



# How Subscription Offers Have Become One of the Hottest Areas of Challenge in 2026: A VAST Webinar

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# Our [Clear and Conspicuous] Disclosure

**This is not an introductory webinar...**

**...But we've done many of those!** For basics on automatic renewal law requirements, check out one of our other webinars and the *Advertising Law Tool Kit*:

[Autorenewal Update: Tariffs, FTC's Negative Option Rule, New State Laws, and More – A VAST Webinar](#)

[Turning Your Negative Option Offer into a Positive: How to Navigate New Laws and Requirements for Autorenewal Programs in 2024](#)

[Venable's Advertising Law Tool Kit](#)

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## Compliance Framework

- Truthful, non-misleading advertising
- Clear and conspicuous disclosures about the offer
- Affirmative consent
- Order confirmation
- Simple cancellation mechanism
- Renewal reminders
- Notice of any material change to the offer

## Applicable Federal Laws

Restore Online Shoppers' Confidence Act (ROSCA)

Telemarketing Sales Rule

Section 5 of the Federal Trade Commission Act

FTC Rule Concerning the Use of Prenotification Negative Option Plans ("Negative Option Rule")

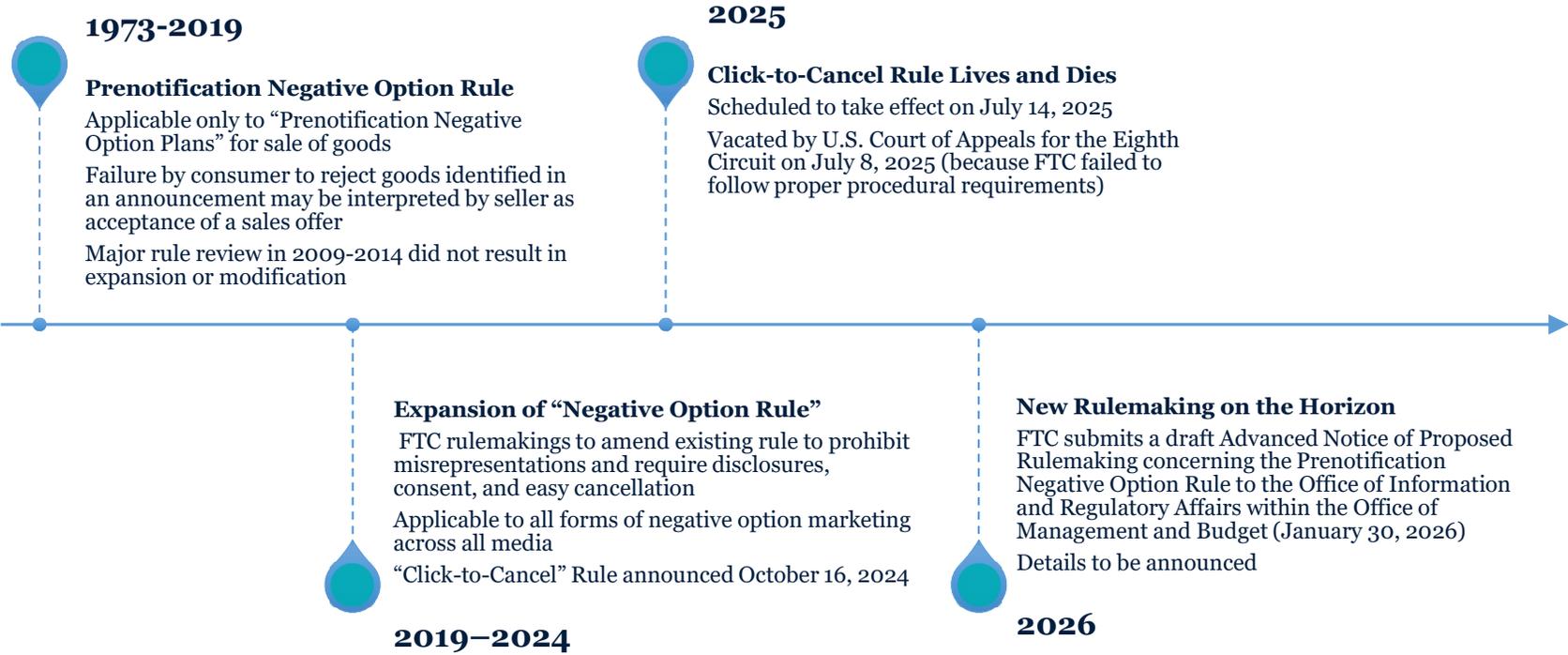
Electronic Fund Transfer Act (EFTA)

Consumer Financial Protection Act

Unordered Merchandise Statute

**Violations punishable by injunctive relief or monetary relief (refunds, disgorgement, rescission of contracts, statutory penalties of \$53,088 per violation).**

# Quick Update: FTC Negative Option Rule







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# Clear and Conspicuous Disclosures

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# What to Disclose

ROSCA + Recent FTC Enforcement	State Law (Examples)
<p><b>ROSCA</b></p> <ul style="list-style-type: none"><li>All material terms of the transaction</li></ul> <p><b>FTC v. Paddle.com (June 2025)</b></p> <ol style="list-style-type: none"><li>That the consumer will be charged, or that a charge will increase after a trial period ends</li><li>That the charge will be on a recurring basis unless the consumer takes steps in a timely manner to prevent or stop such charges</li><li>Each deadline (by date or frequency) by which consumer must act to prevent or stop charges</li><li>Amount (or range of costs) consumer will be charged, and the frequency of charges</li><li>The information necessary for the consumer to find the simple mechanism to cancel the negative option feature</li></ol> <p><b>FTC v. Chegg, Inc. (September 2025)</b></p> <ul style="list-style-type: none"><li>Disclose “Material” facts that are “likely to affect a person’s choice of, or conduct regarding, goods or services”</li></ul>	<ul style="list-style-type: none"><li>Description of the product or service subject to the renewal (NY)</li><li>That the subscription will continue until the consumer cancels (CA)</li><li>Description of the cancellation policy that applies to the offer (CA); the cancellation mechanisms available (NY)</li><li>The recurring charges that will be charged, and that the amount may change (if that is the case), and the amount to which it will change (NY, CA)</li><li>For free or discounted trials, explicitly state the calendar date by which the consumer must cancel to avoid paying the full price and the calendar date when the consumer will begin paying the full price (MA)</li><li>The length of the automatic renewal term (CA)</li><li>Deadline date by which or frequency by which consumer must act to prevent or stop charges (NY)</li><li>Any minimum purchase obligation (CA)</li></ul>

## What Are “Material Terms”?

- Regulators have alleged that various terms, not directly related to the autorenewal charges, must be disclosed:
  - *100% satisfaction guarantee*
  - *Availability of the service / Eligibility requirements*
  - *Additional or add-on charges*
  - *Early termination fees*

## How to Disclose: “Clearly and Conspicuously”

FTC Generally: Disclosures must be unavoidable, easily noticeable, and easily understandable and stand out from accompanying text or other visual elements.

