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Attorneys for Plaintiffs

10 **UNITED STATES DISTRICT COURT**

11 **NORTHERN DISTRICT OF CALIFORNIA – SAN JOSE DIVISION**

12 REBECCA TAYLOR, and C.T., a minor by  
13 REBECCA TAYLOR, C.T.'s parent and  
guardian, on behalf of themselves and all  
14 others similarly situated,

15 Plaintiffs,

16 v.

17 APPLE, INC.,

18 Defendant.

Case No.

**CLASS ACTION COMPLAINT**

**CLASS ACTION**

**JURY TRIAL DEMANDED**

1 “We should be very reticent of creating an experience where the outcome can be  
2 influenced by spending money. ***Loot boxes play on all the mechanics of gambling except***  
3 ***for the ability to get more money out in the end.***”

4 “Do we want to be like Las Vegas, with slot machines or do we want to be widely  
5 respected as creators of products that customers can trust?”

6 ***“We have businesses that profit by doing their customers harm.”***

7  
8 - Tim Sweeney, Co-Founder of Epic Games

1 Plaintiffs REBECCA TAYLOR, and C.T., a minor by REBECCA TAYLOR, C.T.’s parent  
 2 and legal guardian (“Plaintiffs”), file this Class Action Complaint against APPLE, INC. (“Apple”  
 3 or “the Company”). Plaintiffs bring this action based upon personal knowledge of the facts  
 4 pertaining to themselves, and on information and belief as to all other matters, by and through  
 5 undersigned counsel.

### 6 **NATURE OF THE ACTION**

7 1. The California legislature has declared: “Gambling can become addictive and is not  
 8 an activity to be promoted or legitimized as entertainment for children and families.” Cal. B & P  
 9 Code § 19801(c). Through the games it sells and offers for free to consumers through its “App  
 10 Store,” Apple engages in predatory practices enticing consumers, including children to engage in  
 11 gambling and similar addictive conduct in violation of this and other laws designed to protect  
 12 consumers and to prohibit such practices.

13 2. Not unlike Big Tobacco’s “Joe Camel” advertising campaign, Apple relies on  
 14 creating addictive behaviors in kids to generate huge profits for the Company. Over the last four  
 15 years Defendant’s App Store games have brought in billions of dollars, even though the vast  
 16 majority of the games are free to download.

17 3. A large percentage of Apple’s revenues from App Store games come from the in-  
 18 game purchases of what are known in the gaming industry as “loot boxes” or “loot crates.” Dozens  
 19 (if not hundreds) of App Store games rely on some form of Loot Box or similar gambling mechanism  
 20 to generate billions of dollars, much of it from kids.

21 4. Loot Boxes are purchased using real money, but are simply randomized chances  
 22 within the game to obtain important or better weapons, costumes or player appearance (called  
 23 “skins”), or some other in-game item or feature that is designed to enhance game-play. If obtained,  
 24 these weapons, skins, and other items can help the player advance in the game and enhance the game  
 25 playing experience. But buying a Loot Box is a gamble, because the player does not know what the  
 26 Loot Box actually contains until it is opened.

27 5. Unsurprisingly, the perceived best “loot” in the game is also the most difficult to  
 28 obtain, and least likely to be received via Loot Box. Conversely, most items in the Loot Boxes tend

1 to be “common” or undesirable to the player – either because it is easily obtained or because the  
2 player already possesses the item.

3 6. Some of these specific high-demand items in the game can be so difficult (and costly)  
4 to obtain that a “gray market” has sprung up on the internet – websites where the game accounts  
5 and in some cases individual items can be (and are) bought and sold for real money outside of the  
6 game itself. Numerous websites have been created to broker these transactions, bringing buyer and  
7 seller together to sell these items and accounts, for real money outside of the game.

8 7. Loot Boxes have all the hallmarks of a Las Vegas-style slot machine, including the  
9 psychological aspects to encourage and create addiction – especially among adolescents. Moreover,  
10 under California law they constitute illegal “slot machines or devices” when played on a iPhone,  
11 iPad, or other similar device. California Penal Code § 330(d) broadly defines an unlawful “slot  
12 machine or device” as,

13 a machine, apparatus, or device that is adapted, or may readily be converted, for use  
14 in a way that, as a result of the insertion of any piece of money or coin or other object,  
15 or by any other means, the machine or device is caused to operate or may be operated,  
16 and by reason of any element of hazard or chance or of other outcome of operation  
17 unpredictable by him or her, the user may receive or become entitled to receive any  
18 piece of money, credit, allowance, or thing of value, or additional chance or right to  
19 use the slot machine or device, or any check, slug, token, or memorandum, whether  
20 of value or otherwise, which may be exchanged for any money, credit, allowance, or  
21 thing of value, or which may be given in trade, irrespective of whether it may, apart  
22 from any element of hazard or chance or unpredictable outcome of operation, also  
23 sell, deliver, or present some merchandise, indication of weight, entertainment, or  
24 other thing of value.

21 Cal. Pen. Code § 330(b)(d).

22 8. Governments, regulators, and psychologists, all agree that Loot Boxes like the ones  
23 in games Defendant offers through its App Store, operate as gambling devices for those that play  
24 the game, including minors, and that they create and reinforce addictive behaviors.

25 9. For instance, the Government of Belgium examined the use of Loot Boxes in various  
26 videogames and determined that they violated that country’s gambling laws, specifically finding,

27 The paid loot boxes in the examined games Overwatch, FIFA 18 and Counter-Strike:  
28 Global Offensive fit the description of a game of chance because all of the  
constitutive elements of gambling are present (game, wager, chance, win/loss).

10. Likewise, in September 2019 Great Britain Parliament’s Digital, Culture, Media and Sport Committee issued a report to Parliament determining that Loot Boxes constitute gambling and encourage addictive behavior, and recommending that the sale of Loot Boxes to children should be banned. Committee Chair Damian Collins MP said:

Loot boxes are particularly lucrative for games companies but come at a high cost, particularly for problem gamblers, while exposing children to potential harm. Buying a loot box is playing a game of chance and it is high time the gambling laws caught up. We challenge the Government to explain why loot boxes should be exempt from the Gambling Act.

11. Similarly, psychologists who have studied the issue agree that Loot Boxes correlate with problem gambling, especially among adolescents. For example, one such survey analysis of current studies concluded,

[T]he findings are very consistent that there is an association between problem gambling and loot box buying among both adolescents and adults (and that the association may be even stronger among adolescents).

12. Even Apple implicitly concedes the Loot Boxes in its App Store games are a form of gambling. Like the California state lottery, Apple requires its App Developers to disclose the “odds of winning” particular items in the Loot Boxes for the games it distributes. Apple’s “App Store Review Guidelines” for App Developers states:

***Apps offering “loot boxes” or other mechanisms that provide randomized virtual items for purchase must disclose the odds of receiving each type of item to customers prior to purchase.<sup>1</sup>***

13. While Apple does not itself create these games and the Loot Box mechanism used to entice children to gamble, Apple profits handsomely by 1) marketing, selling, and/or distributing the games to kids on Apple products and through its App Store platform; 2) acting as the agent for the developer in selling the Loot Boxes; and 3) handling the money in all of the transactions – taking a 30% cut of all money spent by players before transferring the remainder to the developer.

<sup>1</sup> App Store Review Guidelines, Section 3.1.1. Available at <https://developer.apple.com/app-store/review/guidelines/>. Apple apparently does not regulate the method of **how** those odds are disclosed, as they are frequently difficult to find or simply not available until the player has already decided to purchase the Loot Box.

**THE PARTIES**

14. Plaintiff Rebecca Taylor is the parent and legal guardian of C.T., a minor. She is and at all relevant times was a citizen of the State of California who resides in Huntington Beach, California. Since at least 2019, C.T. has owned and played Brawl Stars, a game sold and/or distributed by Defendant Apple, Inc. In the course of playing Brawl Stars and other games on Apple devices, Plaintiff's son C.T. has been induced to spend his parents' money and his own money to purchase "Loot Boxes" in-game.

15. Plaintiff C. T. is a minor. He is and at all relevant times was a citizen of the State of California who resides in Huntington Beach. Since at least 2019, C.T. has owned and played Brawl Stars, a game developed, owned and sold by Supercell. Brawl Stars was downloaded by C.T. onto both iPad and iPhone devices manufactured and sold by Defendant Apple. C.T. downloaded the game from Apple's App Store onto the Apple devices in order to play it.

16. In the course of playing Brawl Stars, C.T. has been induced to spend his own money that he received as gifts in the form of iTunes gift cards, and perhaps his parents' money as well, to purchase "Loot Boxes" in-game.

17. C.T. played, and continues to play, Brawl Stars on the Apple iPad and iPhone. Rebecca Taylor estimates C.T. has spent at least \$25 on in-game Loot Boxes in exchange for the random-chance possibility of winning valuable items. C.T. used his own money (iTunes gift cards) and his parents' credit card, which is on file with Apple for its App Store, to purchase some of the Brawl Stars Loot Boxes.

18. C.T. still owns and plays the Brawl Stars as well as other App Store games which contain Loot Boxes. To the extent he plays these games in the future, he will be subjected to Apple's predatory Loot Box scheme.

19. Defendant APPLE, INC. is a corporation organized and existing under the laws of the State of California with its principal place of business at 1 Apple Park Way, Cupertino, California, 95014-0642 and is engaged in continuous and significant business throughout the state of California, consisting of, among other things, retail operations, advertising, marketing, and distribution activities.

