

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

SHERYL FIFE, individually and on behalf of
all others similarly situated,

Plaintiff,

v.

SCIENTIFIC GAMES CORP., a Nevada
corporation,

Defendant.

Case No.

COMPLAINT—CLASS ACTION

JURY DEMAND

Plaintiff Sheryl Fife brings this case, individually and on behalf of all others similarly situated, against Defendant Scientific Games Corp., (“Scientific Games” or “Defendant”) to enjoin its operation of illegal online casino games. Plaintiff alleges as follows upon personal knowledge as to herself and her own acts and experiences, and upon information and belief, including investigation conducted by her attorneys, as to all other matters.

NATURE OF THE ACTION

1. Defendant Scientific Games owns and operates a video game development company in the so-called “casual games” industry—that is, computer games designed to appeal to a mass audience of casual gamers. Amongst the games Defendant owns and operates, is a host of popular online casino games, including, *inter alia*, Jackpot Party Casino, and Gold Fish

1 Casino.

2 2. Defendant offers a multitude of electronic versions of slot machines to consumers.
3 Consumers can play Defendant's online casino games on Android, Apple iOS devices, and
4 Facebook.

5 3. Defendant provides a bundle of free "chips" to first-time visitors of its online
6 casinos that can be used to wager on its games. After consumers inevitably lose their initial
7 allotment of chips, Scientific Games attempts to sell them additional chips starting at \$4.99 for
8 20,000,000 chips. Without chips, consumers cannot play the gambling game.

9 4. Freshly topped off with additional chips, consumers wager to win more chips. The
10 chips won by consumers playing Defendant's games of chance are identical to the chips that
11 Defendant sells. Thus, by wagering 20,000,000 chips that were purchased for \$4.99, consumers
12 have the chance to win hundreds of thousands of additional chips that they would otherwise have
13 to purchase.

14 5. By operating its online gambling games, Defendant has violated Washington law
15 and illegally profited from tens of thousands of consumers. Accordingly, Sheryl Fife, on behalf
16 of herself and a Class of similarly situated individuals, brings this lawsuit to recover their losses,
17 as well as costs and attorneys' fees.

18 **PARTIES**

19 6. Plaintiff Sheryl Fife is a natural person and a citizen of the state of Washington.

20 7. Defendant Scientific Games, Corp., is a corporation organized and existing under
21 the laws of Nevada, with its principal place of business at 6601 Bermuda Road, Las Vegas,
22 Nevada 89119. Defendant conducts business throughout this District, Washington State, and the
23 United States.

24 **JURISDICTION AND VENUE**

25 8. Federal subject-matter jurisdiction exists under 28 U.S.C. § 1332(d)(2) because
26 (a) at least one member of the class is a citizen of a state different from Defendant, (b) the
27 amount in controversy exceeds \$5,000,000, exclusive of interests and costs, and (c) none of the

1 exceptions under that subsection apply to this action.

2 9. The Court has personal jurisdiction over Defendant because Defendant conducts
3 significant business transactions in this District, and because the wrongful conduct occurred in
4 and emanated from this District.

5 10. Venue is proper in this District under 28 U.S.C. § 1391(b) because a substantial
6 part of the events giving rise to Plaintiff's claims occurred in this District.

7 **FACTUAL ALLEGATIONS**

8 **I. Free-to-Play and the New Era of Online Gambling**

9 11. The proliferation of internet-connected mobile devices has led to the growth of
10 what are known in the industry as "free-to-play" videogames. The term is a misnomer. It refers
11 to a model by which the initial download of the game is free, but companies reap huge profits by
12 selling thousands of "in-app" items that start at \$0.99 (purchases known as "micro-transactions"
13 or "in-app purchases").

14 12. The in-app purchase model has become particularly attractive to developers of
15 games of chance (*e.g.*, poker, blackjack, and slot machine mobile videogames, amongst others),
16 because it allows them to generate huge profits. In 2017, free-to-play games of chance generated
17 over \$3.8 billion in worldwide revenue, and they are expected to grow by ten percent annually.¹
18 Even "large land-based casino operators are looking at this new space" for "a healthy growth
19 potential."²

20 13. With games of chance that employ the in-game purchase strategy, developers
21 have begun exploiting the same psychological triggers as casino operators. As one respected
22 videogame publication put it:

23 "If you hand someone a closed box full of promised goodies, many will happily

24 ¹ GGRAsia – Social casino games 2017 revenue to rise 7pct plus says report, <http://www.ggrasia.com/social-casino-games-2017-revenue-to-rise-7pct-plus-says-report/> (last visited Apr. 17, 18)

