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IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON IN AND FOR KING COUNTY

VALVE CORPORATION,

Plaintiff,

v.

BUCHER LAW, PLLC, AFN LAW PLLC, and JOHN DOE CORPORATION,

Defendants.

Case No.

**COMPLAINT** 

Plaintiff Valve Corporation ("Valve"), by and through its attorneys of record, Blake Marks-Dias and Jeff Bone of Corr Cronin LLP, for its Complaint against Bucher Law, PLLC ("Bucher Law"), AFN Law PLLC ("AFN"), and John Doe Corporation (collectively "Defendants"; each a "Defendant"), alleges as follows:

#### **INTRODUCTION**

1. This case is the result of unscrupulous lawyers and their funding partner attempting to weaponize the terms of Valve's dispute resolution agreement with Steam users to line their own pockets. Bucher Law and AFN, with financial backing from a John Doe corporate funder, the identity of whom will be confirmed through discovery, have abused the legal process and interfered with Valve's relationships with its customers.

#### **PARTIES**

2. Plaintiff Valve Corporation is a Washington corporation with a principal place of

CORR CRONIN LLP

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the SSA is available online at <a href="https://store.steampowered.com/subscriber-agreement/">https://store.steampowered.com/subscriber-agreement/</a>.

- 14. If a Steam user has some sort of issue related to Steam, that user will typically reach out to Steam customer support. Most Steam user issues are resolved quickly using this pathway. See https://store.steampowered.com/stats/support/.
- 15. There are times when a Steam user cannot get their particular issue resolved through Steam customer support, but those times are rare.
- 16. In those instances, the Steam Subscriber Agreement lays out a dispute resolution process.
- 17. The first step of that process is for the user to reach out and tell Valve: (i) what their specific issue is, and (ii) what they would like Valve to do to address that issue. **Exhibit A** at § 11.B.
- 18. Upon receiving this notice, Valve takes another look at that Steam user's account and is often able to resolve the issue and notify the Steam user of that resolution through Steam support.
- 19. If Valve cannot immediately resolve the issue for the Steam user, the SSA describes what happens next: Valve and the Steam user "make reasonable, good faith efforts to informally resolve" their dispute. **Exhibit A** at § 11.B.
- 20. This typically means that someone from Valve will reach out to the Steam user to gather more information and discuss potential resolutions for that user's issue. When possible, this is done via teleconference, so that Valve has a chance to fully understand the particular Steam user's concern and work with that user towards resolving their concern.
- 21. Valve has been able to successfully resolve Steam users' concerns using this informal dispute resolution process.
- 22. If Steam support and the informal dispute resolution fail to resolve a particular Steam user's concern, that user may continue to pursue their concern by commencing individual, binding arbitration. **Exhibit A** at § 11. Such instances are exceedingly rare.

- 23. To make sure arbitration is available to all Steam users regardless of their financial situation, Valve promises to pay the arbitration filing fees and costs for non-frivolous, non-harassing claims seeking up to ten thousand dollars. **Exhibit A** at § 11.C.
- 24. Similarly, Valve promises not to seek repayment of its attorney's fees unless a particular Steam user brings a claim that is frivolous or for the purposes of harassment. **Exhibit A** at § 11.C.
- 25. Standard consumer arbitration clauses do not provide for informal dispute resolution like the SSA. *See https://www.adr.org/Clauses*. Similarly, under standard arbitration clauses, the company involved does not agree to pay the arbitration fees or costs for the impacted consumer. *Id*.
- 26. In the five years before Bucher Law and AFN began threatening Valve, 2017 to 2022, there were only two instances where Valve and a Steam user could not resolve that user's issue before proceeding to arbitration. Both of those arbitrations were resolved in Valve's favor, and Valve paid all of the arbitrator fees and costs for both Valve and the impacted Steam user.

### B. Defendants' Plan to Take Advantage of Steam Users and Extort Valve for Their Own Benefit

- 27. Defendants are law firms, Bucher Law and AFN, and their litigation funder, John Doe Corporation.
- While working at his former employer, Bucher Law principal Will Bucher, who was hired to "to lead [the] development and pursuit of mass arbitration strategies" (**Exhibit C** at 1), hatched a scheme to work with a litigation funder to "weaponize[]" the agreement between Valve and Steam users. **Exhibit B** at 3.
- 29. Bucher's scheme targeted Valve and Steam users precisely because the arbitration clause in the SSA is "favorable" to Steam users in that Valve agrees to pay the fees and costs associated with arbitration. **Exhibit B** at 6, 7.
  - 30. Bucher was the primary author of a presentation that Bucher and his former

colleagues presented to a potential litigation funder seeking funding for Bucher's scheme (the "Funding Presentation"), and has referred to himself as "the architect of the mass arbitration strategies" described therein. **Exhibit D** at 18.

- 31. As explained in the Funding Presentation, "[m]ost arbitration providers . . . charge a minimum of approximately \$3,000 a case." Exhibit B at 2.
- 32. Thus, the Funding Presentation explained, "[a]ggregating claims makes [the] entrance fee to just defend prohibitively expensive." **Exhibit B** at 3.
- 33. The Funding Presentation lays out Bucher's plan to recruit 75,000 clients and threaten Valve with arbitration on behalf of those clients, thus exposing Valve to potentially millions of dollars of arbitration fees alone: 75,000 potential arbitrations times \$3,000 in fees per arbitration is *two hundred and twenty-five million dollars*. Exhibit B at 3.
- 34. The Funding Presentation went on to explain an extortive plan to "offer a settlement slightly less than the [arbitration] charge—\$2,900 per claim or so—attempting to induce a quick resolution." **Exhibit B** at 3.
- 35. The Funding Presentation details the "Lifecycle of Investment" for any potential funder:

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### Lifecycle of Investment

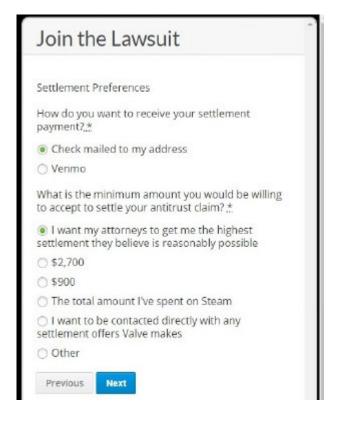
- <u>Stage 1</u> <u>Infrastructure</u>: \$500,000 for software development, advertising and agreement templates, ethics opinions, hardware, marketing and survey consultants, and claim identification.
- <u>Stage 2</u> Client Recruitment: \$2 to \$150 advertising cost per client to recruit. Estimated spend of \$3.75 million to recruit 75,000 clients at \$50 an acquisition.
- <u>Stage 3</u> Filing Cases: Filing cost of \$25,000 plus \$50.02 a case, for an estimated filing cost of \$3,776,500. (Never expended if an early settlement can be reached.)
- <u>Stage 4</u> Active Arbitration: Zaiger LLC litigates the first 20 cases, developing templates and models for use on additional cases. \$12,000 a case after that to hire contract attorneys managed by Zaiger LLC to litigate disputes using templates and strategies. Most completed arbitrations seen to-date is 160, so total cost likely less than \$1.7 million

#### Exhibit B at 5.

- 36. Notably missing from the Funding Presentation is any mention of Steam users' concerns or interests.
- 37. As can be seen in the Lifecycle of Investment slide above, there is no money set aside to evaluate whether any Steam user actually has a valid dispute with Valve. That lifecycle instead focuses on building technical infrastructure, gathering clients, and then filing cases. There is no space in that lifecycle for investigating the legal issues involved or evaluating the facts of any particular Steam user's situation.
- 38. Indeed, the Funding Presentation specifically lays out that the lawyers would do **no** work to develop their clients' claims, instead using a "passive" approach to "copycat existing"

legal theories with [a] better advertising approach." Exhibit B at 6.

- 39. On information and belief, after Bucher left his previous firm, he founded Bucher Law and teamed up with AFN to pursue a mass arbitration scheme similar to that laid out in the Funding Presentation.
- 40. Consistent with the Funding Presentation, Defendants targeted Valve not only because of the "favorable" dispute resolution terms in the SSA, but also because they could "copycat" a legal theory developed by another law firm in another lawsuit that had already been sent to arbitration. *See Wolfire Games, LLC v. Valve Corp.*, 2021 WL 4952220, at \*3 (W.D. Wash. Oct. 25, 2021) (slip op.).
- 41. On information and belief, Bucher Law and AFN sought and received funding for their mass-arbitration scheme from the John Doe Corporation Defendant.
- 42. Following the blueprint laid out in the Funding Presentation, Defendants Bucher Law and AFN have been using social media and internet advertisements to lure Steam users to their website, <a href="https://www.bucherlawfirm.com/steam-case-explained">https://www.bucherlawfirm.com/steam-case-explained</a>.
- 43. Once on that site, Defendants ask those users for a bare minimum of information, never once asking or providing space for the user to input any factual details about their individual issue with Valve.
- 44. In particular, instead of even attempting to gather information about what any Steam user had actually spent on Steam (to understand their potential claim and damages), Defendants instead merely asked those users to select, from various preset options, how much money they wanted to recover from Valve:



#### Exhibit E at 4.

- 45. Notably, Defendants do not ask Steam users to explain how the amount they wished to accept was tied to their spending on Steam, and *the first option presented to them does not even contain a specific amount*. Exhibit E at 4.
- 46. Defendants' failure to meaningfully evaluate their clients' claims is further reflected in a list of clients that Bucher Law and AFN sent to Valve. Valve could not tie many of the clients listed to actual Steam accounts; for those clients Valve *could* tie to Steam accounts, many had never made a purchase on Steam and thus could have no claim against Valve.
- 47. Relatedly, the initial client list that Defendants sent to Valve was lacking in identification aspects that would be required for Valve to engage in arbitration. The list gave only names, not Steam user IDs, email addresses, or client countries of residence. Valve therefore could not verify that the purported clients were even Steam users covered by the Steam Subscriber Agreement.

- 48. Bucher Law's and AFN's explicit and intentional failure to meaningfully evaluate the legal merits or the factual underpinnings of their clients' claims is a breach of the ethics rules that all lawyers operate under, which require that lawyers "inform themselves about the facts of their clients' cases and the applicable law and determine that they can make good faith arguments in support of their clients' positions." American Bar Association Rules of Professional Conduct ("RPC") 3.1.
- 49. Instead of focusing on the merits of their clients' claims, or their clients' interests, Bucher Law, AFN, and their funder are focused solely on their potential monetary recovery and return on investment.
- 50. Indeed, the Funding Presentation promised potential funders an expected return on investment of *almost two thousand percent*. **Exhibit B** at 9.
- 51. Defendants themselves would also come out ahead in any recovery, keeping 40 percent of any amount recovered from Valve, plus reimbursement for any upfront fees and costs, and leaving whatever remained (if anything) for their Steam user clients to split. **Exhibit F** at 1.

### C. Defendants' Efforts to Thwart Valve and Steam Users' Informal Dispute Resolution Efforts

- 52. Knowing that the informal dispute resolution procedure agreed to by Valve and Steam users in the Steam Subscriber Agreement would likely short-circuit their plans to enrich themselves and their funder, Bucher Law and AFN did their best to thwart that process.
- 53. In fact, Defendants promised Steam users that signed up as clients that they would not have to be involved with any informal dispute resolution with Valve, promising that after users sign up, Bucher Law and AFN will "handle the rest":

Fax (206) 625-0900

#### **HOW IT WORKS**

You can see if you're eligible by completing the form above. It only takes a couple of minutes. Once you do, Bucher Law PLLC will review your information. If you are eligible, Bucher Law PLLC will send you an agreement to digitally signed on your phone or computer. Once you've signed, Bucher Law PLLC will handle the rest. Every case is different, but many consumers get settlement offers without doing anything beyond completing the steps above.

#### Exhibit E at 1.

- 54. That promised lack of client participation is reflected in Defendants' engagement letter with its clients. That letter lists out the "Client's Duties"—the things a "client" must do in order for Bucher Law and AFN to continue to represent them. **Exhibit F** at § 4. Those duties do not include engaging with Valve in the required informal dispute resolution process. *Id*.
- 55. Consistent with its promises to its Steam user clients, Defendants refused, over and over, to allow Valve and their Steam user clients to engage in the informal dispute resolution process called for by the SSA—thus causing Defendants' Steam user clients to breach that agreement through no fault of their own.
- 56. The same ethics rules that Bucher Law and AFN flout by not investigating their clients' claims prevent Valve from reaching out directly to Steam users to understand their concerns or engage in the SSA's informal dispute resolution process. RPC 4.2 ("In representing a client, a lawyer shall not communicate about the subject of the representation with a person the lawyer knows to be represented by another lawyer in the matter, unless the lawyer has the consent of the other lawyer or is authorized to do so by law or a court order.").
  - 57. Though Valve needed no reminding of its ethical duties, Bucher Law and AFN

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went out of their way to make sure Valve would not affirmatively reach out their clients:

Please let us know promptly if this settlement offer is amenable to you. If it is not, please propose a settlement offer of your own. All communications regarding these claims should be directed to <a href="will@bucherlawfirm.com">will@bucherlawfirm.com</a> and <a href="mailto:angus@afnlegal.com">angus@afnlegal.com</a>. Please do not contact or communicate with our clients directly.

#### Exhibit G.

- 58. The engagement letter also states that Bucher Law and AFN "will not bother" their clients with various types of settlement offers. **Exhibit F** at § 3.
- 59. Defendants seem particularly concerned with informing their clients of settlement offers that are for gift cards or other non-cash compensation, as that would complicate Defendants' efforts to line their own coffers. **Exhibit F** at § 3. Indeed, the engagement letter states that if one of Defendants' clients accepts a non-cash settlement offer, that client "would be responsible for paying attorneys on a per hour basis . . . rounded up to the nearest hour." *Id*.
- 60. This behavior again raises ethical concerns: Bucher Law and AFN are essentially trying to contract away their ethical duty to keep their clients informed. RPC 1.4 ("A lawyer shall . . . keep the client reasonably informed. . . .").
- 61. In short, Bucher Law and AFN had and have no intention of allowing their clients to participate in the SSA's informal dispute resolution process, because doing so would frustrate their own efforts to maximize their, and their funder's, return of investment.

#### D. Defendants' Efforts to Engage Steam Users in Prohibited Collective Arbitration

- 62. Each Steam user is an individual. The dispute resolution process that Valve and Steam users agree to is on an individual basis. **Exhibit A** at § 11.
- 63. The SSA prohibits Valve and Steam users from bringing or participating in any type of class or representative action. It specifically "does not permit class, collective, or representative arbitration." **Exhibit A** at § 11.D.
- 64. Despite that prohibition, Bucher Law and AFN are recruiting tens of thousands of Steam users to participate in precisely that: collective and representative arbitration.
- 65. The Funding Presentation lays out the plan devised by Bucher for CORR CRONIN LLP

collective/representative arbitration in plain terms: recruit 75,000 clients and then bring arbitrations on behalf of a subset of those clients to drive a settlement on behalf of all 75,000 of its clients. **Exhibit B** at 3, 13.

- 66. Bucher Law and AFN have already begun implementing this plan.
- 67. On July 12, 2023, Bucher Law and AFN sent Valve a letter demanding that Valve enter into settlement discussions with Defendants for almost 45,000 Steam user clients. *See* Exhibit G.
- 68. Defendants, in that first letter, made clear their mass-arbitration and settlement strategy by proposing Valve settle all 44,903 "individual" arbitrations for a flat rate of \$2,400 per case, plus \$1,600 to cover legal fees for each arbitration. Defendants were clear that this figure represented an "average" claim—as computed by Defendants with no details underlying that figure—and bore no relation to the individual claim any particular Steam user client may have.

#### Exhibit G.

- 69. This mass arbitration strategy was clearly and blatantly in violation of the Steam Subscriber Agreement.
- 70. Notably, this strategy of demanding \$2,400 per claim mirrors the strategy laid out by Bucher in the Funding Presentation, where Bucher counseled that it would be wise to "offer a settlement slightly less than the AAA charge \$2,900 per claim or so." **Exhibit B** at 3.
- 71. In response to Defendants' initial demand, Valve sought to follow the Steam Subscriber Agreement procedure and requested basic information needed to attempt to resolve any disputes in good faith. The information Valve requested consisted only of a written notice identifying a Steam subscriber with that subscriber's Steam account ID, location, basis of dispute, and relief sought. **Exhibit H**.
- 72. Defendants did not respond directly but instead, starting on August 31, 2023, began to flood Valve's counsel's email inbox with tens of thousands of nearly identically worded and generalized messages. Not only did the emails fail to provide all of the information needed under

the Steam Subscriber Agreement, but they also caused a disruption of service for the target email server. **Exhibit I**.

