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U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
LOS ANGELES

1 **WOLF HALDENSTEIN ADLER**  
2 **FREEMAN & HERZ LLP**  
3 FRANCIS M. GREGOREK (144785)  
gregorek@whafh.com  
4 BETSY C. MANIFOLD (182450)  
manifold@whafh.com  
5 RACHELE R. RICKERT (190634)  
rickert@whafh.com  
6 MARISA C. LIVESAY (223247)  
livesay@whafh.com  
7 750 B Street, Suite 2770  
San Diego, CA 92101  
Telephone: 619/239-4599  
8 Facsimile: 619/234-4599

9 **WOLF HALDENSTEIN ADLER**  
10 **FREEMAN & HERZ LLP**  
11 FRED T. ISQUITH  
isquith@whafh.com  
12 JANINE L. POLLACK  
pollack@whafh.com  
13 270 Madison Avenue  
New York, New York 10016  
Telephone: 212/545-4600  
14 Facsimile: 212/545-4653

**WESTERMAN LAW CORP.**  
JEFF S. WESTERMAN (94559)  
jwesterman@jswlegal.com  
JORDANNA G. THIGPEN (232642)  
jthigpen@jswlegal.com  
1925 Century Park East, Suite 2100  
Los Angeles, California 90067  
Telephone: 310/698-7450  
Facsimile: 310/201-9160

15 Attorneys for Plaintiff Yael Kempe

16 [Additional counsel appear on signature page]

17 **UNITED STATES DISTRICT COURT**  
18 **CENTRAL DISTRICT OF CALIFORNIA – WESTERN DIVISION**

19 Yael KEMPE, On Behalf of Herself  
20 and All Others Similarly Situated, and  
21 the General Public,

22 Plaintiff,

23 v.

24 SEGA AMUSEMENTS U.S.A., INC.;  
25 PLAY IT! AMUSEMENTS, INC.;  
26 SEGA HOLDINGS U.S.A., INC.;  
27 SEGA CORPORATION;  
SEGA SAMMY HOLDINGS INC.;  
and DOES 1 to 10, Inclusive,

28 Defendants.

Case No. **CV14-0281DMG-ABP**

**COMPLAINT FOR VIOLATIONS  
OF:**

**CONSUMERS LEGAL  
REMEDIES ACT [Cal. Civ. Code  
§§ 1750, *et seq.*]**

**UNFAIR COMPETITION LAW  
[Cal. Bus. & Prof. Code §§ 17200, *et  
seq.*]**

**CLASS ACTION**

**DEMAND FOR JURY TRIAL**

1 Plaintiff Yael Kempe ("Plaintiff"), by and through her undersigned attorneys,  
2 brings this Class Action Complaint against the above-named defendants, on behalf  
3 of herself and all others similarly situated, and alleges upon personal knowledge as  
4 to herself and her own acts, and upon her counsels' investigation and as to all other  
5 matters, upon information and belief, as follows:

6 **JURISDICTION AND VENUE**

7 1. Diversity subject matter jurisdiction exists over this class action  
8 pursuant to the Class Action Fairness Act of 2005, Pub. L. No. 109-2, 119 Stat. 4  
9 (2005), amending 28 U.S.C. § 1332, at new subsection (d), conferring federal  
10 jurisdiction over class actions involving: (a) 100 or more members in the proposed  
11 class; (b) where at least some members of the proposed class have different  
12 citizenship from some Defendants; and (c) where the claims of the proposed class  
13 members exceed the sum or value of five million dollars (\$5,000,000) in the  
14 aggregate. 28 U.S.C. §§ 1332(d)(2) and (6).

15 2. The Court has personal jurisdiction over Defendants in that: (i)  
16 Defendants conduct continuous, regular and systematic business, including  
17 marketing and selling of entertainment amusement arcade devices within and for use  
18 in this judicial district; and (ii) Defendants transact significant business within this  
19 judicial district, and because Defendants have marketed, sold, and distributed Key  
20 Master within this judicial district.

21 3. Venue in this District is proper pursuant to 28 U.S.C. § 1391(b)  
22 because the challenged marketing, sales, and related business practices giving rise to  
23 the claims have been committed in this judicial district, and under 28 U.S.C. §  
24 1391(c) because Defendants are subject to personal jurisdiction in this judicial  
25 district. Venue is also proper in this district because Plaintiff is a resident.

26 **NATURE OF THE ACTION**

27 4. This class action seeks relief for defendants' violations of the  
28 California Consumers Legal Remedies Act, Cal. Civ. Code §§ 1750, *et seq.*

1 (“CLRA”), and California Unfair Competition Law, Cal. Bus. & Prof. Code §§  
2 17200, *et seq.* (“UCL”).

3 5. Defendants, Sega Amusements U.S.A, Inc., Play It! Amusements, Inc.,  
4 Sega Holdings U.S.A., Inc., Sega Corporation, Sega Sammy Holdings Inc., and  
5 Does 1 through 10, inclusive (collectively referred to herein as the “Defendants”),  
6 manufacture, market, sell, and distribute a variety of amusement devices, including  
7 the player-operated amusement device, “Key Master” (see picture at ¶4, *infra*)  
8 (hereafter referred to as the “Game” or “Key Master”) to owner-operators for use by  
9 consumers. The Game displays only pictorial instructions which indicate that the  
10 player will acquire the targeted prize if he or she successfully fits the key into the  
11 keyhole, which is confirmed by the format of the machine.

12 6. Defendants manufacture, market, sell, and distribute Key Master  
13 without disclosing to consumers that the Game is set to dispense a prize only after a  
14 certain amount of money has been deposited into the machine, regardless of whether  
15 the player successfully navigates the Game’s controls and therefore “wins” the  
16 Game as its pictorial instructions describe. It is reasonable for an unwitting  
17 consumer, the prospective player, to believe that if he or she successfully maneuvers  
18 the key into the keyhole corresponding with a particular prize, then that prize will be  
19 dispensed accordingly.

20 7. However, Defendants omitted the material fact that a prize is highly  
21 unlikely to be dispensed each time a player is successful because the Game is  
22 specifically pre-programmed by Defendants not to dispense a prize to every player  
23 who successfully fits the key into the lock unless a certain amount of money has  
24 been deposited by consumers. As Defendants are fully aware, the incidents of  
25 payouts of prizes by Key Master machines can be, and are in fact, pre-programmed  
26 to prevent players from winning a prize even if they have followed the prominently  
27 displayed pictorial instructions to effectively fit the key in the keyhole and “win” the  
28 Game.



8. Plaintiff asserts that Defendants' activities related to the marketing and sale of Key Master for use by consumers are without proper disclosure that "winning" the Game does not guarantee winning the targeted prize, but rather, Key Master is pre-set to only dispense prizes at set intervals, which constitutes unlawful, unfair, deceptive, and fraudulent business practices prohibited by the CLRA and UCL. In short, if Plaintiff and other members of the proposed class were told the material fact that they would have to successfully fit the key in the keyhole possibly tens or hundreds of times before a prize would be awarded because the Game was pre-set at a certain pay-out rate other than 1:1, they would not have played Key Master, or would not have paid the price they paid to play.

9. Defendants market and sell Key Master throughout the State of California and take advantage of consumers' reasonable expectation created by Defendants' representation that "winning" the Game according to its pictorial directions and format by fitting the key into the lock results in the award of the corresponding targeted prize. In fact, Defendants fail to disclose that the pre-

1 determined settings on the machine can be and are set to prevent a prize from  
2 dropping until a certain amount of money is collected from players.

3 10. This suit seeks redress on behalf of Plaintiff and all consumers who  
4 paid to play Key Master in the State of California from its release in the U.S.  
5 entertainment market through the present and seeks restitution and disgorgement of  
6 all profits gained by Defendants as a result of their unlawful, unfair, deceptive, and  
7 fraudulent business practices in the marketing and sale of Key Master, as well as an  
8 order enjoining Defendants from continuing such deceptive acts and practices.

9 **PARTIES**

10 11. Plaintiff, Yael Kempe, a citizen of California, paid to play Key Master  
11 in Los Angeles during the relevant period as set forth in further detail below.  
12 Plaintiff has suffered an injury-in-fact and has thereby lost money as a result of  
13 Defendants' unlawful conduct complained of herein.

