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8
9 **UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION**

10 JENNIFER ANDREWS and JOHN SARLEY,
11 individually and on behalf of all others
12 similarly situated,

13 *Plaintiffs,*

14 v.

15 GOOGLE LLC, a Delaware limited liability
company,

16 *Defendant.*
17

Case No. _____

CLASS ACTION COMPLAINT

JURY DEMAND

18 Plaintiffs Jennifer Andrews and John Sarley, individually and on behalf of a proposed
19 class, bring this Class Action Complaint against Google LLC seeking restitution, damages, an
20 injunction, and other appropriate relief from Google’s ongoing participation in an illegal internet
21 gambling enterprise. Plaintiffs allege as follows upon personal knowledge as to themselves and
22 their own acts and experiences, and as to all other matters, upon information and belief.

23 **INTRODUCTION**

24 1. Over the last decade, the world’s leading slot machine makers—companies like
25 International Game Technology, Scientific Games Corporation, and Aristocrat Leisure—have
26 teamed up with American technology companies to develop a new product line: social casinos.

27 2. Social casinos are apps, playable from smartphones, tablets, and internet
28

1 browsers, that make the “authentic Vegas-style”¹ experience of slot machine gambling available
 2 to consumers anywhere and anytime. *See* Figure 1 (Screenshot of DoubleDown Casino
 3 Gameplay). By moving their casino games directly onto the phones and computers of players,
 4 and by leveraging an innocuous-sounding “free-to-play” model,² social casino companies, along
 5 with Google, Facebook, and Apple (the “Platforms”), have found a way to smuggle slot
 6 machines into the homes of consumers nationwide, twenty-four hours a day and three-hundred-
 7 sixty-five days a year.

8 3. Just like Las Vegas slot machines, social casinos allow users to purchase virtual
 9 “chips” in exchange for real money, and then to gamble those chips at slot machine games in
 10 hopes of winning still more chips to keep gambling. In DoubleDown Casino, for example,
 11 players purchase “chip packages” costing up to \$499.99. *See* Figure 2 (Screenshot of “Popular”
 12 Chip Packages in DoubleDown Casino). But unlike Las Vegas slots, social casinos do not allow
 13 players to cash out their chips. Instead, purchased chips and won chips alike can be used only for
 14 more slot machine “spinning.”

15 **Figure 1**



15 **Figure 2**



1 DoubleDown Interactive Co., Ltd., Form F-1/A at 87 (June 30, 2020),
 2 <https://bit.ly/2QqLW6v>.

3 This term is a misnomer. It refers to a business model by which the initial download of
 4 the game is free, but companies reap huge profits by selling “in-game” items (known generally
 5

1 4. Nevertheless, like Las Vegas slots, social casinos are extraordinarily profitable
2 and highly addictive. Social casinos are so lucrative because they mix the addictive aspects of
3 traditional slot machines with the power of the Platforms, including Defendant Google, to
4 leverage big data and social network pressures to identify, target, and exploit consumers prone to
5 addictive behaviors.³

6 5. Simply put, the social casino apps do not, and cannot, operate and profit at such a
7 high level from these illegal games on their own. Their business of targeting, retaining, and
8 collecting losses from addicted gamblers is inextricably entwined with the Platforms. Not only
9 do the Platforms retain full control over allowing social casinos into their stores, and their
10 distribution and promotion therein, but they also share directly in a substantial portion of the
11 gamblers' losses, which are collected and controlled by the Platforms themselves.

12 6. Because the Platforms are the centers for distribution and payment, social casinos
13 gain a critical partner to retain high-spending users and collect player data, a trustworthy
14 marketplace to conduct payment transactions, and the technological means to update their apps
15 with targeted new content designed to keep addicted players spending money.

16 7. Last year alone, consumers purchased and gambled away an estimated *\$6 billion*
17 in social casino virtual chips.⁴

18 8. By utilizing Google for distribution and payment processing, the social casinos
19 entered into a mutually beneficial business partnership. In exchange for distributing the casino
20 games, providing them valuable data and insight about their players, and collecting money from
21 consumers, Google (and the other Platforms) take a *30 percent* commission off of every wager,
22 earning them billions in revenue. By comparison, the "house" at a traditional casino only takes 1
23 to 15 percent, while also taking on significant risk of loss in its operation. Google's 30 percent
24 rake, on the other hand, is guaranteed for its ability to act as a casino "host" and bankroll.

25 9. The result (and intent) of this dangerous partnership is that consumers become
26

27 ³ See, e.g., *How social casinos leverage Facebook user data to target vulnerable gamblers*,
28 PBS NEWS HOUR (Aug. 13, 2019), <https://bit.ly/3tSHqMI>.

1 addicted to social casino apps, maxing out their credit cards with purchases amounting to tens or
2 even hundreds of thousands of dollars. Consumers addicted to social casinos suffer a variety of
3 non-financial damages ranging from depression to divorce to attempted suicide.