- The disclosure must be made through the same means through which the advertisement is presented. *For example*, a television advertisement that contains both visual and audible elements must contain both visual and audible disclosures, *even if the representation requiring the disclosure is made in only one means*.

Prevailing state (e.g., NY, CA) require automatic renewal terms to be:

**in larger type** than the surrounding text, or  
in a **type, font, or color** that contrasts with the surrounding text of the same size, or  
**\*\*\*set off from the surrounding text of the same size by symbols or other marks\*\*\***  
in a manner that **clearly calls attention to the language**.

Vermont: **For subscriptions with an initial term of one year or more, disclosures must appear in boldface type.**

# When and Where to Disclose

## Example Requirements / Standards

### *ROSCA*

- Before obtaining the consumer's billing information

### *FTC v. Paddle.com (June 2025)*

- Immediately adjacent to the means of recording the consumer's consent to the negative option offer

### *California*

- Before the subscription or purchasing agreement is fulfilled and in visual proximity (or temporal proximity, for voice offers) to the request for consent to the offer

### *New York*

- Before consent to the offer or billing information has been requested and in visual proximity (or temporal proximity, for voice offers) to the request for consent to the offer

Social Ad /  
Teaser

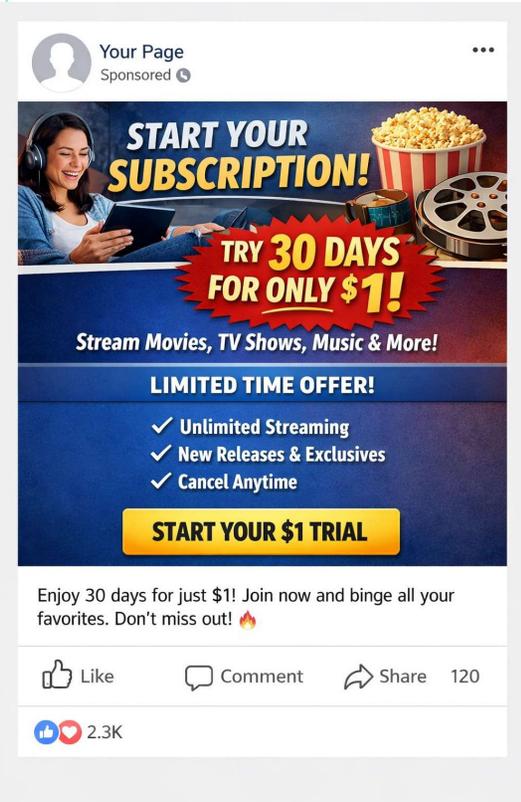
Landing Page

Product Page

Checkout /  
Payment Page

# Pop Quiz: What Would You Change?

## Social Ad / Teaser



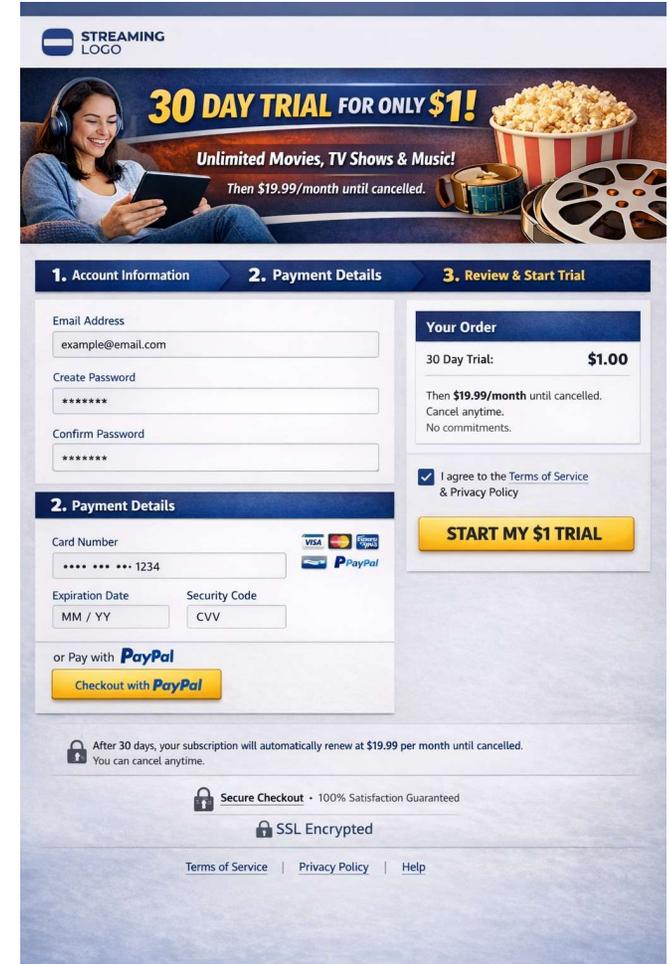
A social media ad for a streaming service. At the top, it shows a profile for 'Your Page' with a 'Sponsored' tag. The main image features a woman watching a tablet with popcorn and film reels. The text reads: 'START YOUR SUBSCRIPTION! TRY 30 DAYS FOR ONLY \$1! Stream Movies, TV Shows, Music & More! LIMITED TIME OFFER! ✓ Unlimited Streaming ✓ New Releases & Exclusives ✓ Cancel Anytime START YOUR \$1 TRIAL'. Below the image, it says 'Enjoy 30 days for just \$1! Join now and binge all your favorites. Don't miss out! 🔥'. At the bottom, there are social media interaction buttons: 'Like', 'Comment', 'Share' (120), and a heart icon with '2.3K'.

## Landing Page



A landing page for a streaming service. The top navigation bar includes a 'STREAMING LOGO', a 'Sign In' link, and a 'START YOUR \$1 TRIAL' button. The main hero section features a woman watching a tablet with popcorn and film reels. The text reads: 'START YOUR SUBSCRIPTION! TRY 30 DAYS FOR ONLY \$1! LIMITED TIME OFFER! ✓ Unlimited Streaming ✓ New Releases & Exclusives ✓ Cancel Anytime START YOUR \$1 TRIAL'. Below this, it says 'After 30 days, subscription renews automatically at \$19.99/month until cancelled.' The next section is titled 'STREAM MOVIES, TV SHOWS, MUSIC & MORE!' and features three bullet points: 'UNLIMITED ENTERTAINMENT' (Thousands of movies, TV shows, and sergs at your fingertips), 'NEW RELEASES & EXCLUSIVES' (Access hot new releases and exclusive content only available to subscribers), and 'CANCEL ANYTIME' (No commitments! Cancel online anytime, hassle-free). At the bottom, it says 'Enjoy 30 days for just \$1! Join now and binge all your favorites. Don't miss out! 🔥'. The footer contains a form with 'Email address', 'Create Password', and 'START YOUR \$1 TRIAL' buttons, and a 'Privacy Statement | Terms of Service | Privacy Policy | www.privacy.com' link.

