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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

**CHRISTINA LOPEZ on
behalf of herself and all
others similarly situated**

Plaintiffs,

-against-

**SONY INTERACTIVE
ENTERTAINMENT, LLC.**

Defendants.

CASE NO:

CLASS ACTION COMPLAINT FOR DAMAGES
JURY TRIAL DEMANDED

1 Plaintiff Christina Lopez, individually and on behalf of the Class described below, by and
2 through their attorneys, make the following allegations pursuant to the investigation of counsel and
3 based upon information and belief, except as to allegations specifically pertaining to Plaintiffs and
4 counsel, which are based on personal knowledge.

5 **I. OVERVIEW OF THE ACTION**

6 1. In addition to its distinction as a market leader in the manufacture, marketing and
7 sale of gaming consoles, Defendant Sony Interactive Entertainment America, LLC (“SIE” or
8 “Defendant”) is also the leading seller of “Apps,” *i.e.*, software applications that users download
9 on their mobile computing devices, such as SIE’s PlayStation devices. Among the many thousands
10 of Apps that SIE offers for sale are gaming Apps targeted at children. Although numerous gaming
11 Apps are offered for free and may be downloaded at no cost, many such games are designed to
12 induce purchases of what SIE refers to as “In-App Purchases” or “In- App Content,” *i.e.*, virtual
13 supplies, ammunition, fruits and vegetables, cash and other fake “currency” within the game in
14 order to play the game as it was designed to be played (“Game Currency”). These games are highly
15 addictive, designed deliberately so, and tend to compel children playing them to purchase large
16 quantities of Game Currency, amounting to as much as \$100 per purchase or more. As such, the
17 sale of Game Currency to children is highly lucrative.

18 2. Plaintiff CHRISTINA LOPEZ brings this class action on behalf of herself and other
19 parents and guardians who (a) downloaded or permitted their minor children to download a
20 supposed free App from SIE, and (b) then incurred charges for game-related voidable purchases
21 that the minor children were induced by SIE to make, without the parents’ and guardians’
22 knowledge or permission.

23 3. Minors also have the ability to create accounts on the SIE network, claiming that
24 they are their parents, using their parents’ credit cards, without their parents’ permission or
25

1 authorization. SIE does not effectively prohibit such practices despite their obvious knowledge that
2 minors may engage in such activities due to their lack of maturity.

3 4. Plaintiffs bring this action for declaratory, equitable and monetary relief under the
4 Declaratory Judgment Act, California’s contract laws, Consumers Legal Remedies Act, Business
5 and Professions Code Sections 17200 *et seq.*, and/or for Unjust Enrichment.

6 **II. PARTIES**

7 6. Plaintiff Christina Lopez is a citizen of and domiciled in California. Lopez is the
8 guardian of D.W., a minor.

9 7. D.W. started to play the video game Fortnite on his PlayStation 4 system in early
10 2017, which required him to have an account with the PlayStation Network, an online service used
11 by the PlayStation 4 that allows users to buy and download games and other digital content.

12 8. D.W. made an account with the PlayStation Network system that allowed him to
13 play the Fortnite video game and purchase the virtual goods known as V-bucks in the game.

14 9. V-Bucks are a type of in-game virtual currency or tokens that once bought from the
15 PlayStation Store can be used to buy “skins” in the game Fortnite.

16 10. D.W. used both his mother’s debit and credit cards to make purchases exceeding
17 \$1,000 in the game without her authorization.

18 11. Upon information and belief, there are millions of PlayStation 4 users and there are
19 thousands of putative class members with unauthorized charges made by their minor children.

20 12. Upon information and belief, Defendant Sony Interactive Entertainment America
21 LLC (SIE), is a limited liability corporation formed under the laws of Delaware.¹

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27 ¹ <https://icis.corp.delaware.gov/ecorp/entitysearch/NameSearch.aspx>

1 13. SIE is a wholly owned subsidiary of Sony Corporation of America, a corporation
2 formed under the laws of the State of New York with headquarters in New York, NY, according to
3 its website.²

4 14. On information and belief, because SIE is a wholly owned subsidiary of Sony
5 Corporation of America, Sony Corporation is the sole member of SIE.

6 15. According to its website, SIE's principal place of business is in San Mateo,
7 California.³

8 16. According to its website SIE's "is responsible for the PlayStation brand and family
9 of products and services [that] includes [the] PlayStation 4 [and] PlayStation Store."⁴

10
11 **III. JURISDICTION AND VENUE**

12 17. For purposes of corporate citizenship, Defendant is a citizen of New York as that is
13 the principal place of business of its sole member.