14 12. Defendant Sega Sammy Holdings, Inc. ("Sega Sammy") was and is, at  
15 all times relevant herein, incorporated or organized under the laws of Japan and has  
16 its principal place of business at Shiodome Sumitomo Building 21F, 1-9-2 Higashi  
17 Shimbashi, Minato-ku, Tokyo, 105-0021, Japan. At all times relevant herein,  
18 Plaintiff is informed and believes and there upon alleges that defendant Sega  
19 Sammy owns, manages, oversees, and/or maintains substantial influence and control  
20 over day-to-day operations of its consolidated and non-consolidated subsidiary  
21 organizations, which together comprise the "Sega Sammy Group."<sup>1</sup> The Sega  
22 Sammy Group is divided into two wholly owned consolidated subsidiary  
23 entertainment conglomerate organizations, defendant Sega Corporation and non-

24  
25 <sup>1</sup> See Sega Sammy Holdings, Annual Report 2013: *The Facts, Reviewing the*  
26 *Past, Performing in the Present, and Building for the Future*, 1, 128-144 (2013),  
27 [http://www.segasammy.co.jp/english/ir/library/pdf/printing\\_annual/2013/all\\_2013ar](http://www.segasammy.co.jp/english/ir/library/pdf/printing_annual/2013/all_2013ar_e.pdf)  
28 [\\_e.pdf](http://www.segasammy.co.jp/english/ir/library/pdf/printing_annual/2013/all_2013ar_e.pdf)



1 party Sammy, Inc. *See id.* All of Sega Sammy's SEGA® products and merchandise  
2 are marketed, distributed, and sold exclusively and directly through the operations  
3 of its wholly-owned consolidated subsidiary defendant Sega Corporation. *See id.*

4 13. Defendant Sega Corporation ("Sega"), the comprehensive  
5 entertainment company and wholly owned subsidiary of defendant Sega Sammy, is  
6 a Japanese-domiciled corporation organized and existing under the laws of Japan,  
7 with its principal place of business located at 1-39-9, Higashi-Sinagawa, Shinagawa-  
8 ku in the Canal Side Building, Tokyo, Japan 140-8583. Sega divides the  
9 responsibilities of furnishing SEGA® products and merchandising into four  
10 operation segments, the relevant one here being known as its "Amusement Arcade  
11 Machine Devices" division, which is responsible for the development, marketing,  
12 distribution, and sales of amusement arcade machines such as Key Master, in Japan,  
13 Europe, Canada, and the United States.

14 14. Defendant Sega was the parent company of defendants Sega Holdings  
15 U.S.A., Inc., Sega Amusements U.S.A., Inc., and on information and belief, Play It!  
16 Amusements, Inc., all of which are consolidated subsidiaries of Defendant Sega as  
17 per the 2013 Annual Report of Defendant Sega Sammy. *See id.* At all material  
18 times herein, Sega has owned and operated such subsidiaries as part and parcel of  
19 Sega's operations related to amusement arcade machine devices such as Key Master  
20 in the continental United States.

21 15. Defendant Sega Holdings U.S.A., Inc., ("Sega Holdings") upon  
22 information and belief, was a California corporation that voluntarily dissolved in  
23 April 2013, and at times relevant herein was the wholly-owned subsidiary of  
24 defendants Sega and Sega Sammy responsible for and charged with overseeing all  
25 SEGA® brand-based operations in the United States, including the sales and  
26 marketing of amusement arcade machine devices such as Key Master. As such,  
27 Sega Holdings was the ultimate domestic parent of all SEGA® brand-based  
28 operations located in the United States, including defendant Sega Amusements

1 U.S.A., Inc. The principal place of business of defendant Sega Holdings during the  
2 relevant time period was located at 350 Rhode Island Street, Suite 400, San  
3 Francisco, CA 94103.

4 16. Defendant Sega Amusements U.S.A., Inc., (“Sega Amusements USA”)  
5 was a California corporation that voluntarily dissolved in June 2011, and was a  
6 wholly-owned subsidiary of defendant Sega Holdings. Sega Amusements USA was  
7 responsible for the development, manufacture, and sales of SEGA<sup>®</sup> amusement  
8 arcade machines and player-operated amusement devices in the United States.  
9 Specifically, Sega Amusements USA was exclusively responsible for all U.S.-based  
10 sales, marketing, servicing, distributing, and the like, of the SEGA<sup>®</sup> player-operated  
11 amusement device Key Master, approximately from its release into the stream of  
12 U.S. commerce sometime after its debut at the International Association of  
13 Amusement Parks Association annual convention in the fall of 2010 until  
14 approximately June 2011.

15 17. Upon information and belief, Sega Amusements USA voluntarily  
16 dissolved its California corporation status in June 2011, at which time defendant  
17 Play It! Amusements Inc.(“Play It”), an Illinois corporation, was formed to assume  
18 Sega Amusements USA’s operations. The basis for this alleged affiliation is that  
19 almost all, if not all, of Play It’s current corporate officers and employees are former  
20 long-time employees of Sega Amusements USA and that Play It and the employees  
21 perform substantially the same essential duties and functions. These include, among  
22 other things, the promotion, advertisement, marketing, and distribution of Sega  
23 products, as well as the ability to issue authorized statements to vendors and the  
24 press on behalf of defendant Sega Corporation. Defendant Sega Amusements USA  
25 maintained its principal place of business at 800 Arthur Ave., Elk Grove Village, IL  
26 60007-5215.

27 18. Defendant Play It is an Illinois corporation with a principal place of  
28 business located at 8817 Oriole Avenue, Morton Grove, Illinois 60053. Play It’s

1 registered agent is Hiram Gonzalez, the President of Play It, and former director of  
2 finance of defendant Sega Amusements USA. Plaintiff is informed and believes,  
3 and upon that basis alleges, that prior to and/or coextensive with the dissolution of  
4 Sega Amusements USA, defendant Play It was established in June 2011 to handle  
5 U.S.-based sales, distributions, spare part purchase orders, service repairs,  
6 marketing, warranty, and support for all past, current and future SEGA<sup>®</sup> amusement  
7 machines, including Key Master. Plaintiff is further informed and believes, and  
8 upon that basis alleges, that defendant Sega is the parent corporation for defendant  
9 Play It.

10 19. The true names and capacities of defendants sued herein under  
11 California Code of Civil Procedure § 474 as Does 1 through 10, inclusive, are  
12 presently unknown to Plaintiff, who therefore complains against these defendants by  
13 such fictitious names. Plaintiff will seek to amend this Complaint and include these  
14 Doe defendants' true names and capacities when they are ascertained and become  
15 known to Plaintiff. Each of the fictitiously named defendants is jointly and  
16 severally liable and/or substantially responsible for the conduct alleged herein and  
17 for the injuries sustained by Plaintiff and the proposed Class.

18 18. Upon information and belief, each of the Defendants is and was, at all  
19 times relevant herein, soliciting business, transacting business, and doing business  
20 within the State of California, and is and was designing, manufacturing, advertising,  
21 promoting, marketing, selling and distributing the Key Master player-operated  
22 amusement device designed for use by consumers, either directly or indirectly, by  
23 and through its known and unknown subsidiaries, agents, representatives,  
24 employees, vendors, contractors, and Does 1 through 10, inclusive.

### 25 **FACTUAL ALLEGATIONS**

26 19. The play of amusement games in America is on the rise. According to  
27 Sega Sammy's 2012 Annual Report titled "It's Not Enough!!," for the fiscal year  
28 ended March 2011, "the amusement arcade machine market grew for the first time



1 in three years” and “manufacturers are developing machines targeting casual players  
 2 . . . .”<sup>2</sup> According to the industry publication Vending Times’ annual survey, or  
 3 census, of the industry for 2011, the total dollar volume of prize merchandisers in  
 4 America was \$944 million.<sup>3</sup>

5 20. In fall 2010, Defendants launched Key Master as a new prize vending  
 6 game to much success in the U.S. amusement arcade machine market.<sup>4</sup> Key Master  
 7 was described in May 2011 by Sega Amusement USA’s then-President and COO,  
 8 Paul Williams, as “the type of street piece operators have been asking Sega to make  
 9 for years . . . producing some amazing results.”<sup>5</sup> Williams further stated that “[t]he  
 10 earnings have been nothing short of spectacular,” and the press release noted that  
 11 “[t]est locations are realizing incredibly fast ROI’s [returns on investment].” *Id.* As  
 12 noted by Sega Amusement USA Regional Sales Manager Vince Moreno in the same  
 13 press release, “Key Master has been the #1 game in our test locations week after  
 14 week . . . beating every other prize vending game on location and the ROI’s have  
 15 been fantastic with some games paying back as quick as 15 weeks.” *Id.*