## Checkout Page



A checkout page for a streaming service. The top navigation bar includes a 'STREAMING LOGO', a 'Sign In' link, and a 'START YOUR \$1 TRIAL' button. The main hero section features a woman watching a tablet with popcorn and film reels. The text reads: '30 DAY TRIAL FOR ONLY \$1! Unlimited Movies, TV Shows & Music! Then \$19.99/month until cancelled.' Below this, there are three steps: '1. Account Information', '2. Payment Details', and '3. Review & Start Trial'. The '1. Account Information' section includes a form for 'Email Address' (example@email.com), 'Create Password' (\*\*\*\*\*), and 'Confirm Password' (\*\*\*\*\*). The '2. Payment Details' section includes a form for 'Card Number' (\*\*\*\* \* 1234), 'Expiration Date' (MM / YY), and 'Security Code' (CVV). It also features a 'PayPal' logo and a 'Checkout with PayPal' button. The '3. Review & Start Trial' section includes a 'Your Order' summary: '30 Day Trial: \$1.00' and 'Then \$19.99/month until cancelled. Cancel anytime. No commitments.' There is a checkbox for 'I agree to the Terms of Service & Privacy Policy' and a 'START MY \$1 TRIAL' button. At the bottom, it says 'After 30 days, your subscription will automatically renew at \$19.99 per month until cancelled. You can cancel anytime.' The footer includes a 'Secure Checkout • 100% Satisfaction Guaranteed' badge, an 'SSL Encrypted' badge, and links for 'Terms of Service', 'Privacy Policy', and 'Help'.

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## Failure to Clearly and Conspicuously Disclose All Material Terms

- *AdoreMe* (Maryland, New York, District of Columbia all entered separate settlements)
- *FTC v. Instacart*
- *JustFab* (\$4.8 million multi-state settlement)
- *FTC v. Uber*
- *FTC v. JustAnswer*
- *Equinox* (New York settlement)

# “Clear and Conspicuous Disclosures”: What, Where, and When to Disclose?

## *JustFab Multistate Settlement*

Requires the company to disclose all material terms of the membership program **“in at least three separate instances before a consumer is enrolled in a Membership Program, including”**

- (a) When the Membership Program concept is first presented to a consumer on the Company’s website or mobile application (e.g., on the landing page or home page);
- (b) The First time the consumer is given the option to shop or make a purchase that enrolls a consumer in a Membership Program or to make a purchase that does not include any further obligations; and
- (c) As part of the checkout process before a consumer submits his or her payment information and completes the checkout process

Disclosures and prohibitions in advertising:

- Prohibited from representing the program as “free” or otherwise represent that it “does not require **additional payments or actions** by the consumer.”
- Prohibited from advertising any discount, price, or any other benefit if the price/discount/benefit can be obtained only by enrolling in the Membership Program, unless the ad includes a clear and conspicuous disclosure of all material terms.
  - BUT these can be disclosed through a link if there is a “Space Constrained Advertisement” (banner or other ad on a platform that is controlled by a third-party publisher who restricts the size of the ad or imposes mandatory requirements on the advertising, including character limit, lines of text/graphics, or pixels)

# Where and When to Disclose the Material Terms? *FTC v. JustAnswer*

The FTC challenged the company's search engine advertising, alleging that the company "does not disclose its fee structure or required monthly subscription in its search advertisements."

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 **JustAnswer**  
<https://www.justanswer.com/veterinarians/helpline>

**24 Hour Online Vet Chat - 24-Hour Vet Chat - Solve Vet Problems**  
Discuss Your Animals Symptoms And Receive Home Treatment Options. **Chat 1-on-1 Right Away.**  
Certified Vet Answers · Ask on JustAnswer Now · Get Help for Problems · Collapsed Pets

**Sponsored**

 **Ask A Veterinarian Online**  
<https://www.askaveterinarianonline.com/dog/veterinary>

**Ask a Dog Vet Online**  
No Waiting Room, Visit 1:1 Now — Questions Answered Every 9 Seconds. Get Online Vet Answers & Save Time!  
Urgent Care · Online 24/7 · Get poison control info · Verified Dog Vets · 24-Hour Cat Vets

**Sponsored**

 **JustAnswer**  
[www.justanswer.com/jeep/mechanics](http://www.justanswer.com/jeep/mechanics)

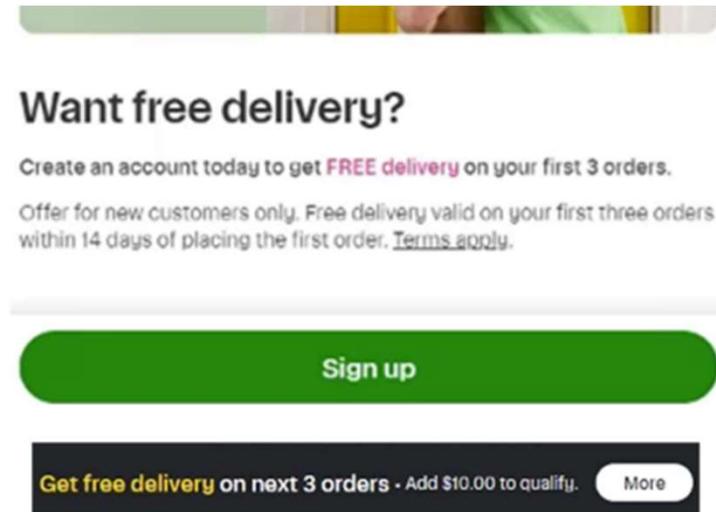
**Ask a Jeep Mechanic Now - A Mechanic Will Answer ASAP**

Start a 1-on-1 Repair Chat with a Mechanic and Don't Pay the High Cost of Shop Repair.