14 18. Defendant has its principal place of business in San Mateo, California, transacts
15 business in this District, has subjected itself to this Court's jurisdiction through such activity, and a
16 substantial part of the events and omissions giving rise to this claim occurred in this District.
17 Accordingly, venue is proper in this District under 28 U.S.C. § 1391.

18 19. This Court has personal jurisdiction over Defendant SIE, because at all times
19 relevant to this action, SIE has engaged in substantial business activities and has its headquarters
20 located in the State of California which can be regarded as the home corporate forum.⁵ Therefore,
21 SIE has sufficient minimum contacts with this state and at all times relevant to this action SIE has
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25 ² https://www.sony.com/en_us/SCA/who-we-are/overview.html

26 ³ <https://www.playstation.com/en-us/corporate/about/>

27 ⁴ *Id.*

28 ⁵ *Goodyear Dunlop Tires Operations, S.A. v. Brown*, 564 U.S. 915, 924 (U.S. 2011)

1 engaged, either directly or indirectly, in the business of marketing, promoting, distributing, and
2 selling of its products as well as contracting with D.W. and administering the user accounts in
3 California, to render the exercise of jurisdiction by this Court permissible under traditional notions
4 of fair play and substantial justice.

5 20. This Court has jurisdiction pursuant to 28 U.S.C. § 1332(d). This is a class action
6 involving more than 100 Class Members. Plaintiff and Defendant are citizens of different states and
7 the amount in controversy, in the aggregate, exceeds the sum of \$5 million exclusive of interest and
8 costs.
9

10 **IV. FACTUAL ALLEGATIONS**

11 21. SIE oversees the development and marketing of video games, consoles, and products
12 in the United States and Canada.

13 22. SIE's video game products include, among others: games, wireless controllers,
14 wireless stereo headsets, and PlayStation 4 video game consoles.

15 23. SIE has its principle place of business in California, therefore granting this court with
16 personal jurisdiction.
17

18 24. Upon information and belief, SIE sells, advertises, contracts, and administers the
19 PlayStation Network and online Store in the State of California and throughout the United States.

20 25. SIE offers an online and network service called the PlayStation Network (PSN),
21 which includes the PlayStation Store, an online store that allows users and consumers buy and
22 download video games and digital game features.
23

24 26. According to the PlayStation website, by creating an account in the PSN users can
25 play games online as well as buy content and services such as levels for games, movies, and
26 television shows.
27

1 27. Through the PlayStation Store, users can download video games as well as other
2 digital content to be used on the PlayStation 4 console.

3 28. In order to use the PSN and download video games, users need to make and register
4 an online account and to agree with the PSN Terms of Service and User Agreement, which state
5 that the user needs to have reached the legal age of majority, or, if under the age of majority, have
6 the consent of the parent or legal guardian.

7 29. SIE does not employ effective measures to prevent minors from creating these
8 accounts. Minors frequently use their parents' credit or debit cards as a means of securing payments
9 for in game purchases.

10 30. All purchases made on the PSN service, including debit or credit cards and PayPal,
11 are made through the PSN account wallet. The funds added to the wallet to make purchases are non-
12 refundable and non-transferable, except as required by law according to the PSN user agreement.⁶

13 31. Users of the PSN can buy or download for free certain games through the PlayStation
14 Store and play the games using the PlayStation 4 platform.
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20 ⁶ “All transactions made through your Account or an associated Account of your child are solely
21 between you and SIE LLC. By completing a transaction through your Account or allowing a
22 transaction to take place through an associated Account of your child, you are (i) agreeing to pay
23 for all transactions made by you or your children, including recurring charges for subscriptions that
24 are not cancelled; (ii) authorizing SIE LLC to deduct from the wallet and charge your credit card or
25 other applicable payment instrument or payment mechanism all fees due and payable for all your
26 transactions; and (iii) agreeing to any applicable Usage Terms and terms associated with use of the
27 particular PSN Service. All transactions are final upon their completion and may be deemed to be
28 governed by law and regulatory requirements applicable at the time the transaction was completed.
PAYMENTS FOR ACCESS TO CONTENT OR SERVICES ARE NOT REFUNDABLE EXCEPT
WHERE THE LAW REQUIRES THAT THEY ARE REFUNDABLE.”
<https://www.playstation.com/en-us/network/legal/terms-of-service/>

1 32. One example of a game designed to entice minors into making in-game purchases is
2 Fortnite. As of the writing of this complaint, it is estimated that there are 200 million users of the
3 game Fortnite.⁷

4 33. Epic Games, Inc. (“Epic”) is a developer and publisher of computer games and
5 gaming software.