25 ² *Report confirms that social casino games have hit the jackpot with \$1.6B in revenue | GamesBeat*,
26 <https://venturebeat.com/2012/09/11/report-confirms-that-social-casino-games-have-hit-the-jackpot-with-1-6b-in-revenue/> (last visited Apr. 17, 18)

1 pay you for the crowbar to crack it open. The tremendous power of small random
 2 packs of goodies has long been known to the creators of physical collectible card
 3 games and companies that made football stickers a decade ago. For some ... the
 4 allure of a closed box full of goodies is too powerful to resist. Whatever the worth
 of the randomised [sic] prizes inside, the offer of a free chest and the option to
 buy a key will make a small fortune out of these personalities. For those that like
 to gamble, these crates often offer a small chance of an ultra-rare item.”³

5 14. Another stated:

6 “Games may influence ‘feelings of pleasure and reward,’ but this is an addiction
 7 to the games themselves; micro-transactions play to a different kind of addiction
 that has existed long before video games existed, more specifically, an addiction
 similar to that which you could develop in casinos and betting shops.”⁴

8 15. The comparison to casinos doesn’t end there. Just as with casino operators,
 9 mobile game developers rely on a small portion of their players to provide the majority of their
 10 profits. These “whales,” as they’re known in casino parlance, account for just “0.15% of players”
 11 but provide “over 50% of mobile game revenue.”⁵

12 16. Game Informer, another respected videogame magazine, reported on the rise (and
 13 danger) of micro-transactions in mobile games and concluded:

14 “[M]any new mobile and social titles target small, susceptible populations for
 15 large percentages of their revenue. If ninety-five people all play a [free-to-play]
 16 game without spending money, but five people each pour \$100 or more in to
 17 obtain virtual currency, the designer can break even. These five individuals are
 what the industry calls whales, and we tend not to be too concerned with how
 they’re being used in the equation. While the scale and potential financial ruin is
 of a different magnitude, a similar profitability model governs casino gambling.”⁶

18 17. Academics have also studied the socioeconomic effect games that rely on in-app
 19 purchases have on consumers. In one study, the authors compiled several sources analyzing so-
 20 called free-to-play games of chance (called “casino” games below) and stated that:

21 “[Researchers] found that [free-to-play] casino gamers share many similar
 22 sociodemographic characteristics (e.g., employment, education, income) with

23 ³ PC Gamer, *Microtransactions: the good, the bad and the ugly*,
<http://www.pcgamer.com/microtransactions-the-good-the-bad-and-the-ugly/> (last visited Apr. 13, 2018).

24 ⁴ The Badger, *Are micro-transactions ruining video games?* | *The Badger*,
<http://web.archive.org/web/20141112093716/http://www.badgeronline.co.uk/micro-transactions-ruining-video-games/> (last visited Apr. 9, 2015).

25 ⁵ *Id.* (emphasis added).

26 ⁶ Game Informer, *How Microtransactions Are Bad For Gaming - Features* - *www.GameInformer.com*,
<http://www.gameinformer.com/b/features/archive/2012/09/12/how-microtransactions-are-bad-for-gaming.aspx?CommentPosted=true&PageIndex=3> (last visited Apr. 13, 2018)

online gamblers. Given these similarities, it is perhaps not surprising that a strong predictor of online gambling is engagement in [free-to-play] casino games. Putting a dark line under these findings, over half (58.3%) of disordered gamblers who were seeking treatment stated that social casino games were their first experiences with gambling.”

...

“According to [another study], the purchase of virtual credits or virtual items makes the activity of [free-to-play] casino gaming more similar to gambling. Thus, micro-transactions may be a crucial predictor in the migration to online gambling, as these players have now crossed a line by paying to engage in these activities. Although, [sic] only 1–5% of [free-to-play] casino gamers make micro-transactions, those who purchase virtual credits spend an average of \$78. Despite the limited numbers of social casino gamers purchasing virtual credits, revenues from micro-transactions account for 60 % of all [free-to-play] casino gaming revenue. Thus, a significant amount of revenue is based on players’ desire to purchase virtual credits above and beyond what is provided to the player in seed credits.”⁷

18. The same authors looked at the link between playing free-to-play games of chance and gambling in casinos. They stated that “prior research indicated that winning large sums of virtual credits on social casino gaming sites was a key reason for [consumers’] migration to online gambling,” yet the largest predictor that a consumer will transition to online gambling was “micro-transaction engagement.” In fact, “the odds of migration to online gambling were approximately *eight times greater* among people who made micro-transactions on [free-to-play] casino games compared to [free-to-play] casino gamers who did not make micro-transactions.”⁸

19. The similarity between micro-transaction based games of chance and games of chance found in casinos has caused governments across the world to intervene to limit their availability.⁹ Unfortunately, such games have eluded regulation in the United States. As a result,

⁷ Hyoun S. Kim, Michael J. A. Wohl, *et al.*, *Do Social Casino Gamers Migrate to Online Gambling? An Assessment of Migration Rate and Potential Predictors*, Journal of gambling studies / co-sponsored by the National Council on Problem Gambling and Institute for the Study of Gambling and Commercial Gaming (Nov. 14, 2014), available at <http://link.springer.com/content/pdf/10.1007%2Fs10899-014-9511-0.pdf> (citations omitted).