- 73. Despite this bad-faith and incomplete response, Valve attempted to engage in individualized dispute resolution for each of the nearly 35,000 emails received over the course of several weeks. Valve hired an outside vendor to collect, organize, and respond to each email received. **Exhibit I**.
- 74. On September 20, 2023, counsel for Valve contacted Defendants to request a reasonable extension of the Steam Subscriber Agreement's 30-day negotiation deadline to October 31, thereby allowing Valve to competently and thoroughly respond to each individual demand. **Exhibit J**.
- 75. Defendants did not respond to that request. Instead, on October 2, 2023, Defendants initiated more than 1,000 arbitrations with AAA. **Exhibits K, M**.
- 76. At the same time, Defendants sent a separate letter informing Valve that Defendants had collected an additional 18,204 clients, separate from the Steam user clients noted in earlier communications. **Exhibit L**.
- 77. For these clients, however, Defendants refused to provide any identifying information—including Steam user IDs—deeming such information to be "pre-arbitration discovery" that Valve did not truly require to initiate negotiations. **Exhibit L**.
- 78. Instead, Defendants required that, before Defendants would reveal any identifying information or details about any of its additional clients' claims, Valve provide it with an advance settlement offer for all of its clients. **Exhibit L**.
- 79. Faced with these impossible-to-meet conditions—Valve could not provide individualized information for Steam user clients when it did not have the necessary information to identify those Steam subscribers—Valve suspended its futile efforts to respond to the tens of thousands of emails from Defendants. However, Valve reiterated its offer to meet with any client for individual dispute resolution. **Exhibit I**.

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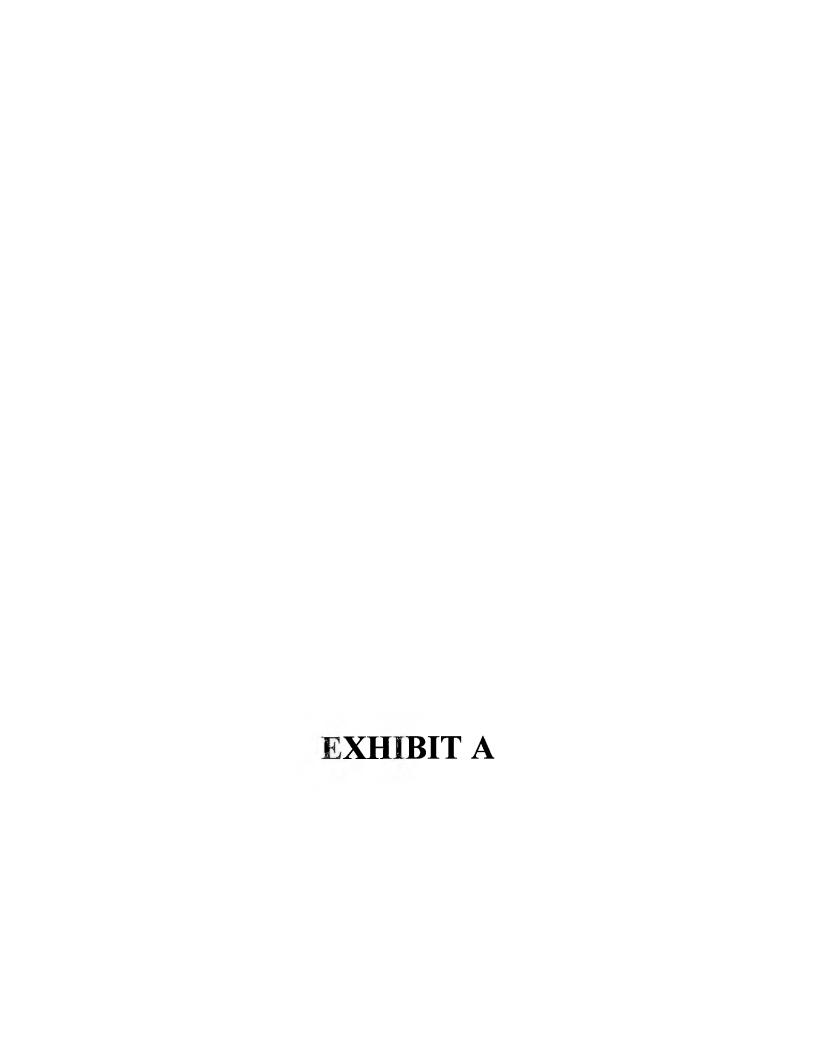
- 80. On information and belief, all of Defendants' communications and actions including filing over 1,000 arbitrations—have the main purpose of extorting Valve into a mass settlement.
- 81. Thus, Bucher Law and AFN have led their Steam user clients to unwittingly breach the Steam Subscriber Agreement by engaging in prohibited collective/representative arbitration.

#### E. Defendants' Improper Focus on its own Potential Return on Investment

- 82. As detailed above, Bucher Law and AFN are not focused on the legal or factual basis for their clients' alleged claims. Nor are they concerned with helping those clients fulfill their obligations related to dispute resolution under the SSA.
- Instead, as shown by Bucher's Funding Presentation, Defendants are focused 83. solely on their, and their funder's, return on investment.
- 84. This presents Bucher Law and AFN with yet another ethical quandary, as lawyers are ethically bound to avoid conflicts of interest, which can arise if "there is a significant risk that the representation of one or more clients will be materially limited . . . by a personal interest of the lawyer." RPC 1.7 (emphasis added).
- 85. Bucher Law and AFN placed their own interests and the interest of their funder ahead of the interests of their clients. They have proceeded with this scheme to extort a settlement from Valve—and enrich themselves—despite knowing that they were breaching their ethical obligations.
- 86. Bucher Law, AFN, and their funder are engaging in an egregious abuse of the litigation process, an abuse that is even more galling because it is coming at the expense of Valve's customers. Defendants' abusive behavior also constitutes tortious interference with the contractual relationship between Valve and its customers.
- 87. Valve was, and is, willing and able to address its customers' concerns through Steam customer support and, as necessary, the individualized, good-faith dispute resolution process called for by the Steam Subscriber Agreement.

CORR CRONIN LLP 1015 Second Avenue, Floor 10 Seattle, Washington 98104-1001 Tel (206) 625-8600 Fax (206) 625-0900

Attorneys for Plaintiff Valve Corporation



Install Steam | login | language



#### STORE COMMUNITY ABOUT SUPPORT

Home

### Steam Subscriber Agreement

#### 

#### STEAM® SUBSCRIBER AGREEMENT

#### Table of contents:

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- 4, Online conduct, cheating and illegal behavior
- 5. Third-party content
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- 7. Disclaimers: limitation of liability: no guarantees. limited warranty & agreement
- 8. Amendments to this agreement
- 9. Term and termination
- 10. Applicable law/mediation/jurisdiction/attorney's fees
- 11. Dispute resolution/binding arbitration/class action waiver
- Miscellaneous

This Steam Subscriber Agreement ("Agreement") is a legal document that explains your rights and obligations as a subscriber of Steam from Valve Corporation, a corporation under the laws of the State of Washington, with its registered office at 10400 NE 4th St., Bellevue, WA 98004, United States, registered with the Washington Secretary of State under number 60 22 90 773, VAT ID No. EU 8260 00671 ("Valve"). Please read it carefully.

SECTION 11 CONTAINS A BINDING ARBITRATION AGREEMENT AND CLASS ACTION WAIVER. IT AFFECTS HOW DISPUTES ARE RESOLVED. PLEASE READ IT. IF YOU ARE A CONSUMER AND LIVE IN THE PROVINCE OF QUEBEC (CANADA). THE EUROPEAN UNION, OR THE UNITED KINGDOM, SECTION 11 DOES NOT APPLY TO YOU.

1. REGISTRATION AS A SUBSCRIBER; APPLICATION OF TERMS TO YOU; YOUR ACCOUNT. ACCEPTANCE OF AGREEMENTS A

Steam is an online service offered by Valve.

You become a subscriber of Steam ("Subscriber") by completing the registration of a Steam user account. This Agreement takes effect as soon as you indicate your acceptance of these terms. You may not become a Subscriber if you are under the age of 13. Steam is not intended for children under 13 and Valve will not knowingly collect personal information from children under the age of 13. Additional age restrictions may apply in your country.

#### A. Contracting Party

For any interaction with Steam your contractual relationship is with Valve. Except as otherwise indicated herein or at the time of the transaction (such as in the case of purchases from another Subscriber in a Subscription Marketplace), any transactions for Subscriptions (as defined below) you make on Steam are being made from Valve.

B. Hardware, Subscriptions; Content and Services

As a Subscriber you may obtain access to certain services, software and content available to Subscribers or purchase certain Hardware (as defined below) on Steam. The Steam client software and any other software, content, and updates you download or access via Steam, including but not limited to Valve or third-party video games and in-game content, software associated with Hardware and any virtual items you trade, sell or purchase in a Steam Subscription Marketplace are referred to in this Agreement as "Content and Services;" the rights to access and/or use any Content and Services accessible through Steam are referred to in this Agreement as "Subscriptions."

Each Subscription allows you to access particular Content and Services. Some Subscriptions may impose additional terms specific to that Subscription ("Subscription Terms") (for example, an end user license agreement specific to a particular game, or terms of use specific to a particular product or feature of Steam). Also, additional terms (for example, payment and billing procedures) may be posted on <a href="http://www.steampowered.com">http://www.steampowered.com</a> or within the Steam service ("Rules of Use"). Rules of Use include the Steam Online Conduct Rules <a href="http://steampowered.com/index">http://steampowered.com/index</a> php?area=online\_conduct and the Steam Refund Policy <a href="http://store.steampowered.com/steam\_refunds">http://store.steampowered.com/steam\_refunds</a>. The Subscription Terms, the Rules of Use, and the Valve Privacy Policy (which can be found at

http://www.valvesoftware.com/privacy.htm) are binding on you once you indicate your acceptance of them or of this Agreement, or otherwise become bound by them as described in Section 8 (Amendments to this Agreement).

#### C. Your Account

When you complete Steam's registration process, you create a Steam account ("Account"). Your Account may also include billing information you provide to Valve for transactions concerning Subscriptions, Content and Services and the purchase of any physical goods through Steam ("Hardware"), You may not reveal, share or otherwise allow others to use your password or Account except as otherwise specifically authorized by Valve. You are responsible for the confidentiality of your login and password and for the security of your computer system. Valve is not responsible for the use of your password and Account or for all of the communication and activity on Steam that results from use of your login name and password by you, or by any person to whom you may have intentionally or by negligence disclosed your login and/or password in violation of this confidentiality provision. Unless it results from Valve's negligence or

#### 10/6/23, 10:00 AM

fault. Valve is not responsible for the use of your Account by a person who fraudulently used your login and password without your permission. If you believe that the confidentiality of your login and/or password may have been compromised, you must notify Valve via the support form (https://support.steampowered.com/newticket.php) without any delay.

Your Account, including any information pertaining to it (e.g.: contact information, billing information. Account history and Subscriptions, etc.), is strictly personal. You may therefore not sell or charge others for the right to use your Account or otherwise transfer your Account, nor may you sell, charge others for the right to use, or transfer any Subscriptions other than if and as expressly permitted by this Agreement (including any Subscription Terms or Rules of Use) or as otherwise specifically permitted by Valve.

#### D. Acceptance of Agreements

Your order through Steam is an offer to Valve to agree on the delivery of the ordered Subscriptions. Content and Services and/or Hardware (the "Product(s)") in exchange for the listed price.

When you place an order on Steam, we will send you a message confirming receipt of your order and containing the details of your order (the "Order Confirmation"). The Order Confirmation is acknowledgement that we have received your order and does not confirm acceptance of your offer to enter into an agreement

In the case of Content and Services, we accept your offer, and conclude the agreement with you, by confirming the transaction and making the Content and Services available to you or, in the case of pre-orders, only by confirming the transaction to you and deducting the applicable price from your payment method.

In the case of Hardware, we only accept your offer, and conclude the transaction for an item ordered by you, when we dispatch the Hardware to you and send e-mail confirming to you that we've dispatched the Hardware to you (the "Dispatch Confirmation"). If your order is dispatched in more than one package, you may receive a separate Dispatch Confirmation for each package, and each Dispatch Confirmation and corresponding dispatch will conclude a separate contract of sale between us for the Hardware specified in that Dispatch Confirmation. Any Hardware delivered to you remains property of Valve until payment has been fully made.

You consent to receiving sales invoices electronically.

#### E. Payment Processing

Payment processing related to Content and Services and/or Hardware purchased on Steam is performed by either Valve Corporation directly or by Valve's fully owned subsidiary Valve GmbH on behalf of Valve Corporation depending on the type of payment method used. If your card was issued outside the United States, your payment may be processed via a European acquirer by Valve GmbH on behalf of Valve Corporation, For any other type of purchases, payment will be collected by Valve Corporation directly. In any case, delivery of Content and Services as well as Hardware is performed by Valve Corporation.

#### 2. LICENSES .

#### A. General Content and Services License

Steam and your Subscription(s) require the download and installation of Content and Services onto your computer. Valve hereby grants, and you accept, a non-exclusive license and right, to use the Content and Services for your personal, non-commercial use (except where commercial use is expressly allowed herein or in the applicable Subscription Terms). This license ends upon termination of (a) this Agreement or (b) a Subscription that includes the license. The Content and Services are licensed, not sold. Your license confers no title or ownership in the Content and Services. To make use of the Content and Services, you must have a Steam Account and you may be required to be running the Steam client and maintaining a connection to the Internet.

For reasons that include, without limitation, system security, stability, and multiplayer interoperability, Valve may need to automatically update, pre-load, create new versions of or otherwise enhance the Content and Services and accordingly, the system requirements to use the Content and Services may change over time.

You consent to such automatic updating. You understand that this Agreement (including applicable Subscription Terms) does not entitle you to future updates (unless to the extent required by applicable law), new versions or other enhancements of the Content and Services associated with a particular Subscription, although Valve may choose to provide such updates, etc. in its sole discretion.

#### B. Beta Software License

Valve may from time to time make software accessible to you via Steam prior to the general commercial release of such software ("Beta Software"). You are not required to use Beta Software, but if Valve offers it, you may elect to use it under the following terms. Beta Software will be deemed to consist of Content and Services, and each item of Beta Software provided will be deemed a Subscription for such Beta Software, with the following provisions specific to Beta Software:

- · Your right to use the Beta Software may be limited in time, and may be subject to additional Subscription Terms:
- Valve or any Valve affiliate may request or require that you provide suggestions, feedback, or data regarding your use of the Beta Software, which will be deemed User Generated Content under Section 6 (User Generated Content) below; and
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This Agreement is governed by the law of the country where you have your habitual residence.

In the event of a dispute relating to the interpretation, the performance or the validity of the Subscriber Agreement, an amicable solution may be sought before any legal action. You can file your complaint at http://help.steampowered.com. The European Commission provides an Online Dispute Resolution website for EU consumers at https://ec.europa.eu/consumers/odr. Participation in this website is not available to US companies, which is why Valve is not registered there. However, insofar as your complaint concerns the behavior of Valve's data protection representative Valve GmbH you can file your complaint there.

In the event that an Alternative Dispute Resolution Procedure fails, or if either Valve or you prefer not to resort to Alternative Dispute Resolution you may bring proceedings in the courts of the place where you are domiciled.

#### 11. DISPUTE RESOLUTION/BINDING ARBITRATION/CLASS ACTION WAIVER A

This Section 11 shall apply to the maximum extent permitted by applicable law. IN PARTICULAR, IF YOU ARE A CONSUMER WHO LIVES IN A EUROPEAN UNION MEMBER COUNTRY, THE UNITED KINGDOM, THE PROVINCE OF QUEBEC (CANADA), AUSTRALIA, OR NEW ZEALAND, THIS SECTION 11 DOES NOT APPLY TO YOU. IF YOU ARE A CONSUMER WHO LIVES IN RUSSIA, YOU MAY UTILIZE THE ARBITRATION PROCESS IDENTIFIED IN THIS SECTION 11 OR YOU MAY USE LOCAL RUSSIAN STATE COURTS TO RESOLVE YOUR DISPUTE.

Most user concerns can be resolved by use of our Steam support site at https://support.steampowered.com . If Valve is unable to resolve your concerns and a dispute remains between you and Valve, this Section explains how the parties have agreed to resolve it.

A. Must Arbitrate All Claims Except Intellectual Property Unauthorized Use, Piracy, or Theft

YOU AND VALVE AGREE TO RESOLVE ALL DISPUTES AND CLAIMS BETWEEN US IN INDIVIDUAL BINDING ARBITRATION. THAT INCLUDES, BUT IS NOT LIMITED TO, ANY CLAIMS ARISING OUT OF OR RELATING TO: (i) ANY ASPECT OF THE RELATIONSHIP BETWEEN US; (ii) THIS AGREEMENT; OR (iii) YOUR USE OF STEAM, YOUR ACCOUNT, HARDWARE OR THE CONTENT AND SERVICES, IT APPLIES REGARDLESS OF WHETHER SUCH CLAIMS ARE BASED IN CONTRACT TORT, STATUTE, FRAUD, UNFAIR COMPETITION, MISREPRESENTATION OR ANY OTHER LEGAL THEORY, AND INCLUDES ALL CLAIMS BROUGHT ON BEHALF OF ANOTHER PARTY.

However, this Section 11 does not apply to the following types of claims or disputes, which you or Valve may bring in any court with jurisdiction: (i) claims of infringement or other misuse of intellectual property rights, including such claims seeking injunctive relief; and (ii) claims related to or arising from any alleged unauthorized use, piracy, or theft.

This Section 11 does not prevent you from bringing your dispute to the attention of any federal, state, or local government agencies that can, if the law allows, seek relief from us for you.

