.
 - 68. Plaintiff relied on Defendant's misrepresentations and omissions as discussed above.
- 69. Had Plaintiff known the truth, she would not have signed up for an Adult Time membership.
- 70. As a direct and proximate result of Defendants' unfair, fraudulent, and unlawful practices, Plaintiff and Class members suffered and will continue to suffer actual damages.
- 71. As a result of its unfair, fraudulent, and unlawful conduct, Defendants have been unjustly enriched and should be required to disgorge its unjust profits and make restitution to Plaintiff and Class members pursuant to Cal. Bus. & Prof. Code § 17203 and 17204.

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practices. Otherwise, Plaintiff, the Class members, and members of the general public may be irreparably harmed and/or denied effective and complete remedy if such an order is not granted.

- 79. In accordance with Cal. Civ. Code § 1780(a), Plaintiff and the Class members seek injunctive and equitable relief on behalf of the general public for violations of the CLRA, including restitution and disgorgement.
- 80. Pursuant to § 1782(a) of the CLRA, Plaintiff's counsel notified Defendant in writing by certified mail of the particular violations of §1770 of the CLRA and demanded that it rectify the problems associated with the actions detailed above and give notice to all affected consumers of Defendant's intent to act. If Defendant fails to respond to Plaintiff's letter or agree to rectify the problems associated with the actions detailed above and give notice to all affected consumers within 30 days of the date of written notice, as proscribed by \$1782, Plaintiff will move to amend his Complaint to pursue claims for actual, punitive and statutory damages, as appropriate against Defendant. As to this cause of action, at this time, Plaintiff seeks only injunctive relief.
- 81. California law applies to class members throughout the United States because, upon information and belief, Defendants' deceptive conduct emanated from California.

FOURTH CLAIM FOR RELIEF **Violations of the Illinois Automatic Contract Renewal Act** (815 ILCS 601/1 et. seg.) (On Behalf of Plaintiff and the Illinois Subclasses)

- 82. Plaintiff repeats, realleges, and incorporates by reference each of the foregoing paragraphs as if fully set forth herein.
- 83. 815 ILCS 601/10 (a) provides that "[a]ny person, firm, partnership, association, or corporation that sells or offers to sell any products or services to a consumer pursuant to a contract, where such contract automatically renews unless the consumer cancels the contract, shall disclose the automatic renewal clause clearly and conspicuously in the contract, including the cancellation procedure."
- 84. Defendant is a person, firm, partnership, association, or corporation that sells or offers to sell products or services to consumers, such as Plaintiff and the Class, pursuant to a contract.

- 85. Defendant's membership contracts and additional membership contracts automatically renew unless the consumers, such as Plaintiff and Classes, cancel the contracts.
- 86. Defendant failed to disclose the automatic renewal clause clearly and conspicuously in the contracts, including the cancellation procedure.
- 87. The contracts automatically renew continuously unless consumers, such as Plaintiff and the Class, cancel the contracts.
- 88. Upon information and belief, Defendant has not established and implemented written procedures to comply with the Illinois Automatic Contract Renewal Act and enforce compliance with its procedures.
- 89. Upon information and belief, Defendant's failure to comply with the Illinois Automatic Contract Renewal Act was not the result of error.
- 90. Defendant did not provide a full refund or credit for all amounts billed to or paid by consumers, such as Plaintiff and the Classes, from the date of the renewal until the date of the termination of the account, or the date of the subsequent notice of renewal.
- 91. Plaintiff and the members of the Classes have suffered reasonably foreseeable costs caused by the continuance of their contracts without their valid consent. These costs include, but are not limited to, the direct costs of charges for unwanted products and pecuniary injury in the form of time and expense to mitigate the effects of unauthorized payments.

FIFTH CLAIM FOR RELIEF

Violations of the Illinois Consumer Fraud and Deceptive Business Practices Act (815 ILCS 505/1 et. seq.) (On Behalf of Plaintiff and the Illinois Subclasses)

- 92. Plaintiff repeats, realleges, and incorporates by reference each of the foregoing paragraphs as if fully set forth herein.
- 93. The Illinois Consumer Fraud and Deceptive Business Practices Act ("ICFA"), prohibits deceptive acts and practices in the sale of goods to consumers.
- 94. Plaintiff and other members of the Class engaged in consumer transactions with Defendant in purchasing trial memberships.

- 95. Defendant engaged in a deceptive act or practice by (1) surreptitiously enrolling trial members in a second, ancillary membership; and (2) surreptitiously enrolling members that purchased a trial membership into a recurring monthly subscription.
- 96. Plaintiff and other members of the Class reasonably believed that they would not be assessed (1) monthly fees for a full Adult Time subscription they did not want and did not use; (2) an additional fee for a trial membership of a different adult entertainment website they did not want or use; and (3) an additional monthly fee for a different adult entertainment membership which they did not want or use.
- 97. Instead, Plaintiff and the other members of the Class are charged for second ancillary monthly memberships and Adult Time recurring monthly memberships when they signed up for a single Adult Time trial membership.
- 98. Defendant's misrepresentations to Plaintiff and the other members of the Classes constitute a violation of ICFA.
- 99. Plaintiff and the other members of the Classes have been harmed to the extent that they have been forced to spend money on subscriptions they do not want and to expend time and cancelling and/or getting refunds on those subscriptions.
- 100. Defendant violated the Illinois Automatic Contract Renewal Act as described above, which also constitutes a violation of the ICFA. 815 ILCS 601/15.
- 101. Under the ICFA, Plaintiff and other members of the Class are entitled to recover their actual or compensatory damages in an amount to be proven at trial, an award of reasonable attorney's fees, injunctive relief prohibiting Defendant's unfair and deceptive conduct prospectively, and any other penalties or awards that may be appropriate under applicable law.

SIXTH CLAIM FOR RELIEF Unjust Enrichment (On Behalf of Plaintiff and the Classes)

- 102. Plaintiff repeats, realleges, and incorporates by reference each of the foregoing paragraphs as if fully set forth herein.
- 103. To the detriment of Plaintiff and the Classes, Defendants have been, and continues to be, unjustly enriched as a result of its wrongful conduct alleged herein.

CLASS ACTION COMPLAINT

DEMAND FOR JURY TRIAL Plaintiff and all others similarly situated hereby demand trial by jury on all issues in this Class Action Complaint that are so triable. Dated: August 29, 2023 Respectfully submitted, KALIELGOLD PLLC Sophia Horen Hold SOPHIA GOREN GOLD JEFFREY D. KALIEL AMANDA J. ROSENBERG Counsel for Plaintiff and Proposed Classes

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: <u>'Bait-and-Switch' Class Action Filed Against AdultTime.com Over Allegedly Deceptive Billing Practices</u>