⁸ *Id.* (emphasis added).

⁹ In late August 2014, South Korea began regulating “social gambling” games, including games similar to Defendant’s, by “ban[ning] all financial transactions directed” to the games. PokerNews.com, *Korea Shuts Down All Facebook Games In Attempt To Regulate Social Gambling* / *PokerNews*, <https://www.pokernews.com/news/2014/09/korea-shuts-down-facebook-games-19204.htm> (last visited Apr. 9, 2018). Similarly, “the Maltese Lotteries and Gambling Authority (LGA) invited the national Parliament to regulate all digital games with prizes by the end of 2014.” *Id.*

and as described below, Defendant's online gambling games have thrived and thousands of consumers have spent millions of dollars unwittingly playing Defendant's unlawful games of chance.

II. A Brief Introduction to Scientific Games

20. Scientific Games is a leader in the interactive gaming industry that has been in the casino and gambling business for over 70 years. In 2012, Scientific Games released a number of online casino games, including "one of the most successful social casino games in the world"—Jackpot Party Casino.

21. Consumers can play Defendant's online casino games by downloading one of its many mobile casino games on Apple iOS and Android devices, or by playing the online casino games on Facebook.

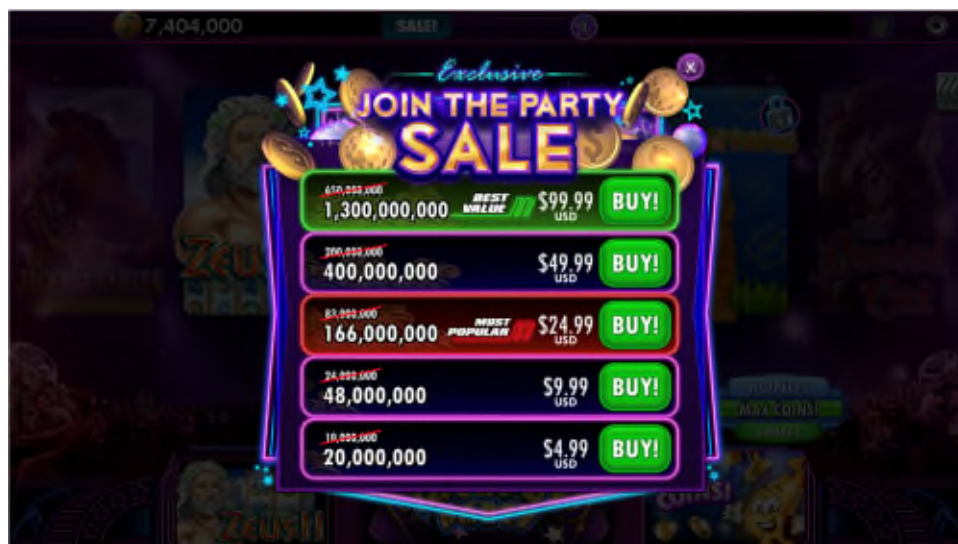
22. Defendant has made large profits through its online gambling games. According to its press release, Scientific Games generated over \$823 million in the fourth quarter of 2017.¹⁰ As explained further below, however, the revenue Defendant receives from the its online casino games are the result of operating unlawful games of chance camouflaged as innocuous videogames.

III. Defendant's Online Casino Contains Unlawful Games of Chance

23. Consumers visiting Defendant's online casino for the first time are awarded free chips. These free sample chips offer a taste of gambling and are designed to encourage players to get hooked and buy more chips for real money.