An arbitration is a proceeding before a neutral arbitrator, instead of before a judge or jury. Arbitration is less formal than a lawsuit in court, and provides more limited discovery. It follows different rules than court proceedings, and is subject to very limited review by courts. The arbitrator will issue a written decision and provide a statement of reasons if requested by either party. YOU UNDERSTAND THAT YOU AND VALVE ARE GIVING UP THE RIGHT TO SUE IN COURT AND TO HAVE A TRIAL BEFORE A JUDGE OR JURY.

#### B. Try to Resolve Dispute Informally First

You and Valve agree to make reasonable, good faith efforts to informally resolve any dispute before initiating arbitration. A party who intends to seek arbitration must first send the other a written notice that describes the nature and basis of the claim or dispute and sets forth the relief sought. If you and Valve do not reach an agreement to resolve that claim or dispute within thirty (30) calendar days after the notice is received, you or Valve may commence an arbitration. Written notice to Valve must be sent via postal mail to: ATTN: Arbitration Notice, Valve Corporation, P.O. Box 1688, Bellevue, WA 98004.

#### C. Arbitration Rules and Fees

The U.S, Federal Arbitration Act applies to this Section 11 as far as your country's laws permit, The arbitration will be governed by the Consumer Arbitration Rules (or the Commercial Arbitration Rules, if the Consumer Arbitration rules are inapplicable) of the American Arbitration Association ("AAA") as modified by this Agreement. Rules are available at http://www.adr.org. The arbitrator is bound by the terms of this Agreement.

The AAA will administer the arbitration. Outside the U.S., Valve will select a neutral arbitration provider that uses these or similar rules. It may be conducted through the submission of documents, by phone, or in person in the county where you live or at another mutually agreed location.

If you seek \$10,000 or less, Valve agrees to promptly reimburse your filing fee and your share if any of AAA's arbitration costs, including arbitrator compensation, unless the arbitrator determines your claims are frivolous or were filed for harassment. Valve agrees not to seek its attorneys' fees or costs unless the arbitrator determines your claims are frivolous or were filed for harassment. If you seek more than \$10,000 and the AAA Consumer Arbitration Rules do not apply the AAA's arbitration costs, including arbitrator compensation, will be split between you and Valve according to the AAA Commercial Arbitration Rules.

#### D. Individual Binding Arbitration Only

YOU AND VALVE AGREE NOT TO BRING OR PARTICIPATE IN A CLASS OR REPRESENTATIVE ACTION, PRIVATE ATTORNEY GENERAL ACTION, WHISTLE BLOWER ACTION, OR CLASS. COLLECTIVE, OR REPRESENTATIVE ARBITRATION, EVEN IF AAA'S RULES WOULD OTHERWISE ALLOW ONE, THE ARBITRATOR MAY AWARD RELIEF ONLY IN FAVOR OF THE INDIVIDUAL PARTY SEEKING RELIEF AND ONLY TO THE EXTENT OF THAT PARTY'S INDIVIDUAL CLAIM, You and Valve also agree not to seek to combine any action or arbitration with any other action or arbitration without the consent of all parties to this Agreement and all other actions or arbitrations.

This Agreement does not permit class collective, or representative arbitration. A court has exclusive authority to rule on any assertion that it does.

#### E. What Happens if Part of Section 11 Is Found Illegal or Unenforceable

If any part of Section 11 (Dispute Resolution/Binding Arbitration/Class Action Waiver) is found to be illegal or unenforceable, the rest will remain in effect (with an arbitration award issued before any court proceeding begins), except that if a finding of partial illegality or unenforceability would allow class, collective, or representative arbitration, all of Section 11 will be unenforceable and the claim or dispute will be resolved in court.

#### 12. MISCELLANEOUS -

Except as otherwise expressly set forth in this Agreement, in the event that any provision of this Agreement shall be held by an arbitrator, court, or other tribunal of competent jurisdiction to be illegal or unenforceable, such provision will be enforced to the maximum extent permissible and the remaining portions of this Agreement shall remain in full force and effect. Section 11.E. governs if some parts of Section 11 (Dispute Resolution/Binding Arbitration/Class Action Waiver) are held to be illegal or unenforceable. This Agreement, including any Subscription Terms, Rules of Use, the Valve Privacy Policy, and the Valve Hardware Limited Warranty Policy, constitutes and contains the entire agreement between the parties with respect to the subject matter hereof and supersedes any prior oral or written agreements. You agree that this Agreement is not intended to confer and does not confer any rights or remedies upon any person other than the parties to this Agreement.

Valve's obligations are subject to existing laws and legal process and Valve may comply with law enforcement or regulatory requests or requirements notwithstanding any contrary term.

You agree to comply with all applicable import/export laws and regulations. You agree not to export the Content and Services or Hardware or allow use of your Account by individuals of any terrorist supporting countries to which encryption exports are at the time of exportation restricted by the U.S. Bureau of Export Administration. You represent and warrant that you are not located in. under the control of, or a national or resident of any such prohibited country.

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#### Steam Subscriber Agreement

This Agreement was last updated on April 25, 2023 ("Revision Date"). If you were a Subscriber before the Revision Date, it replaces your existing agreement with Valve or Valve SARL on the day that it becomes effective according to Section 8 above.

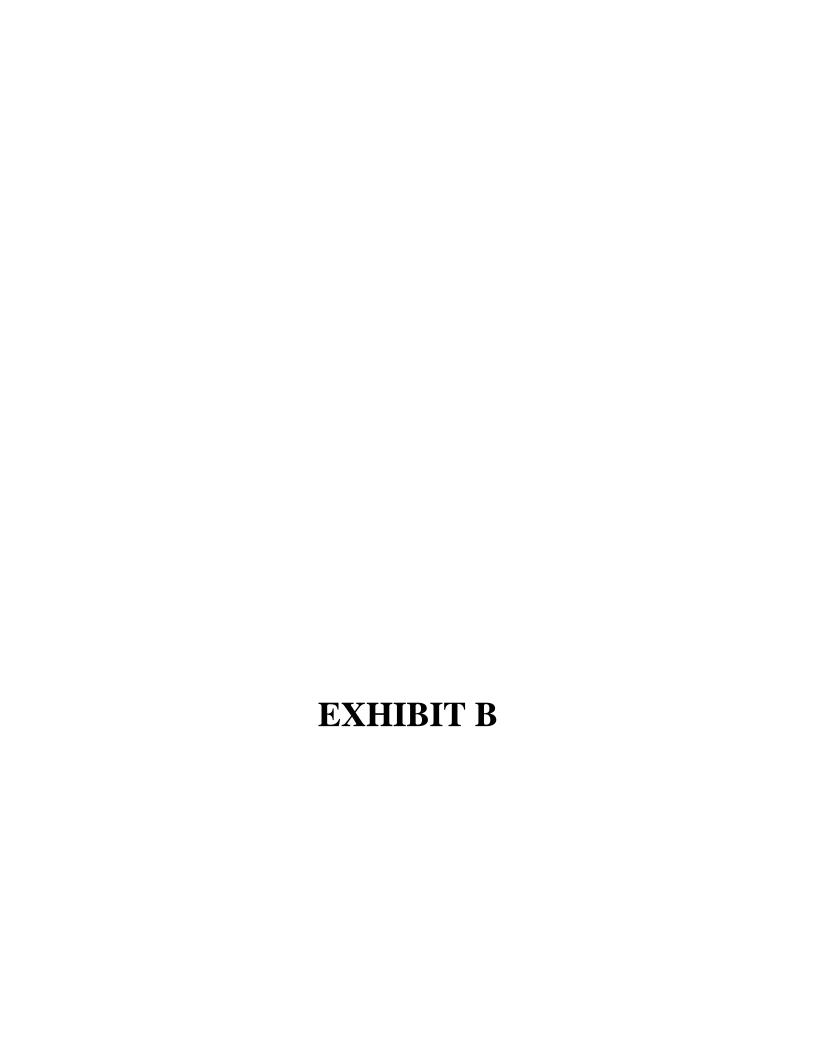
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INDEX NO. 154124/2023

## MASS ARBITRATION STRATEGY AND INVESTMENT OPPORTUNITY

CONFIDENTIAL **PRESENTATION** 

NYSCEF DOC. NO. 29

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# Mass Arbitration: Background

- In 2011, the Supreme Court held that contracts requiring mandatory arbitration and prohibiting class relief were permissible, provided they are not unconscionable. This ruling was reaffirmed in a 2013 decision.
- Many companies incorporated such clauses into their agreements believing it minimized exposure given the damages generally at stake for individual claimants.
- In an effort to avoid being deemed unconscionable, arbitration clauses adopted by companies seeking to avoid class actions routinely require the Company to pay all arbitration fees, limit circumstances where the Company can recover attorneys' fees, and allow the consumer to choose the manner of arbitration.
- Most arbitration providers including the American Arbitration Association
   ("AAA") charge a minimum of approximately \$3,000 a case.

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### Use of Mass Arbitration

- Over the past few years, a handful of firms led by Keller Lenkner (now Keller Postman) — have weaponized consumer and employer arbitration clauses with favorable terms by aggregating thousands of claims through targeted advertising campaigns.
- Aggregating claims makes entrance fee to just defend prohibitively expensive and the vast majority of such fees are non-refundable under recent precedent.
- For example, if 75,000 demands for arbitration are filed with the AAA, the Company has 30-days to pay a largely non-refundable fee of \$225 million as the cost of admission.
- Claimants' counsel will offer a settlement slightly less than the AAA charge \$2,900 per claim or so attempting to induce a quick resolution.

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# The Technique and Typical Results

- In a mass arbitration against Uber, Keller Postman brought ~60k claims claiming drivers were misclassified as contractors rather than employees.
- Uber's challenge to paying AAA fees was unsuccessful, requiring Uber to pay the ~\$180 million upfront if it wished to defend the claims.
- With an upcoming IPO, Uber declined to engage in protracted litigation and settled the ~60k claims early for \$146mm.
- Uber Eats was targeted in the past two years and sought to enjoin the AAA from requiring what it
  called "astronomical" fees. A New York appeals court recently denied the challenge finding that
  "[Uber] made the business decision to preclude class, collective, or representative claims in its
  arbitration agreement with consumers and AAA's fees are directly attributable to those decisions."
- In another case, Judge Breyer stated to Intuit "You knew what the rules of arbitration were. You knew all these things. And you elected to go to arbitration. . . . you are being hoisted by your own petard."

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## Lifecycle of Investment

- <u>Stage 1</u> <u>Infrastructure:</u> \$500,000 for software development, advertising and agreement templates, ethics opinions, hardware, marketing and survey consultants, and claim identification.
- <u>Stage 2</u> Client Recruitment: \$2 to \$150 advertising cost per client to recruit. Estimated spend of \$3.75 million to recruit 75,000 clients at \$50 an acquisition.
- <u>Stage 3</u> Filing Cases: Filing cost of \$25,000 plus \$50.02 a case, for an estimated filing cost of \$3,776,500. (Never expended if an early settlement can be reached.)
- <u>Stage 4</u> Active Arbitration: Zaiger LLC litigates the first 20 cases, developing templates and models for use on additional cases. \$12,000 a case after that to hire contract attorneys managed by Zaiger LLC to litigate disputes using templates and strategies. Most completed arbitrations seen to-date is 160, so total cost likely less than \$1.7 million

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# Target and Claim Identification

• Active Approach: Identifying 25 to 50 ripe targets, monitor news, and brainstorm claims.

Identifying favorable arbitration terms including guaranteed refund of \$50 filing fee, use of the AAA as an arbitration provider, application of California law, and language that suggests non-mutual collateral estoppel would apply.

Ideal targets: (1) have valuation of ~\$10 billion – high enough so they aren't judgment proof and can settle for hundreds of millions of dollars, but low enough that \$200 million+ in arbitration fees creates an existential crisis forcing a quick settlement; and (2) a likely IPO or potential acquisition that will make carrying litigation risk unpalatable.

• <u>Automated/Passive Supplemental Approach</u>: Monitor court dockets for motions to compel class actions to arbitration, and copycat existing legal theories with potentially better advertising approach.

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# Example Target: Valve Corporation

- Valve is an \$11 billion company that dominates the market for digital PC game sales. Valve
  has over a billion customers with accounts. Valve's arbitration is administered by the AAA
  and specifies all filing fees will be reimbursed for claims under \$10,000.
- In April 2021, game developers and consumers filed a putative class action claiming antitrust violations against Valve in the U.S District Court for the Western District of Washington.
- On October 25, 2021, Judge John Coughenor compelled the consumer claims to arbitration while retaining the developer claims. On May 5, 2022, Judge Coughenor denied (in part) Valve's motion to dismiss the developer plaintiffs' antitrust claims.
- If the proposed infrastructure were in place, today, we could immediately begin recruiting claimants to pursue the claims a federal judge has now ruled are well plead and potentially viable but for which *a billion* customers have been compelled to arbitration.

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# New Merits-Based Approach

- The legal principles of non-mutual collateral estoppel prevent a company from relitigating a legal issue they have previously and unsuccessfully argued in another forum.
- This puts a company facing an arbitration in a situation where prevailing on the relevant legal issue is critical the first time it is argued, as a failure to prevail in that first case opens the door to preclusion in later cases.
- Rather than filing tens of thousands of cases at once, as is Keller's practice, a plaintiffs' firm could locate the strongest plaintiff from its pool, and file that case, and only that case, first.
- If that first, handpicked claim succeeds, all legal and factual issues that were inherent to the defendant should be resolved against them with respect to all other litigations, massively increasing the potential settlement value.

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## Potential Returns

- Based on estimated costs of bundling claims, the initial Uber case would have cost Black Diamond ~\$6.5 million and returned \$43.8 million in less than a year (574% ROI).
- We believe a merits-based leverage approach which can be implemented flexibly if a particularly strong claim presents itself increases potential for even higher returns.

### **Assumptions:**

There is a 50% chance of winning the first case.

The expected win, if there is one, is for a \$10,000 judgment.

A loss results in an average of a 25% reduction in claim settlement value.

• That results in an expected settlement value of \$427.7 million. Black Diamond's recovery for funding at 30% would be ~\$128.3 million (1874% ROI on \$6.5 million investment).

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## Stage 1 Infrastructure Calculations

- Will Bucher Fixed Compensation: \$150,000/year.
- **Software Engineer:** Est. \$20,000/month full-time cost for 3 months, followed by \$10,000/month part-time cost thereafter. \$150,000 first-year spend.
- Ethics Opinion/Consulting: Est. \$25,000 first-year (\$700/hour as needed thereafter).
- Marketing Part-time Employee or Consultant: Est. \$50,000/year.
- Survey Design Consulting: Est. \$25,000/year.
- Paralegal Support: Managing claims dockets and answering calls. Possible need to scale up and hire additional support as clients are recruited. Est. \$50,000 first-year spend.
- Hardware and Software: Computer hardware, Bloomberg and PACER alerts, additional Westlaw seat(s). Est. \$8,000/yearly, plus \$2,000 in hardware expenses year-one.

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## Stage 2 Client Recruitment Calculations

- Most difficult to predict because it would vary per case based on the claim and how common users of the relevant product or service were.
- Present estimates are based on the following:
  - A Partner at a Bay Area law firm specializing in plaintiffs-side mass employment litigation who has handled more than 60,000 employment arbitrations said costs were between \$2 and \$150 a case, depending on the pool of plaintiffs and the case.
  - In "Bitter End" litigation, attorneys at Keller took the position that their lawyer group would be losing money if they accepted any settlement below \$675 a case. Based on their retainer agreement, Troxel LLC, who was responsible for bundling the claims, received 4% of the settlement value. That implies an acquisition cost of no more than \$27 a claim.
  - Facebook advertising costs around \$1.00 per click. If it takes an average of two clicked-on ads to recruit a plaintiff, that's \$2.00 a claim. If it takes 150 ads, that's \$150.

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# Stage 3 Filing Calculations

- AAA Fees: \$100 a case for the first 500 cases, than \$50 a case. Functional cost of \$50 a case plus \$25,000.
- Zaiger LLC Server Costs: \$0.02 a client in server expenses to maintain client database and case files.

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## Stage 4 Active Arbitrations Calculations

- In the "Bitter End" litigation, 160 cases were litigated to a conclusion. That is most cases ever fully litigated in a mass arbitration based on the 9 examples we are aware of. Plaintiffs' requests for fees in those arbitrations showed that Quinn Emanuel spent between 80 and 160 hours litigating each case. That litigation was surprisingly bespoke, with every briefing including one or more new, revised, or redacted arguments.
- If a Zaiger LLC target engages in a "Bitter End" strategy, the first 20 cases could be litigated by the Firm creating templates for use on additional cases. We expect a contract attorney working off Zaiger LLC prepared templates could litigate a case in 80 hours.
- We estimate that contract attorneys of sufficient caliber to arbitrate individual cases charge \$100 to \$125/hour. A performance bonus of \$2000 for successful arbitrations could also be used to incentivize quality and results.
- Staffing with contract attorneys comes out to between \$8,000 and \$12,000 a case. Given the most completed arbitrations seen to date is 160, total cost is likely less than \$1.7 million. There is flexibility in how we could "staff up" if needed too.