16 21. In April 2013, Moreno further commented that “[t]he popularity of Key  
 17 Master cannot be overstated” and he receives calls “from people who played Key  
 18 Master at a truck stop, theater, cruise ship or other location [who] want to know how  
 19

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20 <sup>2</sup> Sega Sammy Holdings, Annual Report 2012: *It’s Not Enough!!* 1, 38 (2012),  
 21 [http://www.segasammy.co.jp/english/ir/library/pdf/printing\\_annual/2011/ssh\\_ar11\\_all\\_final\\_1021.pdf](http://www.segasammy.co.jp/english/ir/library/pdf/printing_annual/2011/ssh_ar11_all_final_1021.pdf)

22 <sup>3</sup> Vending Times, *Census of the Industry 2011*, 1, 15 (2011),  
 23 <http://www.vendingtimes.com/Media/MediaManager/VTcensus11.pdf>

24 <sup>4</sup> See Vending Times, *Prize Vending: Sega Credits User-Friendly Design For*  
 25 *Key Master’s Ongoing Success*, available at [http://www.vendingtimes.com/](http://www.vendingtimes.com/ME2/dirmod.asp?sid=&nm=Article+Archives&type=Publishing&mod=Publications%3A%3AArticle&mid=8F3A7027421841978F18BE895F87F791&tier=4&id=387E197CC9AF46D2BDDFEFE7A31C2B84)  
 26 [ME2/dirmod.asp?sid=&nm=Article+Archives&type=Publishing&mod=Publications](http://www.vendingtimes.com/ME2/dirmod.asp?sid=&nm=Article+Archives&type=Publishing&mod=Publications%3A%3AArticle&mid=8F3A7027421841978F18BE895F87F791&tier=4&id=387E197CC9AF46D2BDDFEFE7A31C2B84)  
 27 [%3A%3AArticle&mid=8F3A7027421841978F18BE895F87F791&tier=4&id=387E](http://www.vendingtimes.com/ME2/dirmod.asp?sid=&nm=Article+Archives&type=Publishing&mod=Publications%3A%3AArticle&mid=8F3A7027421841978F18BE895F87F791&tier=4&id=387E197CC9AF46D2BDDFEFE7A31C2B84)  
 28 [197CC9AF46D2BDDFEFE7A31C2B84](http://www.vendingtimes.com/ME2/dirmod.asp?sid=&nm=Article+Archives&type=Publishing&mod=Publications%3A%3AArticle&mid=8F3A7027421841978F18BE895F87F791&tier=4&id=387E197CC9AF46D2BDDFEFE7A31C2B84) (*last visited* Jan. 6, 2014).

27 <sup>5</sup> Key Master – Your Key to High Earnings! (May 30, 2011), *available at*  
 28 <http://www.segaarcade.com/newsitem/367> (*last visited* Dec. 11, 2013).

1 they can get into the business of operating Key Master. I don't think I could come  
2 up with a better endorsement than this for just how good a game Key Master is.”<sup>6</sup>  
3 As a result, Key Master won the 2012 Operators' Choice Award based on its “high  
4 quality and earning power.” *Id.*

5 22. As alleged herein, the game pay back or “return on investment,”  
6 (“ROI”) of Key Master is so high as a result of the fact that Key Master is pre-  
7 programmed (and re-programmable) to ensure the player's target prize will not be  
8 awarded every time the player succeeds in fitting the key in the keyhole.

9 23. Key Master is manufactured by a Korean company (Korean  
10 Amusement Inc. or Komuse<sup>®</sup>) and distributed solely by Sega under the SEGA<sup>®</sup>  
11 registered trademark, and Defendants market and sell Key Master for use by  
12 consumers in, *inter alia*, movie theaters, pizza parlors, restaurants, cruise ships and  
13 arcades. Key Master is a game whereby the player pays between one and two  
14 dollars for a “play” where he or she attempts to navigate a “key” into a keyhole to  
15 “unlock” a particular prize via the controls.

16 24. To do so, a player of Key Master must maneuver a remotely controlled  
17 arm carrying a key into just the right place such that the machine will then insert the  
18 key into one of a number of vertical lock-shaped cutouts. According to the pictorial  
19 instructions on the Key Master machine, if a player's aim is true, the key rotates to  
20 snag the “lock” and pull it forward, dropping the prize into a bin for retrieval. A  
21 standard joystick controls horizontal movement, while a large button actuates  
22 vertical travel. There are three prize levels: minor, medium and major, with prizes  
23 like iPads typically hung as the “major” prize. Prizes hang on horizontal rods  
24 behind the “locks,” for fast and easy restocking.

25  
26  
27 <sup>6</sup> Play Meter Award for Key Master (April 10, 2013), *available at*  
28 <http://www.segaarcade.com/newsitem/1557> (last visited Dec. 11, 2013).

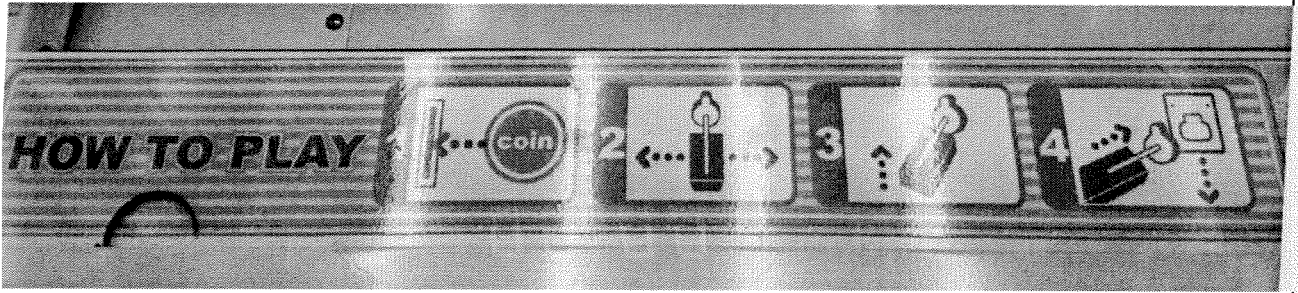
1           25. According to Defendants' pictorial directions on the machine, as well  
2 as the format of the Game itself, by successfully guiding the key into the lock, the  
3 player wins and the corresponding prize is then dispensed. Indeed, there is nothing  
4 posted on the machine to make the player think otherwise or any other indication  
5 whatsoever to suggest to the average objective person that he or she will not win the  
6 prize if he or she succeeds in inserting the key into a lock.

7           26. According to Sega employee Pete Gustafson, "[t]he player really has a  
8 level of control not available in other games," because Key Master "has X, Y and Z  
9 axes too, but where it differs is that it allows left-to-right control with the joystick,  
10 to precisely line up the key. Our competitors' games allow you just one push of the  
11 button. There's greater suspense built up, because they can move that key  
12 mechanism left and right for a period of time."<sup>7</sup> Gustafson added that the prizes also  
13 are presented well, hanging in a way that displays them in their best light. *Id.*

14           27. Key Master is also marketed by Defendants as "easy to understand,"  
15 "fun to play" and "the perfect prize vending game for all ages." *Id.* Commenting on  
16 Key Master's appeal to players in 2012, Sega employee Gustafson emphasized that  
17 "new players make an immediate connection to Key Master's 'intuitive play' that  
18 shortens the learning curve, while experienced players appreciate the added  
19 control." *See id.*

20           28. The only directions provided to consumers playing Key Master  
21 (without any disclosure that the incidents of pay out by the machine are pre-  
22 programmed to only dispense a prize to certain winners after a certain amount of  
23 plays) are the pictorials shown below numbered 1-4:

24  
25 <sup>7</sup> See Vending Times, *Prize Vending: Sega Credits User-Friendly Design For*  
26 *Key Master's Ongoing Success*, available at [http://www.vendingtimes.com/](http://www.vendingtimes.com/ME2/dirmod.asp?sid=&nm=Article+Archives&type=Publishing&mod=Publications%3A%3AArticle&mid=8F3A7027421841978F18BE895F87F791&tier=4&id=387E197CC9AF46D2BDDFEFE7A31C2B84)  
27 [ME2/dirmod.asp?sid=&nm=Article+Archives&type=Publishing&mod=Publications](http://www.vendingtimes.com/ME2/dirmod.asp?sid=&nm=Article+Archives&type=Publishing&mod=Publications%3A%3AArticle&mid=8F3A7027421841978F18BE895F87F791&tier=4&id=387E197CC9AF46D2BDDFEFE7A31C2B84)  
28 [%3A%3AArticle&mid=8F3A7027421841978F18BE895F87F791&tier=4&id=387E](http://www.vendingtimes.com/ME2/dirmod.asp?sid=&nm=Article+Archives&type=Publishing&mod=Publications%3A%3AArticle&mid=8F3A7027421841978F18BE895F87F791&tier=4&id=387E197CC9AF46D2BDDFEFE7A31C2B84)  
[197CC9AF46D2BDDFEFE7A31C2B84](http://www.vendingtimes.com/ME2/dirmod.asp?sid=&nm=Article+Archives&type=Publishing&mod=Publications%3A%3AArticle&mid=8F3A7027421841978F18BE895F87F791&tier=4&id=387E197CC9AF46D2BDDFEFE7A31C2B84) (*last visited* Jan. 6, 2014).