6 34. Epic developed and published the battle royal genre online multi-player video game
7 Fortnite.

8 35. Fortnite was first released in a limited manner in October 2013.

9 36. Fortnite was released broadly on July 25, 2017, but it wasn’t until September 26,
10 2017 that Fortnite’s free-to-play “Battle Royale” game mode was released to the public.

11 37. Fortnite’s Battle Royale mode is a survival action game in which players team up to
12 battle each other until the last team stands, while interacting with the environment in the game by
13 gathering resources and building fortified structures to defend themselves from the attacks of
14 enemies.
15

16 38. Fortnite’s Battle Royale mode is free to download and play.

17 39. However, players in Fortnite need to buy V-Bucks, a type of virtual token, to make
18 in-game purchases that include, but not limited to, “skins” for the players’ characters and the game
19 feature known as the Battle Pass.
20

21 40. According to Epic’s website, the Battle Pass is “a method Battle Royale players can
22 use to gain access to exclusive challenges and in-game rewards.”
23

24 41. While using the Battle Pass, players in the Battle Royale mode earn Battle Stars that
25 represent the player’s rank or level, which allows to further have access to different rewards.
26

27 ⁷ <https://www.statista.com/statistics/746230/fortnite-players/>

1 42. The purpose of the skins or different costumes the players' characters can use is
2 merely cosmetic.

3 43. Epic markets the Fortnite video game as free to play without warning adult
4 consumers and parents of the in-game purchase features, directly inducing minors to make in-game
5 purchases without authorization from their parents or legal guardians.⁸

6 44. Christina Lopez is the mother and natural parent of D.W. and is a citizen of
7 California.

8 45. At all times relevant to the events described in this complaint, D.W. was a 12-year-
9 old and a minor according to California law. Cal. Fam. Code § 6500.

10 46. D.W. made an account with the PlayStation Network all by himself without his
11 parents' authorization that required among other things, selecting a user name and password,
12 providing contact and other information, and agreeing with the PlayStation Network Terms of
13 Service and User Agreement.

14 47. D.W. used his mother's credit card to pay for the PlayStation Network services.

15 48. The PlayStation Network User Agreement provides that in order to agree with the
16 terms of service, the user must be an adult according to the state or country registered on the
17 account.⁹

18 49. D.W. downloaded the Fortnite video game onto his PlayStation 4 and used the free
19 Battle Royale mode of the game.

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26 _____
27 ⁸<https://www.youtube.com/watch?v=2gUtfBmw86Y>

28 ⁹<https://www.playstation.com/en-us/network/legal/terms-of-service/>

1 58. Plaintiff's experience with SIE is like that of other parents of minors who have
2 purchased V-bucks in the Fortnite video game through the PSN and Store.

3 59. On information and belief, Defendant has numerous other games which operate in a
4 similar manner to Fortnite in that minor users make in-game purchases in conjunction with those
5 games. Once again, minors often make such purchases without the permission of their parents,
6 using their parents' debit or credit card without permission.

7 60. SIE offers Apps in many genres, including travel, business, education, finance,
8 entertainment and gaming. Games are the most downloaded of all genres. Apps can be downloaded
9 for free, or for a licensing fee, that ranges from \$.99 to \$9.99 or more. It is the gaming Apps that
10 SIE targets and sells to minor children that are the subject of this action.

11 61. SIE is the sole conduit of Apps to be used on the PSN. Apps are either developed
12 by SIE or licensed to SIE by independent App developers. The App developers license their Apps
13 to SIE for sale to consumers, and SIE shares the revenues earned from the sale of the App, or from
14 the sale of In-App Purchases, with the App developer.

15 62. SIE supervises and controls the function and operation of the Apps it sells. Before
16 an App is made available by SIE, SIE staff test the App and confirm its compliance with dozens
17 of rules that SIE unilaterally imposes. If SIE deems an App noncompliant with SIE's rules, SIE
18 will not make the App available for sale.

19 63. In all instances relevant to this action, the sale of the App and/or any Game Currency
20 is a transaction directly between SIE and the consumer. SIE, and SIE alone, is the provider of the
21 App to the user. SIE charges its customers' credit (or debit) card or PayPal account, and no App
22 developer ever receives an SIE App customer's credit (or debit) card number or PayPal account
23 information.