**JURISDICTION AND VENUE**

20. This Court has diversity jurisdiction over the claims asserted herein on behalf of a nationwide class pursuant to 28 U.S.C. § 1332, as amended in February 2005 by the Class Action Fairness Act. Jurisdiction is proper because:

(a) The proposed class includes more than 100 members, and many of the named Plaintiffs and Class members are citizens of states that are diverse from the state of Defendants' citizenship, the amount in controversy in this class action exceeds five million dollars, exclusive of interest and costs; and,

(b) Defendants have purposefully availed themselves of the privilege of conducting business activities within the State of California, where Apple, Inc has its principal place of business; where its officers direct, control, and coordinate Apple's activities, and where Apple engaged in the unlawful conduct alleged herein.

21. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391, because a substantial part of the challenged conduct or omissions complained of herein occurred in this judicial district, and defendant caused harm to at least one of the named Plaintiffs and numerous Class members in this judicial district.

**INTRADISTRICT ASSIGNMENT**

22. Pursuant to Civil L.R. 3-2(c) and (d), assignment to the San Jose Division is proper because a substantial part of the conduct which gives rise to Plaintiffs' claims occurred in this district and specifically in Santa Clara County where Defendant is headquartered. Additionally, Defendant's User License Agreement contains a provision in favor of this Division.

**SUBSTANTIVE ALLEGATIONS**

**Apple's "App Store"**

23. Apple creates and maintains a virtual online "store" where it makes available to consumers who buy its products various software applications ("Apps") that are generally (but not exclusively) created by other developers in an effort to increase revenues for the Company. These Apps are downloaded by the consumer through Apple's "App Store" which itself appears as an App

1 and comes preloaded by Apple on virtually all Apple devices, including its iPhones, iPads, and  
2 computers.

3 24. The App Store is exclusively owned and operated by Apple. It controls which Apps  
4 are allowed in the App Store, and maintains strict requirements and guidelines for App developers  
5 who want to distribute an App via the App Store. The App Store contains hundreds of game Apps  
6 which can be downloaded directly onto the Apple device and played. Many of its App Store games  
7 are free, or very inexpensive to download.

8 25. Apple makes money through two methods of generating revenue from each game  
9 that is downloaded through its App Store. First, if the developer charges a price for the game itself,  
10 Apple will receive a portion of the purchase price (30% of the total). Second, after the game is  
11 purchased and downloaded, Apple and the game developer entice the player to make in-game  
12 purchases. Apple receives 30% of all of these in-game purchases as well.

13 26. Apple does not act as a traditional “retailer” by re-selling App games in its App Store.  
14 Instead of buying apps from the developers and reselling the apps to customers at a profit, Apple  
15 places the developers’ apps on the virtual shelves of its App Store, sells them directly to Apple  
16 iPhone, iPad and other hardware customers, charges and collects the full price (set by the developer)  
17 from customers, keeps its 30% of the customer payment from every sale or license, and then remits  
18 the balance of the purchase price to the developer.<sup>2</sup>

19 27. Payment for the Apps, including all in-game purchases after the game is downloaded  
20 by the consumer (e.g., Loot Boxes), is controlled entirely by Apple. The payments go directly to  
21 Apple and, after Apple takes its 30% of the total, the remainder is distributed to the App developer.  
22 Thus, for every Loot Box sale in a game downloaded from the App Store, Apple receives 30% of  
23 the revenue before the developer gets any money at all.

24 28. Loot boxes are a form of “in game” purchase, and according to Apple’s most recent  
25 SEC Form 10-K (filed October 30, 2019) they are an extremely important part of the multi-billion-

26  
27 <sup>2</sup> Apple’s “Licensed Application End User License Agreement” asserts that the Apps are  
28 “licensed, not sold”. <https://www.apple.com/legal/internet-services/itunes/dev/stdeula/>. For  
purposes of this complaint, it does not make a difference.



dollar revenue stream at the Company. Apple reports its revenues from Apps in its “Services” segment of the business. For 2019, Apple’s Services segment reported net sales in excess of \$46 Billion, which represented an increase of 16% over the prior year. According to that same SEC filing, the 16% increase in net sales was “*due primarily to higher net sales from the App Store, licensing, and AppleCare.*”

### **Loot Boxes Explained**

29. Apple describes “Loot Boxes” as in-App mechanisms that provide users with randomized virtual items for purchase.

30. In their paper entitled “Predatory monetization schemes in video games (e.g. ‘loot boxes’) and internet gaming disorder,” Professors Daniel King and Paul Delfabbro provided the following description of a Loot Box:

A loot box refers to an in-game reward system that can be purchased repeatedly with real money to obtain a random selection of virtual items. The low probability of obtaining a desired item means that the player will have to purchase an indeterminate number of loot boxes to obtain the item. Loot boxes resemble gambling slot machines because they require no player skill and have a randomly determined outcome (i.e. prize).<sup>3</sup>

31. In Apple’s App Store games, Loot Boxes can only be purchased by the consumer through the Apple device. Loot Boxes are purchased using real-world currency, usually through electronic means of entering a credit card number or using an Apple “iTunes” gift card.<sup>4</sup>

32. For example, if the player is using an iPhone, while playing the game they can choose to make a purchase in the game itself. Doing so will take the player to an App Store screen which will show the game, the player’s App Store account identifying information (such as an email address tied to the account), and confirm that the player wants to purchase the item by requiring the player to press the “Purchase” button.

<sup>3</sup> King, Daniel and Delfabbro, Paul H., “Predatory monetization schemes in video games (e.g. ‘loot boxes’) and internet gaming disorder,” *Addiction*, 2018.

<sup>4</sup> In some games, a Loot Box can also be “earned” by playing the game for a period of time or achieving some in-game goal (such as “experience level”).

33. Upon pressing the “Purchase” button, the player is prompted to log in to his Apple account by entering the account password. Upon doing so, the amount of the purchase is immediately charged by Apple to the credit card number on file with Apple’s App Store. There is no additional confirmation of any kind. A minor can accomplish the purchase without parental consent, or even parental knowledge.

34. To further entice consumers to spend real money on Loot Boxes, many of the games use a “virtual” money system within the game. That is, instead of buying Loot Boxes directly for a set dollar amount, the player must first purchase the in-game currency, which is then used to purchase Loot Boxes.<sup>5</sup> In-game currencies frequently take the form of expensive-sounding items like “gems” or “gold coins” so the player feels they are getting something of value for their money.

35. For example, in Mario Kart Tour the player is required to purchase “Rubies,” virtual items that cost real money and appear as large red gems (i.e. each one looks like a ruby). Rubies are then used to purchase a “Pipe” which is the version of the Loot Box style gambling mechanism in that game. In Brawl Stars, kids are encouraged to spend money to purchase in-game “gems.” In Roblox, the player spends money to purchase “Robux.”

36. This intermediate level of virtual currency is designed to “disconnect” the player from the concern that he is gambling with real money. According to the Brussels Gaming Commission:

The use of points (coins) and especially their size are psychologically very sophisticated and aimed at creating a personal reality which is then disconnected from the real world. FIFA 18 teaches players to think in FUT currency and FIFA coins. . . . In Overwatch and Star Wars Battlefront II, the value of real money is also fully disconnected from the value of the in-game currency, causing players to lose contact with the real value.

37. The Loot Box mechanism relies heavily on the psychology of gambling – doing everything possible to build up the player’s hoped-for win, tension, and excitement. For example,

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<sup>5</sup> Apple requires virtual currencies to be purchased through the App Store. “If you want to unlock features or functionality within your app, (by way of example: subscriptions, *in-game currencies*, game levels, access to premium content, or unlocking a full version), you must use in-app purchase.” App Store Review Guidelines, § 3.1.1 available at <https://developer.apple.com/app-store/review/guidelines/>.

1 in many games opening the Loot Box coincides with triumphant music, the Loot Box itself bursting  
 2 open with bright lights and colors. Yet this colorful animated system more often than not gives the  
 3 player disappointing items, and rarely does the player get exactly the item he wanted.

4 38. These Loot Boxes are designed to create a slot machine effect, where even when a  
 5 player is not receiving the desired result – which happens frequently – there still exists a belief and  
 6 hope that the next Loot Box will contain the desired item(s). This is further reinforced when viewing  
 7 favorable results from other players opening Loot Boxes.<sup>6</sup>

8 39. One researcher described the physical experience invoked by this Loot Box  
 9 mechanism:

10 Research by Kim (1998) found that waiting for the outcome of a gamble can activate  
 11 the brain’s chemical reward system, releasing endorphins that create pleasure. In a  
 12 gaming context, think of someone who really wants the Pharah Anubis skin in  
 13 Overwatch. They buy five loot boxes and get excited during the big flashy box-  
 opening animation. This excitement happens five times in a short space of time, with  
 five flashy box-opening animations that are almost an event in itself.

14 40. Commenting on the Loot Box mechanism incorporated into videogames like the ones  
 15 at issue here, Hawaiian congressman Chris Lee noted that Loot Boxes “*are specifically designed to*  
 16 *exploit and manipulate the addictive nature of human psychology.*”

17 41. Loot Boxes can contain numerous items, and the contents are ranked by order of  
 18 probability with terms such as: “Common,” “Rare,” “Epic,” and “Legendary.” According to Apple’s  
 19 App Store Guidelines, each game developer must somewhere publish the odds of winning a  
 20 desirable item in any given Loot Box. See, App Store Review Guidelines, Section 3.1.1. Available  
 21 at <https://developer.apple.com/app-store/review/guidelines/>. But, as Apple knows, publication of  
 22 the odds of winning do not deter slot machine users, much less children who are unlikely to  
 23 understand them.<sup>7</sup>

24  
 25 <sup>6</sup> There are thousands of videos on YouTube.com of gamers opening Loot Boxes in many,  
 26 many different games. See, e.g., video of opening FIFA Ultimate Team packs with over 14 million  
 views at: [https://www.youtube.com/watch?v=CX00ZtaQ\\_kQ](https://www.youtube.com/watch?v=CX00ZtaQ_kQ).