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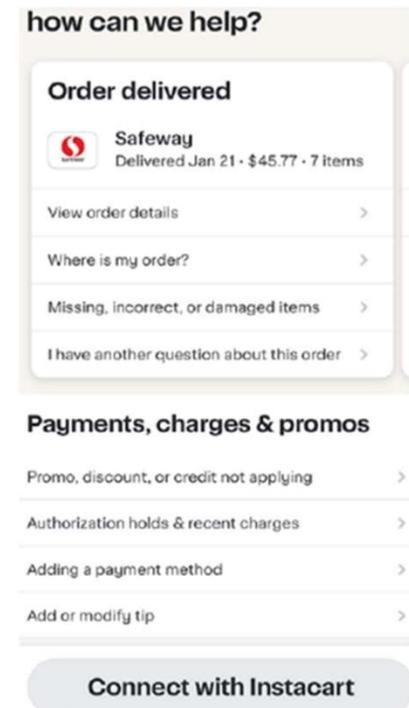
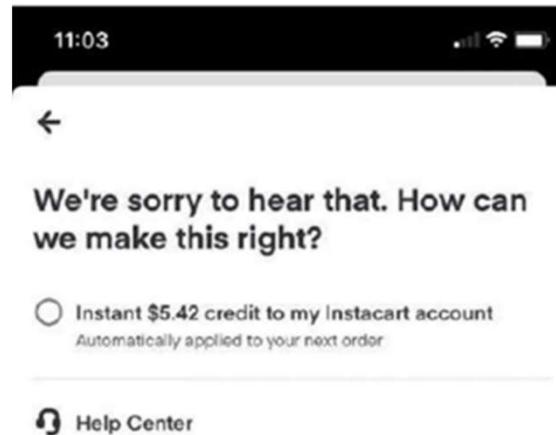
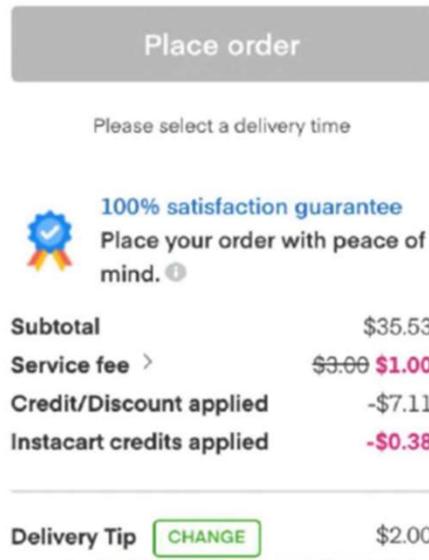
## *FTC v. MapleBear d/b/a Instacart*

- FTC challenged Instacart’s “free delivery” claims because Instacart charged mandatory fees on “free delivery” orders



# FTC v. MapleBear d/b/a Instacart

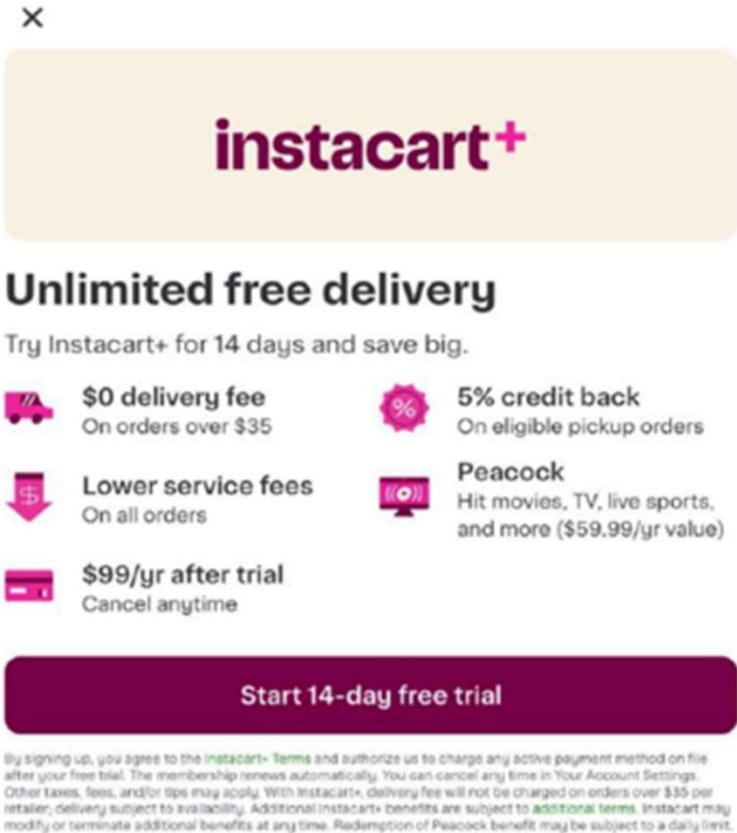
- FTC challenged Instacart’s “100% satisfaction guarantee” claim because it falsely implied that customers can get a full refund.
- FTC alleged that Instacart hid the refund option in a self-serve portal so customers believed they could only get a credit.
- FTC alleged that the virtual chatbot did not affirmatively offer a refund option and instead customers needed to affirmatively request one:



# FTC v. Instacart

- FTC alleged that Instacart used free trials to lure consumers into paid Instacart+ memberships
- Customers who do not want the free trial must click the “X” and close the screen
- FTC challenged the disclosure:
  - In fine print, required customers to scroll to see it
  - Did not disclose the amount of the ongoing charges for paid membership
- FTC acknowledged that Instacart sent a post-order confirmation with the necessary disclosures, but alleged this was too late

By signing up, you agree to the [Instacart+ Terms](#) and authorize us to charge any active payment method on file after your free trial. The membership renews automatically. You can cancel any time in Your Account Settings. Other taxes, fees, and/or tips may apply. With Instacart+, delivery fee will not be charged on orders over \$35 per retailer, delivery subject to availability. Additional Instacart+ benefits are subject to [additional terms](#). Instacart may modify or terminate additional benefits at any time. Redemption of Peacock benefit may be subject to a daily limit.



×

**instacart+**

**Unlimited free delivery**

Try Instacart+ for 14 days and save big.

-  **\$0 delivery fee**  
On orders over \$35
-  **5% credit back**  
On eligible pickup orders
-  **Lower service fees**  
On all orders
-  **Peacock**  
Hit movies, TV, live sports, and more (\$59.99/yr value)
-  **\$99/yr after trial**  
Cancel anytime

**Start 14-day free trial**

By signing up, you agree to the [Instacart+ Terms](#) and authorize us to charge any active payment method on file after your free trial. The membership renews automatically. You can cancel any time in Your Account Settings. Other taxes, fees, and/or tips may apply. With Instacart+, delivery fee will not be charged on orders over \$35 per retailer, delivery subject to availability. Additional Instacart+ benefits are subject to [additional terms](#). Instacart may modify or terminate additional benefits at any time. Redemption of Peacock benefit may be subject to a daily limit.

# Early Termination Fees / Cancellation Fees

- FTC challenged a company's failure to disclose an Early Termination Fee (ETF) that applied if someone canceled before the one-year commitment

Try the full version of Adobe apps with a 7-day free trial.