24 64. Anyone can open an account to purchase (i.e. license) content from SIE. Opening
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1 an account requires, among other things, selecting a user name and password, providing certain
2 contact and other information, and agreeing to SIE's Terms & Conditions. Users may then make
3 purchases in any of a number of ways, including supplying SIE with a credit or debit card number
4 or PayPal account. For users who specify credit or debit card or PayPal payment, SIE automatically
5 draws funds from the account holder's credit or debit card or PayPal account.

6 65. As alleged above, many games are targeted to young children, and are free or cost
7 a nominal charge to download. These games, however, are often designed solely to lure children to
8 purchase Game Currency in order to meet the objectives of the game. We sometimes refer to these
9 free Apps in this complaint as "bait Apps."

10
11 66. Such games, by design, are highly addictive. They were developed strategically to
12 induce purchases of Game Currency. For example, the game Fortnite is free to download. To
13 enhance the gaming experience, users can purchase V-Bucks which allow the user to obtain in-
14 game equipment and other enhancements. V-Bucks cost real money. Embedded in the Fortnite
15 bait App are various methods to purchase V-Bucks.

16
17 67. SIE is aware that minors purchase V-Bucks from the online store. This is desired,
18 as Fornite is a tremendous moneymaker for SIE. Many children have purchased thousands of
19 dollars of Game Currency over the course of a brief period of time.

20 68. Fortnite is by no means the only bait App that preys on minors in such a manner.
21 SIE offers many games that use the same bait-and-switch business scheme as Fortnite. SIE entices
22 children with a free download of a gaming platform that then offers the sale of irresistible Game
23 Currency in order to enjoy the game as it was designed to be "played."

24
25 69. The targeting of children by SIE and inducing them to purchase, without the
26 knowledge or permission of their parents, millions of dollars of Game Currency, is unlawful
27 exploitation in the extreme. Fortunately for the members of the Class, such purchases of Game
28

1 Currency constitute voidable contracts because they were entered into with minors.

2 70. SIE has not offered to return to its account holders any of the millions of dollars
3 it received from their minor children's purchases of Game Currency.

4 **V. CLASS ACTION ALLEGATIONS**

5 71. Plaintiffs bring this action as a class action for declaratory, equitable, and monetary
6 relief pursuant to Rules 23(b)(2) and (b)(3) of the Federal Rules of Civil Procedure on behalf of
7 the following Class:

8 All persons in the United States who paid for a purchase of Game Currency
9 made by their minor children without their knowledge or permission (the
10 "Class"). Excluded from the Class are SIE; any entity in which it has a
11 controlling interest; any of its parents, subsidiaries, affiliates, officers,
12 directors, employees and members of their immediate families; and members
of the federal judiciary.

13 72. The members of the Class are ascertainable, and are so numerous that joinder is
14 impracticable. Plaintiffs believe there are thousands of members of the Class, whose names and
15 addresses are in SIE's records.

16 73. There are questions of law or fact common to the Class, and such questions
17 predominate over individual questions. SIE pursued a common course of conduct toward the Class
18 as alleged. This action arises out of a common nucleus of operative facts. Common questions
19 include:

- 20
21 (a) Whether SIE sold Game Currency;
22 (b) Whether SIE sold Game Currency to minors;
23 (c) Whether SIE knew that many gaming Apps it sells are designed to
induce minors to purchase Game Currency;
24 (d) Whether SIE intended for minors to purchase such Game Currency without
25 the knowledge or permission of the minors' parents or guardians;
26 (e) Whether SIE's sales to minors of Game Currency constitute voidable
27 contracts;

- 1 (f) Whether SIE's scheme to induce minors to purchase Game Currency
2 violates California's Consumers Legal Remedies Act, Cal. Civ. Code §
3 1750, and Unfair Competition Law, Business & Professions Code § 17200
4 et seq.;
- 5 (g) Whether SIE owed and breached a duty of good faith and fair dealing with
6 respect to its contract with Plaintiffs and the Class;
- 7 (h) Whether SIE was unjustly enriched by its scheme; and
- 8 (i) Whether Plaintiffs and the Class have been damaged, and if so, in what
9 amount.

10 74. Plaintiffs' claims are typical of the claims of other members of the Class, and
11 there is no defense available to SIE that is unique to Plaintiffs. Plaintiffs paid hundreds of
12 dollars to SIE for purchases of Game Currency made by their minor children without their
13 knowledge or permission.