27 <sup>7</sup> See, e.g., *Score Family Fun Ctr. v. County of San Diego*, 225 Cal. App. 3d 1217, 1221 (1990)  
 28 (rejecting the argument that the ability to calculate odds meant a virtual casino game was not illegal  
 gambling: “this [odds] calculation does not predict, to the individual player, whether his particular

42. Especially rare Loot Box items often come with long odds. For example, a “Legendary” Brawler in Brawl Stars has approximately 0.30% probability of appearing in any particular “Brawl Box.” Although there is no guarantee, obtaining a “Legendary” Brawler in this game can mean buying hundreds of Loot Boxes at a cost of \$100 or more, based on these probabilities.<sup>8</sup>

43. Through its App Store, Apple sells and distributes hundreds of games that bring in millions and millions of dollars every year through the Loot Box gambling mechanism. Below are three popular examples.

**Example 1: Mario Kart Tour**

44. Mario Kart Tour is a wildly popular and “free” animated kart-racing game released by Nintendo in September 2019. Apple gave it a 4+ age rating with a disclosure that it allows “In-App Purchases.” It was downloaded by more than 90 million people during its first week, and 150 million people in its first 100 days (who made \$75 million in in-app purchases). Although it wasn’t released until September, it was Apple’s most downloaded App Store game of 2019. The console version of the game is banned in Belgium because of its Loot Boxes. In Mario Kart Tour, the Loot Box mechanism is called a “Pipe,” which is a Pipe that shoots out a random Driver, Kart or Glider which each have a level of rarity.

45. “Rubies” are the main premium currency in the game. “Pipes” in the game are purchased with “rubies.” Rubies, in turn, are purchased with money, in odd lots and on a sliding scale. For example, the player can purchase 3 Rubies for \$1.99 (\$0.66 per Ruby), 23 Rubies for \$12.99 (\$0.56 per Ruby), or 135 Rubies for \$69.99 (\$0.52 per Ruby).<sup>9</sup> They can also be earned in limited amounts through game play.

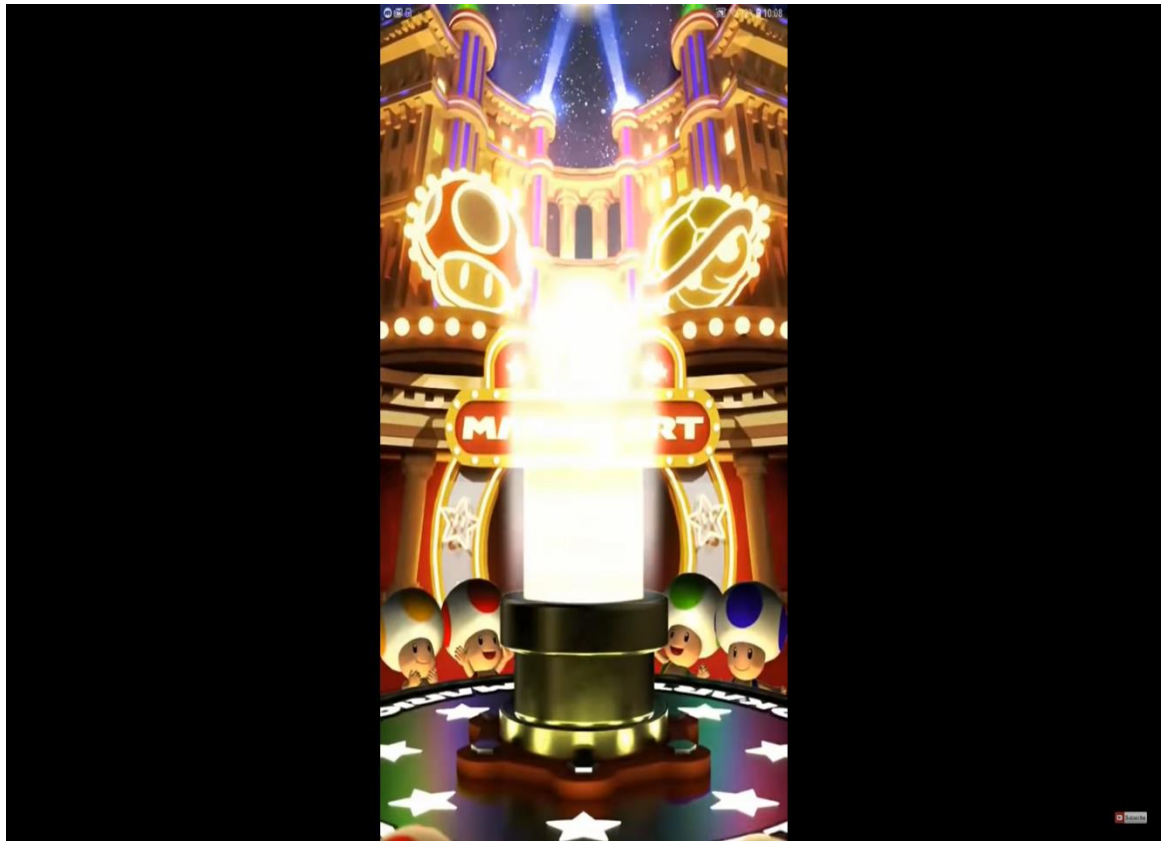
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ticket will win”).

<sup>8</sup> The probability of receiving a specific item from a Loot Box is referred to as the “drop rate.” Each Brawl Box provides 3 random draws, and each random draw has the same drop rate of approximately 0.1%.

<sup>9</sup> <https://apps.apple.com/us/app/mario-kart-tour/id1293634699>

46. By spending Rubies, the player can use the “Pipe” to unlock new and better racers and karts. Pipes can shoot out a new driver, kart or glider, all of which have their own rarities.<sup>10</sup> For example, and depending on the Pipe, each Pipe contains a determined amount of “Normal,” “Super,” and “High-End” items, all of which are chosen randomly within their class and rarity, plus a featured driver, kart and glider. The items are not ordered, so each item can be potentially found in any placement within the pipe. Of course, it is also possible – even likely – that a player obtains an item from a Pipe that already has been obtained or that is simply not desirable. Below is a screenshot of a player “opening” a “Pipe:”



47. According to one video game critic who played the beta version of the game upon its release to the public in September 2019, the Loot Box mechanics of the game are designed to hook children into spending money on the game:

<sup>10</sup> Players can only view the odds of winning from each “drop” by tapping the “Details” button right before they open the pipe in the game.

Mario Kart Tour locks its racers, karts and gliders behind a randomized, loot box system, where if you spend a couple of rubies you can get a green Mario pipe to fire out some new item, maybe one of those super rare characters you've been wanting or maybe that glider you need to get five stars on that same clone of the same course you've raced on five times already. There isn't even a character I particularly want here, and yet I keep pulling this thing down and reveling in its "surprise mechanic" of an animation, hoping that whatever emerges from that glowing white ball will give me some sort of peace. Spoilers! It won't.

And this is the beating heart of Mario Kart Tour, the reason that Nintendo turned its game into a morass of currencies, unlocks, XP bars and [loot box] mechanics. The reason is that they work: they give us a little dopamine drip in our brains that the developer can parcel out to push us towards buying rubies on our own rather than "earning" them by grinding through what is bound to be an endless series of samey races. All it needs to do is give you a few rewards for free before you're hooked into that glorious feeling of pulling that pipe back: it's why loot boxes in so many games have such elaborate animations and detailed sound effects: those loot boxes are the heart of the experience, and they need to hit your animal brain as hard as they can. And it works in Mario Kart Tour as well as any. I opened up the game to take a screenshot for this article and played a few races, throwing a few more arbitrary stars onto my totals.

I haven't spent any money on Mario Kart Tour yet, and I don't plan on doing so. I can hold out until Shadowkeep for Destiny 2 launches, opening up a much broader and more satisfying dopamine source. *But others won't be so lucky, particularly children. They'll shell out some huge amount of money for some miniscule chance to unlock musician Mario, and then they'll shell out more for the next thing. It's disappointing to see from Nintendo, but the developer is clearly going to keep doing it. It works.*<sup>11</sup>

## Example 2: FIFA Soccer

48. FIFA Soccer (mobile) is an online sports game developed by EA Sports that is free to download from the Apple App Store. It is age-rated "4+" with a disclosure that it allows "In-App Purchases." FIFA mobile allows players to complete drills, contests, play online against other players, and compete in online tournaments and leagues.

49. A large part of the FIFA game revolves around creating your own ultimate team, which is used to play throughout the game. To get the best players on your team, players are encouraged to purchase "Card packs" through the in-game store.

