

The Honorable Ronald B. Leighton

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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

SEAN WILSON, individually and on behalf of
all others similarly situated,

Plaintiff,

v.

HUUUGE, INC., a Delaware corporation,

Defendant.

Case No. 3:18-cv-05276-RBL

HUUUGE, INC.'S ANSWER TO
CLASS ACTION COMPLAINT

JURY DEMAND

Defendant HUUUGE, Inc. (“HI”)¹ files this answer to Plaintiff Sean Wilson’s Class
Action Complaint (the “Complaint”). To the extent that any allegation in the Complaint is not
specifically admitted, the allegation is denied. HI denies all allegations contained in headings
and unnumbered paragraphs, and HI denies all allegations except for those expressly admitted
below. HI answers the corresponding numbered paragraphs of the Complaint as follows:

NATURE OF THE ACTION

1. Defendant HUUUGE owns and operates a video game development company in
the so-called “casual games” industry—that is, computer games designed to appeal to a mass

¹ The answers herein are limited to Defendant HUUUGE, Inc.’s knowledge and are not provided on behalf of, or
with the knowledge of, any subsidiary or related company.

1 audience of casual gamers. Amongst the games Defendant owns and operates is a popular
2 online casino under the name Huuuge Casino.

3 **ANSWER:** HI denies the allegations in paragraph 1. HI admits that it is a Delaware
4 Corporation with subsidiaries that own and operate games, including Huuuge Casino.

5
6 2. In Huuuge Casino, Defendant offers a multitude of electronic versions of slot
7 machines to consumers. Huuuge Casino is available on Android, Apple iOS, and Amazon
8 devices.

9 **ANSWER:** HI admits that Huuuge Casino and other games owned by its subsidiaries
10 can be accessed on Android, Apple iOS, and certain Amazon devices among others. HI denies
11 the remaining allegations in paragraph 2.

12
13 3. Defendant provides a bundle of free “chips” to first-time visitors of its online
14 casino that can be used to wager on its games. After consumers inevitably lose their initial
15 allotment of chips, Huuuge attempts to sell them additional chips starting at \$4.99 for
16 100,000,000 chips. Without chips, consumers cannot play the gambling game.

17 **ANSWER:** HI denies the allegations in paragraph 3.

18
19 4. Freshly topped off with additional chips, consumers wager to win more chips.
20 The chips won by consumers playing Defendant’s games of chance are identical to the chips
21 that Defendant sells. Thus, by wagering 100,000,000 chips that were purchased for \$4.99,
22 consumers have the chance to win hundreds of thousands of additional chips that they would
23 otherwise have to purchase.

24 **ANSWER:** HI denies the allegations in paragraph 4.

25
26 5. By operating its online casino, Defendant has violated Washington law and
27 illegally profited from tens of thousands of consumers. Accordingly, Sean Wilson, on behalf of

1 himself and a Class of similarly situated individuals, brings this lawsuit to recover their losses,
2 as well as costs and attorneys' fees.

3 **ANSWER:** HI denies the allegations in paragraph 5.

4
5 **PARTIES**

6 6. Plaintiff Sean Wilson is a natural person and a citizen of the state of
7 Washington.

8 **ANSWER:** HI lacks knowledge or information sufficient to form a belief as to the
9 truth of the allegations in paragraph 6.

10
11 7. Defendant Huuuge, Inc., is a corporation organized and existing under the laws
12 of Delaware, with its principal place of business at 2600 El Camino Real, Suite 601, Palo Alto,
13 California, 94306. Defendant conducts business throughout this District, Washington State,
14 and the United States.

15 **ANSWER:** HI admits that Huuuge, Inc., is a corporation organized and existing under
16 the laws of Delaware, and that it has a mailing address at 2600 El Camino Real, Suite 601, Palo
17 Alto, California, 94306. HI denies the remaining allegations of paragraph 7.

18
19 **JURISDICTION AND VENUE**

20 8. Federal subject-matter jurisdiction exists under 28 U.S.C. § 1332(d)(2) because
21 (a) at least one member of the class is a citizen of a state different from Defendant, (b) the
22 amount in controversy exceeds \$5,000,000, exclusive of interests and costs, and (c) none of the
23 exceptions under that subsection apply to this action.

24 **ANSWER:** To the extent paragraph 8 states a legal conclusion, no answer is required.
25 To the extent an answer is required, HI denies the allegations in paragraph 8.

1 annually.² Even “large land-based casino operators are looking at this new space” for “a
2 healthy growth potential.”³

3 **ANSWER:** HI lacks knowledge or information sufficient to form a belief as to the
4 truth of the allegations in paragraph 12.