14 75. Plaintiffs will fairly and adequately represent the interests of the Class. Plaintiffs
15 have no interests that are antagonistic to those of the Class. Plaintiffs have the ability to assist and
16 adequately protect the rights and interests of the Class during the litigation. Further, Plaintiffs are
17 represented by counsel who are competent and experienced in this type of class action litigation.

18 76. This class action is not only the appropriate method for the fair and efficient
19 adjudication of the controversy, it is the superior method because:

- 20 (a) The joinder of thousands of geographically diverse individual class
21 members is impracticable, cumbersome, unduly burdensome, and a waste
22 of judicial and litigation resources;
- 23 (b) There is no special interest by class members in individually controlling
24 prosecution of separate causes of action;
- 25 (c) Class members' individual claims are relatively modest compared with the
26 expense of litigating the claim, thereby making it impracticable, unduly
27 burdensome, expensive, if not totally impossible, to justify individual class
28 members addressing their loss;
- (d) When SIE's liability has been adjudicated, claims of all class members can
be determined by the Court and administered efficiently in a manner that
is far less erroneous, burdensome, and expensive than if it were attempted
through filing, discovery, and trial of many individual cases;
- (e) This class action will promote orderly, efficient, expeditious, and
appropriate adjudication and administration of class claims to promote
economies of time, resources, and limited pool of recovery;

- 1 (f) This class action will assure uniformity of decisions among class members;
- 2 (g) Without this class action, restitution will not be ordered and SIE will be able to reap the benefits or profits of its wrongdoing; and
- 3 (h) The resolution of this controversy through this class action presents fewer management difficulties than individual claims filed in which the parties
- 4 may be subject to varying indifferent adjudications of their rights.

5 77. Further, class certification is appropriate because SIE has acted, or refused to
6 act, on grounds generally applicable to the Class, making class-wide equitable, injunctive,
7 declaratory and monetary relief appropriate. In addition, the prosecution of separate actions by or
8 against individual members of the Class would create a risk of incompatible standards of conduct
9 for SIE and inconsistent or varying adjudications for all parties. A class action is superior to other
10 available methods for the fair and efficient adjudication of this action.

12 VI. CALIFORNIA LAW APPLIES TO THE ENTIRE CLASS

13 78. California's substantive laws apply to every member of the Class, regardless of
14 where in the United States the class member resides. SIE imposes on its account holders a set of
15 Terms and Conditions that must be accepted before becoming an account holder and before
16 making any purchases or downloads from SIE's Online Store. Among such Terms and Conditions
17 is the following:
18

19 The laws of the State of California, without regard to conflict-of-law rules,
20 govern this agreement and any dispute between you and the Sony Entities. Any dispute not subject to arbitration and not initiated in small claims court may be brought by either party in a court of competent jurisdiction in either the Superior Courts for the State of California in and for the County of San Mateo or in the United States District Court for the Northern District of California. Each party submits itself to the exclusive jurisdiction and venue of those courts, and waives all jurisdictional, venue and inconvenient forum objections to those courts. In any litigation to enforce any part of this agreement, all costs and fees, including attorney's fees, will be paid by the non-prevailing party.

21 79. Further, California's substantive laws may be constitutionally applied to the claims
22 of Plaintiffs and the Class under the Due Process Clause, 14th Amend. § 1, and the Full Faith and
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1 Credit Clause, Art. IV § 1 of the U.S. Constitution. California has significant contact, or significant
2 aggregation of contacts, to the claims asserted by Plaintiffs and all Class Members, thereby
3 creating state interests that ensure that the choice of California state law is not arbitrary or unfair.

4 80. SIE's United States headquarters and principal place of business is located in
5 California. SIE also owns property and conducts substantial business in California. Therefore
6 California has an interest in regulating SIE's conduct under its laws. SIE's decision to reside in
7 California and avail itself of California's laws, and to engage in the challenged conduct from and
8 emanating out of California, renders the application of California law to the claims herein
9 constitutionally permissible.
10

11 81. California is also the state from which SIE's alleged misconduct emanated. This
12 conduct similarly injured and affected Plaintiffs and all other Class Members.

13 82. The application of California law to the Class is also appropriate under
14 California's choice of law rules because California has significant contacts to the claims of
15 Plaintiffs and the proposed Class, and California has a greater interest in applying its laws here
16 than any other interested state.
17

18 **VII. CAUSES OF ACTION**

19 **FIRST CAUSE OF ACTION** 20 (Declaratory Judgment)

21 83. Plaintiffs repeat and re-allege herein the foregoing allegations.