Choose a plan:

[Individuals](#) [Teams](#) [Students and teachers](#)

**Best value**

**Creative Cloud All Apps**

The ultimate toolkit for unlimited creativity.

**What you get:**

- 20+ apps including Photoshop, Illustrator, Adobe Express, and Acrobat Pro
- Tutorials, fonts, templates, and more
- 100GB of cloud storage

[See what's included](#)

7-day free trial, then **US\$54.99/mo**

[See all plans and pricing](#)

**Pick a subscription:**

You won't be charged until after your free trial ends.

Annual, paid monthly  
**US\$54.99/mo**  
*Fee applies if you cancel after 14 days.* ⓘ

Annual, prepaid  
**US\$599.88/yr**  
*No refund if you cancel after 14 days.* ⓘ

Monthly  
**US\$82.49/mo**  
*Cancel anytime, no fee.* ⓘ

Add a 7-day free trial of Adobe Stock and get up to 10 standard assets. Cancel risk-free before your trial ends, and you won't be charged. Pay US\$29.99/mo after your trial ends.

Secure transaction

[Continue](#)

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## Early Termination Fees / Cancellation Fees (cont.)

- Consumers must click the (i) icon to reveal the disclosure
- The court denied motion to dismiss, holding:
  - The tooltip text does not contain any information about the amount of the fee that applies after termination, called an “Early Termination Fee” or “ETF,” how the fee is calculated, or the applicable subscription term. Neither the text on the underlying page nor the tooltip text explains what constitutes an “early termination.” Neither discloses that the APM plan requires a one-year commitment

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The screenshot shows a subscription selection interface. At the top, it says "Pick a subscription:" followed by "You won't be charged until after your free trial ends." Below this, there are three subscription options, each with an information icon (i) in a circle. A tooltip box is overlaid on the first option, containing the text: "If you cancel after 14 days, your service will continue until the end of that month's billing period, and you will be charged an early termination fee." The first option is "Annual, prepaid" for "US\$599.88/yr" with the note "No refund if you cancel after 14 days." The second option is "Monthly" for "US\$82.49/mo" with the note "Cancel anytime, no fee."

Pick a subscription:

You won't be charged until after your free trial ends.

If you cancel after 14 days, your service will continue until the end of that month's billing period, and you will be charged an early termination fee.

Fee applies if you cancel after 14 days. (i)

Annual, prepaid  
**US\$599.88/yr**  
No refund if you cancel after 14 days. (i)

Monthly  
**US\$82.49/mo**  
Cancel anytime, no fee. (i)

# Early Termination Fees / Cancellation Fees (cont.)

Step 2 of 2

## Enter payment info to start your free trial

Your new account login  
[Redacted] [Change](#)

Your payment method

Credit/Debit

PayPal

By clicking 'Agree and subscribe', you agree: After your trial ends, you will be charged US\$54.99 (plus tax) monthly. At the end of your one-year term, your subscription will automatically renew monthly until you cancel (price subject to change). Cancel before your trial ends and you won't be charged. No annual commitment required after the first year. Cancel anytime via Adobe Account or Customer Support. Cancel before May 29, 2023 to get a full refund and avoid a fee. You also agree to the Terms of Use and the Subscription and Cancellation Terms.

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### Summary

**Creative Cloud All Apps 100GB** 7-day free trial

Subscription

Yearly, billed monthly  US\$54.99/mo

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Subtotal US\$54.99/mo

**DUE NOW US\$0.00/mo**

After trial ends, on May 15, 2023 US\$54.99/mo + tax

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### Free trial terms

- Billing automatically starts after free trial ends
- Cancel before May 15 to avoid getting billed

# Disclosure of Early Termination Fee

- The court held:
  - The tooltip text does not contain any information about the amount of the fee that applies after termination, called an “Early Termination Fee” or “ETF,” how the fee is calculated, or the applicable subscription term. Neither the text on the underlying page nor the tooltip text explains what constitutes an “early termination.” Neither discloses that the APM plan requires a one-year commitment
- *Can these be reframed as a minimum term? Or restructure the payment timing?*

# What Are “Material Terms”? And How Do You Disclose Them?

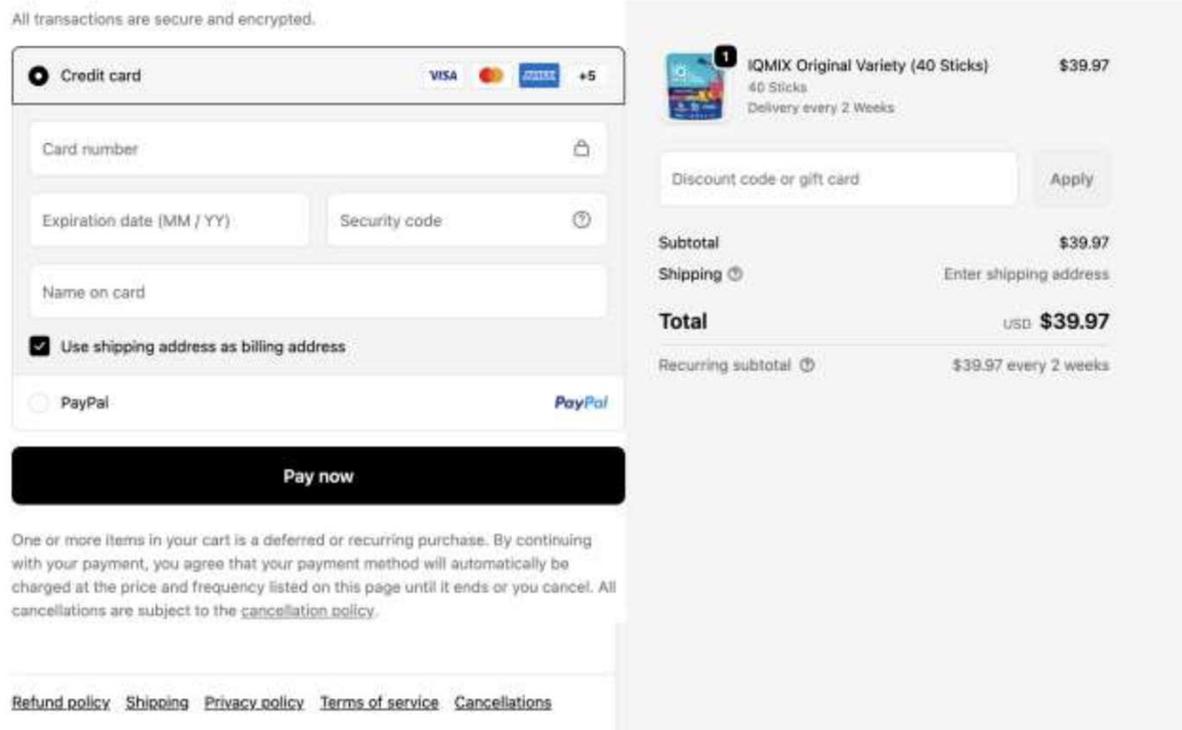
## *New York AG - Equinox Assurance of Discontinuance*