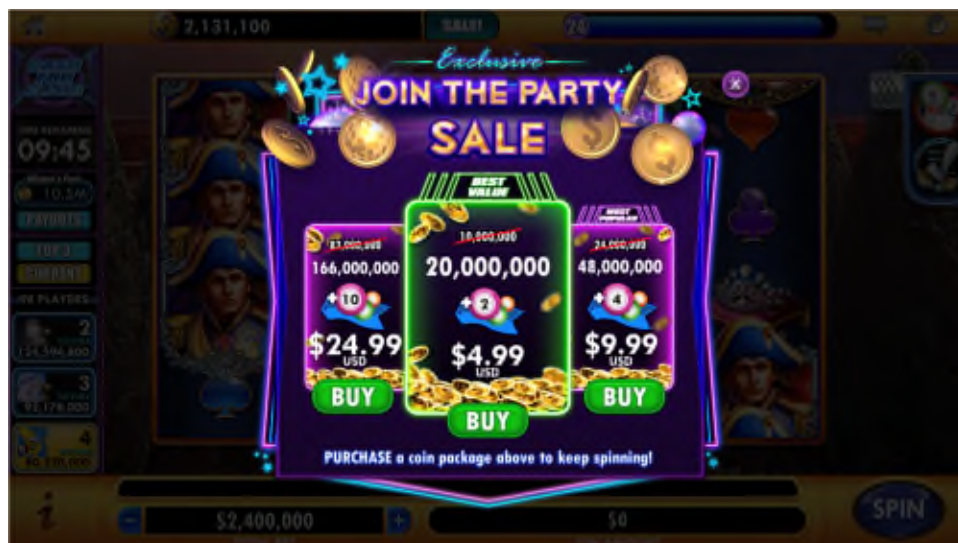
24. During gameplay, Defendant displays various special offers to consumers via a pop-up screen in order to entice consumers to purchase additional chip at a discounted price. For example, Defendant's Jackpot Casino electronic store sells discounted chips ranging from \$4.99 to \$99.99. *See Figure 1.*

¹⁰ *Scientific Games Reports Fourth Quarter and Full Year 2017 Results*, <https://www.prnewswire.com/news-releases/scientific-games-reports-fourth-quarter-and-full-year-2017-results-300606074.html> (last visited Apr. 17, 18).



(Figure 1.)

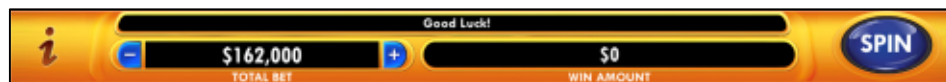
25. After they begin playing, consumers quickly lose their initial allotment of chips. Immediately thereafter, Defendant informs consumers via a pop-up to “PURCHASE a coin package above to keep spinning” concurrently with an offer to purchase chips with real money. Defendant’s chips range in price from \$4.99 for 20,000,000 chips to \$24.99 for 166,000,000 chips. *See Figure 2.* Once players run out of their allotment of free chips, they cannot continue to play the game without buying more chips for real money



(Figure 2.)

26. The decision to sell chips by the thousands isn't an accident. Rather, Defendant attempts to lower the perceived cost of the chips (costing just a fraction of a penny per chip) while simultaneously maximizing the value of the award (awarding millions of chips in jackpots), further inducing consumers to bet on its games.

27. To begin wagering, players select the "TOTAL BET" that will be used for a spin, as illustrated in Figure 3, which shows one of Defendant's Jackpot Party slot machine games. Defendant allows players to increase or decrease the amount he or she can wager and ultimately win (or lose).

**(Figure 3.)**

28. Once a consumer spins the slot machine by pressing the "SPIN" button, no action on his or her part is required. Indeed, none of Defendant's online casino games allow (or call for) any additional user action. Instead, the consumer's computer or mobile device communicates with and sends information (such as the "TOTAL BET" amount) to Defendant's servers. Defendant's servers then execute the game's algorithms that determine the spin's outcome. Notably, none of Defendant's games depend on any amount of skill to determine their outcomes—all outcomes are based entirely on chance.

29. Consumers can continue playing with the chips that they won, or they can exit the game and return at a later time to play because Defendant maintains win and loss records and account balances for each consumer. Indeed, once Defendant's algorithms determine the outcome of a spin and Defendant displays the outcome to the consumer, Defendant adjusts the consumer's account balance. Defendant keeps records of each wager, outcome, win, and loss for every player.

1 **FACTS SPECIFIC TO PLAINTIFF FIFE**

2 30. In 2017, Plaintiff Sheryl Fife began playing Jackpot Party Casino through her
3 Apple iOS device. After Plaintiff lost the balance of her initial allocation of free chips, she
4 purchased chips from the Defendant's electronic store.

5 31. Thereafter, Fife continued playing various slot machines and other games of
6 chance within Defendant's casino where she would wager chips for the chance of winning
7 additional chips. Starting in, March 2018, Plaintiff Fife wagered and lost (and Defendant
8 therefore won) \$4.99 at Defendant's games of chance.