22 84. All Game Currency that SIE presents for sale constitutes an offer to enter into a
23 sales contract.

24 85. All Game Currency purchased by a minor constitutes acceptance of SIE's offer.

25 86. Every payment made by the members of the Class for the purchase of Game
26 Currency by their minor children constitutes consideration for the provision of the Game
27

1 Currency.

2 87. Accordingly, all transactions that are the subject of this Complaint are possessed
3 of the three elements of a contract, i.e., offer, acceptance and consideration.

4 88. Under California law, minors have the right to disaffirm contracts such as those at
5 issue here. Cal. Fam. Code § 6710.

6 89. A parent or guardian may disaffirm a contract on behalf of a minor.

7
8 90. The contracts between Defendant and the members of the Class are voidable – a
9 fact that Defendant denies.

10 91. Accordingly, there is an actual controversy between the parties, requiring a
11 declaratory judgment.

12 92. This claim for declaratory judgment is brought pursuant to 28 U.S.C. § 2201 et seq.,
13 seeking a determination by the Court that:

14 (a) this action may proceed and be maintained as a class action;

15
16 (b) the sales contracts between Defendant and the children of the class members,
17 relating to the purchase of Game Currency, are voidable at the option of the
18 respective class members on behalf of their minor children;

19 (c) if the class members elect to void the contracts, they will be entitled to restitution
20 and interest thereon;

21 (d) an award of reasonable attorneys' fees and costs of suit to Plaintiff and the Class
22 is appropriate; and

23 (e) such other and further relief as is necessary and just may be appropriate as well.

24 **SECOND CAUSE OF ACTION**

25 (Violation of the California Consumers Legal Remedies Act)

26 93. Plaintiffs repeat and re-allege herein the foregoing allegations.

27 94. At all times relevant hereto, there was in full force and effect the California
28 Consumers Legal Remedies Act ("CLRA"), Cal. Civ. Code § 1750.

1 95. Plaintiffs and the other Class Members are consumers within the meaning of Cal.
2 Civ. Code § 1761(d).

3 96. SIE violated the CLRA's proscription against the concealment of the
4 characteristics, use, benefit, or quality of goods by actively marketing and promoting certain
5 gaming Apps as "free" or nominal (e.g., 99¢) with the intent to induce from minors the purchase
6 of Game Currency. Specifically, by promoting such bait Apps in the manner alleged herein, SIE
7 has violated: (a) § 1770(a)(5)'s proscription against representing that goods have uses or
8 characteristics they do not have; (b) § 1770(a)(7)'s proscription against representing that goods are
9 of particular standard or quality when they are of another; (c) § 1770(a)(14)'s proscription against
10 "Representing that a transaction confers or involves rights, remedies, or obligations which it does
11 not have or involve, or which are prohibited by law."

12 97. Under California law, a duty to disclose arises in four circumstances: (1) when the
13 defendant is in a fiduciary relationship with the plaintiff; (2) when the defendant had exclusive
14 knowledge of material facts not known to the plaintiff; (3) when the defendant actively conceals a
15 material fact from the plaintiff; or (4) when the defendant makes partial representations but also
16 suppresses some material facts.

17 98. SIE owed a duty to disclose material facts about the Game Currency embedded in
18 games it marketed, advertised and promoted to children as "free" or nominal. SIE breached such
19 duty as alleged in this Complaint.

20 99. Plaintiffs and the Class suffered actual damages as a direct and proximate result of
21 SIE's actions, concealment and/or omissions in the advertising, marketing and promotion of its bait
22 Apps, in violation of the CLRA, as evidenced by the substantial sums SIE pocketed.

23 100. Plaintiffs, on behalf of themselves and for all those similarly situated, demand
24 judgment against SIE for equitable relief in the form of restitution and/or disgorgement of funds
25

1 paid to SIE.

2 101. In accordance with § 1782(a) of the CLRA, on January 29, 2019, Plaintiff's
3 counsel served SIE, by certified mail, return receipt requested, with notice of its alleged
4 violations of the CLRA.

5 102. If SIE does not fully meet the demand set forth in that letter, then Plaintiff
6 will amend or seek leave to amend this complaint in order to seek the following relief
7 under CLRA § 1780, for SIE's violations of CLRA § 1770(a)(14):

- 8
- 9 • actual damages under Cal. Civ. Code § 1780(a)(1);
 - 10 • punitive damages under Cal. Civ. Code § 1780(a)(4);
 - 11 • attorneys' fees and costs under Cal. Civ. Code § 1780(d); and
 - 12 • any other relief the Court deems proper under Cal. Civ. Code §
13 1780(a)(5).
- 14

15 **THIRD CAUSE OF ACTION**
16 (Violation of Bus. & Prof. Code § 17200 et seq.)