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<sup>11</sup> "I'm Still Playing Mario Kart For The Worst Reason," *Forbes* October 1, 2019 (Thier, Dave). Available at <https://www.forbes.com/sites/davidthier/2019/10/01/im-still-playing-mario-kart-tour-for-the-worst-reason/#977582468cad>

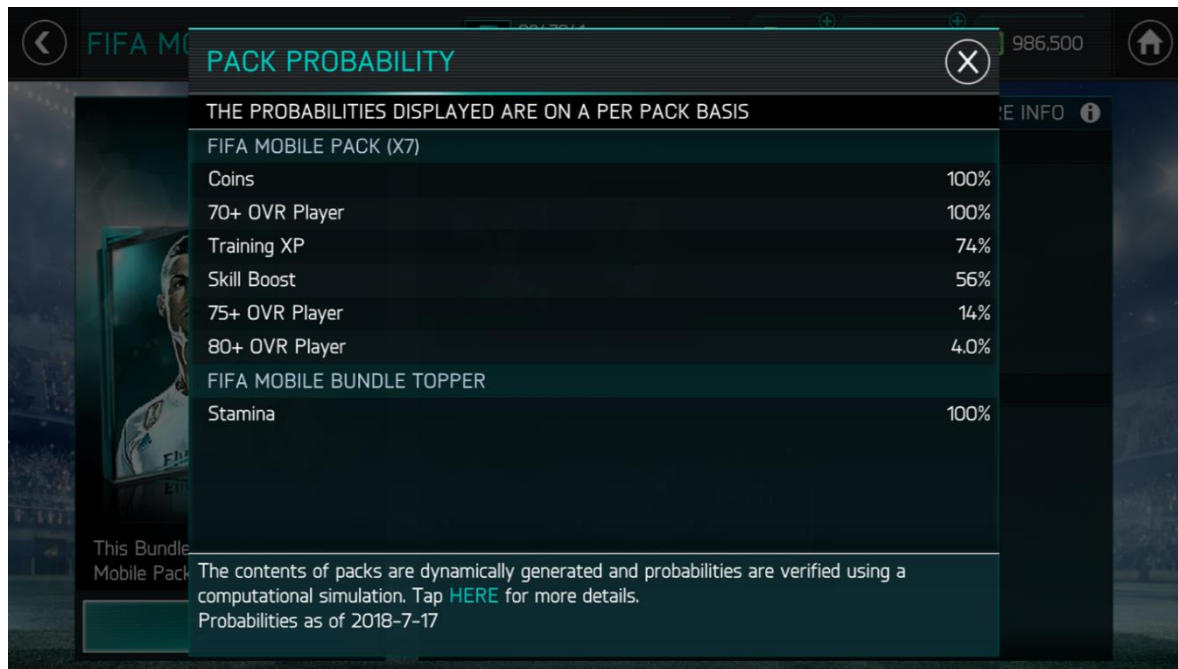


50. “Card packs” or “Player packs” (FIFA’s take on Loot Boxes) feature a random assortment of players that are available for purchase using FIFA Ultimate Team (“FUT”) Coins, an in-game currency that can be purchased using real world money, or obtained in small amounts through playing the game.

51. Critics have described the Cards Packs akin to gambling on a slot machine:

“The thrill of opening a pack to hopefully land on of soccer’s most prominent names is similar to rolling the ice in roulette or pulling the lever on a slot machine. It often leads to disappointment, but the potential, however small, to win big keeps players buying packs. When FUT coins run dry, players can purchase FIFA points using real world currency and use them towards card packs. It a vicious cycle and one insidiously glorified in countless loot box YouTube videos.”<sup>12</sup>

52. While the game now “displays” the odds of receiving the desirable players, it is not prominently displayed but hidden in a small “more info” box that must be clicked on right before purchase. However, what *is* prominently displayed are the most desirable and unlikely rewards, that picture only star players such as Mbappe, Lewandowski, and Hazard. While the odds of receiving these players are low, children are enticed to believe that they will receive one of the players by buying the pack. Below is a screenshot of that feature:



<sup>12</sup> “Proof You’ll Regret Wasting Money on That FIFA 20 Loot Box.” Thomas Bardwell. CCN, *Gaming News*. Available at <https://www.ccn.com/proof-youll-regret-wasting-money-on-that-fifa-20-loot-box/>.

53. The producer and writer for *Bleacher Reports*' gaming content also described FIFA as a gambling system:

"Like any effective gambling system, the big prizes—say, Lionel Messi or Cristiano Ronaldo—are not going to appear often but always seem within reach. This can lead to accumulating massive spends without knowing. A common response to the survey was players admitting they didn't realise how much they'd spent until they sat down to work it out. One user estimated spending \$280,000 across a decade."<sup>13</sup>

54. The FIFA game forces players to purchase Loot Boxes and to gamble in order to get better players and to be competitive in the game. At January's FUT Champions Cup, a staple of the FIFA esports calendar, players were competing with each other using teams *with a real-world value of approximately \$27,000*.

55. EA Sports has generated huge sums from this "free" game. According to one report, by the end of 2018 EA Sports had taken in an estimated \$1 billion or more from its free to play mobile games. Approximately 36% of that amount, or \$360 million, from FIFA.<sup>14</sup>

### **Example 3: Roblox**

Roblox is a massively popular "free" multiplayer online video game and game creation system that allows users to design their own games and play a wide variety of different types of games created by other users. It is very popular among kids and is currently ranked #2 in Apple Apps for Adventure games. Roblox has more than an estimated 100 million active monthly users and has generated over \$1 billion in estimated revenue. It is age rated "12+" in the App Store with a disclosure that it allows "In-App Purchases."<sup>15</sup>

56. Roblox permits game developers to create their own game in the Roblox virtual world, as well as play games already created. Thus Roblox is not one single game, but instead

<sup>13</sup> "Is It Too Expensive To Be Good At FIFA?" Nick Ackerman. *Bleacher Report*. May 20, 2019. Available at <https://bleacherreport.com/articles/2836528-is-it-too-expensive-to-be-good-at-fifa>. This article is not limited to "Apps" but appears to refer to the console and computer versions of the game as well.

<sup>14</sup> "EA Sports Scores More Than \$1 Billion from Free-To-Play Titles, led by Madden." Oliver Yeh. *Sensor Tower*. Jan 28, 2019. Available at <https://sensortower.com/blog/ea-sports-mobile-revenue-1-billion>.

<sup>15</sup> These numbers include Google Play and Apple users. "Roblox Mobile Has Grossed over \$1 billion in Lifetime Revenue." Nov. 15, 2019. Katie Williams. *Sensor Tower*. Available at <https://sensortower.com/blog/roblox-one-billion-revenue>.



contains numerous games that users can play. Many of those games within Roblox offer Loot Boxes as a way to get desirable items in the game. As described in the Roblox developer forums, Loot Boxes are popular among them because they generate much so revenue.

57. The Loot Box systems within Roblox can differ significantly depending on the various games and developers who create them. But as Roblox Developers themselves admit, some Roblox games use Loot Boxes as nothing more than a way to “scam” children. According to one Roblox game developer, “[a] lot of times it always seems as if they were trying to scam children, obviously this is not always the case, but some really do.”<sup>16</sup>

58. The money in Roblox is called “Robux” and is purchased with real money. Although Apple takes its cut from the income, Developers who receive Robux earned from various products in their games – such as Loot Boxes – are able to convert their Robux back into real world currency through the Developer Exchange system.

#### **Example 4: Brawl Stars**

59. Brawl Stars is a multiplayer online battle arena game where players battle against other players online in multiple game mode. Brawl Stars was created by videogame company SuperCell and generated over \$420 million in revenue in the first year, with 42% of that revenue from Apple’s in-app purchases. Brawl Stars is currently ranked #27 in Apple’s action apps and is age rated by Apple “9+”.

60. Brawl Stars players can unlock and play against each other (or the computer) with different brawlers. Each brawler has its own unique offensive or defensive “kit.” Due to the competitive nature of the game, players want the best brawlers to increase their chances of winning in the game.

61. Players can obtain new brawlers by opening Brawl Boxes (the game’s version of a Loot Box). Brawl Boxes are purchased in game using the in-game currency “Gems.” Gems can be earned through game play in small amounts or purchased in the game’s “store” with real money in

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<sup>16</sup> Available at <https://devforum.roblox.com/t/guidelines-around-users-paying-for-random-virtual-items/307189/66>

1 varying amounts and prices. For example, a “fistful of Gems” is 30 Gems and costs \$1.99, “pouch”  
 2 of 80 gems is \$4.99, and a “crate full” of 950 Gems will cost \$49.99.

3 62. Loot Boxes may also be purchased in varying amounts and prices. A “Big Box” is  
 4 the equivalent of 3 “Brawl Boxes,” and costs 30 Gems. Mega Boxes cost 80 Gems each and are the  
 5 equivalent of 10 regular Brawl Boxes.

6 63. As required by Apple, Brawl Stars displays the odds of obtaining certain items in the  
 7 Brawl Boxes. The best brawler in the game – and therefore the most coveted – is called a ‘Legendary  
 8 Brawler’. While the chances of receiving items in a Brawl Box constantly changes, “opening” any  
 9 given Brawl Box usually results in approximately a 0.3% chance of receiving a Legendary Brawler.

10 64. In order to incentivize players to open more and more Brawl Boxes, Brawl Stars  
 11 employs an algorithm to slightly increase the odds of receiving a Legendary Brawler each time the  
 12 player opens a Brawl Box. This feature entices players to purchase additional Brawl Boxes as the  
 13 player sees his/her chances improve, and works in tandem with the player’s understanding that  
 14 he/she has already spent a certain amount of money to obtain that better chance of receiving the  
 15 Legendary Brawler.

16 **Loot Boxes Create Addictive Behaviors in Kids, Especially Adolescents, Akin to**  
 17 **Gambling Addiction**

18 65. Psychologists call the principle by which Loot Boxes work on the human mind,  
 19 ‘variable rate enforcement’. This kind of reward structure underpins many forms of gambling. It  
 20 results in people quickly acquiring behaviors and repeating these behaviors frequently in hopes of  
 21 receiving a reward. Dopamine cells are most active when there is maximum uncertainty, and  
 22 dopamine system responds more to an uncertain reward than if the same reward delivered on a  
 23 predictable basis.