5
6 13. With games of chance that employ the in-game purchase strategy, developers
7 have begun exploiting the same psychological triggers as casino operators. As one respected
8 videogame publication put it:

9 “If you hand someone a closed box full of promised goodies,
10 many will happily pay you for the crowbar to crack it open. The
11 tremendous power of small random packs of goodies has long
12 been known to the creators of physical collectible card games and
13 companies that made football stickers a decade ago. For some ...
14 the allure of a closed box full of goodies is too powerful to resist.
15 Whatever the worth of the randomised [sic] prizes inside, the
16 offer of a free chest and the option to buy a key will make a small
17 fortune out of these personalities. For those that like to gamble,
18 these crates often offer a small chance of an ultra-rare item.”⁴

19 **ANSWER:** HI lacks knowledge or information sufficient to form a belief as to the
20 truth of the allegations in paragraph 13.

21
22
23 14. Another stated:

24 “Games may influence ‘feelings of pleasure and reward,’ but this
25 is an addiction to the games themselves; micro-transactions play
26 to a different kind of addiction that has existed long before video
27 games existed, more specifically, an addiction similar to that
28 which you could develop in casinos and betting shops.”⁵

29 ² GGRAsia – Social casino games 2017 revenue to rise 7pct plus says report, <http://www.ggrasia.com/social-casino-games-2017-revenue-to-rise-7pct-plus-says-report/> (last visited Apr. 6, 18)

30 ³ *Report confirms that social casino games have hit the jackpot with \$1.6B in revenue* | GamesBeat, <https://venturebeat.com/2012/09/11/report-confirms-that-social-casino-games-have-hit-the-jackpot-with-1-6b-in-revenue/> (last visited Apr. 6, 18)

31 ⁴ PC Gamer, *Microtransactions: the good, the bad and the ugly*, <http://www.pcgamer.com/microtransactions-the-good-the-bad-and-the-ugly/> (last visited Apr. 9, 2015).

32 ⁵ The Badger, *Are micro-transactions ruining video games?* | *The Badger*, <http://www.badgeronline.co.uk/micro-transactions-ruining-video-games/> (last visited Apr. 9, 2015).

1 **ANSWER:** HI lacks knowledge or information sufficient to form a belief as to the
2 truth of the allegations in paragraph 14.

3
4 15. The comparison to casinos doesn't end there. Just as with casino operators,
5 mobile game developers rely on a small portion of their players to provide the majority of their
6 profits. These "whales," as they're known in casino parlance, account for just "0.15% of
7 players" but provide "over 50% of mobile game revenue."⁶

8 **ANSWER:** HI lacks knowledge or information sufficient to form a belief as to the
9 truth of the allegations in paragraph 15.

10
11 16. Game Informer, another respected videogame magazine, reported on the rise
12 (and danger) of micro-transactions in mobile games and concluded:

13 "[M]any new mobile and social titles target small, susceptible
14 populations for large percentages of their revenue. If ninety-five
15 people all play a [free-to-play] game without spending money,
16 but five people each pour \$100 or more in to obtain virtual
17 currency, the designer can break even. These five individuals are
18 what the industry calls whales, and we tend not to be too
19 concerned with how they're being used in the equation. While
20 the scale and potential financial ruin is of a different magnitude, a
21 similar profitability model governs casino gambling."⁷

22 **ANSWER:** HI lacks knowledge or information sufficient to form a belief as to the
23 truth of the allegations in paragraph 16.

24 17. Academics have also studied the socioeconomic effect games that rely on in-app
25 purchases have on consumers. In one study, the authors compiled several sources analyzing so-
26 called free-to-play games of chance (called "casino" games below) and stated that:

27 "[Researchers] found that [free-to-play] casino gamers share
many similar sociodemographic characteristics (e.g.,

28 ⁶ *Id.* (emphasis added).

29 ⁷ Game Informer, *How Microtransactions Are Bad For Gaming - Features* - www.GameInformer.com,
30 <http://www.gameinformer.com/b/features/archive/2012/09/12/how-microtransactions-are-bad-for-gaming.aspx?CommentPosted=true&PageIndex=3> (last visited April 5, 2018)

1 employment, education, income) with online gamblers. Given
 2 these similarities, it is perhaps not surprising that a strong
 3 predictor of online gambling is engagement in [free-to-play]
 4 casino games. Putting a dark line under these findings, over half
 5 (58.3%) of disordered gamblers who were seeking treatment
 6 stated that social casino games were their first experiences with
 7 gambling.”

8 ...

9 “According to [another study], the purchase of virtual credits or
 10 virtual items makes the activity of [free-to-play] casino gaming
 11 more similar to gambling. Thus, micro-transactions may be a
 12 crucial predictor in the migration to online gambling, as these
 13 players have now crossed a line by paying to engage in these
 14 activities. Although, [sic] only 1–5% of [free-to-play] casino
 15 gamers make micro-transactions, those who purchase virtual
 16 credits spend an average of \$78. Despite the limited numbers of
 17 social casino gamers purchasing virtual credits, revenues from
 18 micro-transactions account for 60 % of all [free-to-play] casino
 19 gaming revenue. Thus, a significant amount of revenue is based
 20 on players’ desire to purchase virtual credits above and beyond
 21 what is provided to the player in seed credits.”⁸

22 **ANSWER:** HI lacks knowledge or information sufficient to form a belief as to the
 23 truth of the allegations in paragraph 17.