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## **Uber Settlement Calculations**

- Costs: \$50 recruitment (assumed) and \$50 filing for 60,000 claims, plus \$500,000 infrastructure costs. Total costs \$6.5 million
- Settlement of \$146 million. Hypothetical 30% return to Black Diamond of \$43.8 million. Profit of \$37.3 million. (574% ROI in less than a year).
- · Merits Approach Assumptions:

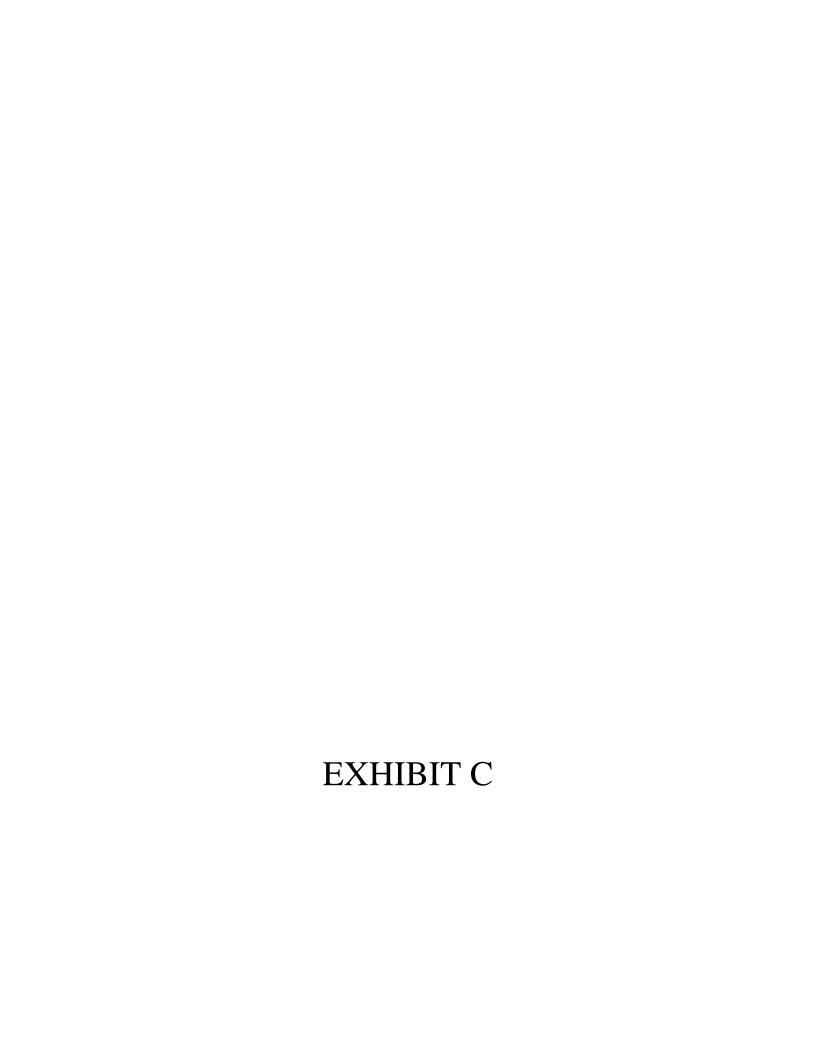
50% chance of winning the first claim;

A win on the first claim increases the settlement value of each claim by \$10,000;

• For 60,000 claims, that's a \$600 million increase in total settlement value.

A loss on the first claim reduces the settlement value of each remaining claim by 0% to 50%, depending on how the arbitrator rules and on what grounds, with an average reduction of 25%. The reduction is the result of perceptions by a defendant of likely liability, not due to the creation of precedent. Plaintiffs are not bound by outcome, so there is little, if any, formal legal risk from the loss.

- Predicted, merits based outcome: spend \$6,500,000. Upon a win, settlement value would increase to \$746 million. Upon a loss, the settlement value would shift to an average of \$109.5 million. That results in an expected settlement value of \$427.75 million.
- 30% of \$427.75 million is \$128.325 million. \$121.825 million profit (1874% ROI).



### UNITED STATES DISTRICT COURT DISTRICT OF CONNECTICUT

WILLIAM W. BUCHER IV, an individual, BUCHER LAW PLLC, a New York professional

limited liability company. : CIVIL ACTION NO.

: NO. 3:23-CV-00452-AWT

PLAINTIFFS,

v. :

•

ZAIGER LLC, a New York limited liability : Company; JEFFREY H. ZAIGER, an individual; : BLACK DIAMOND CAPITAL MANAGEMENT, :

LLC, a Delaware limited liability company; and STEPHEN DECKOFF, an individual,

:

DEFENDANTS. : AUGUST 1, 2023

#### **SECOND AMENDED COMPLAINT**

Plaintiffs William W. Bucher IV ("Bucher") and Bucher Law PLLC ("Bucher Law" and together with Bucher, the "Bucher Parties" or "plaintiffs") bring this action against defendants Jeffrey H. Zaiger ("Jeff Zaiger"); Zaiger LLC; Black Diamond Capital Management, LLC ("Black Diamond"); and Stephen Deckoff ("Deckoff"), and allege as follows:

#### **INTRODUCTION**

- 1. Prior to August 15, 2022, Zaiger LLC had a single client, Black Diamond, representing only Black Diamond, its subsidiaries, its principals and employees, and their spouses.
- 2. Bucher joined the law firm to lead Zaiger LLC's development and pursuit of mass arbitration strategies, bringing in new clients and a new revenue stream for the law firm. In return, Bucher would receive 50% of the profits the firm made from those cases.
  - 3. By February 28, 2023, Bucher had brought in over 48,000 new clients to the firm.

- 4. Serving new clients meant legal and ethical duties to those clients, and Bucher zealously fought for those clients' interests, as he would for any client. Bucher insisted that the interests of the new mass arbitration clients not be subordinated to Black Diamond's economic interests.
- 5. Black Diamond sought to serve as a litigation financier for the mass arbitration cases, but then repeatedly refused to honor agreements it entered to do so. Black Diamond then proposed new terms that were unethical, not economically viable, and worse than the terms offered by other third-party funders. Bucher rejected the idea of subordinating the interests of the firm's 48,000 new clients to further the economic objectives of Black Diamond.
- 6. Black Diamond, used to being Zaiger LLC's sole client and exercising complete control over the firm, grew frustrated with Bucher's zealous advocacy for the firm's new clients, which interfered with its desire to earn millions of dollars as litigation funders for the case. Black Diamond demanded Bucher be fired, threatening to pull all work from Zaiger LLC and to sue Jeff Zaiger, Bucher, and Zaiger LLC if Bucher was not fired.
- 7. Zaiger LLC terminated Bucher on February 28, 2023, and is refusing to honor contractual agreements which entitle Bucher to 50% of the case profits even post-termination.
- 8. Not merely content to deprive Bucher of his contractual interest in the cases, Jeff Zaiger has cast his ethical duties aside, refusing to inform clients that they have the choice to continue with Bucher as their counsel, refusing to provide Bucher with a complete list of clients so he can do so himself, and refusing to provide Bucher with a complete conflicts list that is necessary for him to continue to ethically engage in the practice of law.

9. Bucher brings this action seeking preliminary relief in the form of a list of clients and their contact information so they can make an informed choice who their counsel will be going forward and so that Bucher can fulfill his conflicts checking obligations at his new firm, and seeks a trial by jury to award monetary and other relief as alleged herein.

#### **PARTIES**

- 10. Bucher is an individual residing in the State of Connecticut.
- 11. Jeff Zaiger is an individual residing in the State of New York.
- 12. Zaiger LLC is a New York professional limited liability company with its principal place of business in the State of Connecticut.
- 13. Black Diamond is a Delaware limited liability company with its principal place of business in the State of Connecticut.
- 14. Deckoff is an individual residing, upon information and belief, in the State of New York.

#### **JURISDICTION**

- 15. This Court has original subject matter jurisdiction over the federal false advertising and unfair competition claims under 15 U.S.C. § 1121 and 28 U.S.C. §§ 1331, 1332, 1338, and 1367.
- 16. This Court has supplemental jurisdiction over the state law claims asserted because they are part of the same case or controversy as the federal claim over which this Court has jurisdiction. 28 U.S.C. § 1367(a).
- 17. All defendants are subject to personal jurisdiction because they established minimum jurisdictional contacts with the State of Connecticut in connection with plaintiff's

claims. Most of the relevant conduct occurred within Zaiger LLC's law offices and the Black Diamond headquarters building in the State of Connecticut. Further, Zaiger LLC and Black Diamond maintain a continuous and systematic presence in the State of Connecticut through their business operations in the state. Likewise, Jeff Zaiger is subject to general jurisdiction in the State of Connecticut because he operates a law firm in Connecticut and works most days from that law firm's office in Connecticut.

#### **VENUE**

18. Venue is proper in this district and division pursuant to 28 U.S.C. §§ 1391(b) and (c) because defendants reside in or have their principal place of business in this district, a substantial part of the events and omissions giving rise to plaintiff's claims occurred in this district and a substantial part of the property that is the subject of plaintiff's claims is located in this district.

#### **BACKGROUND**

## BUCHER PRESENTS ZAIGER LLC AND JEFF ZAIGER A PROPOSAL FOR MASS ARBITRATION STRATEGIES

- 19. Under U.S. law, consumers who enter into agreements with companies with arbitration provisions must bring their claims in arbitration, rather than as a class action.
- 20. The precedent presents a logistical problem: when companies engage in unlawful conduct, there may be millions of consumers who each have to individually pursue their claims in arbitration, even when the legal issues may be similar or identical.
- 21. At Bucher's prior law firm, he was exposed to the concept of mass arbitration: bringing thousands of identical claims in arbitration at once against a single defendant.
- 22. At his prior law firm, Bucher was part of a team that defended over 70,000 mass arbitrations. Bucher won or settled them all.

- 23. This included 160 cases that were won by a merits decision or withdrawal with prejudice by the opposing side immediately prior to a final merits decision.
- 24. During his time litigating mass arbitrations at his prior firm, Bucher appeared before arbitrators more than fifty times, authored hundreds of documents including final merits briefs, and spent thousands of hours working on the cases.
- 25. Bucher saw both the potential and pitfalls of a mass arbitration strategy. He believed that the strategy was a sensible way to vindicate the rights of consumers who had no alternative forum to do so, but also believed there were many improvements that could be made over the approach that had been taken by his opponents in the arbitrations he had won.
- 26. By leveraging technology in new ways, Bucher believed that tens of thousands of claimants could be retained, kept up to date, and managed on separate arbitration cases with similar factual theories.
  - 27. On January 7, 2022, Jeff Zaiger and Bucher spoke on the phone.
- 28. Prior to Bucher's employment, Jeff Zaiger's law firm, Zaiger LLC, worked exclusively for Black Diamond, its managed funds, portfolio companies, affiliates, investment partners, employees, and spouses of its founders.
- 29. Further, Zaiger LLC and Black Diamond were (and are) intertwined in fundamental ways that are unheard of in the legal industry. Black Diamond essentially created Zaiger LLC as a captive law firm to perform legal work for Black Diamond and its affiliates. Zaiger LLC shares offices with Black Diamond in a building owned by Black Diamond.
- 30. Unbeknownst to Bucher until the month of his termination, Zaiger LLC also lacks its own bookkeeper, accountant, payroll, human resources, or information technology staff, using

Black Diamond's employees to serve all these functions. Black Diamond owns and controls Zaiger LLC's email servers through which it conducts client business and has the technical ability to access or shut them off at any time. And prior to February 27, 2023, all of Zaiger LLC's bank accounts were structured in a manner that Black Diamond has the power to transfer money into and out of the accounts at its sole discretion.

- 31. Jeff Zaiger expressed interest in having Bucher build a mass arbitration practice at Zaiger LLC.
- 32. This represented a paradigm shift for Zaiger LLC. Zaiger LLC would go from serving the interests of only one client, Black Diamond, to taking on tens of thousands of additional consumer clients, to whom it would owe duties co-equal to those it owed Black Diamond.
- 33. Why Zaiger LLC and Jeff Zaiger would find this desirable is understandable. Upon information and belief, Zaiger LLC billed Black Diamond approximately \$2.5 million a year for legal services. Bucher's mass arbitration practice represented an annualized increase of tens of millions of dollars of legal fee profits above any funding costs or overhead increases. Further, Bucher has mass arbitration expertise and consumer arbitration expertise, neither of which Zaiger LLC or Jeff Zaiger had any background or experience in.
- 34. Jeff Zaiger suggested that maybe Black Diamond could provide at least seed funding for the new mass arbitration practice and perhaps broader funding for specific mass arbitration strategies.
- 35. Bucher found the prospect of partnering with Zaiger LLC and Jeff Zaiger attractive because Zaiger LLC was an existing platform with infrastructure through which Bucher could launch his mass arbitration practice. Further, Zaiger LLC could potentially provide Bucher with

a base salary to meet his personal expenses until revenues from the mass arbitration practice began to be realized. And either Zaiger LLC, or potentially Black Diamond as Jeff Zaiger had proposed, could pay the seed costs of a mass arbitration practice, including hundreds of thousands of dollars of license fees for Client Resource Management ("CRM") software as well as online marketing costs.

- 36. On Jan 16, 2022, Bucher sent Jeff Zaiger a six-page proposal outlining the mass arbitration strategy he was proposing to start at Zaiger LLC.
- 37. On April 26, 2022, Jeff Zaiger, Ethan Auerbach ("Auerbach") of Black Diamond, and Bucher had a meeting to discuss the mass arbitration strategy and Bucher joining Zaiger LLC to lead it.
- 38. In June of 2022, Bucher and Jeff Zaiger prepared a slide deck outlining Bucher's mass arbitration proposal. A final version of that slide deck ("Mass Arbitration Slide Deck") was created on June 6, 2022.
- 39. That slide deck contemplated bringing a mass arbitration against Valve Corporation ("Valve") for their anti-competitive pricing restraints with respect to Valve's video game digital distribution service, called "Steam" (the "Steam Mass Arbitration"). The Steam Mass Arbitration was the first mass arbitration strategy that Bucher proposed to Jeff Zaiger that the new mass arbitration practice at Zaiger LLC could pursue.
- 40. On or around June 6, 2022, the Mass Arbitration Slide Deck was presented to Black Diamond for consideration.
- 41. On July 26, 2022, Jeff Zaiger sent Bucher an offer of employment (the "Original Employment Offer").

- 42. Both the Original Employment Offer and the final drafted offer letter stated Bucher was being hired to "lead the Firm's development and pursuit of mass arbitration strategies (the 'Strategies')"
- 43. The Original Employment Offer specified in Section 1(b) that Bucher would receive "a percentage of Z LLC's recovery from any cases brought pursuant to the Strategies commensurate with any percentage to be paid to Jeff Zaiger." The language was structured to give Jeff Zaiger and Bucher co-equal shares to account for the fact that Zaiger LLC received only 40% of any recovery in contingent fees and to allow for the possibility that Zaiger LLC might enter into funding arrangements or otherwise that would require it to share a percentage of its contingent fees with others. But given that Jeff Zaiger owned 100% of Zaiger LLC, both Bucher and Jeff Zaiger agreed that the contract was being worded in this manner to reflect that they would split any contingent fees realized by Zaiger LLC on a 50/50 basis.
- 44. The Original Employment Offer specified that Bucher would be an "at will" employee and "the Firm may end your employment at any time for any or no reason."
- 45. Bucher wanted insurance that Zaiger LLC would not act in bad faith by hiring him, having him build the needed systems to manage a large volume of clients, then fire him and not compensate for his work on the Mass Arbitration Strategies.
- 46. Bucher and Jeff Zaiger therefore negotiated additional language to protect Bucher in the event the firm decided to terminate his employment after he had applied his skills and knowhow to develop the systems needed for mass arbitration.
- 47. That revised language included a provision that permitted Bucher the profits he was entitled to under Section 1(b) in the event of he was terminated without cause.

- 48. The revised language stated "(i) if the Firm terminates your employment, without cause, you will be entitled to compensation outlined in Section 1(b) for services rendered and work performed on cases pursued pursuant to the Strategies while employed, on a *quantum meruit* basis, even if applicable revenue is received from such cases after termination."
- 49. The revised language included a provision that required good faith negotiation over Bucher's compensation under Section 1(b) in the event of any termination.
- 50. The revised language stated "that good faith discussions regarding resolution of any payment of compensation outlined in Compensation Section 1(b) shall occur in the event of either party terminating employment."
- 51. An offer of employment with the revised language was executed on July 27, 2022. As called for by the offer of employment itself, Bucher returned the executed document to Zaiger and to Black Diamond HR professional Nancy DeDimetrio.

#### **Bucher Achieves Rapid Success With Mass Arbitration Strategies**

- 52. Bucher started employment at Zaiger LLC on August 15, 2022.
- 53. That next day, Black Diamond entered into an agreement to provide seed funding for the mass arbitration strategies in the amount of \$500,000 (the "Seed Funding Agreement").
- 54. Within two weeks, Bucher launched a website that was dedicated to recruiting clients to participate in the Steam Mass Arbitration against Valve based on allegations that it acted as an illegal monopoly in the PC gaming market.
- 55. Within a month of starting, Bucher created and ran the firm's first advertising campaign.