24 66. For numerous reasons minors, and adolescents in particular, are especially vulnerable  
 25 to this type of manipulation. By some estimates, teenage gambling is the fastest rising gambling  
 26 addiction. “Teenage gambling, like alcohol and drug abuse in the 1930s, is the fastest growing  
 27 addiction.”  
 28

67. First, adolescents have low impulse control. The teenage brain is still developing; the part of the brain that's responsible for good impulse control and decision making is not fully developed. Dr. Frances Jensen, the chair of the department of neurology at the University of Pennsylvania Perelman School of Medicine and formally Harvard professor and director of neuroscience at Boston's Children's Hospital, explains it as follows: "their frontal lobes are there. They're there and they're built. They're just not accessed in as rapid a manner because the insulation to the wiring to them isn't fully developed, so the signals go more slowly. Hence, teenagers are not as readily able to access their frontal lobe to say, oh, I better not do this. An adult is much more likely to control impulses or weigh out different factors in decisions, where a teenager may not actually have full on-line, in-the-moment capacity". Dr. Frances Jensen, Why Teens are Impulsive- Prone and Should Protect Their Brains. NPR. Fresh Air. Jan. 28, 2015. Adolescence is a developmental period characterized by suboptimal decisions and actions. Casey, B. J., Jones, R. M., & Hare, T. A. (2008). The adolescent brain. *Annals of the New York Academy of Sciences*, 1124, 111–126. During this time, impulse control is still relatively immature. *Id.*

68. Second, adolescents are more inclined to engage in risk-taking behaviors and risky decision making than are adults. Gardener M, Steinberg L. Peer influence on risk taking, risk preference, and risky decision making in adolescence and adulthood: an experimental study. *Developmental Psychology*. 2005;41:625–635. Adolescents and young adults are more inclined to risk taking because development of executive brain function and appreciation of risk is continuing in this period. Kelley, A.E., Schochet, T. & Landry, C.F. (2004). Risk taking and novelty seeking in adolescence: Introduction to Part I. *Annals of the New York Academy of Sciences*, 1021, 27-32. Steinberg, L. (2005). Cognitive and affective development in adolescence. *Trends in Cognitive Sciences*, 9(2), 69-74.

69. Third, not only are adolescents more likely to take risks, but they are also more prone to addiction. "They build a reward circuit around that substance to a much stronger, harder, longer, stronger addiction. That is an important fact for an adolescent to know about themselves - that they can get addicted faster." Dr. Frances Jensen, Why Teens are Impulsive- Prone and Should Protect Their Brains. NPR. Fresh Air. Jan. 28, 2015.

70. Last, children and adolescents often lack a critical understanding of money and financial management. Approximately one in four students in the 15 countries and economies that took part in the latest OECD Programme for International Student Assessment (PISA) test of financial literacy are unable to make even simple decisions on everyday spending, while only one in ten can understand complex issues, such as income tax. OECD (2017), PISA 2015 Results (Volume Iv); Students' Financial Literacy, PISA, OECD Publishing, Paris.

71. As set forth in detail above, purchasing and opening a Loot Box – by design – is visually, physically, and aurally stimulating. Opening a Loot Box gives the player a rush; the moment of anticipation followed by release. The Loot Box mechanism has been proven to be effective on adults, and its effects are only intensified when used on minors who are more prone to engage in risk-taking behaviors, more prone to gambling addiction, and “are less equipped to critically appraise the value proposition of these schemes.”

72. In fact, virtually every study published to date on the connection between Loot Boxes and gambling has found an association.

**“Given all everything we know about the similarities between boxes and slot machines, it would actually be astounding and surprising were there not such a connection. They are, in many ways, so closely related.”**

73. Dan Trolaro, the Assistant Executive Director of the Council on Compulsive Gambling of New Jersey, explained, “The mechanics within a loot box look and feel like a gamble. Once minors are exposed to game of chance mechanisms, there is a significantly higher risk that they will have problems with it at a later stage in their lives. The literature indicates that exposure at an early age increases the risk of addiction and the severity of the addiction.”

74. Other experts agree. For example, the mental health director of the UK's National Health Service summarized their studies by declaring that the gaming industry is “setting kids up for addiction by teaching them to gamble.” And according to Keith Whyte, the Executive Director of the National Council On Problem Gambling, “Those who play loot boxes, may well be on their way to developing gambling problems due to their loot box play.”

75. Peer-reviewed empirical research bears this out. For example, Zendle, Meyer and Over (2019) examined the relationship between Loot Box buying and problem gambling (using the

Canadian Adolescent Gambling Inventory) in a survey of 1,115 adolescents aged 16-18 years. They reported that the association between Loot Box buying and problem gambling was stronger than that found among previous studies examining adults. Their results “suggest that loot boxes either cause problem gambling among older adolescents, allow game companies to profit from adolescents with gambling problems for massive monetary rewards, or both.”

76. Professor Mark D. Griffiths conducted a survey of the available literature in 2019 and concluded,

Based on the few studies carried out to date, the findings are very consistent that there is an association between problem gambling and loot box buying among both adolescents and adults (and that the association may be even stronger among adolescents).

#### **Some Countries Have Banned Loot Boxes For Violating Gambling Laws**

77. Over just the last two years, some countries have banned Loot Boxes (Belgium, Netherlands, Japan), while others report current investigations (including Australia who issued a report that they are “psychologically akin to gambling”). Similarly, lawmakers in Hawaii, Minnesota and Washington have introduced state legislation to ban the use of Loot Boxes in videogames.

78. For instance, in the study completed in Belgium, the regulators looked at Loot Boxes in a variety of videogames and determined that they fit the description of a game of chance because all of the constitutive elements of gambling are present, specifically finding,

The paid loot boxes in the examined games Overwatch, FIFA 18 and Counter-Strike: Global Offensive fit the description of a game of chance because all of the constitutive elements of gambling are present (game, wager, chance, win/loss).<sup>17</sup>

79. In Australia, they too determined the Loot Box mechanism constitutes a form of gambling that targets minors. They recently passed new regulations that,

require that any person purchasing videogame loot boxes will have to show ID. According to the Office of the eSafety Commissioner, access to these boxes and other simulated gambling elements in computer or video games will be restricted to “adults aged 18 years or over, including through the use of mandatory age verification.

<sup>17</sup> “FIFA Soccer” is the title of the current App version of what used to be called “FIFA 18” which is currently available in Apple’s App Store in the United States.

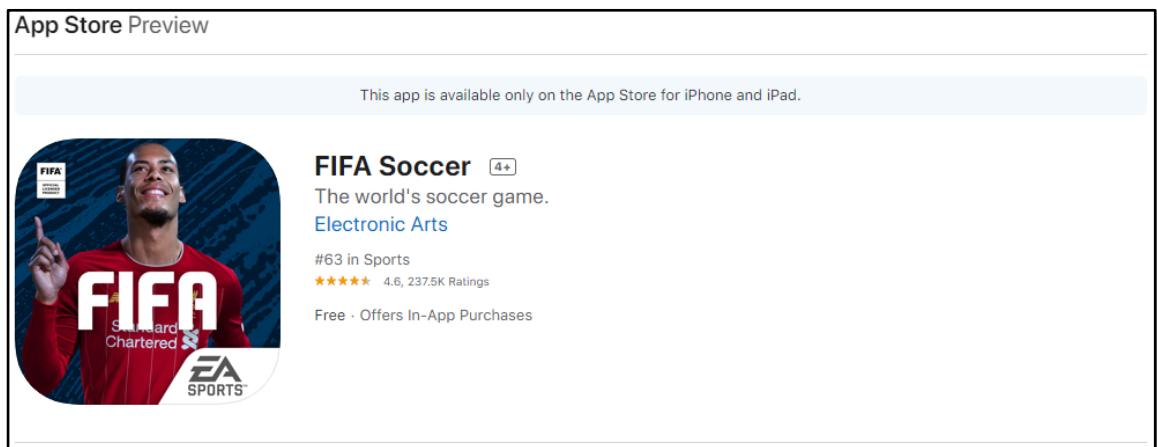
80. Here in the United States, the Federal Trade Commission recently hosted a workshop on Loot Boxes And U.S. Senators Maggie Hassan (D-NH)), and Josh Hawley (R-MO) introduced a bill co-sponsored by Ed Markey (D-MA) and Richard Blumenthal (D-CT) titled “The Protecting Children From Abusive Games Act” that would prohibit Loot Boxes in minor-oriented games. The proposed bill includes a prohibition in minor-oriented games of Loot Boxes, which it defines as “an add-on transaction to an interactive digital entertainment product that in a randomized or partially randomized fashion unlocks a feature of the product or adds to or enhances the entertainment value of the product[.]”

### **Apple Game Ratings Do Not Disclose Gambling Or the Loot Box Mechanism**

81. In the United States, the videogame industry “self-regulates” through the Entertainment Software Ratings Board (“ESRB”). According to the ESRB’s website,

ESRB ratings provide information about what’s in a game or app so parents and consumers can make informed choices about which games are right for their family. Ratings have 3 parts: Rating Categories, Content Descriptors, and Interactive Elements.

82. But Apple does not ascribe to the ESRB ratings system. Instead, Apple has created its own ratings categories for games in its App Store. Notably, Apple’s ratings do *not* contain any disclosures concerning the use of Loot Boxes and gambling. The only related disclosure available to parents is that a game allows “In-App Purchases.” As an example, below is a screen shot of Apple’s website disclosures concerning the FIFA game<sup>18</sup>:



<sup>18</sup> <https://apps.apple.com/ai/app/fifa-football/id1094930513>.

83. Moreover, even though Apple maintains the final say over what is disclosed in the App Store, *the Apps are not age-rated by Apple* – the age ratings and other communications with the player are determined by the App Developer. Thus, there is no notice – and no requirement of any notice by Apple – to the parent or the child that a game contains Loot Boxes or other gambling mechanisms.