24
 25 18. The same authors looked at the link between playing free-to-play games of
 26 chance and gambling in casinos. They stated that “prior research indicated that winning large
 27 sums of virtual credits on social casino gaming sites was a key reason for [consumers’]
 migration to online gambling,” yet the largest predictor that a consumer will transition to online
 gambling was “micro-transaction engagement.” In fact, “the odds of migration to online
 gambling were approximately *eight times greater* among people who made micro-transactions
 on [free-to-play] casino games compared to [free-to-play] casino gamers who did not make
 micro-transactions.”⁹

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1 **ANSWER:** HI lacks knowledge or information sufficient to form a belief as to the
2 truth of the allegations in paragraph 18.

3
4 19. The similarity between micro-transaction based games of chance and games of
5 chance found in casinos has caused governments across the world to intervene to limit their
6 availability.¹⁰ Unfortunately, such games have eluded regulation in the United States. As a
7 result, and as described below, Defendant’s Huuuge Casino has thrived and thousands of
8 consumers have spent millions of dollars unwittingly playing Defendant’s unlawful games of
9 chance.

10 **ANSWER:** HI lacks knowledge or information sufficient to form a belief as to the
11 truth of the allegations in paragraph 19.

12
13 **II. A Brief Introduction to Huuuge Casino**

14 20. Huuuge launched Huuuge Casino in late 2015. Since its launch, Huuuge has
15 been actively developing new games for its online casino including a plethora of slot machine
16 games.

17 **ANSWER:** HI admits that Huuuge Casino launched in 2015. HI denies the remaining
18 allegations in paragraph 20.

19
20 21. Consumer can play Huuuge’s online casino games by downloading the Huuuge
21 Casino mobile game on Apple iOS, Android, and Amazon devices.

22 **ANSWER:** HI denies that it owns or operates any online casino games and further
23 denies the remaining allegations in paragraph 21.

24
25 ¹⁰ In late August 2014, South Korea began regulating “social gambling” games, including games similar to
26 Defendant’s, by “ban[ning] all financial transactions directed” to the games. PokerNews.com, *Korea Shuts Down*
27 *All Facebook Games In Attempt To Regulate Social Gambling* / *PokerNews*, <http://www.pokernews.com/news/2014/09/korea-shuts-down-facebook-games-19204.htm> (last visited Apr. 9, 2015). Similarly, “the Maltese Lotteries and Gambling Authority (LGA) invited the national Parliament to regulate all digital games with prizes by the end of 2014.” *Id.*

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22. Defendant has made large profits through their online gambling games. According to HUUUGE’s CEO, Anton Gauffin, the company was projected to make \$150 million in revenue by the end of 2017.¹¹ As explained further below, however, the revenue Defendant receives from the HUUUGE Casino are the result of operating unlawful games of chance camouflaged as innocuous videogames.

ANSWER: HI lacks knowledge or information sufficient to form a belief as to the truth of whether the citations to the publications are accurate or to authenticate the cited publications. HI denies the remaining allegations in paragraph 22.

III. Defendant’s Online Casino Contains Unlawful Games of Chance

23. Consumers visiting Defendant’s online casino for the first time are awarded free chips. These free sample chips offer a taste of gambling and are designed to encourage players to get hooked and buy more chips for real money.

ANSWER: HI denies that it owns or operates an online casino and further denies the remaining allegations in paragraph 23.

¹¹ *Game Boss interview: How HUUUGE is taking on the giants in social casino games | GamesBeat*, <https://venturebeat.com/2017/12/10/how-huuuge-is-taking-on-the-giants-in-social-casino-games/> (last visited April 6, 2018).

24. During gameplay, Huuuge displays various special offers to consumers via a pop up screen in order to entice consumers to purchase additional chip [sic] at a discounted price. Huuuge’s electronic store sells chips ranging from \$4.99 to \$49.99. See e.g., Figures 1 and 2.



(Figure 1.)



(Figure 2.)

1 **ANSWER:** HI denies that it owns or operates an online casino and further denies the
 2 remaining allegations in paragraph 24. HI cannot verify the authenticity of the cropped
 3 screenshots in Figures 1 and 2 and therefore denies them.

4 25. After they begin playing, consumers quickly lose their initial allotment of chips.
 5 Immediately thereafter, Defendant leads the consumer to its electronic store where he or she
 6 can purchase chips with real money. Huuuge's chips range in price from \$1.99 for 4,320,000
 7 chips to \$49.99 for 135,000,000 chips. See Figure 3. Once players run out of their allotment of
 8 free chips, they cannot continue to play the game without buying more chips for real money



17 **(Figure 3.)**

18 **ANSWER:** HI denies the allegations in paragraph 25. HI cannot verify the
 19 authenticity of the cropped screenshot in Figure 3 and therefore denies it.

20 26. The decision to sell chips by the thousands isn't an accident. Rather, Defendant
 21 attempts to lower the perceived cost of the chips (costing just a fraction of a penny per chip)
 22 while simultaneously maximizing the value of the award (awarding millions of chips in
 23 jackpots), further inducing consumers to bet on its games.