- 56. Bucher identified needed software service providers to set up the system he envisioned.
- 57. Bucher integrated these systems together to recruit clients, ultimately totaling in the tens of thousands.
- 58. For example, Bucher set up an advertising campaign on Facebook, the comments for which were managed by Respondology, the traffic from which was directed to a website Bucher created. This enabled users to submit an online survey Bucher created, which would trigger workflows Bucher coded to determine if the potential client was eligible to file a claim. If they were eligible, clients would be sent an email from Bucher inviting them to sign to a retainer, which could be digitally e-signed by clicking a link within the email. If clients didn't sign within 20 minutes, they would receive a text message reminder from Bucher using a software platform called Twilio.
- 59. While technically complex, the result was the creation of a simple system for potential claimants to determine if they were eligible to file a claim, to retain Bucher and Zaiger LLC as their lawyers, and for clients to communicate with Bucher and Zaiger LLC.
- 60. Clients could respond to any email or text they received and receive an in-person answer from a Zaiger LLC employee, usually Bucher himself.
- 61. Clients could also receive updates and view their documents through a web portal, enabling confidential communications to be delivered securely to the relevant claimants.
  - 62. The system Bucher set up was wildly successful.

- 63. The Seed Funding Agreement and Mass Arbitration Slide Deck estimated that it would take approximately a year to get the software infrastructure set up to manage mass arbitration claims.
- 64. Within ten weeks of Bucher starting, Bucher had already set up the infrastructure to run mass arbitration campaigns, including advertising campaigns for potential clients, screening of clients for eligibility, sending them a custom retainer based on the preferences the client expressed at intake, digitally signing and filing the retainer, setting up a web portal that clients could ask questions and contact their attorneys through, and spent hundreds of hours communicating with clients.
- 65. By the end of November 2022, less than three months after Bucher began his employment, Bucher's advertising campaign had recruited over 20,000 Steam Mass Arbitration clients to bring arbitrations against Valve.
- 66. The Mass Arbitration Slide Deck had anticipated that it might cost up to \$150 to recruit each client.
- 67. The advertising campaign that Bucher created recruited the initial 20,000 Steam Mass Arbitration clients for less than \$7 each. By the time of Bucher's later departure from Zaiger LLC, approximately 48,000 clients had retained Bucher, Zaiger LLC and Jeff Zaiger.
- 68. Bucher spent more than 1300 hours on the mass arbitration strategy and the Steam Mass Arbitration specifically during his time at Zaiger LLC.

## BUCHER SERVES AS THE LEAD COUNSEL FOR THE MASS ARBITRATION CLIENTS

69. As noted in his employment agreement, Bucher was hired to lead the development and pursuit of the firm's mass arbitration strategies, which he did.

- 70. Bucher, and no other attorney, appeared in the video advertisements that potential clients saw for the case.
- 71. After clicking on an advertisement, potential clients were taken to a website where they could complete a form to determine if they were eligible.
- 72. The website where clients completed claims forms included a photo of Bucher and Jeff Zaiger.
- 73. The website where clients completed claims forms stated "Jeffrey Zaiger, nine-time 'Super Lawyer' and 'New York Rising Star,' has teamed up with Will Bucher, chair of the American Bar Association's Digital Games and New Media Committee and Video Game Bar Association member to bring these antitrust claims against Valve. Together, we will negotiate, and if necessary litigate, your claim."
- 74. The website upon which clients completed claims forms contained a 90-second video, including only Bucher, and no other attorney, where Bucher explained the legal merits of the case against Valve.
- 75. Every single eligible client received an email from "William Ward Bucher IV" noting that he was "Admitted to Practice in New York" inviting them to "review and sign our retainer agreement" and noting "Once you sign the retainer agreement, we can get started on your claim and obtaining compensation for you." No other attorneys were mentioned in this email.
  - 76. Bucher was specifically named in the retainer agreement that clients received.
- 77. When clients completed the claims form and were eligible, they received a text message from "Will," not Jeff Zaiger or any other attorney.

- 78. Tens of thousands of email communications were sent to clients bearing Bucher's name in the signature.
- 79. When a case update was posted in January, it was a video in which Bucher explained the status of the case. No other attorney was featured.
  - 80. Press articles regarding the case mentioned Bucher and not any other lawyer.
- 81. When clients or potential clients had concerns about the legitimacy of Zaiger LLC as a bona fide law firm that could take clients in the Steam Mass Arbitration, it was Zaiger LLC's policy to direct those clients to Bucher's LinkedIn page. Hundreds of clients were directed to do so.
- 82. Every single one of the 48,000 clients retained prior to Bucher's departure received at least one communication from "Will," "Bucher," or "William Ward Bucher IV."
- 83. For the vast majority of the 48,000 clients retained prior to Bucher's departure, the only attorney identified in any email or text they received from Zaiger LLC prior to February 28, 2023, was Bucher.
- 84. Undoubtedly most, if not all, of these clients reasonably and correctly viewed Bucher as their attorney prior to his departure.

#### BLACK DIAMOND AGREES TO FUND THE STEAM MASS ARBITRATION CASES.

- 85. By mid-October 2022, it became clear the mass arbitration strategy would be successful, and additional funding would be needed for the Steam Mass Arbitration cases.
- 86. In mid-October 2022, Jeff Zaiger also revealed to Bucher that Black Diamond Capital had not been disbursing funds under the Seed Funding Agreement and that Jeff Zaiger has been paying costs from his own funds.

- 87. Bucher; Jeff Zaiger; Black Diamond's portfolio manager, Ethan Auerbach ("Auerbach"); and one of Black Diamond's two General Counsels, Adam Tarken ("Tarken"), began negotiating a larger deal for funding the Steam Mass Arbitration cases. Among other things, Black Diamond requested assurances that if it funded the Steam Mass Arbitration cases, Bucher would remain at Zaiger LLC to manage those cases. As an investor, Black Diamond's original requirement that it receive guarantees that Bucher would remain with Zaiger LLC to run these cases made sense, and was a requirement echoed by other litigation funders that Zaiger LLC approached later. Bucher was the only credible consumer arbitration or mass arbitration lawyer at Zaiger LLC and the architect of the Steam Mass Arbitration strategies.
- 88. On October 28, 2022, Bucher, Auerbach, Jeff Zaiger, and Tarken reached an agreement for funding.
- 89. In anticipation of Bucher remaining with Zaiger LLC for at least four years and becoming a partner, but lacking the time to complete a partnership agreement, Zaiger LLC and Bucher entered into a Partnership and Compensation Agreement.
- 90. The Partnership and Compensation Agreement stated "WHEREAS, Jeffrey Zaiger and Bucher intend to organize as a partnership between themselves and, at Judd Linden [another attorney at Zaiger LLC]'s option, Judd Linden, to ensure the continued commitment of themselves to the Strategies and ensure fair compensation for all involved."
- 91. The Partnership and Compensation Agreement further stated, "WHEREAS, Jeffrey Zaiger and Bucher intend compensation in the partnership to reflect that in Bucher's current employment agreement."

- 92. The Partnership and Compensation Agreement specified that "Jeffrey Zaiger and Z LLC commit to compensate Bucher, regardless of employment status, with a payout or percentage of any recovery from the Strategies equal to any percentage, payout, or allocation due to Jeffrey Zaiger from the Strategies, or one-half the profit earned by Z LLC from the Strategies, whichever is greater."
- 93. Also on October 28, 2022, Bucher, Auerbach, Jeff Zaiger, and Tarken had drafted a funding agreement ("October 28 Funding Agreement").
- 94. The October 28 Funding Agreement contemplated the continued "employment of Bucher to lead the Firm's pursuit of the Strategies."
- 95. To ensure that Bucher would continue to lead the mass arbitrations, the October 28 Funding Agreement made Bucher a party to the funding agreement.
- 96. The October 28 Funding Agreement gave Black Diamond a four-year exclusivity period over the funding of similar mass arbitrations.
- 97. On October 28, 2022, Bucher and Jeff Zaiger signed the October 28 Funding Agreement.
- 98. On October 28, Deckoff, CEO of Black Diamond, asked Auerbach to wait to sign until he had reviewed.
- 99. On or about October 31, Deckoff, on behalf of Black Diamond, entered into an oral agreement with Jeff Zaiger to fund the mass arbitrations on the same substantive terms as listed in the October 28 Funding Agreement, including that Bucher was a party to the agreement.

BLACK DIAMOND RENEGES ON THE OCTOBER 28 AND 31 FUNDING AGREEMENTS, DEMANDS TO RE-NEGOTIATE FUNDING, AND BREACHES ITS SEED FUNDING AGREEMENT; ZAIGER LLC BEGINS TO SEEK ALTERNATIVE FUNDERS.

100. In November 2022, Deckoff began expressing to Jeff Zaiger that he wanted

substantive changes to the terms of the October 28 Funding Agreement and that Black Diamond

would no longer honor the oral agreement. He said that he wanted Black Diamond to receive a

higher percentage return than was contemplated in the October 28 Funding Agreement.

101. Throughout November 2022, Black Diamond continued to refuse to dispense

amounts due under the \$500,000 Seed Funding Agreement and demanded that a new funding

agreement would be negotiated to replace the October 28 and October 30 agreements before Black

Diamond would honor its commitments under the Seed Funding Agreement. Upon information

and belief, Black Diamond's motive for breaching the Seed Funding Agreement was to exert

additional coercive economic pressure on Zaiger LLC, Jeff Zaiger and Bucher to agree to a new

funding agreement on Black Diamond's terms.

102. Bucher began to raise concerns with Jeff Zaiger that Black Diamond would never

actually provide funding for these cases and suggested that, in order to fulfill its ethical duty

towards its clients, Zaiger LLC needed to start securing other offers of funding to ensure the mass

arbitration cases were financed. Jeff Zaiger stated that he agreed.

103. Accordingly, in November 2022, Jeff Zaiger reached out to some possible funders.

And over the course of November, December and January, Bucher and Jeff Zaiger attended

meetings with at least six possible litigation funders for the Steam Mass Arbitration.

BLACK DIAMOND DEMANDS UNCONSCIONABLE AND UNETHICAL CONDITIONS ON FUNDING, AND DECKOFF BECOMES ANGRY WHEN BUCHER BALKS AT

THESE DEMANDS

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- 104. In the first week of January 2023, Bucher, Jeff Zaiger, Deckoff, and Black Diamond's other General Counsel, Sam Goldfarb ("Goldfarb") had a meeting concerning funding the cases.
- 105. During that meeting, Deckoff demanded terms starkly different from those agreed to in October.
- 106. Deckoff proposed taking an equity interest in the Steam Mass Arbitration cases of 60% of fees otherwise owed to Zaiger LLC in its fee agreements with its Steam Mass Arbitration clients as compensation for the investment in the cases, plus repayment of the amount spent by Black Diamond with interest.
- 107. Deckoff said his funding was contingent on Zaiger LLC agreeing, in advance, to drop the mass arbitrations and abandon the Steam Mass Arbitration clients if Valve does not immediately settle the case upon notice that the Steam Mass Arbitration clients have paid their filing fees and if, instead, Valve pays its own filing fees in arbitration and prepares to defend the individual arbitrations on the merits. He expressed his belief that any litigation of the cases after Valve had paid its arbitration fees would be fruitless and that he was uninterested in paying for it. He further stated that "once the filing fees are paid by Valve, the cow is out of the barn. Just not our barn."
- 108. Bucher interjected that the provisions that Deckoff and Black Diamond were demanding posed serious ethical concerns. Bucher stated that although given the economics of mass arbitrations Valve would have a strong economic incentive to settle the Steam Mass Arbitration claims before it had to incur potentially hundreds of millions of dollars of arbitration filing fees, there was no guarantee that Valve would do so and that Zaiger LLC needed to be

prepared to litigate each of these individual consumer arbitrations that comprised the Steam Mass Arbitration claims if no early settlement was reached. Bucher further stated that as lawyers, Bucher and Zaiger LLC couldn't take on cases they had no intention of pursuing and that a premeditated intention to abandon the Steam Mass Arbitration clients unless there was a quick settlement would be improper.

- 109. Jeff Zaiger agreed and stated that he was "a lawyer, not a snake oil salesman" and that he could not ethically take on cases he was unwilling to actually litigate.
- 110. Deckoff responded: "Well whatever your ethical obligations, I'm sure there is some amount of money that would let you forget about them." He further stated that he went into finance, not law, because he was unconcerned with ethics and that he wasn't going to invest the millions of dollars needed unless he controlled the venture.
- 111. At this point, Bucher expressed concerns about the level of control Black Diamond was contemplating taking in the mass arbitration cases.
- 112. Deckoff expressed that without Black Diamond's ability to control when the litigation ended, the litigation might go on for decades.
- 113. Bucher responded that so long as Zaiger LLC is winning arbitrations, the cases are viable, and the clients want to proceed, he was absolutely prepared to litigate these cases for decades. Bucher pointed out that the Sherman Act had a mandatory award for attorneys' fees, so that if the cases were being successful, there would be additional revenue to hire more lawyers. Bucher expressed that if needed to pursue individual arbitrations, he would use the revenue from early arbitration wins to build a law firm devoted to litigating these cases.
  - 114. Deckoff replied that the idea was absurd.

- 115. Bucher further expressed that under the ethics rules, a non-recourse, high interest loan was less concerning than the equity style investment Deckoff was proposing, and that the deal would be better structured that way.
- 116. Deckoff responded that he was uninterested in a flat interest deal. He further stated that his offer was take it or leave it.
- 117. During the meeting, Deckoff at times seemed noticeably frustrated or angry at the statements Bucher was making about Black Diamond's demands to control the litigation, the ethical concerns associated with Black Diamond's demands, the lawyers' duties to their Steam Mass Arbitration clients, and the undesirable economics of Black Diamond's proposal.
- 118. The week following the meeting, Jeff Zaiger expressed that Bucher should have "cowered more" when meeting with Deckoff because Deckoff was a billionaire accustomed to people doing what he says. Bucher was taken aback by this statement and said that neither he nor their 48,000 clients would be well served by "cowering" to anyone. Bucher noted "We're plaintiffs' lawyers now. We're in the business of suing billionaires. I'm not going to cower before Steve or Gabe [the CEO of Valve] if they don't offer our clients a fair deal."
- 119. In the week following the meeting Jeff Zaiger asked if Bucher was really willing to litigate 160 individual arbitrations again if Valve contested the Steam Mass Arbitration cases. Bucher responded, "No, I'm prepared to litigate thousands."

### BUCHER, ZAIGER LLC AND JEFF ZAIGER RECEIVE A SUPERIOR ALTERNATIVE FUNDING OFFER

120. In January 2023, Bucher and Jeff Zaiger obtained three terms sheets from potential funders other than Black Diamond offering to fund the Steam Mass Arbitration.

- 121. The best offer Zaiger LLC received was an offer from an alternative funder (the "Alternative Funder") for eight-figures in funding as a non-recourse loan, repaid with interest depending on how long the case took to resolve and with no equity interest in the recovery.
- 122. Jeff Zaiger shared the term sheet with Black Diamond, asking if they would be willing to match the terms. Jeff Zaiger called and emailed Black Diamond many times over the five days following receipt of the offer from the Alternative Funder. Black Diamond refused to respond or to otherwise engage with Jeff Zaiger regarding the offer.
- 123. Zaiger LLC told Black Diamond that they needed an answer by Sunday, January 22, 2023.
- 124. Upon hearing nothing from Black Diamond, Zaiger LLC executed the term sheet early in the morning on January 23 with the Alternative Funder, committing them to have the Alternative Funder provide funding for the Steam Mass Arbitrations.

### NAHAS LEARNS THAT ZAIGER LLC ENTERED INTO A FUNDING AGREEMENT WITH AN ALTERNATIVE FUNDER AND BECOMES ANGRY AT BUCHER

- 125. Mounir Nahas ("Nahas") is Black Diamond's Chief Operating Officer.
- 126. On or around February 7, 2023, Nahas learned that Zaiger LLC had signed the term sheet with the Alternative Funder.
- 127. Nahas came into Jeff Zaiger's office soon thereafter and seemed enraged that Zaiger LLC had accepted funding from somewhere else. He stated that the attorneys in Zaiger LLC were Black Diamond's lawyers and that accepting funding for the Steam Mass Arbitration claims from anyone else was a betrayal. He said that discovering that Zaiger LLC and Jeff Zaiger had chosen another funder was worse than discovering marital infidelity.

- 128. Nahas also expressed his belief that Bucher was similar to the character "Iago" and that without Bucher's influence, Jeff Zaiger would have never sought funding elsewhere. Nahas said he was outraged that Bucher was coming into "my office" and "eating my food" and demanded that Jeff Zaiger stop allowing Bucher to come into "his" office for work.
- 129. Nahas expressed anger that Jeff Zaiger would be doing any work that didn't directly profit Zaiger LLC and stated that there "would be consequences" for Zaiger LLC if Zaiger LLC proceeded to get funding from the Alternative Funder.
- 130. Jeff Zaiger said, "let's not mince words, you mean you'll withdraw all Black Diamond's work from the firm." Nahas replied that was correct.
- 131. Upon information and belief, from February 8, 2023, Nahas, Deckoff and other Black Diamond representatives repeatedly demanded that Zaiger LLC and Jeff Zaiger terminate Bucher, refuse to pay Bucher the contractual amounts owed to Bucher for the value he provided in the Steam Mass Arbitration matters, and sever all ties with Bucher.