New York AG alleged that the following were “material terms” that must be clearly and conspicuously disclosed:

- The benefits of the membership, including whether the Equinox Member had access to other Equinox locations and which locations they had access to
- The monthly cost of the membership, which started at approximately
- That the monthly membership fee would be charged on the 23rd day of each month
- The initiation fee of \$300 or more, depending on the membership plan selected and any promotions
- That all membership plans included a one-year Obligation Period and would convert to a month-to-month plan at the end of the first year
- That, under their membership agreements, Equinox Members were required to provide at least 45 days of notice to cancel their memberships
- That an Equinox Member could cancel their membership without penalty if they could provide Equinox with evidence that one of the following circumstances applied: (i) they were suffering from a physical disability that would prevent them from using Equinox’s services for more than six months; (ii) they were moving more than 25 miles away from any Equinox location; (iii) Equinox could no longer provide them with the services they had contracted for (e.g., their location closed); or (iv) they had passed away, in which case their estate could cancel the membership
- That, under New York GBL § 624(2), Equinox Members in New York could cancel their memberships without penalty within three days of joining
- That Equinox Members could cancel their memberships by certified mail, in person at the gym, via email, or via online chat

# Class Action Challenges

- Plaintiff alleges that the checkout page fails to disclose the cancellation policy as required by California's Autorenewal Law. (*Garcia v. IQ Bar*)
- Similar allegations in multiple class action lawsuits:
  - *Licea v. Laird Superfood*
  - *Garcia v. Underclub*





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# **Express, Informed Affirmative Consent**

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# How to Obtain Consent

<b>ROSCA + Recent FTC Enforcement</b>	<b>State Law (Examples)</b>
<p><b>ROSCA</b></p> <ul style="list-style-type: none"><li>• Obtain “express informed consent” before charging the consumer’s credit card, debit card, bank account, or other financial account</li></ul> <p><b>FTC v. Paddle.com (June 2025)</b></p> <ul style="list-style-type: none"><li>• Obtain unambiguous affirmative consent to the negative option feature separately from any other portion of the transaction</li><li>• Present the consent request in a manner and a format that are clear, unambiguous, nondeceptive, and free of any information not directly related to the consumer accepting the negative option feature</li><li>• Not detract from or undermine the ability of the consumer to give express informed consent</li><li>• Keep records of consent for at least 3 years</li></ul> <p><b>Informed Consent:</b> Having been appropriately informed of the offer disclosures, the consumer provides consent.</p>	<p><b>California and New York</b></p> <ul style="list-style-type: none"><li>• Obtain “affirmative consent” to the agreement containing the automatic renewal offer terms before charging the consumer’s credit or debit card or the consumer’s account with a third party</li></ul> <p><b>Affirmative Consent:</b> Must be the affirmative/explicit agreement of the consumer to enroll</p> <ul style="list-style-type: none"><li>• Silence is not tantamount to consent, nor does an ambiguous response from a consumer equal consent</li></ul> <p><b>Be Mindful of State Law Variations, e.g.:</b></p> <ul style="list-style-type: none"><li>• D.C. Law – Must obtain consent <u>again</u> at end of certain free trials before charging full price</li></ul>

# Obtaining Consent with Stored Payment Information, Upsells, and Reactivations

- ROSCA requires companies to “clearly and conspicuously disclose[] all material terms of the transaction ***before obtaining the customer’s billing information.***”
- A court granted summary judgment to the Federal Trade Commission where the FTC alleged that the defendant violates ROSCA’s first requirement, both because it does not make clear and conspicuous disclosures and because it does not make these disclosures before obtaining a customer’s billing information
- The court rejected defendant’s argument that it complied with ROSCA’s disclosure requirements because the website discloses the autorenewal terms ***before obtaining a customer’s consent to use their stored billing information.***

# Stored Payment Information and Reactivations

SDE1

## Review your order

### Shipping Address

Tom Davis  
789 Birchwood Ave  
Springfield, IL 62704, United States

[Change](#)

[Add delivery instructions](#)

### Billing Address

Tom Davis  
789 Birchwood Ave  
Springfield, IL 62704, United States

[Change](#)

Add a promo code [Apply](#)

[+ Add an order note](#)



### Payment

ending in **2871** [Change](#)

### Billing Address

Tom Davis  
789 Birchwood Ave  
Springfield, IL 62704, United States

[Change](#)



**A 30-day FREE trial has been added to your order!**

Enjoy fast, FREE delivery, unlimited streaming of TV shows, movies, and more.

After the trial, StreamPlus is just \$12.99/month. Cancel anytime.

Your order will be charged to your saved card ending in **2871**

[Change](#) [Apply](#)

[Place Your Order](#)

By placing your order, you agree to our terms and privacy policy, and authorize us to charge the payment method ending in 2871 for this order and your StreamPlus membership.

### Order Summary

Items (1):	\$0.00
Shipping & handling:	\$0.00
Total before tax:	\$0.00
Estimated tax to be collected:	\$--

**Order total:** \$0.00

## Slide 28

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**SDE1** Art overlaps the logo and the footer.  
Stebbing, David E., 2026-02-25T19:52:21.393



# Stored Payments, Upsells, and Reactivation Questions

- Questions remain about:
  - One-click upsells
  - Cross-sells where customers do not re-input all payment information after receiving the terms of the cross-sell
  - Reactivations that do not require customers to re-input all payment information
  - Save the sales and retention efforts that downsell customers seeking to cancel



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# Confirmation / Order Acknowledgment

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# Order Confirmations / Acknowledgments

Area of Increasing Class Action Focus

ROSCA + Recent FTC Enforcement	State Law (Examples)
<p><b>ROSCA</b></p> <ul style="list-style-type: none"><li>• No requirement</li></ul> <p><b>FTC Enforcement</b></p> <ul style="list-style-type: none"><li>• Immediately send written confirmation of transaction by email that clearly and conspicuously discloses automatic renewal terms</li></ul>	<p><b>New York</b></p> <ul style="list-style-type: none"><li>• Must provide a notice promptly following affirmative consent, in a manner capable of being retained (e.g., email) that includes:<ul style="list-style-type: none"><li>• The automatic renewal terms</li><li>• The amount of costs that will be charged</li><li>• The frequency of charges</li><li>• The deadline (by date or frequency) by which the consumer must act to stop further charges</li><li>• The cancellation mechanisms available</li></ul></li></ul> <p><b>California</b></p> <ul style="list-style-type: none"><li>• Additional requirements to provide notices with specific information to consumers who accepted a free gift or trial (lasting longer than 31 days) or who accepted an automatic renewal offer with an initial term of 1 year or longer</li></ul>

