Tucker Ellis LLP



Subscription Services Beware! Failure to Follow Automatic Renewal Laws May Convert Your Sales into Unconditional Gifts to Your **Customers!**

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Over a dozen states have enacted "automatic renewal laws" that contain mandatory disclosure requirements before merchants can charge consumers for ongoing shipments of products or delivery of services. While many of these statutes have been on the books for years, plaintiffs' class action lawyers have only recently begun targeting businesses for failure to comply with these laws. Perhaps not surprisingly, California, which arguably has the most stringent disclosure requirements, is the forum of choice for these class actions. This alert discusses California's Automatic Renewal Law ("ARL"), reviews the class actions filed to date, and ends with recommended actions businesses can take to shield themselves from the prying eyes of enterprising class action lawyers. Read the alert here.

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