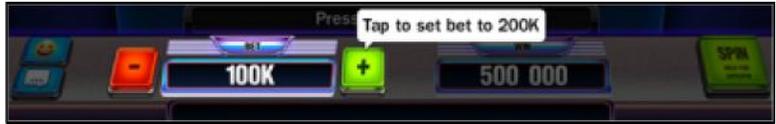
24 **ANSWER:** HI denies the allegations in paragraph 26.

25

26

27

1 27. To begin wagering, players select the “BET” that will be used for a spin, as
2 illustrated in Figure 4, which shows the Huuuge Casino tutorial. Defendant allows players to
3 increase or decrease the amount he or she can wager and ultimately win (or lose).



4
5
6 (Figure 4.)

7 **ANSWER:** HI denies the allegation in paragraph 27. HI cannot verify the authenticity
8 of the cropped screenshot in Figure 4 and therefore denies it.

9
10 28. Once a consumer spins the slot machine by pressing the “SPIN” button, no
11 action on his or her part is required. Indeed, none of Huuuge’s online casino games allow (or
12 call for) any additional user action. Instead, the consumer’s computer or mobile device
13 communicates with and sends information (such as the “BET” amount) to Defendant’s servers.
14 Defendant’s servers then execute the game’s algorithms that determine the spin’s outcome.
15 Notably, none of Defendant’s games depend on any amount of skill to determine their
16 outcomes—all outcomes are based entirely on chance.

17 **ANSWER:** HI admits that, for certain games in Huuuge Casino, once a user presses
18 the “SPIN” button, no action on his or her part is required to determine the outcome of the turn.
19 HI denies the remaining allegations in paragraph 28.

20
21 29. Consumers can continue playing with the chips that they won, or they can exit
22 the game and return at a later time to play because Defendant maintains win and loss records
23 and account balances for each consumer. Indeed, once Defendant’s algorithms determine the
24 outcome of a spin and Defendant displays the outcome to the consumer, Defendant adjusts the
25 consumer’s account balance. Defendant keeps records of each wager, outcome, win, and loss
26 for every player.

1 subsidiaries, parents, successors, predecessors, and any entity in which the Defendant or its
2 parents have a controlling interest and its current or former employees, officers and directors;
3 (3) persons who properly execute and file a timely request for exclusion from the Class;
4 (4) persons whose claims in this matter have been finally adjudicated on the merits or otherwise
5 released; (5) Plaintiff’s counsel and Defendant’s counsel; and (6) the legal representatives,
6 successors, and assigns of any such excluded persons.

7 **ANSWER:** HI denies the allegations in paragraph 32, and further denies that Plaintiff
8 can represent the class of people he attempts to define.

9
10 33. **Numerosity:** On information and belief, tens of thousands of consumers fall
11 into the definition of the Class. Members of the Class can be identified through Defendant’s
12 records, discovery, and other third-party sources.

13 **ANSWER:** HI denies the allegations in paragraph 33.

14
15 34. **Commonality and Predominance:** There are many questions of law and fact
16 common to Plaintiff’s and the Class’s claims, and those questions predominate over any
17 questions that may affect individual members of the Class. Common questions for the Class
18 include, but are not necessarily limited to the following:

- 19 a. Whether Defendant’s online casino games are “gambling” as defined by RCW
20 § 9.46.0237;
- 21 b. Whether Defendant is the proprietor for whose benefit the online casino games
22 are played;
- 23 c. Whether Plaintiff and each member of the Class lost money or anything of value
24 by gambling;
- 25 d. Whether Defendant violated the Washington Consumer Protection Act, RCW
26 § 19.86.010, *et seq.*; and
- 27 e. Whether Defendant has been unjustly enriched as a result of its conduct.

1 **ANSWER:** To the extent paragraph 34 states legal conclusions, no answer is required.

2 To the extent an answer is required, HI denies the allegations in paragraph 39.

3
4 **35. Typicality:** Plaintiff's claims are typical of the claims of other members of the
5 Class in that Plaintiff's and the members of the Class sustained damages arising out of
6 Defendant's wrongful conduct.

7 **ANSWER:** HI denies the allegations in paragraph 35.

8
9 **36. Adequate Representation:** Plaintiff will fairly and adequately represent and
10 protect the interests of the Class and has retained counsel competent and experienced in
11 complex litigation and class actions. Plaintiff's claims are representative of the claims of the
12 other members of the Class, as Plaintiff and each member of the Class lost money playing
13 Defendant's games of chance. Plaintiff also has no interests antagonistic to those of the Class,
14 and Defendant has no defenses unique to Plaintiff. Plaintiff and his counsel are committed to
15 vigorously prosecuting this action on behalf of the Class and have the financial resources to do
16 so. Neither Plaintiff nor his counsel have any interest adverse to the Class.

17 **ANSWER:** HI lacks knowledge or information sufficient to form a belief as to the
18 truth of the allegations in paragraph 36.