29. Such directions (“How To Play”) lead the average, reasonable person to believe that if the player is able to insert the key into the lock, as described by the instructions, the player will “unlock” and thereby win that corresponding prize. The format of the machine leads to the same conclusion.

30. However, the very reason why Key Master provides such an incredible ROI to its owner-operators (and enables them to stock it with attractive high-end prizes such as iPads and smartphones) and therefore is such a fantastic money maker for Defendants, is that it is set by Defendants to only pay out its prizes at certain intervals, so that even if a player succeeds per the machine’s instructions by fitting the key into the lock and unlocking a certain prize, the machine does not dispense that prize each time. In fact, according to the owner’s manual distributed by Defendants to owner-operators with the machine, each machine has a pre-programmed “Payout Rate” with a unique value for each line of prizes such that only at certain intervals will the machine actually dispense a prize to a valid “winner.” As such, even if the player controls movement of the key and stops the key in just the right spot, the machine’s motorized mechanism will only proceed to extend the key into the lock to pull a prize pin forward and drop the prize reward to the player if that player happens to play the Game at the same time as the machine is pre-programmed to actually distribute a prize to a “winner.”

31. Therefore, Defendants’ directions on Key Master machines are deceptive, false and misleading because they indicate that success in fitting the key in the lock will result in the machine dispensing the corresponding unlocked prize each time. The How to Play directions fail to state that, in fact, rather than



1 dispensing a prize to each winner, to the contrary, the machine's settings can be and  
2 are set to ensure that success at the objective of the Game is no guarantee of  
3 receiving a prize .In fact, a player can effectively "win" at the Game tens to  
4 hundreds of times prior to receiving a prize.

5 32. Defendants thus market and sell Key Master for use by consumers  
6 without disclosing that, contrary to the Game's instructions, the machine is unlikely  
7 to dispense prizes even to "winners" who are successful at the Game's challenge.  
8 Consumers should be told that succeeding at the Game does not guarantee winning a  
9 prize.

### 10 **MATERIALITY OF PLAINTIFF'S CLAIMS**

#### 11 **Plaintiff Plays Key Master**

12 33. On one occasion, in or around March and April 2013, Plaintiff paid to  
13 play Key Master an estimated twenty-five times at Westside Pavilion in the City of  
14 Los Angeles, California, which is located in the County of Los Angeles.

15 34. During such time, Plaintiff believes and thereupon alleges that she paid  
16 approximately twenty-five (\$25) to fifty (\$50) dollars total to play Key Master, at a  
17 price of one (\$1) or two (\$2) dollars per play. Plaintiff's decision to pay the price  
18 per play for Key Master she did was because she believed, principally in reliance on  
19 the How To Play pictorial instructions displayed on the Game, as confirmed by the  
20 Game's format itself, that if she were to fit the key into the lock associated with a  
21 particular prize, then that prize would dispense, and therefore she would win that  
22 prize. Her belief was reasonable because the Game provides no disclosure that the  
23 pre-programmed rate of payout determines whether or not Key Master will dispense  
24 a prize to each and every winner. During Plaintiff's estimated twenty-five plays,  
25 she successfully guided the key into the lock one time, thereby "unlocking" her  
26 targeted prize, however, such prize did not release.

27 35. In fact, Defendants failed to display anywhere on or around the Key  
28 Master Game that there is no guaranteed payout if the player can fit the key into the



1 lock, i.e., the Game will not dispense a prize despite a player's success at the Game  
2 because of its pre-programmed rate of payout which Plaintiff is informed and  
3 believes and thereupon alleges is set at a ratio other than 1:1. The material fact that  
4 winning the Game does not guarantee winning the targeted prize was, and is,  
5 entirely omitted from the How To Play pictorial instructions, and there is nothing  
6 otherwise posted on or around the machine. Instead, the Game's How To Play  
7 pictorial instructions, and the overall machine format, lead an objective and  
8 reasonable person such as Plaintiff to believe that he or she will acquire the targeted  
9 prize if successful in getting the key into the lock, particularly since there is no  
10 disclosure to the contrary anywhere on or around the Game itself.

11 36. Therefore, Plaintiff was injured because she paid to play the Game  
12 based on Defendants' unlawful, unfair and deceptive omission which reasonably led  
13 her to believe that the Game would dispense her targeted prize if she was able to fit  
14 the key into the lock and unlock that prize. Plaintiff would not have paid to play  
15 Key Master, or would not have done so at the prices she did, had she known the  
16 Game would only dispense her targeted prize if her play coincided with the  
17 unknown pre-programmed rate of awarding a prize as alleged hereinabove.

### 18 CLASS ALLEGATIONS

19 37. Plaintiff brings this action as a class action pursuant to Rule 23(a) and  
20 (b)(2) and/or (b)(3) of the Federal Rules of Civil Procedure ("Rule") for the purpose  
21 of asserting the claims alleged in this Complaint on a common basis. Plaintiff  
22 brings this action on behalf of herself and all members of the following Class  
23 comprised of:

24 **All persons, exclusive of the Defendants and their employees, who**  
25 **paid to play Key Master in California since its release.**

26 38. Plaintiff reserves the right to modify or amend the Class definition with  
27 greater specificity after she has had an opportunity to conduct discovery.  
28

1           39. The Court can define the Class and create subclasses as may be  
2 necessary or desirable to adjudicate common issues and claims of the Class  
3 members if, based on discovery of additional facts, the need arises.

4           40. Numerosity. Rule 23(a)(1). The exact number of members of the  
5 Class is not known, but given published reports regarding the successful sales of  
6 Key Master by Defendants and its return on investment by owners, it is reasonable  
7 to presume that members of the Class are so numerous that joinder of individual  
8 members is impracticable.

9           41. Commonality. Rule 23(a)(2). There are questions of law and fact that  
10 are common to Plaintiff and the Class which include, but are not limited to, the  
11 following:

- 12           a) Whether Defendants failed to disclose that even if a player is successful  
13           at the Game by fitting the key in the lock as per the Game's directions,  
14           the Game can be and is pre-set not to dispense a prize each time;
- 15           b) Whether Defendants' conduct described herein constitutes a deceptive  
16           act or practice in violation of the CLRA;
- 17           c) Whether Defendants' conduct described herein constitutes an unlawful,  
18           unfair, and/or fraudulent business practice in violation of the UCL;
- 19           d) Whether Defendants' conduct described herein constitutes unfair,  
20           deceptive, untrue or misleading advertising in violation of the UCL;
- 21           e) Whether Defendants acted willfully, oppressively or fraudulently in  
22           violation of the CLRA;
- 23           f) Whether Plaintiff and the other members of the Class are entitled to  
24           injunctive relief; and
- 25           g) Whether Plaintiff and the other members of the Class are entitled to  
26           restitution and/or other relief as may be proper.  
27  
28

1       42. Typicality. Rule 23(a)(3). All members of the Class have been subject  
2 to and affected by the same conduct and omissions by Defendants. The claims  
3 alleged herein are based on the same violations of the CLRA and UCL by  
4 Defendants at the expense of Plaintiff and members of the Class. By paying to play  
5 Key Master during the relevant time period, all members of the Class were subjected  
6 to the same wrongful conduct whereby absent Defendants' material deceptions and  
7 omissions, Plaintiff and the other members of the Class would not have paid to play  
8 Key Master. Plaintiff's claims are typical of the Class' claims and do not conflict  
9 with the interests of any other members of the Class. Defendants' unlawful, unfair,  
10 deceptive, and/or fraudulent actions concern the same business practices described  
11 herein irrespective of where they occurred or were experienced.

