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PRESS RELEASE **Napa County District Attorney Settles Civil Lawsuit Against Naked Wines**

Napa County District Attorney Allison Haley announced today that her office, together with the District Attorneys of Alameda, San Diego, Shasta, and Sonoma Counties, settled a consumer protection lawsuit against Nakedwines.com, Inc. (“Naked Wines”), an online seller of wine.

The complaint, which was filed in San Diego County Superior Court, alleges that Naked Wines violated California’s Automatic Renewal Law.

The Automatic Renewal Law is an important consumer protection statute. It protects consumers who sign up to automatically receive, and be charged for, products or services. If a business is going to keep billing the consumer’s credit card or other means of payment, then the business is required to make certain clear and conspicuous disclosures both before and after enrolling customers in automatic renewal agreements, including the amount of the recurring charges, the period of time before the consumer will be charged again, and a description of the cancellation policy.

The complaint alleges that Naked Wines violated the Automatic Renewal Law with respect to two programs:

- “Wine Angel,” a program in which consumers pay \$40 per month and can use the accrued money for future purchases of select wines; and
- “Wine Genie,” a program in which customers pay on a monthly basis for automatic wine shipments.

The complaint alleges that the enrollment process for both programs failed to include the required pre-purchase disclosures regarding automatically recurring charges, provided insufficient post-payment acknowledgments of recurring charges, and failed to offer a simple online mechanism for consumers to cancel the programs and stop payments.

“My office is committed to enforcing consumer protection laws. The Automatic Renewal Law exists to ensure that consumers understand that they may be agreeing to months or years of recurring charges,” said District Attorney Haley. “Wine clubs have grown into a popular way for customers to receive regular shipments of wine. If these clubs charge customers on an automatically renewing basis, they must comply with the Automatic Renewal Law.”

Under the terms of the judgment, the Court ordered Naked Wines to comply with the Automatic Renewal Law and pay \$650,000 in civil penalties and investigative costs. In addition, under the judgment, any California customer who participated in the Wine Angel or Wine Genie program since April 2017 may be entitled to a full refund by making a written request to Naked Wines. Naked Wines cooperated fully in the investigation and has taken steps to improve its disclosures and sign-up process.