19
20 **37. Policies Generally Applicable to the Class:** This class action is appropriate for
21 certification because Defendant has acted or refused to act on grounds generally applicable to
22 the Class as a whole, thereby requiring the Court's imposition of uniform relief to ensure
23 compatible standards of conduct toward the members of the Class and making final injunctive
24 relief appropriate with respect to the Class as a whole. Defendant's policies that Plaintiff
25 challenges apply and affect members of the Class uniformly, and Plaintiff's challenge of these
26 policies hinges on Defendant's conduct with respect to the Class as a whole, not on facts or law
27

1 applicable only to Plaintiff. The factual and legal bases of Defendant's liability to Plaintiff and
2 to the other members of the Class are the same.

3 **ANSWER:** HI denies the allegations in paragraph 37.

4
5 38. **Superiority:** This case is also appropriate for certification because class
6 proceedings are superior to all other available methods for the fair and efficient adjudication of
7 this controversy. The harm suffered by the individual members of the Class is likely to have
8 been relatively small compared to the burden and expense of prosecuting individual actions to
9 redress Defendant's wrongful conduct. Absent a class action, it would be difficult if not
10 impossible for the individual members of the Class to obtain effective relief from Defendant.
11 Even if members of the Class themselves could sustain such individual litigation, it would not
12 be preferable to a class action because individual litigation would increase the delay and
13 expense to all parties and the Court and require duplicative consideration of the legal and
14 factual issues presented. By contrast, a class action presents far fewer management difficulties
15 and provides the benefits of single adjudication, economy of scale, and comprehensive
16 supervision by a single Court. Economies of time, effort, and expense will be fostered and
17 uniformity of decisions will be ensured.

18 **ANSWER:** HI denies the allegations in paragraph 38.

19
20 39. Plaintiff reserves the right to revise the foregoing "Class Allegations" and
21 "Class Definition" based on facts learned through additional investigation and in discovery.

22 **ANSWER:** HI denies the allegations in paragraph 39.

23
24 **FIRST CAUSE OF ACTION**

25 **Violations of Revised Code of Washington § 4.24.070**

26 **(On behalf of Plaintiff and the Class)**

27 40. Plaintiff incorporates the foregoing allegations as if fully set forth herein.

1 **ANSWER:** HI incorporates its answers to the foregoing allegations as if fully set forth
2 herein.

3
4 41. Plaintiff, members of the Class, and Defendant are all “persons” as defined by
5 RCW § 9.46.0289.

6 **ANSWER:** To the extent paragraph 41 states legal conclusions, no answer is required.
7 To the extent an answer is required, HI denies the allegations in paragraph 41.

8
9 42. The state of Washington’s “Recovery of money lost at gambling” statute, RCW
10 4.24.070, provides that “all persons losing money or anything of value at or on any illegal
11 gambling games shall have a cause of action to recover from the dealer or player winning, or
12 from the proprietor for whose benefit such game was played or dealt, or such money or things
13 of value won, the amount of the money or the value of the thing so lost.”

14 **ANSWER:** To the extent paragraph 42 states legal conclusions, no answer is required.
15 HI admits that RCW 4.24.070 states that, “[a]ll persons losing money or anything of value at or
16 on any illegal gambling games shall have a cause of action to recover from the dealer or player
17 winning, or from the proprietor for whose benefit such game was played or dealt, or such
18 money or things of value won, the amount of the money or the value of the thing so lost[,]” but
19 denies that HI has violated the statute. HI denies the remaining allegations in paragraph 42.

20
21 43. “Gambling,” defined by RCW § 9.46.0237, “means staking or risking something
22 of value upon the outcome of a contest of chance or a future contingent event not under the
23 person’s control or influence.”

24 **ANSWER:** To the extent paragraph 43 states legal conclusions, no answer is required.
25 To the extent an answer is required, HI denies that paragraph 43 fully and accurately quotes
26 RCW 9.46.0237. HI denies the allegations in paragraph 43.

1 44. Defendant’s “chips” sold for use in the Huuuge Casino are “things of value”
2 under RCW § § 9.46.0285.

3 **ANSWER:** To the extent paragraph 44 states legal conclusions, no answer is required.
4 To the extent an answer is required, HI denies the allegations in paragraph 44.

5
6 45. Defendant’s Huuuge Casino games are illegal gambling games because they are
7 online games at which players wager things of value (the chips) and by an element of chance
8 (*e.g.*, by spinning an online slot machine) are able to obtain additional entertainment and extend
9 gameplay (by winning additional chips).

10 **ANSWER:** HI denies the allegations in paragraph 45.

11
12 46. Defendant Huuuge Casino is the proprietor for whose benefit the Huuuge
13 Casino online gambling game is played because it owns the Huuuge Casino games and operates
14 those games for its own profit.

15 **ANSWER:** HI denies the allegations in paragraph 46.

16
17 47. As such, Plaintiff and the Class gambled when they purchased chips to wager at
18 Defendant’s online gambling game. Plaintiff and each member of the Class staked money, in
19 the form of chips purchased with money, at Defendant’s games of chance (*e.g.*, Defendant’s
20 slot machines within Huuuge Casino) for the chance of winning additional things of value (*e.g.*,
21 chips that extend gameplay without additional charge).