12       43. Adequacy of Representation. Rule 23(a)(4). The individual named  
13 Plaintiff will fairly and adequately represent the interests of the members of the  
14 Class. She is committed to the vigorous prosecution of the Class' claims and has  
15 retained attorneys who are qualified to pursue this litigation and have experience in  
16 class actions – in particular, consumer protection actions.

17       44. Injunctive and Declaratory Relief. Rule 23(b)(2). Defendants' actions  
18 regarding the deceptions and omissions regarding Key Master are uniform as to  
19 members of the Class. Defendants have acted or refused to act on grounds that  
20 apply generally to the Class, so that final injunctive relief or declaratory relief as  
21 requested herein is appropriate respecting the Class as a whole.

22       45. Predominance and Superiority of Class Action. Rule 23(b)(3).  
23 Questions of law or fact common to the Class members predominate over any  
24 questions affecting only individual members and a class action is superior to other  
25 methods for the fast and efficient adjudication of this controversy, for at least the  
26 following reasons:

- 27       a) Absent a class action, members of the Class as a practical matter will  
28       be unable to obtain redress, Defendants' violations of their legal

obligations will continue without remedy, additional consumers will be harmed, and Defendants will continue to retain their ill-gotten gains;

b) It would be a substantial hardship for most individual members of the Class if they were forced to prosecute individual actions;

c) When the liability of Defendants has been adjudicated, the Court will be able to determine the claims of all members of the Class;

d) A class action will permit an orderly and expeditious administration of each Class member's claims and foster economies of time, effort, and expense;

e) A class action regarding the issues in this case does not create any problems of manageability; and

f) Defendants have acted on grounds generally applicable to the members of the Class, making class-wide monetary relief appropriate.

46. Plaintiff does not contemplate class notice if the Class is certified under Rule 23(b)(2), which does not require notice, and notice to the putative Class may be accomplished through publication, signs or placards at the point-of-sale, or other forms of distribution, if necessary if the Class is certified under Rule 23(b)(3) or if the Court otherwise determines class notice is required. Plaintiff will, if notice is so required, confer with Defendants and seek to present the Court with a stipulation and proposed order on the details of a class notice plan.

## **COUNT I**

### **(Injunctive Relief For Violations of California Consumers Legal Remedies Act – Cal. Civ. Code §§ 1750, *et seq.*)**

#### **(On Behalf of Plaintiff and the Class and Against All Defendants)**

47. Plaintiff, on behalf of herself and all others similarly situated, restates and reiterates each and every allegation contained in all previous paragraphs as if fully set forth herein.

1           48. This cause of action is brought pursuant to the CLRA. This cause of  
2 action is limited solely to injunctive relief on behalf of the Class at this time.

3           49. The CLRA prohibits unfair and deceptive business practices.

4           50. On January 13, 2014, simultaneously with the filing of this Complaint,  
5 counsel for Defendants accepted service of a CLRA notice letter addressed to  
6 Defendants on their behalf, which complies in all respects with California Civil  
7 Code § 1782(a). Plaintiff therein advised Defendants that they are in violation of  
8 the CLRA and must correct, replace or otherwise rectify the goods and/or services  
9 alleged to be in violation of § 1770. Defendants were further advised that in the  
10 event that the relief requested has not been provided within thirty (30) days, Plaintiff  
11 will amend this Complaint. A true and correct copy of Plaintiff's letter is attached  
12 hereto as Exhibit A.

13           51. Defendants' actions, representations and conduct have violated, and  
14 continue to violate, the CLRA because they extend to transactions that are intended  
15 to result, or which have resulted, in the sale of goods to consumers.

16           52. Defendants marketed, sold and distributed Key Master in California  
17 during the relevant period.

18           53. Plaintiff and members of the Class are "consumers" as that term is  
19 defined by the CLRA in Cal. Civ. Code § 1761(d).

20           54. Defendants' Key Master Game was and is a "good" and/or "service"  
21 within the meaning of Cal. Civ. Code §§ 1761(a) & (b).

22           55. By engaging in the conduct set forth herein, Defendants violated and  
23 continue to violate the CLRA in the following respects:

24               a) in violation of § 1770(a)(9), which prohibits "[a]dvertising goods or  
25 services with intent not to sell them as advertised," and

26               b) in violation of § 1770(a)(16) which prohibits "[r]epresenting that the  
27 subject of a transaction has been supplied in accordance with a previous  
28 representation when it has not."





1           61. By committing the acts and practices alleged herein, Defendants have  
2 engaged in deceptive, unfair, and unlawful business practices in violation of  
3 California's Unfair Competition Law as to the Class as a whole. Such conduct is  
4 ongoing and continues to this date and includes, but is not limited to, the following:

5           a. **Unlawful Conduct:** Defendants have violated the UCL's proscription  
6 against engaging in unlawful conduct as a result of their violations of  
7 the CLRA, Civil Code §§ 1770 (a)(9) and (16), as alleged above.

8           b. **Unfair and Fraudulent Conduct:** Defendants have violated the  
9 UCL's proscription against fraud by falsely advertising Key Master, as  
10 alleged herein. Defendants have violated the UCL's proscription  
11 against unfair conduct by engaging in the conduct alleged herein. As  
12 described more fully above in this Complaint, Defendants failed to  
13 disclose that success at the Game's objective of fitting the key into the  
14 lock does not guarantee the dispensing of a prize because the odds of  
15 getting a prize can be and are pre-set so that the machine does not  
16 dispense a prize each such time. This conduct constitutes violations of  
17 the unfair and fraudulent prongs of Business & Professions Code §§  
18 17200, *et seq.*

19           62. Defendants' acts, claims, nondisclosures, and practices described above  
20 also constitute "fraudulent" business practices in violation of the UCL because,  
21 among other things, they are likely to deceive reasonable consumers within the  
22 meaning of Business & Professions Code § 17200, *et seq.*

23           63. There were reasonably available alternatives to further Defendants'  
24 legitimate business interests, other than the conduct described herein.

25           64. As a result of Defendants' deceptive and misleading acts, Plaintiff and  
26 other members of the Class have in fact been deceived as described above. Plaintiff  
27 and members of the Class would not have played Key Master, or would not have  
28 done so at the price they paid, had they known the odds of the Game dispensing one

1 of the displayed prizes depended on the number of times the machine had been  
2 played, even if they successfully “unlocked” that very prize. This has caused harm  
3 to Plaintiff and other members of the Class who each played Key Master without  
4 knowing that their chances to receive a prize could be and were previously fixed on  
5 the Game to prevent the machine from dispensing a prize to successful players, as  
6 described herein above, other than at certain pre-set times. In short, if Plaintiff and  
7 other members of the Class were told the material fact that they would have to  
8 successfully fit the key in the lock possibly tens or hundreds of times before a prize  
9 would be awarded because the Game was pre-set at a certain pay-out rate other than  
10 1:1, they would not have played Key Master, or would not have paid the price they  
11 paid to play.

12       65. As alleged herein, Plaintiff has suffered injury in fact and lost money as  
13 a result of Defendants’ conduct because she paid to play Key Master in reliance on  
14 Defendants’ representations by the directions on the Game, as well as the format of  
15 the Game, that success at fitting the key into the lock will cause a prize to drop each  
16 time which omitted to state that the Game could be and was pre-programmed not to  
17 dispense a prize for each time the player succeeds in fitting the key into the lock, as  
18 detailed above. Defendants market and sell Key Master throughout the State of  
19 California and take advantage of consumers’ reasonable expectation created by  
20 Defendants’ representation that “winning” the Game according to its pictorial  
21 directions by fitting the key into the lock results in the award of the corresponding  
22 targeted prize. In fact, Defendants fail to disclose that the pre-determined settings  
23 on the machine prevent (and can be and are set to prevent) a prize from dropping  
24 until a certain amount of money is collected from players.

25       66. As a result of its deceptive and unfair conduct, Defendants have been  
26 able to reap unjust revenue and profit in violation of the UCL.

27       67. Unless restrained and enjoined, Defendants will continue to engage in  
28 the above-described conduct. Accordingly, injunctive relief is appropriate.



- 1 d. Awarding all equitable remedies available pursuant to Cal. Civ. Code §  
2 1780;  
3 e. Awarding attorneys' fees and costs;  
4 f. Awarding pre-judgment and post-judgment interest at the legal rate;  
5 and  
6 g. Providing such further relief as may be just and proper.