## Order Confirmations / Acknowledgments (cont.)

“GOTCHAs” by class action plaintiffs:

- **Be explicit** → Language like “modify” and “change” is insufficient! A court rejected: “[r]eview your subscription by visiting [company] settings” or “[t]o learn more or make changes, manage your [] membership.”
- **Include a [hyperlink to cancel](#)** → Court found insufficient an acknowledgment stating, “instructions on how to cancel are located in the Help section of the [WW] site” because it does not describe a “timely and easy-to-use cancellation mechanism” and simply directed customers to the “Help” page (without a hyperlink).
- *Morrell v. WW International*: The court held that providing a link to where customers could learn how to cancel did not meet California Autorenewal Law’s requirement
- *Daly*: Court found that a company did not sufficiently disclose the cancellation policy and disclosures on how to cancel, even though the email stated:
  - “[r]eview your subscription by visiting [[your subscription](#)] settings” or “[t]o learn more or make changes, [manage your \[\] membership](#).”



# Order Acknowledgments

- *Rodriuez v. The Loot Company:*
  - Plaintiff alleges that the order acknowledgment fails to disclose the autorenewal terms

**Confirm subscription order**

	<b>Loot Crate</b> Renews monthly on the 1st	<b>\$29.99</b>
Subtotal		<b>\$29.99</b>
Standard Shipping		<b>\$8.50</b>
Total		<b>\$38.49</b>

**Customer Information**

<b>Shipping Address</b> 	<b>Billing Address</b> 
<b>Next order date</b> July 1st, 2025	<b>Payment Method</b> Shop Pay - ending in 1430
<b>Order frequency</b> Renews monthly on the 1st	

If you have any questions, reply to this email or contact us at [do-not-reply@lootcrate.com](mailto:do-not-reply@lootcrate.com)

# Order Acknowledgments (cont.)

- *Sanchez v. Chromadex:*
  - Plaintiff alleges that the order acknowledgment fails to disclose the autorenewal terms

We're excited to welcome you to the Tru Niagen® family! Your subscription is now confirmed, and you're one step closer to healthy aging.

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### Your Subscription Details



<b>Product:</b>	<a href="#">Tru Niagen® 300mg - 30</a>
<b>Delivery Frequency:</b>	1 Month

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### Manage Your Subscription

You can easily adjust your subscription preferences at any time. Just log into your account [here](#) or contact our support team for assistance.

If you have any questions, please contact us at [customer@turniagen.com](mailto:customer@turniagen.com) or visit our [Help Desk](#)

Sincerely,  
Tru Niagen® Customer Care Team





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# Simple Cancellation Mechanism

Online Cancellation for Online Enrollments

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# Cancellation Requirements

ROSCA + Recent FTC Enforcement	State Law (Examples)
<p><b>ROSCA</b></p> <ul style="list-style-type: none"> <li>• Provide “simple mechanisms” for a consumer to stop recurring charges</li> </ul> <p><b>FTC v. Paddle.com (June 2025)</b></p> <ul style="list-style-type: none"> <li>• Provide a simple, easy-to-find mechanism to cancel the negative option feature, avoid being charged or charged an increased amount, and immediately stop any recurring charges.</li> <li>• Such mechanism must be:               <ul style="list-style-type: none"> <li>• At least as easy to use as the mechanism the consumer used to consent to the negative option feature, and</li> <li>• Provided through the same medium (Internet, telephone, text, mail, in person) the consumer used to consent to the negative option feature</li> </ul> </li> </ul>	<p><b>California</b></p> <ul style="list-style-type: none"> <li>• Provide a toll-free number, email address, postal address (if seller directly bills), or other cost-effective, timely, and easy-to-use mechanism for cancellation that is described in the order acknowledgment               <ul style="list-style-type: none"> <li>• Must answer calls promptly during “normal business hours” and not obstruct phone cancellations; must process voicemail cancellations within one business day</li> </ul> </li> <li>• In addition, if the consumer accepted the automatic renewal offer online, the consumer must be allowed to cancel exclusively online <u>without engaging in any further steps that obstruct or delay the consumer’s ability to terminate the automatic renewal offer immediately.</u> Online cancellation should be in the form of either:               <ul style="list-style-type: none"> <li>• By a prominently located direct link in an account (entering account info is allowed)</li> <li>• By an immediately accessible termination email formatted and provided by the business</li> </ul> </li> </ul> <p>Other states require online cancellation for online enrollments <b>(CA, CO, DC, DE, FL, IL, LA, ME, NC, ND, NY, OR, TN, VA, and VT)</b></p>

