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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

MICHAEL OWENS, individually and on
behalf of all others similarly situated,
Plaintiff,

v.

ZYNGA INC., a Delaware Corporation,
Defendant.

Case No. 3:21-cv-1427

CLASS ACTION COMPLAINT

DEMAND FOR JURY TRIAL

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Introduction

1
2 1. Defendant Zynga Inc. is a California-based company that develops video games
3 that can be played online or on apps downloaded on mobile platforms. In the early 2010s, Zynga
4 was under a great deal of financial stress. As of October 2012, Zynga had lost more than three-
5 quarters of its market value in that year alone.¹ As one analyst put it, “while Zynga [had] added
6 more and more overall users, it [was] struggling to make money off of them.”²

7 2. In a move to turn the company’s financials around, Zynga’s leadership decided
8 that the company should move in the direction of online gambling. For example, in October of
9 2012, Zynga announced a partnership with a British company that would allow Zynga to operate
10 real-money online gambling through online poker, slots, and roulette games in the UK.³
11 Zynga’s then-CFO Dave Whener stated on behalf of the company: “We view this as a first step
12 into real money gaming. ... We believe it's a good first step, but only a first step towards what
13 we think is a big opportunity for Zynga.”⁴

14 3. After Zynga recognized the profitability of modeling its online games after the
15 gambling industry, Zynga began developing and offering “social slots” games. Zynga
16 intentionally modeled its “social slots” games precisely after Vegas-style slot machines. Users
17 make “bets” on “spins” using in-game currency. Users are given an initial allotment of free in-
18 game currency. But when users exhaust their supplies of free in-game currency, they must
19 purchase more to keep playing—and must do so with real money.

20 4. Zynga’s “social slots” games are unlawful slot machines under California law.
21 Moreover, these games utilize the same psychological tricks that casinos and physical slot
22 machines use to cause users to become addicted. This keeps users playing—and spending. And
23

24 ¹ Laurie Segall, *Zynga Surges on Higher Sales, Casino Gaming Plans*, CNN Business
25 (Oct. 25, 2012), <https://money.cnn.com/2012/10/24/technology/zynga-earnings/>.

26 ² Cyrus Farivar, *Zynga’s Financial Troubles Worsen, Company Falling Faster than*
27 *Before*, Ars Technica (Oct. 4, 2012), [https://arstechnica.com/information-
28 technology/2012/10/zyngas-financial-troubles-worsen-company-falling-faster-than-before/](https://arstechnica.com/information-technology/2012/10/zyngas-financial-troubles-worsen-company-falling-faster-than-before/).

³ Segall, *supra*.

⁴ *Id.*

1 the virtual platform only increases the opportunities to capitalize on the addictive tendencies of
2 users.

3 5. Zynga has unlawfully, unfairly, and fraudulently made hundreds of millions of
4 dollars from its “social slots” games. Plaintiff brings this case on behalf of himself and other
5 users, seeking to end Zynga’s unlawful, unfair, and fraudulent practices in relation to its “social
6 slots” games.

7 **Parties**

8 6. Plaintiff Michael Owens is a citizen of Florida (domiciled in Lantana, Florida).
9 Plaintiff has lost over \$8,000 playing Defendant’s “social slots” games.

10 7. Defendant Zynga Inc. is a Delaware Corporation with its principal place of
11 business in California. Zynga’s headquarters are located at 699 Eighth Street, San Francisco, CA
12 94103. Zynga develops, owns, markets, and operates games that are played on mobile platforms,
13 such as Apple’s iOS and Google’s Android, and social networking platforms, such as Facebook
14 and Snapchat.

15 **Jurisdiction and Venue**

16 8. The Court has subject matter jurisdiction under 28 U.S.C. § 1332(d)(2). The
17 matter in controversy exceeds the sum or value of \$5,000,000, exclusive of interest and costs,
18 and is a class action in which one or more members of the proposed class are citizens of a state
19 different from any one of the Defendants.

20 9. Venue is proper under 28 U.S.C. § 1391(b)(1) & (2), because Defendant resides
21 in this district. In addition, a substantial part of the Defendant’s conduct giving rise to the claims
22 occurred in this district.

23 **Common Allegations**

24 10. Zynga develops and operates “social slots” games. “Social slots” games are
25 virtual slot machines that allow users to make bets using virtual “coins.” Zynga’s current social
26 slots games include:

- 27 • Hit it Rich!
- 28 • Black Diamond Casino

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