**Apple Earns Huge Profits From Minors Purchasing Loot Boxes in its App Games**

84. Apple does not report earnings based on Loot Boxes specifically, or even amount of revenue obtained from in-game purchases from the App Store. However, Apple does report its revenues from Apps in its “Services” segment of the business. *For 2019, Apple’s Services segment reported net sales in excess of \$46 Billion, which represented an increase of 16% over the prior year. According to that same SEC filing, the 16% increase in net sales was “due primarily to higher net sales from the App Store, licensing, and AppleCare.”*

85. Moreover, Apple’s revenues from hardware sales are also affected by its ability to sell in-game Loot Boxes for its App Developers. According to Apple’s most recent SEC Form 10-K, the availability of Apps in the App Store – which Apple relies upon from independent App developers – is a factor considered by consumers when purchasing hardware. That is, when deciding whether to purchase an Apple iPhone or a competitor’s Android phone, consumers will consider which Apps are available on that phone.

86. As disclosed by Apple in its SEC Form 10-K under the category “Risk Factors,” Apple admits:

**The Company’s future performance depends in part on support from third-party software developers.**

*The Company believes decisions by customers to purchase its hardware products depend in part on the availability of third-party software applications and services.*

There is no assurance that third-party developers will continue to develop and maintain software applications and services for the Company’s products. If third-party software applications and services cease to be developed and maintained for the Company’s products, customers may choose not to buy the Company’s products.

*The Company believes the availability of third-party software applications and services for its products depends in part on the developers’ perception and analysis of the relative benefits of developing, maintaining and upgrading such software*



1 *and services for the Company's products compared to competitors' platforms, such*  
 2 *as Android for smartphones and tablets and Windows for personal computers. This*  
 3 *analysis may be based on factors such as the market position of the Company and*  
 4 *its products, the anticipated revenue that may be generated, expected future growth*  
 5 *of product sales, and the costs of developing such applications and services.*

6 \* \* \*

7 The Company sells and delivers third-party applications for its products through the  
 8 App Store, Mac App Store, TV App Store and Watch App Store. The Company  
 9 retains a commission from sales through these platforms. *If developers reduce their*  
 10 *use of these platforms to distribute their applications and offer inapp purchases to*  
 11 *customers, then the volume of sales, and the commission that the Company earns*  
 12 *on those sales, would decrease.*<sup>19</sup>

### 13 **Loot Boxes Constitute Gambling in Violation of California Law**

14 87. Loot Boxes are a form of gambling and violate California's anti-gambling laws.  
 15 According to the California Bureau of Gambling Control, by paying for and opening Loot Boxes  
 16 within the game, the game is creating a "gambling device."

17 88. California's gambling device statutes are broad in their coverage and prohibit any  
 18 person from owning, renting, or possessing illegal gambling devices. (Penal Code, §§ 330a, 330b,  
 19 330.1.) An illegal gambling device has three features:

- 20 A. It is a machine, apparatus, or device (coin operation is not required);
- 21 B. Something of value is given to play the device; and
- 22 C. The player has the opportunity to receive something of value by any element  
 23 of hazard or chance ("something of value" is not limited to coins, bills, or tokens—it also includes  
 24 free replays, additional playing time, redemption tickets, gift cards, game credits, or anything else  
 25 with a value, monetary or otherwise.) (Penal Code, §§ 330a, 330b & 330.1.)

26 89. None of these elements can be in dispute. A player uses his iPhone, iPad, or computer  
 27 with the downloaded game on it (#1); The player pays real-world currency for the opportunity to  
 28 open a Loot Box (#2); and the Loot Box is a randomized chance to obtain something valuable in-  
 game (#3).

<sup>19</sup> Apple, Inc. SEC Form 10-K (October 30, 2019) at pp. 8 – 9.



90. In fact, there is a market for many of the games' player accounts to be bought and sold outside of the game itself. The value, or price, of each game account is determined by the "Loot" the player possesses in the account. There is even a selection of online companies who claim to specialize in buying and selling these App videogame accounts.

### **CLASS ACTION ALLEGATIONS**

91. Pursuant to Federal Rule of Civil Procedure 23, Plaintiffs seek certification of a nationwide class consisting of:

All persons who paid to receive randomized virtual items from a purchase (also known as "Loot Boxes") within an App downloaded from the Apple App Store.

92. The Class excludes Apple's officers and directors, current or former employees, including their immediate family members, as well as any judge, justice or judicial officer presiding over this matter and members of their immediate families and judicial staff. Plaintiffs reserve the right to amend the Class definition or include subclasses if discovery and further investigation reveal that the Class should be expanded or otherwise modified.

93. Plaintiffs' claims are typical of the claims of the members of the Class, because Plaintiffs and all other members of the Class were damaged by the same wrongful conduct committed by Defendant, as alleged more fully herein.

94. Plaintiffs will fairly and adequately protect the interests of the Class. The interests of the class representatives are coincident with, and not antagonistic to, the interests of the other members of the Class.

95. Plaintiffs have retained counsel competent and experienced in the prosecution of class action litigation.

96. Questions of law and fact common to the members of the Class are central here and predominate over questions that may affect only individual members. Among the questions of law and fact common to the Class are:

(a) Whether Apple's App Store games containing Loot Boxes and similar mechanisms create and/or exacerbate addictive behaviors in its players;

1 (b) Whether Apple's App Store games containing Loot Boxes and similar  
2 mechanisms exploit addictive behaviors in its players;

3 (c) Whether Apple's App Store games containing Loot Boxes and similar  
4 mechanisms constitute gambling or create a gambling device under California law and in violation  
5 of Cal Penal Code §§ 330, *et seq.*;

6 (d) Whether Apple's App Store games containing Loot Boxes and similar  
7 mechanisms violate the Illegal Gambling Business Act (18 U.S.C. § 1955), and the Unlawful  
8 Internet Gambling Enforcement Act of 2006 (31 U.S.C. §§ 5361-5367);

9 (e) Whether Apple violated Business & Professions Code § 17200 by engaging  
10 in an "unlawful" business practice by marketing, selling and distributing videogames with gambling  
11 features and in violation of various state and federal laws as set forth herein;

12 (f) Whether Apple violated Business & Professions Code § 17200 by engaging  
13 in an "unfair" business practice by marketing, selling and distributing videogames with gambling  
14 features and that create and/or exacerbate addictive behaviors, especially in minors, as alleged  
15 herein;

16 (g) Whether Apple violated Civil Code § 1770(a)(14);

17 (h) Whether Apple was unjustly enriched as a result of the conduct alleged  
18 herein; and

19 (i) Whether Apple's conducted violated the other provisions of statutory and  
20 common law outlined in this Complaint.

21 97. A class action is superior to all other available means for the fair and efficient  
22 adjudication of this controversy. Individualized litigation would create the danger of inconsistent or  
23 contradictory judgments arising from the same set of facts. Individualized litigation would also  
24 increase the delay and expense to all parties and the court system from the issues raised by this  
25 action. The burden and expense that would be entailed by individual litigation makes it  
26 impracticable or impossible for Class members to prosecute their claims individually. Further, the  
27 adjudication of this action presents no unusual management difficulties.  
28

98. Unless a class is certified, Apple will retain monies received as a result of its improper conduct. Unless a classwide injunction is issued, Apple will continue to commit the violations alleged, and will continue to promote and engage in the unfair and unlawful gambling activities discussed herein. Apple has acted or refused to act on grounds that are generally applicable to the Class so that injunctive and declaratory relief is appropriate to the Class as a whole.

### **FIRST CAUSE OF ACTION**

#### **Unlawful and Unfair Business Practices in Violation of California’s Unfair Competition Law (“UCL”) (Cal. Bus. & Prof. Code §§ 17200, *et seq.*)**

99. Plaintiffs reallege and incorporate by reference the allegations set forth in each of the preceding paragraphs of this Complaint.

100. Plaintiffs and Defendant are “persons” within the meaning of the UCL. Cal. Bus. & Prof. Code § 17201.

101. The UCL defines unfair competition to include any “unlawful, unfair or fraudulent business act or practice.” Cal. Bus. Prof. Code § 17200.

102. By committing the acts and practices alleged herein, Apple has engaged in unlawful and unfair business practices in violation of the UCL.

103. Unlawful Conduct: As a result of engaging in the conduct alleged in this Complaint, Apple has violated the UCL’s proscription against engaging in unlawful conduct by virtue of its violation of California’s gambling laws, its violation of Federal gambling laws, and its violations of the California Civil Code §§ 1710 and 1711, as well as the Consumers Legal Remedies Act, California Civil Code § 1770(a)(14).

104. More specifically, Apple has violated the UCL’s proscription against engaging in “unlawful” business practices by virtue of its conduct in violation of California Penal Code §§ 330, *et seq.*, the Illegal Gambling Business Act (18 U.S.C. § 1955), and the Unlawful Internet Gambling Enforcement Act of 2006 (31 U.S.C. §§ 5361-5367) as set forth herein. Plaintiffs reserve the right to allege other violations of law, which constitute other unlawful business acts or practices. Such conduct is ongoing and continues to this date.