22 **ANSWER:** HI denies the allegations in paragraph 47.

23
24 48. In addition, Defendant’s Huuuge Casino games are not “pinball machine[s] or
25 similar mechanical amusement device[s]” as contemplated by the statute because:

26 a. the games are electronic rather than mechanical;
27

- 1 b. the games confer replays but they are recorded and can be redeemed on separate
2 occasions (*i.e.*, they are not “immediate and unrecorded”); and
3 c. the games contain electronic mechanisms that vary the chance of winning free
4 games or the number of free games which may be won (*e.g.*, the games allow for
5 different wager amounts).

6 **ANSWER:** HI denies the allegations in paragraph 48.

7
8 49. RCW § 9.46.0285 states that a “‘Thing of value,’ as used in this chapter, means
9 any money or property, any token, object or article exchangeable for money or property, or any
10 form of credit or promise, directly or indirectly, contemplating transfer of money or property or
11 of any interest therein, or involving extension of a service, entertainment or a privilege of
12 playing at a game or scheme without charge.”

13 **ANSWER:** To the extent paragraph 49 states legal conclusions, no answer is required.
14 To the extent an answer is required, HI admits that RCW 9.46.0285 states that a “‘Thing of
15 value,’ as used in this chapter, means any money or property, any token, object or article
16 exchangeable for money or property, or any form of credit or promise, directly or indirectly,
17 contemplating transfer of money or property or of any interest therein, or involving extension
18 of a service, entertainment or a privilege of playing at a game or scheme without charge[,]” but
19 denies that HI has violated this statute. HI denies the remaining allegations in paragraph 49.

20
21 50. The “chips” Plaintiff and the Class had the chance of winning in Defendant’s
22 Huuuge Casino games are “things of value” under Washington law because they are credits that
23 involve the extension of entertainment and a privilege of playing a game without charge.

24 **ANSWER:** HI denies the allegations in paragraph 50.

25
26 51. Defendant’s Huuuge Casino games are “Contest[s] of chance,” as defined by
27 RCW § 9.46.0225, because they are “contest[s], game[s], gaming scheme[s], or gaming

1 device[s] in which the outcome[s] depend[] in a material degree upon an element of chance,
2 notwithstanding that skill of the contestants may also be a factor therein.” Defendant’s games
3 within the Huuuge Casino are programmed to have outcomes that are determined entirely upon
4 chance and a contestant’s skill does not affect the outcomes.

5 **ANSWER:** To the extent paragraph 51 states legal conclusions, no answer is required.
6 To the extent an answer is required, HI denies the allegations in paragraph 51.

7
8 52. RCW § 9.46.0201 defines “Amusement games” as games where “The outcome
9 depends in a material degree upon the skill of the contestant,” amongst other requirements.
10 Defendant’s Huuuge Casino games are not “Amusement games” because their outcomes are
11 dependent entirely upon chance and not upon the skill of the player and because the games are
12 contests of chance, as defined by RCW § 9.46.0225.

13 **ANSWER:** To the extent paragraph 52 states legal conclusions, no answer is required.
14 To the extent an answer is required, HI admits that paragraph 52 quotes a portion of RCW
15 9.46.0201, but denies that paragraph 52 fully quotes RCW 9.46.0201 and denies that HI has
16 violated RCW 4.46.0201. HI denies the remaining allegations in paragraph 52.

17
18 53. As a direct and proximate result of Defendant’s gambling game, Plaintiff Wilson
19 and each member of the Class have lost money wagering at Defendant’s games of chance.
20 Plaintiff Wilson, on behalf of himself and the Class, seeks an order (1) requiring Defendant to
21 cease the operation of its gambling game; and/or (2) awarding the recovery of all lost monies,
22 interest, and reasonable attorneys’ fees, expenses, and costs to the extent allowable.

23 **ANSWER:** HI denies the allegations in paragraph 53, and further denies that Plaintiff
24 is entitled to any award.

SECOND CAUSE OF ACTION

Violations of the Washington Consumer Protection Act, RCW § 19.86.010, et seq.

(On behalf of Plaintiff and the Class)

54. Plaintiff incorporates the foregoing allegations as if fully set forth herein.

ANSWER: HI incorporates its answers to the foregoing allegations as if fully set forth herein.

55. Washington’s Consumer Protection Act, RCW § 19.86.010 *et seq.* (“CPA”), protects both consumers and competitors by promoting fair competition in commercial markets for goods and services.

ANSWER: To the extent paragraph 55 states legal conclusions, no answer is required. To the extent an answer is required, HI denies the allegations in paragraph 55.

56. To achieve that goal, the CPA prohibits any person from using “unfair methods of competition or unfair or deceptive acts or practices in the conduct of any trade or commerce. . . .” RCW § 19.86.020.

ANSWER: To the extent paragraph 56 states legal conclusions, no answer is required. To the extent an answer is required, HI denies that paragraph 57 fully and accurately quotes RCW 19.86.020 and denies that HI has violated RCW 19.86.020. HI denies the allegations in paragraph 56.