7 Respectfully Submitted,

8 DATED: January 13, 2014

**WOLF HALDENSTEIN ADLER**  
**FREEMAN & HERZ LLP**  
FRANCIS M. GREGOREK  
BETSY C. MANIFOLD  
RACHELE R. RICKERT  
MARISA C. LIVESAY

12 By: 

13 MARISA C. LIVESAY

14 750 B Street, Suite 2770  
15 San Diego, CA 92101  
16 Telephone: 619/239-4599  
17 Facsimile: 619/234-4599  
18 gregorek@whafh.com  
19 manifold@whafh.com  
20 rickert@whafh.com  
21 livesay@whafh.com

22 **WOLF HALDENSTEIN ADLER**  
**FREEMAN & HERZ LLP**  
23 FRED T. ISQUITH  
24 JANINE L. POLLACK  
25 270 Madison Avenue  
26 New York, New York 10016  
27 Telephone: 212/545-4600  
28 Facsimile: 212/545-4653  
isquith@whafh.com  
pollack@whafh.com

**LEVI KORSINSKY LLP**  
EDUARD KORSINSKY  
SHANNON L. HOPKINS  
30 Broad Street  
New York, New York 10004  
Telephone: 212/363-7500



Facsimile: 866/367-6510

ek@zlk.com

shopkins@zlk.com

**WESTERMAN LAW CORP.**

JEFF S. WESTERMAN

JORDANNA G. THIGPEN

1925 Century Park East, Suite 2100

Los Angeles, California 90067

Telephone: 310/698-7450

Facsimile: 310/201-9160

jwesterman@jswlegal.com

jthigpen@jswlegal.com

Attorneys for Plaintiff Yael Kempe

**DEMAND FOR TRIAL BY JURY**

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Plaintiff hereby demands a trial by jury.

Respectfully Submitted,

DATED: January 13, 2014

**WOLF HALDENSTEIN ADLER**

**FREEMAN & HERZ LLP**

FRANCIS M. GREGOREK

BETSY C. MANIFOLD

RACHELE R. RICKERT

MARISA C. LIVESAY

By: 

MARISA C. LIVESAY

750 B Street, Suite 2770

San Diego, CA 92101

Telephone: 619/239-4599

Facsimile: 619/234-4599

gregorek@whafh.com

manifold@whafh.com

rickert@whafh.com

livesay@whafh.com

**WOLF HALDENSTEIN ADLER**

**FREEMAN & HERZ LLP**

FRED T. ISQUITH

JANINE L. POLLACK

270 Madison Avenue

New York, New York 10016

Telephone: 212/545-4600

Facsimile: 212/545-4653  
isquith@whafh.com  
pollack@whafh.com

**LEVI KORSINSKY LLP**  
EDUARD KORSINSKY  
SHANNON L. HOPKINS  
30 Broad Street  
New York, New York 10004  
Telephone: 212/363-7500  
Facsimile: 866/367-6510  
ek@zlk.com  
shopkins@zlk.com

**WESTERMAN LAW CORP.**  
JEFF S. WESTERMAN  
JORDANNA G. THIGPEN  
1925 Century Park East, Suite 2100  
Los Angeles, California 90067  
Telephone: 310/698-7450  
Facsimile: 310/201-9160  
jwesterman@jswlegal.com  
jthigpen@jswlegal.com

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**EXHIBIT A**

WOLF HALDENSTEIN ADLER FREEMAN & HERZ LLP

FOUNDED 1888

270 MADISON AVENUE  
NEW YORK, NY 10016

212-545-4600

750 B STREET, SUITE 2770  
SAN DIEGO, CA 92101

WOLF HALDENSTEIN ADLER FREEMAN & HERZ LLC  
55 WEST MONROE STREET, SUITE 1111  
CHICAGO, IL 60603

JANINE POLLACK

DIRECT DIAL: 212-545-4710

FACSIMILE: 212-686-0114

pollack@whafh.com

January 13, 2014

**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

Sega Amusements U.S.A., Inc.  
Play It! Amusements, Inc.  
Sega Holdings U.S.A., Inc.  
Sega Corporation  
Sega Sammy Holdings, Inc  
c/o Pillsbury Winthrop Shaw Pittman LLP  
Fusae Nara, Esq.  
Andrew Kim, Esq.  
Tim Russo, Esq.  
1540 Broadway  
New York, New York 10036-4039

Re: *Kempe v. Sega Amusements U.S.A., Inc. et al.*  
Notice of Violation of the California Consumers Legal Remedies Act

Dear Counsel:

We send this letter on behalf of our client Yael Kempe, a California resident, as well as on behalf of a proposed class of all consumers who paid to play Key Master in California since its release (the "Class"), to advise you that Sega Sammy Holdings, Inc., Sega Amusements, U.S.A., Inc., Play It! Amusements, Inc., Sega Holdings U.S.A., Inc., and Sega Corporation (collectively "Defendants") have violated and continue to violate the Consumers Legal Remedies Act ("CLRA"), California Civil Code section 1750, *et seq.* We hereby ask that Defendants remedy such violations within thirty (30) days.

Defendants are engaging in unfair competition and unfair or deceptive acts or practices with regard to the manner in which Defendants advertise and market "Key Master" to California consumers. Specifically, Defendants misrepresent the particulars of Key Master in that a player's success at the game's objective of fitting the key into the lock does not guarantee the dispensing of a prize because, and contrary to the pictorial instructions on the game, the odds of getting a prize can be, and are, pre-set so that the machine does not dispense a prize each time.

WOLF HALDENSTEIN ADLER FREEMAN & HERZ LLP

Sega Amusements U.S.A., Inc.  
Play It! Amusements, Inc.  
Sega Holdings U.S.A., Inc.  
Sega Corporation  
Sega Sammy Holdings, Inc

January 10, 2014

Page 2

These activities are prohibited by California Civil Code section 1770(a), in particular by:

- advertising goods and services with the intent not to sell them as advertised; and
- representing that the subject of a transaction has been supplied in accordance with a previous representation when it has not.

Our client has filed a complaint seeking injunctive relief simultaneous with this letter, a courtesy copy of which is attached hereto, and will amend such complaint to seek monetary relief under the CLRA unless, within thirty (30) days, Defendants fully and adequately correct, repair, or otherwise rectify the violations specified above

If Defendants fail to comply with this request within thirty (30) days, Defendants may be liable for the following monetary amounts under the Consumers Legal Remedies Act:

- Actual damages suffered;
- Punitive damages;
- Costs and attorney's fees related to suit; and
- Penalties of up to \$5,000.00 for each incident where senior citizens have suffered substantial physical, emotional or economic damage resulting from Defendants' conduct.

It is our hope that Defendants will choose to correct these unlawful practices promptly. A failure to act within thirty (30) days will be considered a denial of this claim and our client will act accordingly. If you would like to discuss the matter, please do not hesitate to call us at (212) 545-4710. Otherwise, we look forward to Defendants immediately changing their practices and compensating Ms. Kempe and the other members of the proposed Class.

Sincerely,



Janine L. Pollack



**EXHIBIT B**

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**UNITED STATES DISTRICT COURT**  
**CENTRAL DISTRICT OF CALIFORNIA-WESTERN DIVISION**

Yael Kempe, on behalf of herself and  
all others similarly situated,

Plaintiff,

v.

SEGA AMUSEMENTS, U.S.A., INC.;  
PLAY IT! AMUSEMENTS, INC.;  
SEGA HOLDINGS U.S.A., INC.;  
SEGA CORPORATION;  
SEGA SAMMY HOLDINGS INC.;  
and JOHN DOES 1 to 10, Inclusive,

Defendants.

) Case No.

) **DECLARATION OF PLAINTIFF**  
) **Yael Kempe Pursuant to**  
) **Cal. Civ. Code § 1780(d)**

YK

1 I, Yael Kempe, hereby declare as follows:

2 1. I am over the age of 18 years, have personal knowledge of the facts  
3 stated herein, and could competently testify thereto if called upon to do so.

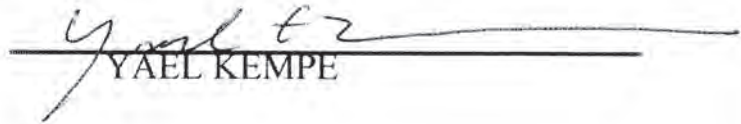
4 2. I am a Plaintiff in the above-entitled action and a resident/citizen of the  
5 State of California.