9 **CLASS ALLEGATIONS**

10 32. **Class Definition:** Plaintiff Fife brings this action pursuant to Fed. R. Civ. P.
11 23(b)(2) and (b)(3) on behalf of herself and a Class of similarly situated individuals, defined as
12 follows:

13 All persons in the State of Washington who purchased and lost chips at
14 Defendant's online casino games.

15 The following people are excluded from the Class: (1) any Judge or Magistrate presiding over
16 this action and members of their families; (2) Defendant, Defendant's subsidiaries, parents,
17 successors, predecessors, and any entity in which the Defendant or its parents have a controlling
18 interest and its current or former employees, officers and directors; (3) persons who properly
19 execute and file a timely request for exclusion from the Class; (4) persons whose claims in this
20 matter have been finally adjudicated on the merits or otherwise released; (5) Plaintiff's counsel
21 and Defendant's counsel; and (6) the legal representatives, successors, and assigns of any such
22 excluded persons.

23 33. **Numerosity:** On information and belief, tens of thousands of consumers fall into
24 the definition of the Class. Members of the Class can be identified through Defendant's records,
25 discovery, and other third-party sources.

26 34. **Commonality and Predominance:** There are many questions of law and fact
27 common to Plaintiff's and the Class's claims, and those questions predominate over any

questions that may affect individual members of the Class. Common questions for the Class include, but are not necessarily limited to the following:

- a. Whether Defendant's online casino games are "gambling" as defined by RCW § 9.46.0237;
- b. Whether Defendant is the proprietor for whose benefit the online casino games are played;
- c. Whether Plaintiff and each member of the Class lost money or anything of value by gambling;
- d. Whether Defendant violated the Washington Consumer Protection Act, RCW § 19.86.010, *et seq.*; and
- e. Whether Defendant has been unjustly enriched as a result of its conduct.

35. **Typicality:** Plaintiff's claims are typical of the claims of other members of the Class in that Plaintiff's and the members of the Class sustained damages arising out of Defendant's wrongful conduct.

36. **Adequate Representation:** Plaintiff will fairly and adequately represent and protect the interests of the Class and has retained counsel competent and experienced in complex litigation and class actions. Plaintiff's claims are representative of the claims of the other members of the Class, as Plaintiff and each member of the Class lost money playing Defendant's games of chance. Plaintiff also has no interests antagonistic to those of the Class, and Defendant has no defenses unique to Plaintiff. Plaintiff and her counsel are committed to vigorously prosecuting this action on behalf of the Class and have the financial resources to do so. Neither Plaintiff nor her counsel have any interest adverse to the Class.

37. **Policies Generally Applicable to the Class:** This class action is appropriate for certification because Defendant has acted or refused to act on grounds generally applicable to the Class as a whole, thereby requiring the Court's imposition of uniform relief to ensure compatible standards of conduct toward the members of the Class and making final injunctive relief appropriate with respect to the Class as a whole. Defendant's policies that Plaintiff challenges

1 apply and affect members of the Class uniformly, and Plaintiff's challenge of these policies
 2 hinges on Defendant's conduct with respect to the Class as a whole, not on facts or law
 3 applicable only to Plaintiff. The factual and legal bases of Defendant's liability to Plaintiff and to
 4 the other members of the Class are the same.

5 38. **Superiority:** This case is also appropriate for certification because class
 6 proceedings are superior to all other available methods for the fair and efficient adjudication of
 7 this controversy. The harm suffered by the individual members of the Class is likely to have been
 8 relatively small compared to the burden and expense of prosecuting individual actions to redress
 9 Defendant's wrongful conduct. Absent a class action, it would be difficult if not impossible for
 10 the individual members of the Class to obtain effective relief from Defendant. Even if members
 11 of the Class themselves could sustain such individual litigation, it would not be preferable to a
 12 class action because individual litigation would increase the delay and expense to all parties and
 13 the Court and require duplicative consideration of the legal and factual issues presented. By
 14 contrast, a class action presents far fewer management difficulties and provides the benefits of
 15 single adjudication, economy of scale, and comprehensive supervision by a single Court.
 16 Economies of time, effort, and expense will be fostered and uniformity of decisions will be
 17 ensured.

18 39. Plaintiff reserves the right to revise the foregoing "Class Allegations" and "Class
 19 Definition" based on facts learned through additional investigation and in discovery.

20 **FIRST CAUSE OF ACTION**
 21 **Violations of Revised Code of Washington § 4.24.070**
 22 **(On behalf of Plaintiff and the Class)**

23 40. Plaintiff incorporates the foregoing allegations as if fully set forth herein.

24 41. Plaintiff, members of the Class, and Defendant are all "persons" as defined by
 25 RCW § 9.46.0289.

