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12 Attorneys for Plaintiff
13 See Appendix for additional Plaintiff's counsel

14 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
15 **FOR THE COUNTY OF SANTA CLARA**

17 THE PEOPLE OF THE STATE OF CALIFORNIA,

18 Plaintiff,

19 vs.

20 GROCERY DELIVERY E-SERVICE USA INC.,
21 dba HELLOFRESH, a Delaware Corporation,

22 Defendants.

CASE NO.:

COMPLAINT FOR INJUNCTION,
CIVIL PENALTIES, AND OTHER
RELIEF

UNLIMITED CIVIL COMPLAINT
OVER \$35,000

23 Plaintiff, the People of the State of California, represented by Jeffrey F. Rosen, District
24 Attorney of Santa Clara County, by Tamalca Harris, Deputy District Attorney; Nathan J.
25 Hochman, District Attorney of Los Angeles County, by Duke Chau, Deputy District Attorney;
26 Summer Stephan, District Attorney of San Diego County, by Stephen M. Spinella, Deputy District
27 Attorney; John T. Savrnoch, District Attorney of Santa Barbara County, by Morgan Lucas, Senior
28

COMPLAINT FOR INJUNCTION, CIVIL PENALTIES, AND OTHER RELIEF
UNLIMITED CIVIL COMPLAINT OVER \$35,000

1 Deputy District Attorney; Jeffrey S. Rosell, District Attorney of Santa Cruz County, by Douglas
2 B. Allen, Assistant District Attorney; and Douglas T. Sloan, City Attorney of Santa Monica by
3 Jonathan Erwin-Frank, Deputy City Attorney (hereinafter "Plaintiff") hereby alleges the following
4 upon information and belief:

5 **PARTIES AND VENUE**

6 1. Plaintiff, acting to protect the public from unfair business practices, brings this
7 action pursuant to California Business and Profession Code sections 17200 *et seq.*, 17500 *et seq.*,
8 17600 *et seq.*, including sections 17203, 17204, 17206, 17535, and 17536.

9 2. Defendant Grocery Delivery E-Services USA Inc., dba HelloFresh, (hereinafter
10 "Defendant") is a Delaware corporation with its headquarters located in New York, New York.

11 3. Defendant is the largest meal kit delivery company in the United States that serves
12 as an alternative to traditional grocery store shopping and sells pre-portioned food ingredients and
13 recipes to consumers via the internet.

14 4. At all relevant times, Defendant has transacted business within and from the
15 County of Santa Clara and throughout the State of California.

16 5. Whenever in this Complaint reference is made to any act and omission of
17 Defendant, such reference shall be deemed to mean that Defendant did the alleged acts and
18 omissions through its directors, officers, employees, agents, partners, and/or representatives while
19 they were acting within the actual or ostensible scope of their authority.

20 6. This Court has jurisdiction pursuant to Article 6, section 10 of the California
21 Constitution and section 393 of the California Code of Civil Procedure.

22 7. Venue is proper in this county pursuant to California Business and Professions
23 Code section 17204, in that the violations alleged in this Complaint occurred in the County of
24 Santa Clara, as well as throughout the state of California.

25 **GENERAL ALLEGATIONS**

26 8. Defendant engaged in acts and practices alleged in this Complaint on a regular
27 basis since on or about January 1, 2019. The relevant statutes of limitation have been tolled by
28 agreement of the parties effective January 1, 2023.

1 9. Defendant operates an automatic renewal subscription program wherein consumers
2 purchase products to be delivered on a recurring basis. When consumers subscribed to
3 Defendant's service and products on its website, Defendant automatically charged their credit
4 cards repeatedly for subsequent service and products until cancelled by the consumers.

5 10. Defendant did not properly disclose the material terms and conditions of its
6 automatic renewal plans clearly and conspicuously on its website.

7 11. Defendant's alleged conduct violated California's Automatic Purchase Renewal
8 Law pursuant to California Business and Professions Code section 17600 *et seq.* as follows:

- 9 a. Defendant failed to clearly and conspicuously disclose the legally required
10 terms of the automatic renewal plans in visual proximity to a request for the
11 consumer's consent to the plans;
12 b. Defendant failed to obtain the consumer's affirmative and express informed
13 consent to the above terms before obtaining the consumer's billing
14 information and payment;
15 c. Defendant failed to provide a post-payment acknowledgment that included
16 the clear and conspicuous disclosure of the above terms;
17 d. Defendant failed to provide a simple online mechanism for consumers to
18 stop recurring charges under the automatic renewal plans; and
19 e. When offering free gifts and trials, Defendant failed to include a clear and
20 conspicuous explanation of the price that would be charged after the trial
21 ended or the manner in which the subscription or purchasing agreement
22 pricing would change upon conclusion of the trial.