6 3. My Complaint filed in this matter contains a cause of action for  
7 violations of the Consumers Legal Remedies Act, Cal. Civ. Code §§ 1750, *et seq.*,  
8 against Sega Amusements, U.S.A., Inc., Play It! Amusements, Inc., Sega Holdings  
9 U.S.A., Inc., Sega Corporation, and Sega Sammy Holdings Inc. (collectively  
10 "Defendants"), companies doing business nationwide, including in Los Angeles  
11 County. These causes of action arise out of Defendants' marketing, selling and  
12 distributing of their game, Key Master, without disclosing to California consumers  
13 playing the game the material fact that, contrary to the pictorial directions displayed  
14 on the game itself and the format of the game, a prize is highly unlikely to be  
15 dispensed even if the player successfully fits the key into the lock according to the  
16 game's pictorial instructions, because it is specifically pre-programmed by  
17 Defendants to not dispense a prize to every player who successfully fits the key into  
18 the lock.

19 4. My Complaint is filed in the proper place for trial under Civil Code  
20 Section 1780(d) in that Defendants do business nationwide, including in Los  
21 Angeles County, and a substantial portion of the conduct complained of occurred in  
22 Los Angeles County within the Central District of California. I paid to play Key  
23 Master, a game marketed, sold and distributed by Defendants, at a shopping center  
24 in Los Angeles, California in 2013.

25 (signature on following page)  
26  
27  
28

1 I declare under penalty of perjury under the laws of the State of California  
2 that the foregoing is true and correct. Executed this 10 day of January 2014, in  
3 the City of San Diego, County of San Diego, State of California.

4  
5   
6 Yael Kempe

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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

NOTICE OF ASSIGNMENT TO UNITED STATES JUDGES

This case has been assigned to District Judge Dolly M. Gee and the assigned Magistrate Judge is Alicia G. Rosenberg.

The case number on all documents filed with the Court should read as follows:

2:14-cv-00281 DMG-AGR

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Magistrate Judge has been designated to hear discovery related motions.

All discovery related motions should be noticed on the calendar of the Magistrate Judge.

Clerk, U. S. District Court

January 13, 2014

Date

By SBOURGEOIS

Deputy Clerk

---

NOTICE TO COUNSEL

*A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).*

**Subsequent documents must be filed at the following location:**

- |  |  |   |
|--|--|---|
| <input checked="" type="checkbox"/> Western Division<br>312 N. Spring Street, G-8<br>Los Angeles, CA 90012 | <input type="checkbox"/> Southern Division<br>411 West Fourth St., Ste 1053<br>Santa Ana, CA 92701 | <input type="checkbox"/> Eastern Division<br>3470 Twelfth Street, Room 134<br>Riverside, CA 92501 |
|--|--|---|

**Failure to file at the proper location will result in your documents being returned to you.**



**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA  
CIVIL COVER SHEET**

<b>I. (a) PLAINTIFFS</b> ( Check box if you are representing yourself <input type="checkbox"/> )  Yael Kempe	<b>DEFENDANTS</b> ( Check box if you are representing yourself <input type="checkbox"/> )  SEGA AMUSEMENTS U.S.A., INC., et al.
<b>(b) County of Residence of First Listed Plaintiff</b> Los Angeles <i>(EXCEPT IN U.S. PLAINTIFF CASES)</i>	<b>County of Residence of First Listed Defendant</b> _____ <i>(IN U.S. PLAINTIFF CASES ONLY)</i>
<b>(c) Attorneys (Firm Name, Address and Telephone Number)</b> If you are representing yourself, provide the same information.  WOLF HALDENSTEIN ADLER FREEMAN & HERZ LLP 750 B ST, SUITE 2770, SAN DIEGO, CA 92101 T: 619/239-4599; F: 619/234-4599	<b>Attorneys (Firm Name, Address and Telephone Number)</b> If you are representing yourself, provide the same information.

<b>II. BASIS OF JURISDICTION</b> (Place an X in one box only.)  <input type="checkbox"/> 1. U.S. Government Plaintiff <input type="checkbox"/> 3. Federal Question (U.S. Government Not a Party)  <input type="checkbox"/> 2. U.S. Government Defendant <input checked="" type="checkbox"/> 4. Diversity (Indicate Citizenship of Parties in Item III)	<b>III. CITIZENSHIP OF PRINCIPAL PARTIES-For Diversity Cases Only</b> (Place an X in one box for plaintiff and one for defendant) <table style="width:100%; border: none;"> <tr> <td style="width:33%; border: none;">Citizen of This State</td> <td style="width:10%; border: none; text-align: center;">PTF</td> <td style="width:10%; border: none; text-align: center;">DEF</td> <td style="width:33%; border: none;">Incorporated or Principal Place of Business in this State</td> <td style="width:10%; border: none; text-align: center;">PTF</td> <td style="width:10%; border: none; text-align: center;">DEF</td> </tr> <tr> <td style="border: none;"></td> <td style="border: none; text-align: center;"><input checked="" type="checkbox"/> 1</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 1</td> <td style="border: none;"></td> <td style="border: none; text-align: center;"><input type="checkbox"/> 4</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 4</td> </tr> <tr> <td style="border: none;">Citizen of Another State</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 2</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 2</td> <td style="border: none;">Incorporated and Principal Place of Business in Another State</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 5</td> <td style="border: none; text-align: center;"><input checked="" type="checkbox"/> 5</td> </tr> <tr> <td style="border: none;">Citizen or Subject of a Foreign Country</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 3</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 3</td> <td style="border: none;">Foreign Nation</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 6</td> <td style="border: none; text-align: center;"><input type="checkbox"/> 6</td> </tr> </table>	Citizen of This State	PTF	DEF	Incorporated or Principal Place of Business in this State	PTF	DEF		<input checked="" type="checkbox"/> 1	<input type="checkbox"/> 1		<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
Citizen of This State	PTF	DEF	Incorporated or Principal Place of Business in this State	PTF	DEF																				
	<input checked="" type="checkbox"/> 1	<input type="checkbox"/> 1		<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. ORIGIN** (Place an X in one box only.)

<input checked="" type="checkbox"/> 1. Original Proceeding	<input type="checkbox"/> 2. Removed from State Court	<input type="checkbox"/> 3. Remanded from Appellate Court	<input type="checkbox"/> 4. Reinstated or Reopened	<input type="checkbox"/> 5. Transferred from Another District (Specify) _____	<input type="checkbox"/> 6. Multi-District Litigation
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**V. REQUESTED IN COMPLAINT: JURY DEMAND:** ☒ Yes ☐ No (Check "Yes" only if demanded in complaint.)

**CLASS ACTION under F.R.Cv.P. 23:** ☒ Yes ☐ No **MONEY DEMANDED IN COMPLAINT:** \$ \_\_\_\_\_

**VI. CAUSE OF ACTION** (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)  
 28 U.S.C. section 1332 - Class Action Fairness Act