### BLACK DIAMOND DEMANDS BUCHER'S OUSTER, AND ZAIGER LLC AND JEFF ZAIGER COMPLY

#### a. February 8, 2023, Telephone Call Between Jeff Zaiger and Bucher

- 132. Jeff Zaiger called Bucher on February 8, 2023, to relay and discuss his conversation with Nahas. Jeff Zaiger expressed that he feared losing Black Diamond's business. Jeff Zaiger stated that because Black Diamond was responsible for all of his current income, he couldn't survive if he lost their business.
- 133. Jeff Zaiger further stated that everything possible had to be done to salvage the relationship with Black Diamond and that Zaiger LLC had to take a funding deal with Black Diamond to save the business relationship.

- 134. Jeff Zaiger expressed that Bucher was now prohibited from coming into the office during working hours because it would anger Deckoff and Nahas.
- 135. Bucher reminded Jeff Zaiger of his ethical duties and that it was impermissible to let one Zaiger LLC client, Black Diamond, who was not part of the Steam Mass Arbitration, dictate the cases of the tens of thousands of Steam Mass Arbitration clients.
- 136. Bucher also pointed out that any future deal with Black Diamond might not be honored because Black Diamond never paid the full amount due under the Seed Funding Agreement and Deckoff had disavowed the agreement he and Jeff Zaiger had orally made.
- 137. Bucher also expressed that given Black Diamond's repeated failure to disburse money under its current commitments, any deal with Black Diamond might not leave the Steam Mass Arbitration clients actually funded.
- 138. Bucher pointed out that it was likely that even if Black Diamond did pay the filing fees, Black Diamond would refuse to provide funding for litigation if that became necessary, given Deckoff's demand that, if Valve did not immediately settle upon Zaiger LLC paying the initial filing fees of the Steam Mass Arbitration clients, that Zaiger LLC should abandon those clients.
- 139. Jeff Zaiger responded that even if Zaiger LLC did want to act against Black Diamond's wishes, it would be very difficult to disentangle from Black Diamond because of Zaiger LLC's complete dependence on Black Diamond. Jeff Zaiger noted that Zaiger LLC shared a bookkeeper, accounting, and human resources staff with Black Diamond. Jeff Zaiger noted that Black Diamond owned the building in which Zaiger LLC's office was located and that Zaiger LLC shared an office with Black Diamond and would need to locate new office space.

- 140. Bucher expressed concerns that Black Diamond might ask Jeff Zaiger to terminate Bucher. Jeff Zaiger replied that he wouldn't fire Bucher. Jeff Zaiger also noted that even if Bucher were terminated for some reason, they had a contract that would protect Bucher.
- 141. During the February 8 call, Jeff Zaiger also stated that aside from Zaiger LLC, he personally could not survive without the income from existing billable work for Black Diamond and that he had insufficient savings to weather any withdrawal of Black Diamond work.

#### b. February 13, 2023, Meeting At Bucher's Apartment

- 142. On Monday, February 13, 2023, Jeff Zaiger and Judd Linden ("Linden") held a meeting with Bucher at Bucher's apartment. The meeting was held at Bucher's apartment because Black Diamond had insisted that Bucher no longer come into the office, a building owned by Black Diamond.
- 143. The meeting was to discuss the pressure Black Diamond was exerting on Zaiger LLC and how to create a viable path forward.
- 144. During that meeting, Jeff Zaiger stated that they must do everything possible to salvage the Black Diamond relationship. He insisted that in order to do so, Bucher should not come into the office ever again during working hours.
- 145. Bucher pointed out that if Zaiger LLC signed the deal with the Alternative Funder, they would have millions of dollars in funding, some of which they could use to make payroll for employees of the firm to the extent they were working on the Steam Mass Arbitration, and that therefore Zaiger LLC was not financially dependent on Black Diamond. Zaiger LLC could fully discharge its ethical duties to the Steam Mass Arbitration clients and have the financial resources to weather the period of time to resolve the Steam Mass Arbitration cases and obtain a recovery,

even if Black Diamond withdrew all business out of anger that Zaiger LLC has chosen the Alternative Funder.

146. Jeff Zaiger responded that he personally would not receive funds from any monies loaned by the Alternative Funder for his own personal expenses and had insufficient savings to wait until a recovery on the Steam Mass Arbitration cases. Therefore, irrespective of whether there were funds available to meet payroll for others at Zaiger LLC, Jeff Zaiger could not personally afford to lose Black Diamond as a client.

#### c. February 26, 2023, Telephone Call With Deckoff

- 147. On Feb. 24 or 25, 2023, Jeff Zaiger asked Bucher to come into the office on Sunday, Feb. 26, 2023.
- 148. When Bucher arrived at the office in the morning, he walked into Jeff Zaiger's office, where Jeff Zaiger was having a speaker phone conversation with Deckoff. Jeff Zaiger did not notify Deckoff that Bucher had entered the office or was listening to the conversation.
- 149. Jeff Zaiger and Deckoff were discussing Deckoff's repeated demands that Jeff Zaiger terminate Bucher's employment. Jeff asked: "Steve, what is wrong with Will?" Deckoff replied: "He's a fucking a loser. I know you think this is your golden ticket, but trust me, you'll regret it if you keep working with Will."
- 150. Jeff Zaiger stated: "I need Will to run these cases." Deckoff responded: "If you need Will to run these cases, you're a shit lawyer Jeff."
- 151. During the call, Jeff Zaiger stated: "Steve, I have ethical obligations to my clients I can't just ignore." Deckoff responded: "Fire Will, and you, me, and an ethics lawyer will sit down to figure out the ethics issues."

- 152. Jeff Zaiger also stated: "I have a contract with Will. What am I supposed to do about that?" Steve replied: "Contracts are meant to be broken, Jeff."
- 153. During that call, Deckoff disparaged Zaiger LLC's Steam Mass Arbitration clients and referred to them as "AIDS-infested."
- 154. After the call, Jeff Zaiger expressed that "he was glad he recorded the call." Bucher asked if he'd really recorded it. Jeff Zaiger nodded affirmatively in response to Bucher's question about whether he'd really recorded the call with Deckoff.
- 155. Following the call, Jeff Zaiger and Bucher spoke. Jeff Zaiger said that he was very concerned that Black Diamond would terminate its business with Zaiger LLC.
- 156. Jeff Zaiger stated he needed to go to the bank the next morning because the firm didn't have a bank account that wasn't controlled by Black Diamond. He explained that although Zaiger LLC's bank accounts were in the firm's name, Black Diamond staff had the ability to move money into and out of the account.
- 157. Jeff Zaiger also stated: "I don't know that our keycards will work after tomorrow, so best to take anything you need from the office."

#### d. February 27, 2023, Meeting At Bucher's Apartment

- 158. The morning of Feb. 27, 2023, Jeff Zaiger and Linden, the only other attorney at Zaiger LLC, surprised Bucher at his apartment in the morning, around 9:30 AM, arriving unannounced.
- 159. When they arrived, Jeff Zaiger explained that Black Diamond had renewed its threat to stop doing business with Zaiger LLC if Zaiger LLC accepted funding from another source.

He also explained that Black Diamond had also threatened to sue Zaiger LLC if Zaiger LLC accepted funding from another source.

- 160. Jeff Zaiger stated that he had talked with his wife about the situation the prior evening. He said that he was fearful of what Black Diamond's threats would mean to him and his family. He said that Black Diamond doesn't make threats idly, and Jeff Zaiger had to take the threat of the lawsuit seriously. He further expressed that he simply couldn't be sued by Black Diamond under any circumstances.
- Diamond and that without the income from Black Diamond he couldn't support his family. Jeff Zaiger stated that although he had \$1.2 million in savings that he could have otherwise used to weather any loss of Black Diamond income and give himself financial independence, that entire amount was being managed by and under the custody of Black Diamond. Jeff Zaiger further stated that Black Diamond was asserting they had the right to withhold that money if Jeff Zaiger stopped doing work for Black Diamond and that he was unwilling to risk losing the \$1.2 million he had invested in Black Diamond under any circumstances.
- 162. Jeff Zaiger expressed that given his current situation, given his complete financial dependence on Black Diamond, which controlled both his income and held his savings, he had to do whatever Deckoff wanted.
- 163. Bucher responded that he was concerned that Jeff Zaiger was placing his personal interests above those of his Steam Mass Arbitration clients, a violation of his ethical duties.

- 164. Bucher noted that the Alternative Funder was ready to sign the final eight-figure deal that day and asked how they should proceed. Jeff Zaiger rejected the idea of moving forward with the Alternative Funder because it would risk the ire of Black Diamond.
- 165. Bucher asked if Black Diamond had committed to fund on the same terms as proposed by the Alternative Funder, or whether Black Diamond had actually committed to fund the Steam Mass Arbitration cases at all given the critical need to have sufficient funds to pay initial filing fees on behalf of tens of thousands of consumers. Jeff Zaiger replied they had not.
- 166. Bucher expressed concern about how Zaiger LLC could ethically not accept the deal to fund their 48,000 clients without another viable offer on the table, since those clients expected to have their filing fees funded, which would total \$3,600,000.
- 167. Bucher asked what Jeff Zaiger would do if Black Diamond demanded that he terminate all the Steam Mass Arbitration clients and return to working for Black Diamond exclusively. Jeff Zaiger said that he didn't know, but he didn't think it would come to that.
- 168. Bucher also asked what Jeff Zaiger would do if Deckoff demanded, as he had the day before, that Bucher be fired. Jeff responded that he would convince him not to fire Bucher.
- 169. Bucher asked what he would do if he couldn't convince Steve Deckoff that Bucher shouldn't be fired. Jeff Zaiger said that he didn't think it would come to that.
- 170. Bucher stated: "Look, this seems like simple math here. A + B = C. You just told me you have to do whatever Black Diamond asks. Steve said yesterday on the phone he wants you to fire me. So doesn't that mean I'm getting fired?" Jeff admitted: "I get your logic."
- 171. Following the February 27, 2023, meeting, Bucher had serious concerns about Jeff Zaiger's ability to carry out his ethical obligations to clients.

- 172. Bucher was concerned that, if Black Diamond continued to demand it, Jeff Zaiger would terminate Bucher's employment regardless of what was best for the 48,000 Steam Mass Arbitration clients. Given that Bucher was the architect of the mass arbitration strategies and the only attorney at Zaiger LLC with consumer or mass arbitration experience, his absence would leave the Steam Mass Arbitration clients without competent representation.
- 173. Bucher was also concerned that, given the complete financial control and dominion Black Diamond had over Zaiger LLC and Jeff Zaiger, Black Diamond would gain *de facto* control over important legal decisions in the Steam Mass Arbitration cases, including whether or not those cases should proceed (or the clients abandoned) if Valve paid its filing fees.
- 174. Bucher was also concerned that Jeff Zaiger might terminate all 48,000 Steam Mass Arbitration clients if Black Diamond demanded he do so and refocus the firm on doing only work for Black Diamond.
- 175. Upon information and belief, by at least February 27, 2023, if not earlier, Zaiger LLC and Jeff Zaiger had abdicated all decision-making associated with the Steam Mass Arbitration cases and due to the coercive power and control that Black Diamond had over them, had resolved to do anything Black Diamond asked, including abandoning all Steam Mass Arbitration clients if Valve did not agree to an early settlement and instead paid its initial arbitration filing fees.

#### e. Zaiger LLC Terminates Bucher On February 28, 2023

176. The evening of February 27, 2023, Jeff Zaiger informed Bucher that the morning of February 28, Deckoff, Nahas and Goldfarb would be holding a meeting to decide how they were going to direct Jeff Zaiger to handle "the situation" with the Steam Mass Arbitration cases. Jeff Zaiger stated he would call Bucher after the meeting to inform him of Black Diamond's decision.

- 177. On February 28, 2023, during the day, Bucher tried to reach Jeff Zaiger by phone numerous times to receive an update on his discussions with Black Diamond, but Jeff Zaiger refused Bucher's calls. But through the afternoon, Jeff Zaiger sent Bucher erratic and somewhat unhinged text messages: At 12:28 PM—"I'm kicking and screaming, Will ... see your calling"; At 3:16 PM—"Three words: losing my mind"; At 4:47 PM—"Will: I'm fighting for my life today—please give me a fucking beat."
- 178. Given Jeff Zaiger's statements the day before, Jeff Zaiger's lack of responsiveness to Bucher's calls that day, and Jeff Zaiger's text messages indicating Jeff Zaiger's "losing my mind" mental state, Bucher began to grow even more concerned about what might happen to the Steam Mass Arbitration clients and whether the firm would discharge its ethical duty to serve those clients.
- 179. Further, it was apparent that Black Diamond's concerted campaign and unrelenting pressure on Zaiger LLC and Jeff Zaiger to terminate Bucher was likely to be successful given Black Diamond's complete control over Jeff Zaiger and Zaiger LLC and that therefore Bucher's termination was imminent. Bucher was aware that he had an independent ethical duty to notify the 48,000 Steam Mass Arbitration clients that he would no longer be their lawyer at Zaiger LLC, that he remained willing to represent them, and the means by which they could make an informed choice to switch counsel.
- 180. Bucher promptly took steps to safeguard his client's interests, to preserve the status quo until it was clear what was going on, and to provide Jeff Zaiger with an opportunity to return to a calm mental state in which he was no longer "losing [his] mind," "kicking and screaming," or fighting for [his] life," before making any major decisions.

- 181. First, Bucher attempted to download a list of clients and their contact information from the CRM software platform Bucher had set up for the clients.
- 182. That attempt was unsuccessful, so he contacted Jeff Wettstein ("Wettstein"), the Chief Technology Officer of the CRM software platform, for assistance. He did not immediately receive a response from Wettstein.
- 183. Next, Bucher temporarily adjusted Jeff Zaiger's administrative privileges on the CRM software platform to prevent Jeff Zaiger from taking any massive and irreversible actions without a cooling off period.
- 184. Following these changes, Jeff Zaiger still had full access to the system. Jeff Zaiger could still read and send emails to clients, review files, create documents, send texts, send documents, review client uploads, answer client questions, and even terminate clients.
- 185. What Bucher temporarily ensured that Jeff Zaiger could no longer do while he was "losing [his] mind" was take mass actions, such as terminating all clients or deleting all data, without first contacting Bucher or Wettstein to do so.
  - 186. Jeff Zaiger continued to refuse Bucher's calls throughout the evening.
- 187. At 8:00 PM on February 28, 2023, Jeff Zaiger called Bucher. Jeff Zaiger sounded angry and unstable. He said: "I fought for you but I have to terminate you. You get quantum meruit and that's it."
- 188. Bucher asked Jeff Zaiger to calm down and then come over to his apartment so they could discuss his termination.
- 189. Jeff Zaiger and Linden arrived shortly afterwards that evening at Bucher's apartment.

- 190. Jeff Zaiger stated that he'd spent all day pleading with Goldfarb, Nahas, and Deckoff to try to keep Bucher at the firm. Jeff Zaiger said he expressed to Black Diamond that their insistence on firing Bucher didn't make practical sense, given Bucher's necessary expertise on mass arbitration matters.
- 191. Jeff Zaiger stated: "Black Diamond said they weren't funding if Will is part of this and we are going to aggressively pursue all of our legal rights against all of you." Bucher understood this to mean that Black Diamond had threatened to sue Zaiger LLC, Bucher, and Jeff Zaiger if they did not terminate Bucher.
- 192. Jeff Zaiger said he spent more than eight hours going between Deckoff, Nahas, and Goldfarb, but that they were "unflappable."
- 193. Jeff Zaiger said it was an impossible situation, where he couldn't get funding from Black Diamond without firing Bucher and couldn't get funding from the Alternative Funder without being sued by Black Diamond.
- 194. Jeff Zaiger said he needed comfort that Bucher wasn't going to "steal Black Diamond's" Steam Mass Arbitration clients.
- 195. Bucher responded that he hoped they could work out a co-counsel relationship and both Zaiger LLC and Bucher would continue to serve the clients, but if that wasn't possible, it would be the client's choice whom to go with.
- 196. Bucher expressed that he was shocked by the termination because he accomplished exactly what he set out to accomplish and had provided exemplary service to Zaiger LLC. Jeff Zaiger agreed that he had, and confirmed that Bucher's termination was not for cause and through no fault of Bucher's.