26 42. The state of Washington's "Recovery of money lost at gambling" statute, RCW
 27 4.24.070, provides that "all persons losing money or anything of value at or on any illegal
 gambling games shall have a cause of action to recover from the dealer or player winning, or

1 from the proprietor for whose benefit such game was played or dealt, or such money or things of
 2 value won, the amount of the money or the value of the thing so lost.”

3 43. “Gambling,” defined by RCW § 9.46.0237, “means staking or risking something
 4 of value upon the outcome of a contest of chance or a future contingent event not under the
 5 person's control or influence.”

6 44. Defendant’s “chips” sold for use in its online gambling games are “things of
 7 value” under RCW § 9.46.0285.

8 45. Defendant’s online gambling games are illegal gambling games because they are
 9 online games at which players wager things of value (the chips) and by an element of chance
 10 (*e.g.*, by spinning an online slot machine), are able to obtain additional entertainment and extend
 11 gameplay (by winning additional chips).

12 46. Defendant Scientific Games is the proprietor for whose benefit the online
 13 gambling games are played because it owns the online gambling games and operates those
 14 games for its own profit.

15 47. As such, Plaintiff and the Class gambled when they purchased chips to wager at
 16 Defendant’s online gambling games. Plaintiff and each member of the Class staked money, in
 17 the form of chips purchased with money, at Defendant’s games of chance (*e.g.*, Defendant’s slot
 18 machines) for the chance of winning additional things of value (*e.g.*, chips that extend gameplay
 19 without additional charge).

20 48. In addition, Defendant’s online gambling games are not “pinball machine[s] or
 21 similar mechanical amusement device[s]” as contemplated by the statute because:

- 22 a. the games are electronic rather than mechanical;
- 23 b. the games confer replays but they are recorded and can be redeemed on
 24 separate occasions (*i.e.*, they are not “immediate and unrecorded”); and
- 25 c. the games contain electronic mechanisms that vary the chance of winning
 26 free games or the number of free games which may be won (*e.g.*, the games allow
 27 for different wager amounts).

49. RCW § 9.46.0285 states that a “‘Thing of value,’ as used in this chapter, means any money or property, any token, object or article exchangeable for money or property, or any form of credit or promise, directly or indirectly, contemplating transfer of money or property or of any interest therein, or involving extension of a service, entertainment or a privilege of playing at a game or scheme without charge.”

50. The “chips” Plaintiff and the Class had the chance of winning in Defendant’s online gambling games are “things of value” under Washington law because they are credits that involve the extension of entertainment and a privilege of playing a game without charge.

51. Defendant’s online gambling games are “Contest[s] of chance,” as defined by RCW § 9.46.0225, because they are “contest[s], game[s], gaming scheme[s], or gaming device[s] in which the outcome[s] depend[] in a material degree upon an element of chance, notwithstanding that skill of the contestants may also be a factor therein.” Defendant’s online gambling games are programmed to have outcomes that are determined entirely upon chance and a contestant’s skill does not affect the outcomes.

52. RCW § 9.46.0201 defines “Amusement games” as games where “The outcome depends in a material degree upon the skill of the contestant,” amongst other requirements. Defendant’s online gambling games are not “Amusement games” because their outcomes are dependent entirely upon chance and not upon the skill of the player and because the games are contests of chance, as defined by RCW § 9.46.0225.

53. As a direct and proximate result of Defendant’s gambling game, Plaintiff Fife and each member of the Class have lost money wagering at Defendant’s games of chance. Plaintiff Fife, on behalf of herself and the Class, seeks an order (1) requiring Defendant to cease the operation of its gambling games; and/or (2) awarding the recovery of all lost monies, interest, and reasonable attorneys’ fees, expenses, and costs to the extent allowable.

SECOND CAUSE OF ACTION
Violations of the Washington Consumer Protection Act, RCW § 19.86.010, et seq.
(On behalf of Plaintiff and the Class)

54. Plaintiff incorporates the foregoing allegations as if fully set forth herein.

55. Washington’s Consumer Protection Act, RCW § 19.86.010 *et seq.* (“CPA”), protects both consumers and competitors by promoting fair competition in commercial markets for goods and services.

56. To achieve that goal, the CPA prohibits any person from using “unfair methods of competition or unfair or deceptive acts or practices in the conduct of any trade or commerce. . . .” RCW § 19.86.020.

57. The CPA states that “a claimant may establish that the act or practice is injurious to the public interest because it . . . Violates a statute that contains a specific legislative declaration of public interest impact.”