**VII. NATURE OF SUIT** (Place an X in one box only.)

OTHER STATUTES	CONTRACT	REAL PROPERTY CONT.	IMMIGRATION	PRISONER PETITIONS	PROPERTY RIGHTS
<input type="checkbox"/> 375 False Claims Act	<input type="checkbox"/> 110 Insurance	<input type="checkbox"/> 240 Torts to Land	<input type="checkbox"/> 462 Naturalization Application	<b>Habeas Corpus:</b> <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	<input type="checkbox"/> 820 Copyrights
<input type="checkbox"/> 400 State Reapportionment	<input type="checkbox"/> 120 Marine	<input type="checkbox"/> 245 Tort Product Liability	<input type="checkbox"/> 465 Other Immigration Actions		<input type="checkbox"/> 830 Patent
<input type="checkbox"/> 410 Antitrust	<input type="checkbox"/> 130 Miller Act	<input type="checkbox"/> 290 All Other Real Property	<b>TORTS</b>	<input type="checkbox"/> 550 Civil Rights	<input type="checkbox"/> 840 Trademark
<input type="checkbox"/> 430 Banks and Banking	<input type="checkbox"/> 140 Negotiable Instrument	<b>PERSONAL INJURY</b>	<b>PERSONAL PROPERTY</b>	<b>Other:</b>	<b>SOCIAL SECURITY</b>
<input type="checkbox"/> 450 Commerce/ICC Rates/Etc.	<input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment	<input type="checkbox"/> 310 Airplane	<input checked="" type="checkbox"/> 370 Other Fraud	<input type="checkbox"/> 540 Mandamus/Other	<input type="checkbox"/> 861 HIA (1395ff)
<input type="checkbox"/> 460 Deportation	<input type="checkbox"/> 151 Medicare Act	<input type="checkbox"/> 315 Airplane Product Liability	<input type="checkbox"/> 371 Truth in Lending	<input type="checkbox"/> 555 Prison Condition	<input type="checkbox"/> 862 Black Lung (923)
<input type="checkbox"/> 470 Racketeer Influenced & Corrupt Org.	<input type="checkbox"/> 152 Recovery of Defaulted Student Loan (Excl. Vet.)	<input type="checkbox"/> 320 Assault, Libel & Slander	<input type="checkbox"/> 380 Other Personal Property Damage	<input type="checkbox"/> 560 Civil Detainee Conditions of Confinement	<input type="checkbox"/> 863 DIWC/DIWW (405 (g))
<input type="checkbox"/> 480 Consumer Credit	<input type="checkbox"/> 153 Recovery of Overpayment of Vet. Benefits	<input type="checkbox"/> 330 Fed. Employers' Liability	<input type="checkbox"/> 385 Property Damage Product Liability	<b>FORFEITURE/PENALTY</b>	<input type="checkbox"/> 864 SSID Title XVI
<input type="checkbox"/> 490 Cable/Sat TV	<input type="checkbox"/> 160 Stockholders' Suits	<input type="checkbox"/> 340 Marine	<b>BANKRUPTCY</b>	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881	<input type="checkbox"/> 865 RSI (405 (g))
<input type="checkbox"/> 850 Securities/Commodities/Exchange	<input type="checkbox"/> 190 Other Contract	<input type="checkbox"/> 345 Marine Product Liability	<input type="checkbox"/> 422 Appeal 28 USC 158	<input type="checkbox"/> 690 Other	<b>FEDERAL TAX SUITS</b>
<input type="checkbox"/> 890 Other Statutory Actions	<input type="checkbox"/> 195 Contract Product Liability	<input type="checkbox"/> 350 Motor Vehicle	<input type="checkbox"/> 423 Withdrawal 28 USC 157	<b>LABOR:</b>	<input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant)
<input type="checkbox"/> 891 Agricultural Acts	<input type="checkbox"/> 196 Franchise	<input type="checkbox"/> 355 Motor Vehicle Product Liability	<b>CIVIL RIGHTS</b>	<input type="checkbox"/> 710 Fair Labor Standards Act	<input type="checkbox"/> 871 IRS-Third Party 26 USC 7609
<input type="checkbox"/> 893 Environmental Matters	<b>REAL PROPERTY</b>	<input type="checkbox"/> 360 Other Personal Injury	<input type="checkbox"/> 440 Other Civil Rights	<input type="checkbox"/> 720 Labor/Mgmt. Relations	
<input type="checkbox"/> 895 Freedom of Info. Act	<input type="checkbox"/> 210 Land Condemnation	<input type="checkbox"/> 362 Personal Injury-Med Malpractice	<input type="checkbox"/> 441 Voting	<input type="checkbox"/> 740 Railway Labor Act	
<input type="checkbox"/> 896 Arbitration	<input type="checkbox"/> 220 Foreclosure	<input type="checkbox"/> 365 Personal Injury-Product Liability	<input type="checkbox"/> 442 Employment	<input type="checkbox"/> 751 Family and Medical Leave Act	
<input type="checkbox"/> 899 Admin. Procedures Act/Review of Appeal of Agency Decision	<input type="checkbox"/> 230 Rent Lease & Ejectment	<input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability	<input type="checkbox"/> 443 Housing/Accommodations	<input type="checkbox"/> 790 Other Labor Litigation	
<input type="checkbox"/> 950 Constitutionality of State Statutes		<input type="checkbox"/> 368 Asbestos Personal Injury Product Liability	<input type="checkbox"/> 445 American with Disabilities-Employment	<input type="checkbox"/> 791 Employee Ret. Inc. Security Act	
		<input type="checkbox"/> 369 Asbestos Personal Injury Product Liability	<input type="checkbox"/> 446 American with Disabilities-Other		
			<input type="checkbox"/> 448 Education		

FOR OFFICE USE ONLY:

Case Number:

CV14-0281

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA  
CIVIL COVER SHEET**

**VIII. VENUE:** Your answers to the questions below will determine the division of the Court to which this case will most likely be initially assigned. This initial assignment is subject to change, in accordance with the Court's General Orders, upon review by the Court of your Complaint or Notice of Removal.

<b>Question A: Was this case removed from state court?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "no," go to Question B. If "yes," check the box to the right that applies, enter the corresponding division in response to Question D, below, and skip to Section IX.	<b>STATE CASE WAS PENDING IN THE COUNTY OF:</b>		<b>INITIAL DIVISION IN CACD IS:</b>
	<input type="checkbox"/> Los Angeles		Western
	<input type="checkbox"/> Ventura, Santa Barbara, or San Luis Obispo		Western
	<input type="checkbox"/> Orange		Southern
	<input type="checkbox"/> Riverside or San Bernardino		Eastern

<b>Question B: Is the United States, or one of its agencies or employees, a party to this action?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "no," go to Question C. If "yes," check the box to the right that applies, enter the corresponding division in response to Question D, below, and skip to Section IX.	If the United States, or one of its agencies or employees, is a party, is it:		INITIAL DIVISION IN CACD IS:
	A PLAINTIFF?	A DEFENDANT?	
	Then check the box below for the county in which the majority of DEFENDANTS reside:	Then check the box below for the county in which the majority of PLAINTIFFS reside:	
	<input type="checkbox"/> Los Angeles	<input type="checkbox"/> Los Angeles	Western
	<input type="checkbox"/> Ventura, Santa Barbara, or San Luis Obispo	<input type="checkbox"/> Ventura, Santa Barbara, or San Luis Obispo	Western
	<input type="checkbox"/> Orange	<input type="checkbox"/> Orange	Southern
	<input type="checkbox"/> Riverside or San Bernardino	<input type="checkbox"/> Riverside or San Bernardino	Eastern
<input type="checkbox"/> Other	<input type="checkbox"/> Other	Western	

<b>Question C: Location of plaintiffs, defendants, and claims?</b> (Make only one selection per row)	A Los Angeles County	B Ventura, Santa Barbara, or San Luis Obispo Counties	C Orange County	D Riverside or San Bernardino Counties	E Outside the Central District of California	F Other
Indicate the location in which a majority of plaintiffs reside:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Indicate the location in which a majority of defendants reside:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Indicate the location in which a majority of claims arose:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**C.1. Is either of the following true? If so, check the one that applies:**

- ☐ 2 or more answers in Column C  
☐ only 1 answer in Column C and no answers in Column D

Your case will initially be assigned to the  
SOUTHERN DIVISION.  
Enter "Southern" in response to Question D, below.

If none applies, answer question C2 to the right. →

**C.2. Is either of the following true? If so, check the one that applies:**

- ☐ 2 or more answers in Column D  
☐ only 1 answer in Column D and no answers in Column C

Your case will initially be assigned to the  
EASTERN DIVISION.  
Enter "Eastern" in response to Question D, below.

If none applies, go to the box below. ↓

Your case will initially be assigned to the  
WESTERN DIVISION.  
Enter "Western" in response to Question D below.

<b>Question D: Initial Division?</b>	<b>INITIAL DIVISION IN CACD</b>
Enter the initial division determined by Question A, B, or C above: →	WESTERN

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA  
CIVIL COVER SHEET**

**IX(a). IDENTICAL CASES:** Has this action been previously filed in this court and dismissed, remanded or closed? ☒ NO ☐ YES

If yes, list case number(s): \_\_\_\_\_

**IX(b). RELATED CASES:** Have any cases been previously filed in this court that are related to the present case? ☒ NO ☐ YES

If yes, list case number(s): \_\_\_\_\_

**Civil cases are deemed related if a previously filed case and the present case:**

- (Check all boxes that apply) ☐ A. Arise from the same or closely related transactions, happenings, or events; or  
☐ B. Call for determination of the same or substantially related or similar questions of law and fact; or  
☐ C. For other reasons would entail substantial duplication of labor if heard by different judges; or  
☐ D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

**X. SIGNATURE OF ATTORNEY  
(OR SELF-REPRESENTED LITIGANT):**

DATE: 01/10/14

**Notice to Counsel/Parties:** The CV-71 (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. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet).

**Key to Statistical codes relating to Social Security Cases:**

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405 (g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405 (g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405 (g))