17 103. Plaintiffs repeat and re-allege herein the foregoing allegations.

18 104. Plaintiffs bring this cause of action on behalf of themselves, on behalf of the other
19 Class Members, and in their capacity as a private attorneys general against SIE for its unlawful,
20 unfair, fraudulent and/or deceptive business acts and practices pursuant to California's Unfair
21 Competition Law (UCL), Business & Professions Code § 17200 et seq., which prohibits unlawful,
22 unfair and/or fraudulent business acts and/or practices.

23 105. Plaintiffs assert these claims as a representative of an aggrieved group and as
24 private attorneys general on behalf of the general public and other persons who have expended
25 funds that SIE should be required to reimburse under UCL § 17200 et seq.

26 106. This claim is predicated on the duty to refrain from unlawful, unfair and deceptive
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1 business practices. Plaintiffs and the other Class Members hereby seek to enforce a general
2 proscription of unfair business practices and the requirement to refrain from deceptive conduct.

3 107. The UCL § 17200 et seq. prohibits acts of “unfair competition.” As used in this
4 section, “unfair competition” encompasses three distinct types of misconduct: (a)
5 “unlawful...business acts or practices”; (b) “unfair fraudulent business acts or practices”; and (c)
6 “unfair, deceptive or misleading advertising.”

7
8 108. SIE violated the UCL by engaging in conduct that violated each of the three
9 prongs identified by the statute, as set forth throughout this Complaint.

10 109. SIE committed an unlawful business act or practice in violation of the UCL §
11 17200 et seq. when it violated the CLRA.

12 110. SIE committed fraudulent business acts and practices in violation of the UCL
13 §§ 17200 and 17500 et seq. by actively advertising, marketing and promoting its bait Apps as “free”
14 or nominal with the intent to lure minors to purchase Game Currency in a manner likely to deceive
15 the public.

16
17 111. SIE has violated the “unfairness” prong. According to the Federal Trade
18 Commission guidelines: “To justify a finding of unfairness the injury must satisfy three tests. It
19 must be substantial; it must not be outweighed by any countervailing benefits to consumers or
20 competition that the practice produces; and it must be an injury that consumers themselves could
21 not reasonably have avoided.” FTC Policy Statement On Unfairness, appended to International
22 Harvester Co., 104 F.T.C. 949, 1070 (1984).

23
24 112. As alleged in this complaint, Plaintiffs and the Class have suffered substantial actual
25 economic harm. SIE’s practices produce no countervailing benefits to consumers or competition
26 that outweigh such substantial harm to Plaintiffs and the Class. Because the injuries alleged
27 occurred without Plaintiffs’ and the other Class Members’ knowledge or permission, Plaintiffs and
28

1 the Class, a fortiori, could not have avoided such injuries. One cannot avoid something about which
2 one is unaware. Accordingly, SIE has violated the “unfairness” prong of the UCL.

3 113. SIE’s deceptive practices were specifically designed to induce the children of
4 Plaintiffs and the other members of the Class to download the bait Apps and then purchase Game
5 Currency.

6 114. SIE’s practices have deceived and/or are likely to deceive Plaintiffs and
7 members of the consuming public.

8 115. As a direct and proximate cause of SIE’s violation of the UCL, Plaintiffs and the
9 Class have suffered harm in that they have not been reimbursed for the purchases of Game
10 Currency their children made from SIE without their knowledge or permission.

11 116. As a direct and proximate result of SIE’s violation of the UCL, SIE has been unjustly
12 enriched and should be required to make restitution to Plaintiffs and the Class or disgorge its ill-
13 gotten profits pursuant to the UCL § 17203.

14 117. Plaintiffs, on behalf of themselves and for all others similarly situated, demand
15 judgment against SIE for injunctive relief in the form of restitution, and/or disgorgement of
16 funds paid to SIE as alleged herein.

17
18
19 **FOURTH CAUSE OF ACTION**

20 (Restitution/Unjust Enrichment/Money Had and Received (alternative claim))

21 118. Plaintiffs repeat and re-allege herein the foregoing allegations.

22 119. Plaintiffs and the Class have conferred benefits on SIE by paying for the Game
23 Currency their children purchased from SIE without their knowledge or permission.