57. The CPA states that “a claimant may establish that the act or practice is injurious to the public interest because it . . . Violates a statute that contains a specific legislative declaration of public interest impact.”

ANSWER: To the extent paragraph 57 states legal conclusions, no answer is required. To the extent an answer is required, HI admits that paragraph 57 quotes a portion of RCW 19.86.093, but denies that paragraph 57 fully quotes RCW 19.86.093 and denies that HI has violated RCW 19.86.093. HI denies the allegations in paragraph 57.

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58. Defendant violated RCW § 9.46.010, *et seq.* which declares that:

“The public policy of the state of Washington on gambling is to keep the criminal element out of gambling and to promote the social welfare of the people by limiting the nature and scope of gambling activities and by strict regulation and control.

It is hereby declared to be the policy of the legislature, recognizing the close relationship between professional gambling and organized crime, to restrain all persons from seeking profit from professional gambling activities in this state; to restrain all persons from patronizing such professional gambling activities; to safeguard the public against the evils induced by common gamblers and common gambling houses engaged in professional gambling; and at the same time, both to preserve the freedom of the press and to avoid restricting participation by individuals in activities and social pastimes, which activities and social pastimes are more for amusement rather than for profit, do not maliciously affect the public, and do not breach the peace.”

ANSWER: To the extent paragraph 58 states legal conclusions, no answer is required.

To the extent an answer is required, HI admits that paragraph 58 quotes RCW 9.46.010, in part. HI denies the remaining allegations in paragraph 58.

59. Defendant has violated RCW § 9.46.010, *et seq.*, because its Huuuge Casino games are illegal online gambling games as described in ¶¶ 40 to 53 *supra*.

ANSWER: To the extent paragraph 59 states legal conclusions, no answer is required.

To the extent an answer is required, HI denies the allegations in paragraph 59.

60. Defendant’s wrongful conduct occurred in the conduct of trade or commerce— *i.e.*, while Defendant was engaged in the operation of making computer games available to the public.

ANSWER: HI denies the allegations in paragraph 60.

61. Defendant’s acts and practices were and are injurious to the public interest because Defendant, in the course of its business, continuously advertised to and solicited the

1 general public in Washington State and throughout the United States to play its unlawful
2 Huuuge Casino games of chance. This was part of a pattern or generalized course of conduct
3 on the part of Defendant, and many consumers have been adversely affected by Defendant's
4 conduct and the public is at risk.

5 **ANSWER:** HI denies the allegations in paragraph 61.

6
7 62. Defendant has profited immensely from its operation of unlawful games of
8 chance, amassing hundreds of millions of dollars from the losers of its games of chance.

9 **ANSWER:** HI denies the allegations in paragraph 62.

10
11 63. As a result of Defendant's conduct, Plaintiff and the Class members were
12 injured in their business or property—*i.e.*, economic injury—in that they lost money wagering
13 on Defendant's unlawful games of chance.

14 **ANSWER:** HI denies the allegations in paragraph 63.

15
16 64. Defendant's unfair or deceptive conduct proximately caused Plaintiff's and the
17 Class members' injury because, but for the challenged conduct, Plaintiff and the Class
18 members would not have lost money wagering at or on Defendant's games of chance, and they
19 did so as a direct, foreseeable, and planned consequence of that conduct.

20 **ANSWER:** HI denies the allegations in paragraph 64.

21
22 65. Plaintiff, on his own behalf and on behalf of the Class, seeks to enjoin further
23 violation and recover actual damages and treble damages, together with the costs of suit,
24 including reasonable attorneys' fees.

25 **ANSWER:** HI denies the allegations in paragraph 65, and further denies that Plaintiff
26 is entitled to an injunction or recovery.

THIRD CAUSE OF ACTION

Unjust Enrichment

(On behalf of Plaintiff and the Class)

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66. Plaintiff incorporates by reference the foregoing allegations as if fully set forth herein.

ANSWER: HI incorporates its answers to the foregoing allegations as if fully set forth herein.

67. Plaintiff and the Class have conferred a benefit upon Defendant in the form of the money Defendant received from them for the purchase of chips to wager at Defendant's Huuuge Casino.

ANSWER: HI denies the allegations in paragraph 67.

68. The purchase of the chips to wager at Defendant's Huuuge Casino is and was beyond the scope of any contractual agreement between Defendant and Plaintiff and members of the Class.

ANSWER: HI denies the allegations in paragraph 68.

69. Defendant appreciates and/or has knowledge of the benefits conferred upon it by Plaintiff and the Class.

ANSWER: HI denies the allegations in paragraph 69.

70. Under principles of equity and good conscience, Defendant should not be permitted to retain the money obtained from Plaintiff and the members of the Class, which Defendant has unjustly obtained as a result of its unlawful operation of unlawful online gambling games. As it stands, Defendant has retained millions of dollars in profits generated from its unlawful games of chance and should not be permitted to retain those ill-gotten profits.