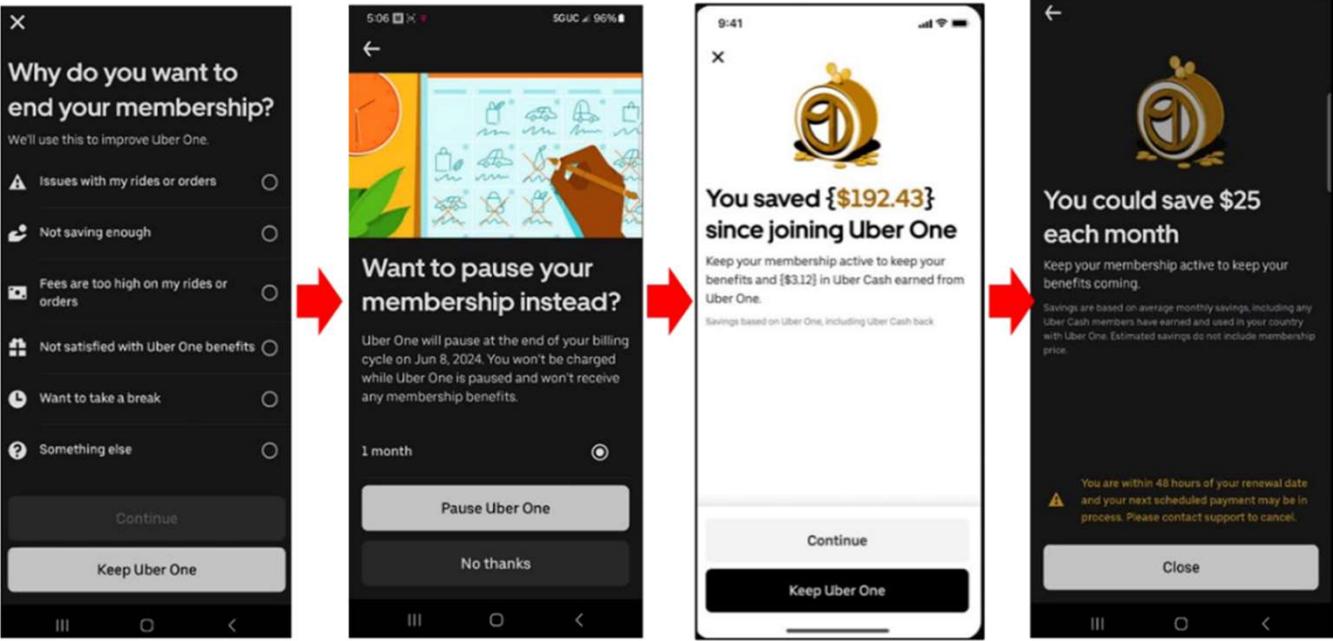
## Saves and Retention Efforts

- Providing a discount offer or other consumer benefit or informing a consumer of the effect of the cancellation shall not be considered an obstruction or delay under California law, provided that the consumer remains able to cancel or terminate the automatic renewal or continuous service, including as follows:
  - If a consumer conveys a request to **cancel by an online system**, the business may display a discounted offer, retention benefit, or information regarding the effects of cancellation, provided that the business simultaneously displays a prominently located and continuously and proximately displayed direct link or button titled “click to cancel,” or words to that effect, with the presentation of the discounted offer, other consumer benefit, or information. If the consumer uses this direct link or button, the business shall promptly process the cancellation and shall not otherwise obstruct or delay the consumer’s ability to proceed to cancellation.
- A New York court in *NY v. SiriusXM* held that Sirius violated ROSCA’s requirement to provide a “simple method of cancellation” because:
  - Sirius required customers to contact a live agent to cancel despite allowing customers to enroll online. As a result, callers faced lengthy wait times.
  - Customers were subjected to multiple retention attempts before the cancellation request was honored.

## ***FTC v. Uber: FTC's Allegations***

- **Misleading Representations About Benefits and Cancellation:** Uber allegedly advertised that consumers would receive certain savings (like \$25/month or \$0 delivery fees) and could “cancel anytime,” but many consumers did not receive the promised benefits and faced barriers to cancellation.
- **Unduly Burdensome Cancellation Process:** FTC alleged the process to stop autorenewal was complex and opaque—involving multiple screens/actions (e.g., at least 7 screens and 12 actions, up to 23 screens and 32 actions in critical periods), making cancellation difficult.
- **Failure to Provide a Simple Mechanism to Stop Recurring Charges:** The “End Membership” button in customers’ app was not visible to customers seeking to cancel within 48 hours of the next billing date

# FTC v. Uber: Challenged Cancellation Path



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# Cancellation Issues: Failure to Provide a “Simple” or “Easy to Use” Cancellation Mechanism

- *FTC v. LA Fitness*:
  - FTC alleges violations of ROSCA because the company did not provide an online cancellation mechanism (even though consumers enrolled in person in the gyms)
  - FTC alleges that the company violated ROSCA because the online mechanism was not sufficiently disclosed
- *NY v. Equinox*
  - Alleged that the cancellation mechanisms (certified mail, front desk of the gym, by email, by webchat, or in the Equinox App) were not clearly and conspicuously disclosed
  - Challenged Equinox’s practice of failing to permit customers to cancel in their initial one-year obligation period unless they met one of New York state statutory exemptions
  - Alleged that Equinox imposed hurdles to cancellations

# Cancellation Issues: Equinox Assurance of Discontinuance

- Respondents shall include an appropriately titled cancellation option under the “Account” section (or equivalent section) of a Consumer’s online account (e.g., “Cancellations” or “Cancel Subscription”).
- The cancellation option shall be displayed Clearly and Conspicuously and, if a Consumer is eligible to cancel, shall effectuate cancellations within the online account, without (in the Consumer’s perception) requiring Consumers to visit another webpage or continue the cancellation process to another medium (e.g., web chat or email).
- Where there is both a website and an application, such online cancellation option shall be available in the Account section for both the website and the application, provided that the application online cancellation option may be implemented by a link opening the website (i) to directly access an online Cancellation Mechanism or (ii) to a page describing all available Cancellation Mechanisms and including links to online Cancellation Mechanisms.
- Within 72 hours of a consumer cancelling, Respondents shall provide a cancellation confirmation to the Consumer that includes the date the Consumer cancelled the Subscription and the date that the Consumer’s Subscription will end in a manner that is capable of being retained.

## Cancellation: “At least as simple as consent”?

- Cancellation mechanism “at least as simple as consent”?
  - FTC’s Proposed Negative Option Rule, which would have required this, was struck.
  - **But** the court in *FTC v. Dave* cited to the Proposed Negative Option Rule’s requirement to find that the FTC “plausibly alleged that Dave failed to provide a simple mechanism for cancellation” where it took 9 steps to reach and complete cancellation.

# Cancellation Issues

- When are you permitted to claim “*Cancel anytime*”?
  - *FTC v. Instacart*:
    - FTC alleged that Instacart tells consumers in the upsell screen that they can “cancel” an Instacart+ membership “anytime.” But the upsell screen does not tell consumers that if they cancel, they are entitled to a refund only if (a) they cancel within 5 days after their paid membership term begins and (b) they have not placed any orders using their paid Instacart+ membership.
    - Nor does the upsell screen explain that if consumers “cancel” their membership at any other time, the only thing they are “cancelling” is the automatic renewal into the next paid membership term. (i.e., cancellation did not take effect until the next year)
  - *Lopez v. Stages of Beauty*: Court held that it was plausible that the failure to disclose the deadline to cancel violated the requirement to clearly and conspicuously disclose “the description of the cancellation policy.”
  - But *People of New York v. Sirius XM* (New York State Court):
    - Court granted summary judgment dismissing New York AG’s challenge to the claim “cancel anytime” because “[c]onsumers could, in fact, cancel at any time,” even though “they had to go through a customer representative who made various ‘save offers’ to attempt to get them to maintain a subscription.”



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# Renewal Reminders

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## Renewal Reminders

Additional notices must be sent, depending on the contract's initial term and renewal term.

- Some states require notices if the initial term is 12 months or more and automatically renews for a term of one month or more.
  - North Dakota imposes notice requirements for automatic renewal periods longer than six months (North Dakota prohibits automatic renewal periods longer than 12 months).
- Notice must include (CA standard):
  - That the automatic renewal will renew unless cancelled by the consumer
  - Length of renewal period
  - One or more methods by which the consumer can cancel and
  - Contact info for the business

Laws vary regarding the timing of this notice, but timing is generally based upon (a) the automatic renewal date; (b) the termination date; or (c) the deadline by which the consumer must provide notice to cancel the contract.

- Should be provided in a format that is capable of being retained by the consumer.



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**Questions?**

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**VENABLE** LLP