105. Unfair Conduct: In the course of conducting business, Apple has violated the UCL's proscription against "unfair" business practices by, among other things:

(a) Engaging in the conduct alleged in this Complaint, which is illegal and also violates legislatively-declared policies articulated in, *inter alia*, California Business & Professions Code §§ 19800, *et seq.*, California Penal Code §§ 330, *et seq.*, the Illegal Gambling Business Act (18 U.S.C. § 1955), and the Unlawful Internet Gambling Enforcement Act of 2006 (31 U.S.C. §§ 5361-5367) by conducting illegal and unlicensed gambling business including at places not suitable for gambling activities, knowingly accepting payments from those who participated in Defendant's unlawful Internet gambling, and promoting predatory gambling as entertainment for children and families;

(b) Intentionally profiting from conduct designed to create and/or exploit addictive tendencies in vulnerable minors, and adolescents in particular; and,

(c) Omitting important information and misleading parents of vulnerable minors and adolescents concerning the addictive, costly and random chance nature of the Loot Box mechanism and its use in Apple's App Store games.

106. Apple has also violated the UCL's proscription against unfair conduct as a result of engaging in the conduct alleged in this Complaint, which violates legislatively-declared policies articulated in, *inter alia*, California Civil Code §§ 1710, 1711, and 1770(a)(14).

107. There is no societal benefit from Apple's conduct which includes promoting addictive gambling as entertainment for children and families. There is only harm from Apple's conduct. While Plaintiffs were harmed, Apple was unjustly enriched by its deceptive, predatory and harmful conduct. As a result, Apple's conduct is "unfair," as it offended an established public policy. Further, Apple engaged in immoral, unethical, oppressive, and unscrupulous activities that are substantially injurious to consumers as the gravity of Apple's conduct outweighs any alleged benefits attributable to such conduct.

108. There were reasonably available alternatives to further Apple's legitimate business interests, other than the conduct described herein.

109. Apple's violations of the UCL continue to this day. As a direct and proximate result of Apple's violations of the UCL, Plaintiffs have suffered actual damage in that they paid for and downloaded games, and paid for illegal Loot Boxes and other gambling mechanisms, and subjected themselves and/or their children to exploitative games as alleged herein.

110. Unless restrained and enjoined, Apple will continue to engage in the unlawful and unfair conduct described herein.

111. Pursuant to Section 17203 of the UCL, Plaintiffs and the Class seek an order that requires Apple: (a) to prohibit download and sales of App games that contain Loot Boxes and other similar exploitative mechanisms; (b) to provide owners of App games containing those features with restitution for moneys paid to purchase the game or purchase Loot Boxes and similar mechanisms in-game; (c) to otherwise make full restitution of all moneys wrongfully obtained from its violations of the UCL, as alleged in this Complaint; and (f) requires Apple to pay the attorney fees and costs incurred by counsel for Plaintiffs and the proposed Class in accordance with California Code of Civil Procedure § 1021.5.

## SECOND CAUSE OF ACTION

### Unfair and Deceptive Acts and Practices in Violation of California's Consumers Legal Remedies Act ("CLRA") (Cal. Civ. Code §§ 1750, *et seq.*)

112. Plaintiffs reallege and incorporate by reference the allegations set forth in each of the preceding paragraphs of this Complaint.

113. This claim for relief is brought pursuant to the CLRA. Plaintiffs and members of the class are "consumers," as that term is defined by Civil Code § 1761(d), because they bought and downloaded videogames and Loot Boxes or similar gambling mechanisms for personal, family, or household purposes.

114. Plaintiffs and Class Members have engaged in a "transaction" with Apple, as that term is defined by Civil Code § 1761(e).

115. The conduct alleged in this Complaint constitutes unfair methods of competition and unfair and deceptive acts and practices for the purposes of the CLRA, and were undertaken by Apple

1 in transactions intended to result in, and which resulted in, the sale of goods to consumers; namely,  
2 the sale of App Store videogames containing Loot Boxes, and the sale of Loot Boxes or similar  
3 gambling mechanisms.

4 116. By engaging in the conduct described herein, Apple has violated subdivision (a)(14)  
5 of California Civil Code §1770 by,

6 (14) Representing that a transaction confers or involves rights, remedies, or  
7 obligations that it does not have or involve, or that are prohibited by law.

8 117. Defendant violated the CLRA by representing to Plaintiffs and Class members  
9 transactions involving Loot Boxes confer or involve rights to potentially valuable prizes, when in  
10 fact these transactions constitute unlawful gambling transactions that are prohibited by law.

11 118. Defendant's violations of the CLRA proximately caused injury in fact to Plaintiffs  
12 and the Class.

13 119. Plaintiffs and the Class members transacted with Defendant on the belief that the  
14 transaction was lawful. Indeed, a reasonable consumer believes in the lawfulness of his or her  
15 transactions.

16 120. Pursuant to Cal. Civ. Code § 1782(d), Plaintiffs, individually and on behalf of the  
17 other members of the Class, seek a Court order enjoining the above-described wrongful acts and  
18 practices of Defendant and for restitution and disgorgement.

19 121. Pursuant to Cal. Civ. Code § 1782(a), Defendant was notified in writing by certified  
20 mail of the particular violations of Section 1770 of the CLRA, which notification demanded that  
21 Defendant rectify the problems associated with the actions detailed above and give notice to all  
22 affected consumers of Defendant's intent to so act. A copy of the letter is attached as Exhibit A.

23 122. If Defendant fails to rectify or agree to rectify the problems associated with the  
24 actions detailed above and give notice to all affected consumers within 30 days of the date of written  
25 notice pursuant to §1782 of the Act, Plaintiffs will amend this Complaint to add claims for actual,  
26 punitive and statutory damages, as appropriate.

27 123. Defendant's conduct is fraudulent, wanton, and malicious.  
28

124. Pursuant to §1780(d) of the Act, attached hereto as Exhibit B is the affidavit showing that this action has been commenced in the proper forum.

### **THIRD CAUSE OF ACTION**

#### **Unjust Enrichment**

125. Plaintiffs reallege and incorporate by reference the allegations set forth in each of the preceding paragraphs of this Complaint.

126. By its wrongful acts and omissions, Apple was unjustly enriched at the expense of and to the detriment of Plaintiffs and the Class. Apple was unjustly enriched as a result of the compensation it received from marketing and selling the unlawful and unfair Loot Boxes to Plaintiffs and the Class.

127. Plaintiffs and the Class seek restitution from Apple and seek an order of this Court disgorging all profits, benefits, and other compensation obtained by Apple from its wrongful conduct.

128. Plaintiffs and the Class have no adequate remedy at law.

#### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs, on behalf of themselves and all others similarly situated, pray for relief in this Complaint as follows:

(a) For restitution and disgorgement of the revenues wrongfully retained as a result of Apple's wrongful conduct;

(b) For declaratory and injunctive relief as permitted by law or equity, including enjoining Apple from continuing the unlawful practices as set forth herein;

(c) For an award of attorney fees, where applicable;

(d) For an award of costs;

(e) For any and all other relief the Court deems just and appropriate.

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**DEMAND FOR JURY TRIAL**

Based on the foregoing, Plaintiffs, on behalf of themselves, and all others similarly situated, hereby demand a jury trial for all claims so triable.

Respectfully submitted,

Dated: June 12, 2020

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toreardon@bholaw.com

*Attorneys for Plaintiffs*



# **Exhibit A**



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 www.bholaw.com

Timothy G. Blood  
 tblood@bholaw.com

June 12, 2020

**VIA CERTIFIED MAIL (RETURN RECEIPT)**  
**(RECEIPT NO. 7018 0040 0000 8022 5498)**

Mr. Tim Cook, CEO  
 Apple, Inc.  
 1 Infinite Loop  
 Cupertino, CA 95014

Dear Mr. Cook:

We represent Rebecca Taylor, and C.T., a minor by Rebecca Taylor, C.T.'s parent and legal guardian ("Plaintiffs") and all other consumers similarly situated in an action against Apple Inc. ("Defendant"), arising out of, *inter alia*, Defendant's marketing, sale and distribution of mobile Apps downloaded through Defendant's App Store containing "Loot Boxes," including marketing and sale of the Loot Boxes themselves.

The California legislature has declared: "Gambling can become addictive and is not an activity to be promoted or legitimized as entertainment for children and families." Cal. B & P Code § 19801(c). Through the games it sells and offers for free to consumers through its App Store, Apple engages in predatory practices enticing consumers, including children to engage in gambling and similar addictive conduct in violation of this and other laws designed to protect consumers and to prohibit such practices. Loot Boxes have all the hallmarks of a Las Vegas-style slot machine, including the psychological aspects to encourage and create addiction – especially among adolescents. Moreover, under California law they constitute illegal "slot machines or devices" when played on a mobile phone, tablet, computer, or other similar device. Payment for the Apps, including all in-App purchases after the App is downloaded by the consumer (e.g., Loot Boxes), is controlled entirely by Apple. The payments from consumers go directly to Apple and, after Apple takes its 30% of the total, the remainder is distributed to the App developer.

Governments, regulators, and psychologists all agree that Loot Boxes, like the ones in games Apple offers through its App Store, operate as gambling devices for those that play the game, including minors, and that they create and reinforce addictive behaviors. The Loot Box mechanism has been proven to be effective on adults, and its effects are only intensified when used on minors who are more prone to engage in risk-taking behaviors, more prone to gambling addiction, and are less equipped to critically appraise the value proposition of these unlawful, unfair and deceptive schemes.

Defendant's actions constitute unfair methods of competition and unlawful, unfair, and fraudulent acts or practices. These practices constitute violations of the Consumers Legal Remedies Act ("CLRA"), California Civil Code §§ 1750, *et seq.* Specifically, Defendant's practices violate California Civil Code §§ 1770(a) under, *inter alia*, the following subdivision:



Mr. Tim Cook, CEO  
Apple, Inc.  
June 12, 2020  
Page 2

- (14) Representing that a transaction confers or involves rights, remedies, or obligations that it does not have or involve, or that are prohibited by law.