- 197. Jeff Zaiger stated that the personalities just got "crosswise" with Black Diamond, "they are pissed at you," and that the reason for Bucher's termination "was just a personality clash, and not with me."
- 198. Jeff Zaiger expressed that he thought Bucher's skill set was very marketable and he'd be able to deploy them elsewhere to make money. Bucher responded that his skills weren't the question. The question was how he was supposed to apply those skills if they were "snuffed out by nothing." Jeff Zaiger responded that Bucher's skills were "snuffed out because of Black Diamond."
- 199. Bucher asked Jeff Zaiger what Jeff Zaiger believed was a fair percentage of fees Bucher should receive for his work on the Steam Mass Arbitration cases. Jeff Zaiger responded that he'd have to think on it, but that there was a binding contract that entitled Bucher to the *quantum meruit* value of his contributions.
  - 200. Bucher proposed that he receive 45% of fees given his contributions.
- 201. Jeff Zaiger responded that Black Diamond would never agree to a split like that because during the meetings that day they had said to him that had they known Jeff Zaiger gave Bucher a 50% share, they never would have agreed to fund the venture.
- 202. Jeff Zaiger said if Bucher was thinking of getting anywhere close to 50% as his residual interest post-termination, Black Diamond wouldn't fund these clients, because Black Diamond didn't want Bucher to get such a high share.
- 203. Bucher asked why Black Diamond would be privy to the manner in which Jeff Zaiger, Zaiger LLC and Bucher split any fees from the Steam Mass Arbitration claims given that

Black Diamond was not the client on these claims and the percentage of legal fees that Bucher received in relation to Jeff Zaiger did not affect Black Diamond's economic interests in any way.

- 204. Jeff Zaiger said that Zaiger LLC was required to be completely transparent with Black Diamond about its financial arrangements, economic decisions and business decisions by virtue of its special relationship with Black Diamond and could not be seen as "keeping secrets." Jeff Zaiger further stated that Black Diamond's right to know arose from the fact that Black Diamond essentially "set up" or created Zaiger LLC, that the two entities are completely intertwined, and Black Diamond has control over Zaiger LLC's physical office space, electronic systems, bank accounts, and finances.
- 205. Bucher asked if his termination was effective immediately. Jeff Zaiger confirmed that it was, at Black Diamond's insistence. Jeff Zaiger further stated that Bucher would likely be cut off from Zaiger LLC email shortly, if he hadn't been already, and that Black Diamond controlled Zaiger LLC's email servers.
- 206. Jeff Zaiger also stated he brought all the arguments he could think of to keep Bucher, but that ultimately he feared that he was going to be fired himself by Black Diamond if he kept advocating for Bucher.
  - 207. Jeff Zaiger and Linden left Bucher's apartment at the end of the conversation.
- 208. Later that evening, Jeff Zaiger called Bucher, angry, and stated that Bucher had locked him out of the CRM software for the Steam Mass Arbitration clients. Bucher responded that he had not locked Jeff Zaiger out of the system but had temporarily suspended his ability to make irrevocable global changes to the database, stated that all access would be restored, and suggested they discuss any other concerns in the morning.

209. Upon information and belief, on February 28, 2023, Nahas, Deckoff and Goldfarb demanded that Zaiger LLC and Jeff Zaiger terminate Bucher immediately, *i.e.*, that very day. They threatened that if Zaiger LLC and Jeff Zaiger refused to comply with their demand, Black Diamond would withdraw all business from Zaiger LLC, cut off all support for Zaiger LLC's electronic systems, including its email systems, require Zaiger LLC to vacates its physical offices, and take legal action against Zaiger LLC and Jeff Zaiger. They further demanded that Zaiger LLC breach its agreement to provide Bucher 50% of any fees from the Steam Mass Arbitration claims or anything approaching the *quantum meruit* value of Bucher's contributions. They further threatened to freeze the \$1.2 million of Jeff Zaiger's personal funds held by Black Diamond.

#### f. March 1, 2023, Meeting At Bucher's Apartment

- 210. Jeff Zaiger arrived at Bucher's apartment building around 11:30 AM on March 1, 2023, and delivered a letter purporting to terminate Bucher "for cause."
- 211. The letter cited Bucher's efforts to download a list of his clients with contact information and efforts to safeguard the system during the period of time where Jeff Zaiger was "losing [his] mind" as the pretense for Bucher's termination.
- 212. Incredibly, despite weeks of criticism from Black Diamond, hours of discussion and insistence from Deckoff that Bucher be fired, and the hour-long discussion the night prior in which Bucher was informed he was terminated, the letter made no mention of those facts.
- 213. At approximately 1:00 PM that day, Bucher provided Zaiger LLC with all passwords needed to manage the advertising accounts, website, and other software and systems Bucher had set up during his time at Zaiger LLC.

214. Approximately one month later, on or about March 28, 2023, Bucher formed Bucher Law as a New York Professional Services Limited Liability Company in order to continue his legal practice and the representation of any Steam Mass Arbitration Clients who wished to continue with Bucher as their counsel following his termination from Zaiger LLC.

#### g. Zaiger LLC Continues Soliciting Clients With Bucher's Name And Likeness

- 215. Zaiger LLC had full control over the advertising and websites as of no later than 2:00 PM on March 1, 2023.
- 216. Following Bucher's termination, Zaiger LLC continued to run video advertisements on YouTube and Instagram featuring Bucher, representing that he was a lawyer at Zaiger LLC, and inviting potential clients to see if they were eligible to file a claim.
- 217. It took days following Bucher's departure before references to Bucher were removed from the steamclaims.com homepage, which is what a user sees if they directly go to the website created to recruit clients.
- 218. But even once references were removed from the homepage, for weeks following Bucher's departure, subdomains of steamclaims.com continued to feature photos of Bucher and a video of Bucher explaining the legal merits of the Valve case.
- 219. Further, for weeks following Bucher's departure, subdomains of steamclaims.com, including steamclaims.com/file and steamclaims.com/max, continued to note "Jeffrey Zaiger, nine-time 'Super Lawyer' and 'New York Rising Star,' has teamed up with Bucher, chair of the American Bar Association's Digital Games and New Media Committee and Video Game Bar Association member to bring these antitrust claims against Valve. Together, we will negotiate, and if necessary litigate, your claim."

- 220. One of these subdomains was steamclaims.com/file.
- 221. When Zaiger LLC runs an advertisement on Google Search, clients are directed to steamclaims.com/file and are not directed to steamclaims.com.
  - 222. Another of these subdomains was steamclaims.com/max.
- 223. On information and belief, when Zaiger LLC runs an advertisement through its marketing firm, clients are directed to steamclaims.com/max and are not directed to steamclaims.com
- 224. As a result, after Bucher's departure, potential clients who clicked on an advertisement on Google or displayed through Zaiger LLC's marketing firm were led to a page that misled them into believing that Bucher would be handling their case.
- 225. Zaiger LLC knew how to, and did, make adjustments to the homepage steamclaims.com.
- 226. But Zaiger LLC left the subdomains, to which potential clients are actually directed, with references to Bucher.
- 227. Potential clients who are eligible receive an email with instructions on how to sign the retainer agreement.
- 228. Following Bucher's termination, that email continued to include Bucher's signature block.
- 229. Potential clients who are eligible to file a claim receive a reminder text message if they have not completed their retainer agreement.
- 230. Until at least March 23, 2023, three weeks following Bucher's termination, that reminder text message stated "Hey [client name], its Will from Zaiger LLC. We'd love to get you

compensated, but we need a signed retainer agreement to get started. You can sign on your phone here: [link to retainer]. It only takes a minute!"

231. No employee other than Bucher, past or present, is named Will.

# ZAIGER LLC AND JEFF ZAIGER SEND A MISLEADING UNILATERAL COMMUNICATION TO THE STEAM MASS ARBITRATION CLIENTS AND VIOLATE THEIR ETHICAL DUTY TO PROVIDE BUCHER A COPY OF THE STEAM MASS ARBITRATION CLIENT LIST

- 232. Following his termination, Bucher expressed a preference to Zaiger LLC and Jeff Zaiger for continuing to serve the clients jointly through a co-counsel relationship.
- 233. While Bucher was under the impression that Zaiger LLC was considering a cocounsel relationship, on March 25, 2023, Zaiger LLC unilaterally sent an email to clients informing them that Bucher was no longer representing them.
- 234. The communication included no information on how to contact Bucher, his new firm, his willingness to continue to represent the clients, or their right to make a choice as to whom to retain as counsel.
- 235. The communication also stated that Zaiger LLC had arranged to work with a new firm that "will be acting as co-counsel with Zaiger LLC to assist in the prosecution of your claims against Valve!"
- 236. Further, the communication stated that "Zaiger LLC and our co-counsel . . . will vigorously pursue your interests against Valve!"
- 237. These statements were false and misleading. Zaiger LLC, as a result of its arrangement with Black Diamond, had no intention of "prosecut[ing] . . . claims against Valve" or "vigorously pursu[ing] [clients'] interests against Valve . . . ." Instead, Zaiger LLC secretly

intended to drop its thousands of clients if it could not get a quick settlement (and quick buck) from Valve, leading to thousands of clients being left in an arbitration with no representation.

- 238. Meanwhile, Bucher also requested a complete list of all the Steam Mass Arbitration clients so he could fulfill his duty to notify clients that he had moved firms, was willing to still represent them, and give them a choice between retaining Bucher as lead counsel at his new firm, remaining with Zaiger LLC, or choosing new counsel entirely.
  - 239. Zaiger LLC refused to provide a contact list of Bucher's clients to him.
- 240. Bucher has an outdated list of his clients, which he attempted to use to fulfill his ethical obligation to provide his clients notice of his departure and to make an informed choice about whether to keep Bucher as their lead counsel, stay with Zaiger LLC, or choose new counsel entirely.
- 241. Because that list is outdated, more than 14,000 clients were not initially informed that they had a choice of counsel and could continue to be represented by Bucher if they chose. Bucher has no means of contact for those clients.

## ZAIGER LLC AND JEFF ZAIGER CONTINUE TO IMPEDE CLIENT CHOICE OF COUNSEL

- a. Zaiger LLC and Jeff Zaiger Finally Agree to Send a Joint Communication re Client Choice of Counsel, but Then Breach That Agreement Almost Immediately
- 242. Following months of refusing to inform these ~14,000 clients that they had a choice of counsel, having been served with this lawsuit, and facing a threat of restraining order and/or injunction, Zaiger LLC and Zaiger ultimately agreed to a contract (the "Joint Communication Protocol Agreement") outlining the terms of a joint communication regarding client choice to be sent from both Bucher and Zaiger LLC to just these previously-uncontacted clients.

- 243. This joint communication informed clients that Bucher had left the firm, provided brief background on Bucher Law PLLC and Zaiger LLC, and provided a link to a digital ballot where clients could make their choice of which counsel would represent them going forward. This digital ballot consisted of a single question web survey where clients could elect either Zaiger and Zaiger LLC or Bucher and Bucher Law PLLC to represent them going forward in their case against Valve.
- 244. The joint communication was delivered by Leverage Law, the Parties' CRM platform, as outlined in the agreement. But Zaiger still could not bring himself to fulfill his ethical obligation to facilitate an informed client choice of counsel. After just a week, he blocked clients from being able to access the digital ballot, and thus to choose to transfer their files to Bucher Law PLLC.
- 245. The Joint Communication Protocol Agreement stated that clients would receive a specific email containing a link to a digital ballot that would allow them to select whether to move their files with Bucher to his new firm or keep their files with Zaiger LLC following Bucher's departure. The agreement did not permit or call for the digital ballot to expire or be disabled after a period of time. Nor did the agreement give Zaiger LLC any unilateral authority to decide if or when the digital ballot would be disabled. There was no legitimate reason to shut down the survey other than to impede the ability of clients to choose to retain Bucher rather than Zaiger LLC.
- 246. Closing the digital ballot meant that clients would not be able to indicate their choice of counsel via the method outlined in the joint email they received. Instead, a client would click the link and find that it was broken. A client always has a choice of counsel and, thus, can elect to switch to Bucher PLLC at any time. Given that right never expires, there is no reason for

the digital ballot presenting that choice to expire, nor is there any technological necessity or contractual agreement for it to do so. As a default, Zaiger LLC held the files of all Mass Arbitration Clients covered by the Joint Communication Protocol Agreement, so Zaiger LLC's intentional disabling of the choice of counsel digital ballot served only to decrease the number of clients electing to transfer their files to Bucher by literally removing the ability of these clients to indicate a choice.

## b. Zaiger LLC Initially Refuses to Honor Clients' Requests to Move Forward With Bucher as Counsel

- 247. Meanwhile, on April 14, 2023, Bucher emailed Zaiger the names of over 9,000 clients that had conveyed a desire that Bucher, rather than Zaiger LLC, represent them and asked that Zaiger transfer those client files to Bucher.
- 248. On April 18, 2023, Bucher's counsel, David Siegel, received a letter from counsel for Zaiger LLC, stating that it did not intend to comply with Bucher's request.
- 249. Before transferring the files, Zaiger and Linden continued to unilaterally contact clients seeking to change their minds regarding their selection of Bucher as counsel on a going-forward basis.
- 250. On April 25, 2023, counsel for Zaiger LLC sent Bucher's counsel another letter, again refusing to turn over files for most of the approximately 10,000 clients who had already provided a written instruction that Zaiger LLC transfer their file.
- 251. Bucher's counsel continued to press the issue over the next several days and, finally, on April 28, 2023, Zaiger LLC ultimately backtracked and transferred approximately 90% of the files in question, but still inexplicably held back approximately 10% of the files.

252. Negotiations regarding the remaining file transfers remained ongoing for several weeks. Although Zaiger LLC attempted, through counsel, to justify this behavior, these explanations covered only a small sliver of the files Zaiger LLC was refusing to transfer. Finally, on about May 18, 2023, after weeks of discussions, Zaiger LLC finally transferred the majority of the remaining files. No explanation was ever provided for withholding most of the files contained within this final 10% for weeks longer after the initial 90% were transferred.

### ZAIGER LLC AND ZAIGER CONTINUE TO MISLEAD PROSPECTIVE CLIENTS

- 253. Zaiger LLC's March 25, 2023, email to the firm's current clients was not the only instance in which Zaiger and Zaiger LLC falsely represented their intent to fully prosecute claims against Valve.
- 254. Zaiger and Zaiger LLC advertise the firm's services on its intake website at www.steamclaims.com (the "Website").
  - 255. The website advertises, in part, to prospective clients as follows:

The highly experienced lawyers at Zaiger LLC and its litigation partners will cover your arbitration filing fee, prosecute your claim, and receive a portion of any arbitrator award or settlement that Valve pays you. If you don't get paid, these legal services are free.

- 256. The website further represents that "Zaiger LLC will negotiate, and if necessary litigate, your claim."
- 257. These advertisements on the Website are false and misleading. Zaiger and Zaiger LLC do not intend to litigate clients' cases if they are not resolved by settlement at the time of filing. Clients have no chance of obtaining any "arbitrator award," as claimed on the Website,

because Zaiger and Zaiger LLC intend to abandon them rather than actually litigate these claims on their behalf in arbitration.

#### FIRST COUNT - BREACH OF WRITTEN CONTRACT

#### (Bucher Against Zaiger LLC)

- 258. Plaintiffs hereby incorporate by reference each and every allegation in paragraphs 1 through 257 of this complaint as though said paragraphs were fully set forth herein.
- 259. On or around July 27, 2022, Bucher and Zaiger LLC entered into the Employment Agreement. A true and correct copy of the Employment Agreement is attached as Exhibit A.
- 260. The Employment Agreement states that Zaiger LLC is hiring Bucher to "lead the Firm's development and pursuit of mass arbitration strategies."
- 261. The Employment Agreement provides that Zaiger LLC will compensate Bucher by, among other things, paying him an allocation of fees received from any mass arbitration strategies equal to the fees Zaiger LLC pays to Jeffrey Zaiger.
- 262. Bucher performed all of his obligations under the Employment Agreement. Among other things, he spent over 1,300 hours working on the mass arbitration strategies.
- 263. Bucher did not take any action that would have justified Zaiger LLC to terminate him with cause.
  - 264. On February 28, 2023, Zaiger LLC terminated Bucher without cause.
- 265. The Employment Agreement provides that if Zaiger LLC terminates Bucher without cause, Zaiger LLC must pay Bucher the quantum meruit value of his work on the mass arbitration cases, even if any revenue from these cases is received after Bucher's termination.

- 266. During Bucher's time at Zaiger LLC, in the 1,300 hours he worked on mass arbitration strategies, he completely set up the infrastructure and procedures to take on tens of thousands of clients in mass arbitration. Further, Bucher was responsible, from ideation through obtaining over 48,000 clients, for the Steam Mass Arbitration claims as reflected in the intake website www.steamclaims.com.
- 267. Zaiger LLC, in internal metrics and calculations, reasonably estimated the total settlement value associated with the clients that Bucher was responsible for bringing into the firm at \$48 million to \$129.6 million. Of that amount, Zaiger LLC stands to receive \$19.2 million to \$51.84 million in fees.
- 268. From a narrow view of just the 48,000 claims for which Bucher was responsible, beyond the 1,300 hours spent by Bucher, Zaiger will need to perform minimal additional work to obtain an economic recovery. This is because the economics of mass arbitration cases are such that defendants are strongly incentivized to settle them either before filing or immediately after them to avoid crippling arbitral filing fees on tens of thousands of cases. Under a quantum meruit measure, Bucher is entitled to at least 45 percent of any fees received by Zaiger LLC associated with these clients, *i.e.*, \$8.64 million to \$23.33 million.
- Arbitration claims is at least twice as much. This is because Zaiger LLC was projecting to acquire over 100,000 clients with the infrastructure that Bucher established at Zaiger LLC during his time there. Zaiger LLC is projected to recover fees of 40 million to 108 million dollars from these cases, of which, at a 45% quantum meruit calculation, Bucher would be entitled to \$18 million to \$48.6 million dollars.