- 1 4. **Statutory defenses in the Washington Gambling Act, Recovery of Money**
2 **Lost at Gambling Act, and the Washington Consumer Protection Act.** HI is
3 entitled to each and every defense or limitation of liability set forth in the
4 Washington Gambling Act, the Recovery of Money Lost at Gambling Act, and
5 the Washington Consumer Protection Act.
- 6 5. **Failure to state a claim.** The Complaint fails to state a claim against HI, in
7 whole or in part, upon which relief can be granted.
- 8 6. **Statute of limitations.** Plaintiff's claims are barred by the applicable statutes of
9 limitations, including without limitation the period set forth in the Terms of Use.
- 10 7. **Laches.** Plaintiff's claims are barred by the doctrine of laches.
- 11 8. **Barred by agreement (contractual limitations).** Plaintiff's claims are barred,
12 in whole or in part, by the terms of the parties' agreements, including without
13 limitation the Terms of Use.
- 14 9. **Disclaimer.** Plaintiff's claims are barred, in whole in in part, because HI
15 disclaimed liability, including without limitation in the Terms of Use.
- 16 10. **Release, novation, accord and satisfaction, or waiver.** Plaintiff's claims fail,
17 in whole or in part, under the doctrines of release, waiver, accord and
18 satisfaction, or waiver, including without limitation because Plaintiff knowingly
19 continued to voluntarily use the services and to the extent Plaintiff recovers or
20 has recovered monies or other relief concerning the subject matter of this action
21 from any source.
- 22 11. **Consent, estoppel, ratification, account stated, acquiescence, and voluntary**
23 **action.** Plaintiff's claims fail, in whole or in part, under the doctrines of
24 consent, estoppel, ratification, account stated, or acquiescence, and due to his
25 voluntary action, including without limitation because Plaintiff was aware of,
26 ratified, and benefited from the conduct of which he now complains, and
27 consented to the alleged damages by his voluntary conduct.

- 1 24. **Bona fide business transaction.** Plaintiff’s claims fail, in whole or in part, on
2 the grounds that the alleged transactions constitute “bona fide business
3 transactions” under RCW 9.46.0237, and because Plaintiff received the benefit
4 of the bargain while playing the alleged games.
- 5 25. **Unconstitutional punitive damages.** Plaintiff seeks improper punitive
6 damages in violation of the United States Constitution and other applicable law.
- 7 26. **No attorneys’ fees.** Plaintiff cannot establish facts sufficient to support his
8 claim for attorneys’ fees, and Plaintiff is not entitled to recover attorneys’ fees in
9 this action.
- 10 27. **Reliance on government agencies.** Plaintiff’s claims fail, in whole or in part,
11 on the grounds that HI relied on guidance from relevant government agencies,
12 including without limitation the Washington Gambling Commission.
- 13 28. **Freedom of speech.** HI, to the extent it is the publisher of certain games, which
14 are expressive works, is entitled to freedom-of-speech protections under the
15 First Amendment of the U.S. Constitution, under the Washington State
16 Constitution, and under other applicable statutory or common-law protections of
17 speech or expressive works. Plaintiff’s claims are barred to the extent such
18 claims infringe on HI’s right to free speech.
- 19 29. **Choice of law; foreign law.** Unnamed putative class members residing outside
20 of Washington State lack standing to assert claims under Washington law, and
21 Plaintiff lacks standing to represent such putative class members under the laws
22 of the various states that may apply to putative class member conduct.
- 23 30. **Standing.** Plaintiff’s claims, and those claims Plaintiff purports to bring on
24 behalf of members of the putative class, are barred in whole or in part because
25 Plaintiff and the putative class members lack standing to assert the alleged
26 claims.
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31. **No personal jurisdiction over absent class members.** The court lacks personal jurisdiction over any claims on behalf of absent members of the putative class.

32. **Improper forum for absent class members.** Absent members of the putative classes have a contractual obligation to arbitrate any claims they have arising out of or relating to their use of Huuuge Casino

33. **Improper class allegations.** The Complaint has failed to set forth plausible allegations that satisfy the prerequisites for class certification, including without limitation because the claims by Plaintiff are neither common to nor typical of the claims, if any, by members of the putative class, because the putative class is not definite and ascertainable, and because interests of certain members of the putative class are in conflict with the interests of other members of the putative class.

PRAYER FOR RELIEF

WHEREFORE, HI respectfully requests this Court:

- A. Enter judgment in HI’s favor and against Mr. Wilson;
- B. Deny certification of a class;
- B. Dismiss all claims by Mr. Wilson with prejudice;
- B. Award HI its costs of suit;
- C. Award HI its attorneys’ fees to the extent permitted by law; and
- D. Grant HI such other and further relief as this Court deems just and proper.

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DATED this 18th day of January, 2019.

Davis Wright Tremaine LLP
Attorneys for Huuuge, Inc.

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CERTIFICATE OF SERVICE

I hereby certify that on this day I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to all counsel of record.

DATED this 18th day of January, 2019.

s/ Jaime Drozd Allen
Jaime Drozd Allen, WSBA #35742

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