24 120. SIE knowingly and willingly accepted those monetary benefits from Plaintiffs and
25 the Class.

26 121. Under the circumstances alleged herein, it is inequitable for Defendant to retain
27

1 such benefits at the expense of Plaintiffs and the Class.

2 122. SIE has been unjustly enriched at the expense, and to the detriment of, Plaintiffs and
3 the Class by wrongfully collecting money to which SIE, in equity, is not entitled.

4 123. Plaintiffs and the Class are entitled to recover from SIE all amounts wrongfully
5 collected and improperly retained by SIE, plus interest thereon.

6 124. As a direct and proximate result of SIE's unjust enrichment, Plaintiffs and the
7 Class have suffered injury and are entitled to reimbursement, restitution and disgorgement from
8 SIE of the benefits conferred by Plaintiffs and the Class.

9 125. As a direct and proximate result of SIE's misconduct as set forth herein, SIE has
10 been unjustly enriched.
11

12
13 WHEREFORE, Plaintiffs, individually and on behalf of the Class, pray for an Order as
14 follows:

- 15 A. Finding that this action satisfies the prerequisites for maintenance as a class action
16 under Fed. R. Civ. P. 23(a), (b)(2) and (b)(3), and certifying the Class defined herein;
17
18 B. Designating Plaintiffs as representative of the Class and their counsel as class
19 counsel;
20
21 C. Entering judgment in favor of Plaintiffs and the Class and against SIE;
22
23 D. As to the First Cause of Action, entering a Declaratory Judgment determining that
24 the sales contracts between Defendant and the minor children of Class Members
25 relating to the purchase of Game Currency are voidable at the option of the respective
26 Class Members on behalf of their minor children, and that if the Class Members elect
27 to void the contracts, they will be entitled to restitution, attorneys' fees, costs and
28 interest thereon;

- 1 E. As to the Second through Fifth Causes of Action, awarding Plaintiffs and members
2 of the Class their individual damages and attorneys' fees and allowing costs,
3 including interest thereon; and/or restitution and equitable relief;
- 4 F. As to all Causes of Action, an injunction discontinuing the Game Currency sales
5 practices targeting minors complained of herein, and awarding attorneys' fees and
6 allowing costs, including interest thereon; and
- 7 G. Granting such further relief as the Court deems just.
- 8
9

10 **JURY DEMAND**

11 **PLAINTIFFS DEMAND A TRIAL BY JURY ON ALL ISSUES SO TRIABLE**

12 Dated: January 29, 2019

13
14 **Excolo Law, PLLC**

15 by: /s/ Keith Altman
16 Keith Altman

17 Keith Altman (SBN 257309)
18 Solomon Radner (*pro hac vice to be applied for*)
26700 Lahser Road, Suite 401
19 Southfield, MI 48033
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21 **1-800-LAWFIRM**
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24 800-LawFirm
akresch@1800lawfirm.com

DECLARATION OF KEITH ALTMAN
PURSUANT TO CALIFORNIA CIVIL CODE § 1780(d)

I, Keith Altman, declare as follows:

1. I submit this declaration pursuant to section 1780 (d) of the California Consumers Legal Remedies Act. I have personal knowledge of the matters set forth below and if called as a witness could and would be competent to testify thereto.
2. Defendant Sony Interactive Entertainment, LLC is a Delaware Corporation with its principle place of business at 2207 Bridgepointe Pkwy. San Mateo, CA 94404.
3. This action is being commenced in the Northern District of California. Defendant's principle place of business is located within the Northern District of California.

I declare under the penalty of perjury under the laws of the State of California and the United States that the foregoing is true and correct and that this declaration was executed on January 29, 2019 in Southfield, MI.

/s/ Keith Altman
Keith Altman

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

Christina Lopez, on behalf of herself and all others similarly situated

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

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

Keith L. Altman, Excolo Law PLLC
26700, Lahser Road Ste 401 Southfield MI 48033 (516) 456-5885

DEFENDANTS

Sony Interactive Entertainment, LLC

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

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

Table with columns for Plaintiff (PTF) and Defendant (DEF) citizenship: Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation.

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Large table with categories: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, HABEAS CORPUS, OTHER, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES.

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. SC. 1332(d)

Brief description of cause:

Does not employ effective measures to prevent minors from creating accounts

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 01/29/2019

SIGNATURE OF ATTORNEY OF RECORD

s/ Keith L. Altman

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.