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Attorneys for Plaintiff

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

V.R., a minor, individually and on behalf of all
others similarly situated,

Plaintiff,

v.

ROBLOX CORPORATION,

Defendant.

Case No. 3:22-cv-02716-MMC

**FIRST AMENDED CLASS ACTION
COMPLAINT**

JURY TRIAL DEMANDED

1 Plaintiff V.R., a minor (hereinafter “Plaintiff”), brings this action on behalf of himself and
2 all others similarly situated against Defendant Roblox Corporation (hereinafter collectively referred
3 to as “Defendant” or “Roblox Corp.”). Plaintiff makes the following allegations pursuant to the
4 investigation of his counsel and based upon information and belief, except as to the allegations
5 specifically pertaining to himself, which are based on personal knowledge.

6 **NATURE OF THE CASE**

7 1. This is a putative class action brought by Plaintiff on behalf of himself and all others
8 similarly situated who disaffirm their entire contracts with Defendant and seek restitution in the
9 amount already paid to Defendant on their now-void contracts. By filing his original complaint on
10 May 5, 2022, Plaintiff disaffirmed his entire contract with Defendant.

11 2. Plaintiff and the putative class have suffered injury due to deceptive, misleading,
12 and illegal trade practices by Defendant in marketing and selling in-game items and in-game
13 currency for its popular video game, Roblox. These items and in-game currency are frequently
14 purchased by minors who are unable to exercise their unrestricted right under state laws to rescind
15 contracts into which they entered with Defendant.

16 3. Additionally, even if Plaintiff and putative class members did not exercise their
17 right to disaffirm their contracts with Defendant, purchases of in-game items and in-game currency
18 in Roblox are void *ab initio* as a matter of law.

19 4. Roblox is ostensibly free-to-play. However, Roblox realizes billions of dollars in
20 revenue, largely from children.

21 5. Roblox is monetized through a system where players can obtain new characters,
22 weapons, and other resources in exchange for virtual currency. The in-game currency can be
23 purchased from Defendant using real money.

24 6. Plaintiff brings this action for declaratory, equitable, and monetary relief under the
25 Declaratory Judgment Act, Business and Professions Code § 17200 *et seq.*, and/or for Unjust
26 Enrichment.

JURISDICTION AND VENUE

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2 7. Jurisdiction is proper in this Court pursuant to the Class Action Fairness Act
3 (“CAFA”), 28 U.S.C. § 1332(d)(2) because this is a class action in which at least one member of
4 the class is a citizen of a state different from Defendant, the amount in controversy exceeds \$5
5 million, exclusive of interest and costs, and the proposed class contains more than 100 members.

6 8. This Court has personal jurisdiction over the Defendant because Defendant
7 maintains its principal place of business in this District and because a substantial part of the events
8 or omissions giving rise to the claims asserted herein occurred in this District.

9 9. Venue is proper in this district pursuant to 28 U.S.C. § 1391 because a substantial
10 part of the events or omissions giving rise to the claims asserted herein occurred in this District and
11 because Defendant maintains its principal place of business in this District.

PARTIES

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13 10. Plaintiff V.R. is a minor and a resident of California. Plaintiff, under his own name
14 and using his own money, made multiple in-game purchases in Roblox. Plaintiff no longer plays
15 Roblox and will not play Roblox in the future. Plaintiff made purchases both from Amazon.com
16 and from Roblox directly. Plaintiff has purchased in-game currency from Defendant that he has
17 since redeemed for in-game items, characters, weapons, and other resources.

18 11. Defendant Roblox Corporation is Delaware corporation with its principal place of
19 business in in San Mateo, California.

GENERAL BACKGROUND

20
21 **A. *Roblox***

22 12. Roblox is an online game platform developed by Defendant.

23 13. Roblox breaks away from the traditional pay-for-game model, wherein a consumer
24 pays a one-time fee for a game and gains access to all of its features, and instead offers the game
25 for free with the hopes that players purchase various in-game items. This is referred to as the free-
26 to-play or “freemium” model.

27 14. However, while Roblox can ostensibly be played without making in-game
28 purchases, the game encourages impressionable minors to make in-game purchases. This is

1 because many of Roblox’s most desirable in-game items and avatars can only be obtained by
2 purchasing the items with virtual currency referred to as “Robux.” Obtaining Robux generally
3 requires users to purchase it with real money.

4 15. This system was created to capitalize on and encourage addictive behaviors. Minors
5 are especially susceptible to these addiction-enhancing elements of game design. The experience
6 of acquiring in-game items holds a strong appeal for minors and reinforces their desire to keep
7 playing and continue making purchases.

8 16. Members of Congress have expressed concern about Defendant’s practices.
9 Specifically, in letters released to the public, Congresswoman Lori Trahan, Congresswoman Kathy
10 Castor, and Senator Edward J. Markey have asked Defendant, among other video game makers, to
11 “make changes to [their] product or service’s design or data collection” to address “Loot boxes ...
12 [that] encourage[e] purchase before a child knows what the ‘bundle’ contains— akin to gambling.”
13 *See* Exhibit A.

14 17. Defendant’s strategy has been immensely successful, and Defendant is still growing.
15 Roblox Corporation earned approximately \$1,919,181,000 in 2021, which was a 108% increase
16 over the company’s 2020 earnings.¹ This increase was likely due to the fact that the “daily paying
17 users increased from roughly 490,000 in 2020 to roughly 678,000 in 2021.”²

18 18. Despite these massive profits, Defendant fails to provide an unrestricted right to
19 seek refunds of any in-game purchases made by minors as is required by state law.

20 19. Further, as detailed below, Plaintiff and the putative class’s contracts for the
21 purchase of virtual currency and/or virtual goods are void as a matter of law.

22 **B. Defendant’s Misconduct**

23 20. Defendant misleads or misrepresents the applicable law for transactions, including
24 in-App purchases, with minors. Specifically, Defendant knows that in the state of California, and
25 in most states nationwide, the law allows minors to disaffirm contracts. Defendant also knows that

26 _____
27 ¹ 2021 Form 10-k, Roblox Corporation,
<https://www.sec.gov/ix?doc=/Archives/edgar/data/0001315098/000131509822000058/rblx-20211231.htm> (last accessed April 5, 2022)

28 ² *Id.*

1 a minor can disaffirm contracts without any restrictions; the law permits a minor to do so. And
 2 finally, Defendant knows that contracts with minors for “personal property not in the immediate
 3 possession or control of the minor[s]” are void under CA FAM §6701. Yet, Defendant operates a
 4 non-refund policy that misleads, misrepresents, and does not acknowledge a minor’s right to obtain
 5 a refund.

6 21. To any extent that Roblox requires that its Terms of Use be accepted by legal adults
 7 18 years and older, Roblox still targets minors. An agreement that explicitly requires acceptance
 8 by an adult cannot apply to a minor, and minors have a legal right to disaffirm contracts into which
 9 they enter. And Roblox is aware its customers are minors – the player’s birthday is the first thing
 10 that a player enters when setting up a Roblox account:³

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³ <https://www.roblox.com/>

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