Apple violated the CLRA by inter alia, representing to Plaintiffs and Class members transactions involving Loot Boxes confer or involve rights to potentially valuable prizes, when in fact these transactions constitute unlawful gambling transactions that are prohibited by law.

Apple's practices also violate California Business and Professions Code §§ 17200, *et seq.* and constitute unjust enrichment.

While the Complaint constitutes sufficient notice of the claims asserted, pursuant to California Civil Code § 1782 we hereby demand on behalf of our clients and all others similarly situated that Apple immediately correct and rectify these violations by ceasing the unlawful marketing and sale of in-game Loot Boxes available within the Apps downloaded from the App Store, ceasing dissemination of false and misleading information as described in the enclosed Complaint, and initiating a corrective advertising campaign to re-educate consumers regarding the truth of the Loot Boxes at issue. In addition, Apple must offer to refund the purchase price to all consumer purchasers of in-game Loot Boxes purchased through Apps downloaded from the App Store, plus provide reimbursement for interest, costs, and fee.

We await your response.

Sincerely,

  
TIMOTHY G. BLOOD

TGB:jk

Enclosure

# **Exhibit B**

1 THE LAW OFFICES OF ANDREW J. BROWN  
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2 501 West Broadway, Suite 1490  
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3 Tel: 619/501-6550  
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8 tblood@bholaw.com  
toreardon@bholaw.com  
9

Attorneys for Plaintiffs

10 **UNITED STATES DISTRICT COURT**

11 **NORTHERN DISTRICT OF CALIFORNIA – SAN JOSE DIVISION**

12 REBECCA TAYLOR, and C.T., a minor by  
13 REBECCA TAYLOR, C.T.'s parent and  
guardian, on behalf of themselves and all  
14 others similarly situated,

15 Plaintiffs,

16 v.

17 APPLE, INC.,

18 Defendant.

Case No.

**AFFIDAVIT OF ANDREW J. BROWN  
PURSUANT TO CALIFORNIA CIVIL  
CODE § 1780(d)**

**CLASS ACTION**

**JURY TRIAL DEMANDED**

Case No.

1 I, ANDREW J. BROWN, declare as follows:

2 1. I am an attorney duly licensed to practice before all of the courts of the State of  
3 California. I am an attorney at the law firm of The Brown Law Firm, one of the counsel of record  
4 for Plaintiffs in the above-entitled action.

5 2. Through its App Store and on its mobile devices, Defendant Apple, Inc. ("Apple")  
6 markets, sells and distributes mobile game Apps containing the Loot Boxes at issue to tens of  
7 thousands of consumers in California and throughout the United States.

8 3. Defendant Apple Inc. has its principal place of business in, headquarters in, and has  
9 done and is doing business in Santa Clara County. Such business includes the marketing, promoting,  
10 distributing, and selling of the mobile game Apps containing the Loot Boxes at issue in this lawsuit.

11 I declare under penalty of perjury under the laws of the State of California that the foregoing  
12 is true and correct. Executed on June 12, 2020, at San Diego, California.

13  
14 s/ Andrew J. Brown

15 ANDREW J. BROWN  
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**CIVIL COVER SHEET**

The JS-CAND 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 in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

**I. (a) PLAINTIFFS**

REBECCA TAYLOR, and C.T., a minor by REBECCA TAYLOR, C.T.'s parent and guardian

(b) County of Residence of First Listed Plaintiff Orange County, California  
(EXCEPT IN U.S. PLAINTIFF CASES)

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

Andrew J. Brown

Law Offices of Andrew J. Brown

501 West Broadway, Suite 1490, San Diego, CA 92101

[SEE ATTACHMENT A]

Tel: 619/501-6550

**DEFENDANTS**  
**APPLE, INC.**

County of Residence of First Listed Defendant  
(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 ☐ 3 Federal Question  
(U.S. Government Not a Party)
- ☐ 2 U.S. Government Defendant ☒ 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 checked="" 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 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)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
110 Insurance	<b>PERSONAL INJURY</b>	625 Drug Related Seizure of Property 21 USC § 881	422 Appeal 28 USC § 158	375 False Claims Act
120 Marine	310 Airplane	690 Other	423 Withdrawal 28 USC § 157	376 Qui Tam (31 USC § 3729(a))
130 Miller Act	315 Airplane Product Liability	<b>LABOR</b>	<b>PROPERTY RIGHTS</b>	400 State Reapportionment
140 Negotiable Instrument	320 Assault, Libel & Slander	710 Fair Labor Standards Act	820 Copyrights	410 Antitrust
150 Recovery of Overpayment Of Veteran's Benefits	330 Federal Employers' Liability	720 Labor/Management Relations	830 Patent	430 Banks and Banking
151 Medicare Act	340 Marine	740 Railway Labor Act	835 Patent—Abbreviated New Drug Application	450 Commerce
152 Recovery of Defaulted Student Loans (Excludes Veterans)	345 Marine Product Liability	751 Family and Medical Leave Act	840 Trademark	460 Deportation
153 Recovery of Overpayment of Veteran's Benefits	350 Motor Vehicle	790 Other Labor Litigation	<b>SOCIAL SECURITY</b>	470 Racketeer Influenced & Corrupt Organizations
160 Stockholders' Suits	355 Motor Vehicle Product Liability	791 Employee Retirement Income Security Act	861 HIA (1395ff)	480 Consumer Credit
<input checked="" type="checkbox"/> 190 Other Contract	360 Other Personal Injury	<b>IMMIGRATION</b>	862 Black Lung (923)	485 Telephone Consumer Protection Act
195 Contract Product Liability	362 Personal Injury—Medical Malpractice	462 Naturalization Application	863 DIWC/DIWW (405(g))	490 Cable/Sat TV
196 Franchise	<b>CIVIL RIGHTS</b>	465 Other Immigration Actions	864 SSID Title XVI	850 Securities/Commodities/Exchange
<b>REAL PROPERTY</b>	440 Other Civil Rights		865 RSI (405(g))	890 Other Statutory Actions
210 Land Condemnation	441 Voting		<b>FEDERAL TAX SUITS</b>	891 Agricultural Acts
220 Foreclosure	442 Employment		870 Taxes (U.S. Plaintiff or Defendant)	893 Environmental Matters
230 Rent Lease & Ejectment	443 Housing/Accommodations		871 IRS—Third Party 26 USC § 7609	895 Freedom of Information Act
240 Torts to Land	445 Amer. w/Disabilities—Employment			896 Arbitration
245 Tort Product Liability	446 Amer. w/Disabilities—Other			899 Administrative Procedure Act/Review or Appeal of Agency Decision
290 All Other Real Property	448 Education			950 Constitutionality of State Statutes
	<b>PRISONER PETITIONS</b>			
	463 Alien Detainee			
	510 Motions to Vacate Sentence			
	530 General			
	535 Death Penalty			
	<b>OTHER</b>			
	540 Mandamus & Other			
	550 Civil Rights			
	555 Prison Condition			
	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

Brief description of cause:

Violations of: B&P Code §17200; Civ. Code §§1750; and Unjust Enrichment

**VII. REQUESTED IN COMPLAINT:**

☒ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, Fed. R. Civ. 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

**IX. DIVISIONAL ASSIGNMENT** (Civil Local Rule 3-2)

(Place an "X" in One Box Only)

SAN FRANCISCO/OAKLAND

☒ SAN JOSE

EUREKA-MCKINLEYVILLE

DATE 06/12/2020

SIGNATURE OF ATTORNEY OF RECORD

s/ Andrew J. Brown



*Rebecca Taylor v. Apple, Inc.*

United States District Court, Northern District of California – San Jose Division

**ATTACHMENT TO CIVIL COVER SHEET (JS-CAND 44)**

*Attorneys for Plaintiffs Rebecca Taylor  
and C.T. a minor by Rebecca Taylor, C.T.'s parent and guardian*

THE LAW OFFICES OF ANDREW J. BROWN  
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toreardon@bholaw.com

**INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS-CAND 44**

**Authority For Civil Cover Sheet.** The JS-CAND 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 in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate 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 Federal Rule of Civil Procedure 8(a), 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.
    - (1) United States plaintiff. Jurisdiction based on 28 USC §§ 1345 and 1348. Suits by agencies and officers of the United States are included here.
    - (2) United States defendant. When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
    - (3) Federal question. This refers to suits under 28 USC § 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.
    - (4) Diversity of citizenship. This refers to suits under 28 USC § 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-CAND 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 the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
  - V. **Origin.** Place an "X" in one of the six boxes.
    - (1) Original Proceedings. Cases originating in the United States district courts.
    - (2) Removed from State Court. Proceedings initiated in state courts may be removed to the district courts under Title 28 USC § 1441. When the petition for removal is granted, check this box.
    - (3) Remanded from Appellate Court. Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
    - (4) Reinstated or Reopened. Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
    - (5) Transferred from Another District. For cases transferred under Title 28 USC § 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
    - (6) Multidistrict Litigation Transfer. Check this box when a multidistrict case is transferred into the district under authority of Title 28 USC § 1407. When this box is checked, do not check (5) above.
    - (8) Multidistrict Litigation Direct File. Check this box when a multidistrict litigation case is filed in the same district as the Master MDL docket. Please note that there is no 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 Federal Rule of Civil Procedure 23. 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-CAND 44 is used to identify related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.
  - IX. **Divisional Assignment.** If the Nature of Suit is under Property Rights or Prisoner Petitions or the matter is a Securities Class Action, leave this section blank. For all other cases, identify the divisional venue according to Civil Local Rule 3-2: "the county in which a substantial part of the events or omissions which give rise to the claim occurred or in which a substantial part of the property that is the subject of the action is situated."
- Date and Attorney Signature.** Date and sign the civil cover sheet.