4 10. These devastating consequences are not hypothetical or hyperbole: below are
5 excerpts of sworn testimony from individuals describing their experiences with three different
6 social casinos at issue in this case:

- 7
- 8 • **DoubleDown Casino:** “I was drawn to DoubleDown because I could play
9 the same games that I played when I went to real casinos. . . . Overall, I
10 estimate that I have spent over \$40,000 on chips in DoubleDown Casino. I
11 am addicted to DoubleDown Casino. . . . I knew being on DoubleDown
12 Casino every day for hours was a problem, but I couldn’t seem to stop. I
13 believe that DoubleDown is taking advantage of people’s addictions. *They
14 know that gambling is addictive, and they act exactly like a physical casino
15 that pays out money.* I feel alone and embarrassed about spending money to
16 do something that only feeds my addiction. DoubleDown Casino consumes
17 you, and makes you feel like you always have to go play. I feel guilty
18 because I’ve spent money on DoubleDown that I’ve needed to pay bills or
19 buy food.” Exhibit 1, Declaration of Willa Moore [emphasis added].
 - 20 • **DoubleDown Casino:** “I believe I have spent close to \$25,000 on
21 DoubleDown Casino. I would buy the chips with a credit card which I
22 couldn’t pay in-full, so there’s interest on top of that too. . . . I was a well-
23 respected, active member of my community who owned my own business
24 for 36 years. But when I retired, and my fellow started having health
25 problems, DoubleDown Casino made me fall into the trap of escape and
26 adrenaline rush to cope with all my other responsibilities. When I won, it
27 was just great. When I lost, and started buying more and more chips, I felt
28 lower than pond scum. I was sick to my stomach, felt like a total loser,
29 *wondered about suicide* (although I would never leave my partner), could
30 not sleep, had anxiety attacks with a rushing heart, and couldn’t eat. I just
couldn’t understand how I could let it get so out of control. *It was as if it
had a power over me that I couldn’t break. I couldn’t stop.*” Exhibit 2,
Declaration of Jan Saari [emphasis added].
 - **Jackpot Party Casino:** “Overall, I believe that I have spent between
\$10,000-\$20,000 playing Jackpot Party Casino. I was addicted to Jackpot
Party Casino and I hate that. . . . *This kind of loss put a huge strain on my
ability to even buy food . . .* I believe Jackpot Party Casino had been taking
advantage of my addiction. . . . This game hurt me and the worst part was
that when my husband was alive, he would say, ‘You’re not spending
money on there are you?’ and I lied. I hate that I have to live with that
now.” Exhibit 3, Declaration of Laura Perkinson [emphasis added].
 - **Jackpot Party Casino:** “I believe that I’ve spent at least \$30,000 on
Jackpot Party Casino *I am going through a divorce right now, in part
because of how much money I spent on Jackpot Party. . . .* Scientific
Games will provide incentives to their top spenders so that they continue to

1 they have sent other players flowers and candies . . . This game has
 2 changed my way of thinking and caring. I never thought I would get
 3 addicted to anything except cigarettes, but this has taken too much of my
 4 life away. I don't know how my life would be different without this game,
 5 but I know that it would be better and I know that I would be much better
 6 off financially. . . . I wish it didn't exist." Exhibit 4, Declaration of Donna
 7 Reed [emphasis added].

- 8 • **High 5 Casino:** "I have spent at least \$10,000 on coins in High 5
 9 Casino . . . I believe I am addicted to High 5 Casino. . . . I have tried to quit
 10 but I believe three weeks is the longest amount of time I've ever been able
 11 to stop. . . . Sometimes I feel guilty about playing High 5 Casino and
 12 spending so much money. My husband does not know I have spent money
 13 on it. *My grandkids will sometimes ask for money and I can't give it to*
 14 *them because I have to save it for this game."* Exhibit 5, Declaration of
 15 Aida Glover [emphasis added].

16 12. Unsurprisingly, social casinos are illegal under many states' gambling laws.

17 13. As the Ninth Circuit held in *Kater v. Churchill Downs Inc.*, 886 F.3d 784, 785
 18 (9th Cir. 2018):

19 In this appeal, we consider whether the virtual game platform "Big Fish
 20 Casino" constitutes illegal gambling under Washington law. Defendant–
 21 Appellee Churchill Downs, the game's owner and operator, has made
 22 millions of dollars off of Big Fish Casino. However, despite collecting
 23 millions in revenue, Churchill Downs, like Captain Renault in *Casablanca*,
 24 purports to be shocked—shocked!—to find that Big Fish Casino could
 25 constitute illegal gambling. We are not. We therefore reverse the district
 26 court and hold that because Big Fish Casino's virtual chips are a "thing of
 27 value," Big Fish Casino constitutes illegal gambling under Washington law.

28 14. As an instructive example, DoubleDown Casino is illegal both in Washington and
 29 here in California (where the Platforms, including Defendant Google, host it and collect their
 30 30% rake). This year, consumers will purchase approximately \$300 million worth of virtual
 31 casino chips in DoubleDown Casino. That \$300 million will be divided up approximately as
 32 follows: \$170 million to DoubleDown; \$30 million to International Game Technology ("IGT")
 33 (a multinational slot machine manufacturer that licenses slot machine game intellectual property
 34 to DoubleDown); and—as particularly relevant here—the remaining \$100 million to Google and
 35 the other Platforms (for hosting the app, driving vulnerable consumers to it, and processing the
 36 payments for those consumers' virtual chip purchases).

37 15. In other words, despite knowing that DoubleDown Casino is illegal, Google and

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