

May 3, 2024  
For Immediate Release

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# Thrive Market Settles Consumer Protection Lawsuit

## *Case Handled by the DA's Consumer Protection Unit*

San Diego County District Attorney Summer Stephan announced today that Thrive Market Technologies, Inc., an e-commerce membership-based retailer offering natural and organic food products, will pay \$1.55 million to settle a civil lawsuit alleging the company violated the California Automatic Renewal Law and False Advertisement Law.

“Automatic renewal without the consumer’s consent undermines transparency and fairness in online transactions and won’t be tolerated,” said DA Stephan. “Our Consumer Protection Unit is constantly working with our law enforcement partners statewide to hold companies who engage in such deceptive practices accountable.”

State law prohibits companies from automatically renewing consumers’ subscriptions without clearly and conspicuously disclosing the subscription terms or without their affirmative consent. State law also prohibits companies from displaying a price that suggests a discount or a deal without support.

Under a judgment negotiated with the company entered on April 30 in Santa Barbara County Superior Court and signed by Judge Colleen K. Sterne, the company was additionally ordered to comply with the following terms:

- Clearly and conspicuously disclose its automatic renewal terms.
- Obtain consumers’ affirmative consent to the terms through a checkbox before charging for an automatic renewal subscription.
- Email consumers a confirmation of the transaction that includes the automatic renewal terms after they pay.
- Allow consumers to cancel their subscription online at will; and
- Avoid making misleading statements regarding its subscription and products.

The company did not admit wrongdoing. It was cooperative in the investigation and has taken steps to correct the violations.

The case was investigated by the California Automatic Renewal Task Force (CART). The Los Angeles County District Attorney's Office formed CART to address rising consumer complaints against online automatic renewal subscriptions. In addition to LADA, CART includes District Attorney offices of Santa Barbara, Santa Clara, Santa Cruz, Los Angeles, and the Santa Monica City Attorney's Office.

**About the San Diego County District Attorney's Office**

*The San Diego County DA's Office prosecutes all felony crimes in the county and misdemeanor crimes committed outside the City of San Diego. The office files about 40,000 criminal cases a year and balances prosecution with numerous crime prevention programs. District Attorney Summer Stephan leads the office of more than 1,000 dedicated employees who pursue fair and equal justice, and support victims daily across San Diego County.*

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