58. Defendant violated RCW § 9.46.010, *et seq.* which declares that:

“The public policy of the state of Washington on gambling is to keep the criminal element out of gambling and to promote the social welfare of the people by limiting the nature and scope of gambling activities and by strict regulation and control.

It is hereby declared to be the policy of the legislature, recognizing the close relationship between professional gambling and organized crime, to restrain all persons from seeking profit from professional gambling activities in this state; to restrain all persons from patronizing such professional gambling activities; to safeguard the public against the evils induced by common gamblers and common gambling houses engaged in professional gambling; and at the same time, both to preserve the freedom of the press and to avoid restricting participation by individuals in activities and social pastimes, which activities and social pastimes are more for amusement rather than for profit, do not maliciously affect the public, and do not breach the peace.”

59. Defendant has violated RCW § 9.46.010, *et seq.*, because its Defendant’s online games are illegal online gambling games as described in ¶¶ 40 to 53 *supra*.

60. Defendant’s wrongful conduct occurred in the conduct of trade or commerce—*i.e.*, while Defendant was engaged in the operation of making computer games available to the public.

61. Defendant’s acts and practices were and are injurious to the public interest because Defendant, in the course of its business, continuously advertised to and solicited the general public in Washington State and throughout the United States to play its unlawful online gambling games of chance. This was part of a pattern or generalized course of conduct on the

1 part of Defendant, and many consumers have been adversely affected by Defendant's conduct
2 and the public is at risk.

3 62. Defendant has profited immensely from its operation of unlawful games of
4 chance, amassing hundreds of millions of dollars from the losers of its games of chance.

5 63. As a result of Defendant's conduct, Plaintiff and the Class members were injured
6 in their business or property—*i.e.*, economic injury—in that they lost money wagering on
7 Defendant's unlawful games of chance.

8 64. Defendant's unfair or deceptive conduct proximately caused Plaintiff's and the
9 Class members' injury because, but for the challenged conduct, Plaintiff and the Class members
10 would not have lost money wagering at or on Defendant's games of chance, and they did so as a
11 direct, foreseeable, and planned consequence of that conduct.

12 65. Plaintiff, on her own behalf and on behalf of the Class, seeks to enjoin further
13 violation and recover actual damages and treble damages, together with the costs of suit,
14 including reasonable attorneys' fees.

15 **THIRD CAUSE OF ACTION**
16 **Unjust Enrichment**
(On behalf of Plaintiff and the Class)

17 66. Plaintiff incorporates by reference the foregoing allegations as if fully set forth
18 herein.

19 67. Plaintiff and the Class have conferred a benefit upon Defendant in the form of the
20 money Defendant received from them for the purchase of chips to wager at Defendant's online
21 gambling games.

22 68. Defendant appreciates and/or has knowledge of the benefits conferred upon it by
23 Plaintiff and the Class.

24 69. Under principles of equity and good conscience, Defendant should not be
25 permitted to retain the money obtained from Plaintiff and the members of the Class, which
26 Defendant has unjustly obtained as a result of its unlawful operation of unlawful online gambling
27

1 games. As it stands, Defendant has retained millions of dollars in profits generated from its
 2 unlawful games of chance and should not be permitted to retain those ill-gotten profits.

3 70. Accordingly, Plaintiff and the Class seek full disgorgement and restitution of any
 4 money Defendant has retained as a result of the unlawful and/or wrongful conduct alleged
 5 herein.

6 **PRAYER FOR RELIEF**

7 Plaintiff Sheryl Fife, individually and on behalf of all others similarly situated,
 8 respectfully requests that this Court enter an Order:

- 9 a) Certifying this case as a class action on behalf of the Class defined above,
 10 appointing Sheryl Fife as representative of the Class, and appointing her counsel as class
 11 counsel;
- 12 b) Declaring that Defendant's conduct, as set out above, violates the CPA;
- 13 c) Entering judgment against Defendant, in the amount of the losses suffered by
 14 Plaintiff and each member of the Class;
- 15 d) Enjoining Defendant from continuing the challenged conduct;
- 16 e) Awarding damages to Plaintiff and the Class members in an amount to be
 17 determined at trial, including trebling as appropriate;
- 18 f) Awarding restitution to Plaintiff and Class members in an amount to be
 19 determined at trial, and requiring disgorgement of all benefits that Defendant unjustly received;
- 20 g) Awarding reasonable attorney's fees and expenses;
- 21 h) Awarding pre- and post-judgment interest, to the extent allowable;
- 22 i) Entering judgment for injunctive and/or declaratory relief as necessary to protect
 23 the interests of Plaintiff and the Class; and
- 24 j) Awarding such other and further relief as equity and justice require.