23 12. Defendant, with the intent to induce the general public to purchase its products on
24 and from its websites, made or caused to be made written and oral statements throughout the State
25 of California that were untrue and misleading. They include, but are not limited to, the following
26 written and oral claims and statements that appeared on the Defendant's website, television
27 advertisements, internet advertisements, and print advertisements:
28

- 1 a. When advertising free meals, surprise gifts, and free shipping offers,
2 Defendant did not properly disclose the material terms and conditions of the
3 free meals, surprise gifts, and free shipping offers clearly and conspicuously
4 on their website.
- 5 b. Defendant failed to clearly and conspicuously disclose that the free meals
6 were not free but were discounts to be applied to subsequent purchases.
7 The total discount for the advertised free meals was less than the total price
8 of the advertised free meals.
- 9 c. Defendant failed to clearly and conspicuously disclose that surprise gifts
10 were only provided after several subsequent purchases.
- 11 d. Defendant misled consumers to believe the shipping for their deliveries was
12 free when only the first delivery was free.
- 13 e. When consumers clicked on the Terms and Condition hyperlink on
14 Defendant's payment page to obtain more information about the transaction
15 before paying, a countdown timer appeared stating the offer would expire in
16 five minutes. However, the offer did not expire when the timer ran out.
17 The timer was simply a tactic to rush consumers through the checkout
18 process by creating a sense of urgency to skip a review of the terms and
19 conditions before the purchase.
- 20 f. When advertising its service and products on its website, Defendant misled
21 consumers about the savings resulting from the purchase of its automatic
22 renewal subscription plans when compared to purchasing groceries from
23 other sources.

24 **FIRST CAUSE OF ACTION**

25 (False Advertising Law – California Business and Professions Code section 17500)

26 13. Plaintiff restates and incorporates the allegations of the preceding paragraphs.
27
28

1 14. Defendant's practice of failing to disclose its automatic renewal terms in a clear
2 and conspicuous manner before automatically and repeatedly charging consumers was misleading
3 when made and was known, or by the exercise of reasonable care should have been known, to be
4 misleading.

5 15. Defendant's practice of failing to disclose the material terms and conditions of the
6 free meals, surprise gifts, and free shipping in a clear and conspicuous manner before
7 automatically and repeatedly charging consumers was misleading when made and was known, or
8 by the exercise of reasonable care should have been known, to be misleading.

9 16. Defendant's practice of displaying a countdown timer on its website before
10 automatically and repeatedly charging consumers was misleading when made and was known, or
11 by the exercise of reasonable care should have been known, to be misleading.

12 17. Defendant's practice of advertising the savings resulting from the purchase of its
13 automatic renewal subscription plans before automatically and repeatedly charging consumers was
14 misleading when made and was known, or by the exercise of reasonable care should have been
15 known, to be misleading.

16 18. Each of the aforementioned failures violated section 17500 *et seq.*

17 19. Unless enjoined by the Court, Defendant will continue to make misleading
18 statements in violation of section 17500.

19 20. Pursuant to California Business and Professions Code section 17536, Defendant is
20 liable for a civil penalty of \$2,500 for each violation of section 17500.

21 **SECOND CAUSE OF ACTION**

22 (Unfair Competition Law – California Business and Professions Code section 17200)

23 21. Plaintiff restates and incorporates the allegations of the preceding paragraphs.

24 22. Defendant has committed acts of unfair competition as defined by section 17200 by
25 engaging in unlawful, unfair, and fraudulent acts and practices.

26 23. The acts and practices were “unlawful” pursuant to section 17200 in that they
27 violated the respective laws described above.

28 24. The acts were “unfair” pursuant to section 17200, as defined by law, both to

1 Defendant's consumers and to its competitors.

2 25. The acts were "fraudulent" pursuant to section 17200 in that they were likely to
3 deceive members of the public and were performed with that intent.

4 26. Unless enjoined by the Court, Defendant will continue its wrongful practices.

5 27. Pursuant to California Business and Profession Code section 17203 and the Court's
6 equitable powers, the Court may issue a permanent injunction and such other orders as may be
7 necessary to prevent future acts of unfair competition by Defendant.

8 28. Pursuant to section 17203 and the Court's equitable powers, the Court may make
9 such orders as may be necessary to restore to any person any interest in money which may have
10 been acquired through Defendant's unfair competition.

11 29. Pursuant to California Business and Profession Code section 17206, the Court must
12 assess a civil penalty of up to \$2,500 for each act of unfair competition.

13 **PRAYER FOR RELIEF**

14 WHEREFORE, Plaintiff prays for judgment as follows:

15 1. Pursuant to California Business and Professions Code sections 17203 and 17535
16 and the Court's inherent equitable powers, Defendant, its subsidiaries; their successors and the
17 assigns; their directors, officers, employees, agents, and representatives of each of them; and all
18 persons and entities acting in concert or in participation with Defendant, be permanently restrained
19 and enjoined from:

20 (a) Making, disseminating, or causing to be made or disseminated, any misleading
21 and/or deceptive statements in violation of California Business and Professions
22 Code section 17500, including but not limited to, the misleading statements
23 alleged in the First Cause of Action of this Complaint; and

24 (b) Engaging in any acts of unfair competition in violation of California Business
25 and Professions Code section 17200, including but not limited to the unlawful
26 business acts and practices alleged in the Second Cause of Action of this
27 Complaint.

28 2. Pursuant to California Business and Professions Code section 17536, Defendant be
COMPLAINT FOR INJUNCTION, CIVIL PENALTIES, AND OTHER RELIEF
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1 ordered to pay a civil penalty of \$2,500 for each violation of California Business and Professions
2 Code section 17500, according to proof.

3 3. Pursuant to California Business and Professions Code section 17206, Defendant be
4 ordered to pay a civil penalty of \$2,500 for each violation of California Business and Professions
5 Code section 17200, according to proof.

6 4. Restitution of all monies wrongfully obtained from California customers.

7 5. Costs of suit.

8 6. Other relief that the Court deems proper.

9
10 Dated: August 6, 2025

JEFFREY F. ROSEN
Santa Clara County District Attorney

11
12 By: 

TAMALCA HARRIS
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Appendix

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