25 **JURY DEMAND**

26 Plaintiff requests a trial by jury of all claims that can be so tried.
 27

1
2 Dated: April 17, 2018
3

4 Respectfully Submitted,

5 TOUSLEY BRAIN STEPHENS, PLLC
6

7 By: /s/Janissa A. Strabuk

8 By: /s/Cecily C. Shiel

9 Janissa A. Strabuk, WSBA #21827

10 Cecily C. Shiel, WSBA #50061

11 jstrabuk@tousley.com

12 cshiel@tousley.com

13 1700 Seventh Avenue, Suite 2200

14 Seattle, Washington 98101-4416

15 Tel: 206.682.5600

16 Fax: 206.682.2992

17 Rafey Balabanian*

18 rbalabanian@edelson.com

19 Eve-Lynn Rapp*

20 erapp@edelson.com

21 Todd Logan*

22 tlogan@edelson.com

23 EDELSON PC

24 123 Townsend Street, Suite 100

25 San Francisco, California 94107

26 Tel: 415.212.9300

27 Fax: 415.373.9435

Benjamin H. Richman*

brichman@edelson.com

EDELSON PC

350 North LaSalle Street, Suite 1400

Chicago, Illinois 60654

Tel: 312.589.6370

Fax: 312.589.6378

*Pro hac vice admission to be sought.

Attorneys for Plaintiff and the Putative Class

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

SHERYL FIFE, individually and on behalf of all others similarly situated

(b) County of Residence of First Listed Plaintiff King County, WA

(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

Janissa A. Strabuk; Tousley Brain Stephens PLLC; 1700 7th Avenue
Ste. 2200, Seattle, WA 98101; 206-682-5600**DEFENDANTS**

SCIENTIFIC GAMES CORP., a Nevada corporation

County of Residence of First Listed Defendant Clark County, NV

(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF
THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
- ☐ 2 U.S. Government Defendant
- ☐ 3 Federal Question
(U.S. Government Not a Party)
- ☒ 4 Diversity
(Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|---|---------------------------------------|----------------------------|---|----------------------------|---------------------------------------|
| Citizen of This State | <input checked="" type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input checked="" type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)Click here for: [Nature of Suit Code Descriptions.](#)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice PERSONAL INJURY <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input checked="" type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 835 Patent - Abbreviated New Drug Application <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education PRISONER PETITIONS Habeas Corpus: <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty Other: <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement			

V. ORIGIN (Place an "X" in One Box Only)

- ☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from Another District (specify) ☐ 6 Multidistrict Litigation - Transfer ☐ 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

28 U.S.C. § 1332(d)(2), RCW § 4.24.070, RCW § 19.86.010, et seq.

Brief description of cause:

Violations of RCW § 4.24.070, RCW § 19.86.010, et seq., and Unjust Enrichment.

VII. REQUESTED IN COMPLAINT:☒ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P.

DEMAND \$

5,000,000.00

CHECK YES only if demanded in complaint:

JURY DEMAND: ☒ Yes ☐ No**VIII. RELATED CASE(S) IF ANY**

(See instructions):

JUDGE

DOCKET NUMBER

DATE

04/17/2018

SIGNATURE OF ATTORNEY OF RECORD

/s/Janissa A. Strabuk

FOR OFFICE USE ONLY

RECEIPT #

AMOUNT

APPLYING IFP

JUDGE

MAG. JUDGE

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
 United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.
 United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
 Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
 Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: [Nature of Suit Code Descriptions](#).
- V. Origin.** Place an "X" in one of the seven boxes.
 Original Proceedings. (1) Cases which originate in the United States district courts.
 Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.
 Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
 Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
 Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
 Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.
 Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.
PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
 Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
 Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.

Western District of Washington

Civil Action No.

Signature of Clerk or Deputy Clerk

Civil Action No. _____

PROOF OF SERVICE*(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))*

This summons for *(name of individual and title, if any)* _____
 was received by me on *(date)* _____ .

☐ I personally served the summons on the individual at *(place)* _____
 _____ on *(date)* _____ ; or

☐ I left the summons at the individual's residence or usual place of abode with *(name)* _____
 _____, a person of suitable age and discretion who resides there,
 on *(date)* _____, and mailed a copy to the individual's last known address; or

☐ I served the summons on *(name of individual)* _____, who is
 designated by law to accept service of process on behalf of *(name of organization)* _____
 _____ on *(date)* _____ ; or

☐ I returned the summons unexecuted because _____ ; or

☐ Other *(specify)*: _____

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ 0.00 .

I declare under penalty of perjury that this information is true.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc:

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Washington Online Gaming Class Action Sets Sights on Scientific Games Corp.](#)