- 270. Zaiger LLC breached the Employment Agreement by repudiating its obligation to pay Bucher the compensation owed under the Employment Agreement.
- 271. As a proximate result of Zaiger LLC's breach of the Employment Agreement, Bucher has suffered damages to be proven at trial but no less than \$18 million.

## SECOND COUNT - INTENTIONAL INTERFERENCE WITH CONTRACTUAL RELATIONS

(Bucher Against Black Diamond and Deckoff)

- 272. Plaintiffs hereby incorporate by reference each and every allegation in paragraphs 1 through 271 of this complaint as though said paragraphs were fully set forth herein.
- 273. On or around July 27, 2022, Bucher and Zaiger LLC entered into the Employment Agreement. A true and correct copy of the Employment Agreement is attached as Exhibit A.
- 274. The Employment Agreement states that Zaiger LLC is hiring Bucher to "lead the Firm's development and pursuit of mass arbitration strategies."
- 275. The Employment Agreement provides that Zaiger LLC will compensate Bucher by, among other things, paying him an allocation of fees received from any mass arbitration strategies equal to the fees Zaiger LLC pays to Jeffrey Zaiger.
- 276. Black Diamond and Deckoff were aware of the contractual relationship between Zaiger LLC and Bucher under the Employment Agreement.
- 277. Black Diamond and Deckoff intended to interfere with the contractual relationship between Zaiger LLC and Bucher under the Employment Agreement.

- 278. Black Diamond and Deckoff tortiously interfered with the Employment Agreement. Among other things, they used their undue influence and economic power over Zaiger LLC and Jeffrey Zaiger to induce Zaiger LLC to breach the Employment Agreement.
- 279. Zaiger LLC had acquired approximately 48,000 clients at the time it terminated Bucher and was projected to acquire 100,000 clients. Zaiger expected to realize fees associated with these claims of between 40 million to 108 million dollars, of which Bucher was entitled to a 50/50 allocation with Jeffrey Zaiger, *i.e.*, 20 million to 54 million dollars.
- 280. Moreover, the Employment Agreement contemplated that Bucher would continue to pursue mass arbitration strategies beyond the Steam Mass Arbitration cases. Bucher reasonably expected hundreds of millions of dollars of future fees allocated to him under the Employment Agreement.
- 281. As a proximate result of Black Diamond and Deckoff's tortious interference with the Employment Agreement, Bucher has suffered damages to be proven at trial but no less than 100 million dollars.
- 282. Furthermore, Bucher is informed and believes, and on that basis alleges, that Black Diamond's and Deckoff's conduct was undertaken with evil motive, a reckless indifference to the rights of others, and intent to cause wanton and malicious injury, such that punitive damages should be awarded.

## THIRD COUNT - BREACH OF WRITTEN CONTRACT (Bucher Against Zaiger LLC And Jeffrey Zaiger)

283. Plaintiffs hereby incorporate by reference each and every allegation in paragraphs 1 through 282 of this complaint as though said paragraphs were fully set forth herein.

- 284. On October 28, 2022, Bucher, Zaiger LLC and Jeffrey Zaiger entered into the Partnership and Compensation Agreement. A true and correct copy of this agreement is attached as Exhibit **B**.
- 285. The Partnership and Compensation Agreement provides that Bucher, Zaiger LLC and Jeffrey Zaiger intend to pursue mass arbitration strategies with Black Diamond over the course of 4 years or longer.
- 286. The Partnership and Compensation Agreement provides that Bucher will receive 50% of the fees received by Zaiger LLC from any mass arbitration strategies pursued by the firm over the next 4 years irrespective of Mr. Bucher's employment status.
  - 287. Bucher performed all of his obligations under the Employment Agreement.
- 288. Bucher did not take any action that would have justified Zaiger LLC to terminate him with cause.
  - 289. On February 28, 2023, Zaiger LLC terminated Bucher without cause.
- 290. Per the terms of the Partnership and Compensation Agreement, Bucher is entitled to 50% of Zaiger LLC's fees from mass arbitration cases for the period of October 28, 2022, through October 28, 2026.
- 291. Zaiger LLC, in internal metrics and calculations, Zaiger LLC was projecting to acquire over 100,000 clients with the infrastructure that Bucher established. Zaiger LLC projected that it would recover fees of 40 million to 108 million dollars from these cases, of which Bucher would be entitled to 20 million to 54 million dollars.

- 292. And this is only for the Steam Mass Arbitration claims. With the infrastructure Bucher developed, Zaiger LLC is likely to generate revenue from additional mass arbitration strategies over the next 4 years.
- 293. Zaiger LLC and Jeffrey Zaiger breached the Partnership and Compensation Agreement by repudiating their obligation to pay Bucher the compensation owed under the Partnership and Compensation Agreement.
- 294. As a proximate result of Zaiger LLC's and Jeffrey Zaiger's breach of the Partnership and Compensation Agreement, Bucher has suffered damages to be proven at trial but no less than 20 million dollars.

## FOURTH COUNT - INTENTIONAL INTERFERENCE WITH CONTRACTUAL RELATIONS (Bucher Against Black Diamond and Deckoff)

- 295. Plaintiffs hereby incorporate by reference each and every allegation in paragraphs 1 through 294 of this complaint as though said paragraphs were fully set forth herein.
- 296. On October 28, 2022, Bucher, Zaiger LLC and Jeffrey Zaiger entered into the Partnership and Compensation Agreement. A true and correct copy of this agreement is attached as Exhibit **B**.
- 297. The Partnership and Compensation Agreement provides that Bucher, Zaiger LLC and Jeffrey Zaiger intend to pursue mass arbitration strategies with Black Diamond over the course of 4 years or longer.

- 298. The Partnership and Compensation Agreement provides that Bucher will receive 50% of the fees received by Zaiger LLC from any mass arbitration strategies pursued by the firm over the next 4 years irrespective of Bucher's employment status.
- 299. Black Diamond and Deckoff were aware of the contractual relationship between Zaiger LLC and Bucher under the Partnership and Compensation Agreement.
- 300. Black Diamond and Deckoff intended to interfere with the contractual relationship between Bucher, Zaiger LLC and Jeffrey Zaiger under the Partnership and Compensation Agreement.
- 301. Black Diamond and Deckoff tortiously interfered with the Partnership and Compensation Agreement. Among other things, they used their undue influence and economic power over Zaiger LLC and Jeffrey Zaiger to induce them to breach the Partnership and Compensation Agreement.
- 302. Per the terms of the Partnership and Compensation Agreement, Bucher is entitled to 50% of Zaiger LLC's fees from mass arbitration cases for the period of October 28, 2022, through October 28, 2026.
- 303. Zaiger LLC, in internal metrics and calculations, was projecting to acquire over 100,000 clients with the infrastructure that Bucher established. Zaiger LLC is projected to recover fees of \$40 million to \$108 million dollars from these cases, of which Bucher would be entitled to \$20 million to \$54 million dollars.
- 304. And this is only for the Steam mass arbitration claims. With the infrastructure Bucher developed, Zaiger LLC is likely to generate revenue from additional mass arbitration strategies over the next 4 years.

- 305. As a proximate result of Black Diamond's and Deckoff's tortious interference with the Partnership and Compensation Agreement, Bucher has suffered damages to be proven at trial but no less than \$20 million.
- 306. Furthermore, Bucher is informed and believes, and on that basis alleges, that Black Diamond's and Deckoff's conduct was undertaken with evil motive, a reckless indifference to the rights of others, and intent to cause wanton and malicious injury, such that punitive damages should be awarded.

## FIFTH COUNT - TORTIOUS INTERFERENCE WITH BUSINESS EXPECTANCIES (Bucher Against Black Diamond and Deckoff)

- 307. Plaintiffs hereby incorporate by reference each and every allegation in paragraphs 1 through 306 of this complaint as though said paragraphs were fully set forth herein.
- 308. On or around July 27, 2022, Bucher and Zaiger LLC entered into the Employment Agreement. A true and correct copy of the Employment Agreement is attached as Exhibit A.
- 309. The Employment Agreement states that Zaiger LLC is hiring Bucher to "lead the Firm's development and pursuit of mass arbitration strategies."
- 310. The Employment Agreement provides that Zaiger LLC will compensate Bucher by, among other things, paying him an allocation of fees received from any mass arbitration strategies equal to the fees Zaiger LLC pays to Jeffrey Zaiger.
- 311. On October 28, 2022, Bucher, Zaiger LLC and Jeffrey Zaiger entered into the Partnership and Compensation Agreement.

- 312. The Partnership and Compensation Agreement provides that Bucher, Zaiger LLC and Jeffrey Zaiger intend to pursue mass arbitration strategies with Black Diamond over the course of 4 years or longer.
- 313. The Partnership and Compensation Agreement provides that Bucher will receive 50% of the fees received by Zaiger LLC from any mass arbitration strategies pursued by the firm over the next 4 years irrespective of Bucher's employment status.
- 314. Bucher, Zaiger LLC and Jeffrey Zaiger had a business relationship to pursue mass arbitration strategies.
- 315. Black Diamond LLC and Deckoff were aware of the business relationship between Bucher, Zaiger LLC and Jeffrey Zaiger.
- 316. Black Diamond LLC and Deckoff knowingly interfered with the business relationship between Bucher, Zaiger LLC and Jeffrey Zaiger. Among other things, Black Diamond and Deckoff used their undue influence and economic power over Zaiger LLC and Jeffrey Zaiger to interfere with their business relationship with Bucher.
- 317. Bucher stood to receive hundreds of millions of dollars from the business relationship and has suffered actual losses from Black Diamond's and Deckoff's interference with his business expectancies.
- 318. As a proximate result of Black Diamond's and Deckoff's tortious interference with Bucher's business expectancies, Bucher has suffered damages to be proven at trial but not less than 100 million dollars.
- 319. Furthermore, Bucher is informed and believes, and on that basis alleges, that Black Diamond's and Deckoff's conduct was undertaken with evil motive, a reckless indifference to the

rights of others, and intent to cause wanton and malicious injury, such that punitive damages should be awarded.

WHEREFORE plaintiff Bucher prays for relief as set forth below.

## SIXTH COUNT - FEDERAL FALSE ADVERTISING AND UNFAIR COMPETITION, 15 U.S.C. § 1125(a)

(Bucher and Bucher Law Against Zaiger LLC And Jeff Zaiger)

- 320. Plaintiffs hereby incorporate by reference each and every allegation in paragraphs 1 through 319 of this complaint as though said paragraphs were fully set forth herein.
- 321. Zaiger LLC and Jeff Zaiger's actions described above and specifically, without limitation, their continued use of Bucher's likeness and explicit reference to Bucher in advertising to recruit new mass arbitration clients even after Bucher's termination, their refusal to provide Bucher a list of Steam Mass Arbitration clients that Bucher represented at the time he was employed by Zaiger LLC, and their failure to provide the Steam Mass Arbitration clients with sufficient information to make an informed choice of counsel, including the misleading unilateral communication sent by Zaiger LLC and Jeff Zaiger on March 25, 2023, constitute unfair competition and false advertising in violation of 15 U.S.C. § 1125(a).
- 322. Consumers are likely to be misled and deceived by Zaiger LLC's and Jeff Zaiger's misrepresentations, material omissions, and failure to provide a client list to Bucher such that he can provide corrective information.
- 323. Zaiger LLC and Jeff Zaiger knew or should have known that that their statements, omissions and conduct were likely to mislead.
- 324. As an actual and proximate result of Zaiger LLC's and Jeff Zaiger's willful and intentional actions, the Bucher Parties have suffered damages in an amount to be determined at

trial, and unless Zaiger LLC and Jeff Zaiger are enjoined, the Bucher Parties will continue to suffer irreparable harm and damage to his business, reputation, and goodwill.

325. Pursuant to 15 U.S.C. § 1117, the Bucher Parties are entitled to damages for Zaiger LLC's and Jeff Zaiger's Lanham Act violations, an accounting for profits made by Zaiger LLC and Jeff Zaiger on the Steam Mass Arbitration claims, as well as recovery of the costs of this action. Furthermore, the Bucher Parties are informed and believe, and on that basis allege, that Zaiger LLC's and Jeff Zaiger's conduct was undertaken willfully and with the intention of causing confusion, mistake or deception, making this an exceptional case entitling the Bucher Parties to recover additional damages and reasonable attorneys' fees pursuant to 15 U.S.C. § 1117.

WHEREFORE plaintiffs pray for relief as set forth below.

#### SEVENTH COUNT - CONNECTICUT UNFAIR TRADE PRACTICES ACT, SEC. 42-110a, ET. SEQ. (Bucher and Bucher Law Against Zaiger LLC And Jeff Zaiger)

- 326. Plaintiffs hereby incorporate by reference each and every allegation in paragraphs 1 through 325 of this complaint as though said paragraphs were fully set forth herein.
- 327. Zaiger LLC and Jeff Zaiger's actions described above and specifically, without limitation, their continued use of Bucher's likeness and explicit reference to Bucher in advertising to recruit new mass arbitration clients even after Bucher's termination, their refusal to provide Bucher a list of Steam Mass Arbitration clients that Bucher represented at the time he was employed by Zaiger LLC, and their failure to provide the Steam Mass Arbitration clients with sufficient information to make an informed choice of counsel, including the misleading unilateral solicitation sent by Zaiger LLC and Jeff Zaiger on March 25, 2023, were performed in the conduct

of trade or commerce, and constitute unfair competition and unfair and deceptive trade practices

in violation of the Connecticut Unfair Trade Practices Act, Conn.Gen.Stat. Sec. 42-110a, et. seq.

328. Clients are likely to be misled and deceived by Zaiger LLC's and Jeff Zaiger's

misrepresentations, material omissions, and failure to provide a client list to Bucher such that he

can provide corrective information.

329. Zaiger LLC and Jeff Zaiger knew or should have known that that their statements,

omissions and conduct were likely to mislead.

330. As an actual and proximate result of Zaiger LLC's and Jeff Zaiger's willful and

intentional actions, the Bucher Parties have suffered actual damages in an amount to be determined

at trial, and unless Zaiger LLC and Jeff Zaiger are enjoined, the Bucher Parties will continue to

suffer irreparable harm and damage to their business, reputation, and goodwill.

331. Pursuant to Conn.Gen.Stat. Sec. 42-110g, the Bucher Parties are entitled to

damages for Zaiger LLC's and Jeff Zaiger's acts, as well as recovery of the costs of this action and

reasonable attorneys' fees incurred in bringing this action. Furthermore, the Bucher Parties are

informed and believe, and on that basis allege, that Zaiger LLC's and Jeff Zaiger's conduct was

undertaken with evil motive, a reckless indifference to the rights of others, and intent to cause

wanton and malicious injury, such that punitive damages should be awarded pursuant to

Conn.Gen.Stat. Sec. 42-110g(a).

WHEREFORE plaintiffs pray for relief as set forth below.

EIGHTH COUNT - WRONGFUL TERMINATION IN VIOLATION OF PUBLIC

**POLICY** 

(Bucher Against Zaiger LLC)

53

- 332. Plaintiffs hereby incorporate by reference each and every allegation in paragraphs 1 through 331 of this complaint as though said paragraphs were fully set forth herein.
  - 333. On or about August 15, 2022, Bucher commenced employment with Zaiger LLC.
- 334. In or about January 2023 and February 2023, Bucher learned that Black Diamond and Deckoff were insisting that Zaiger LLC, Zaiger, and Bucher cease representing their clients in the Steam Mass Arbitration claims if the cases do not settle immediately upon filing.
- 335. On multiple occasions, Bucher expressed ethical concerns with the demands of Black Diamond and Deckoff and with accepting funding from Black Diamond, including that this presented a conflict of interest and violated other Connecticut Rules of Professional Conduct.
  - 336. On February 28, 2023, Zaiger LLC terminated Bucher's employment.
- 337. Upon information and belief, Zaiger LLC terminated Bucher because he refused to go along with the severe breaches of professional ethics demanded by Black Diamond and Deckoff, and by extension Zaiger LLC and because he expressed concerns about these issues.
- 338. Zaiger LLC's termination of Bucher was wrongful and in violation of public policy, which public policy is reflected by numerous provisions of the Connecticut Rules of Professional Conduct.
- 339. For example, Rule 1.2(c) requires that for a limited scope representation, a client must give informed consent. Following Bucher's departure, Zaiger LLC is intending to provide a limited scope representation to clients in the Mass Steam Arbitration claims (i.e. only represent them until filing of the arbitration and then withdrawing). But this intent was being hidden from clients and no informed consent was being obtained.

- 340. In addition, Rule 1.3 requires a lawyer to "act with reasonable diligence and promptness in representing a client." This includes "tak[ing] whatever lawful and ethical measures are required to vindicate a client's cause or endeavor" and, unless a lawyer properly withdraws, "carry[ing] through to conclusion all matters undertaken for a client." Here, however, Zaiger LLC is not intending to take all lawful and ethical measures are necessary for the Steam Mass Arbitration clients and, following Bucher's departure, no longer intends to see those arbitrations through to conclusion.
- 341. Further, Rule 1.7(a)(2) requires a lawyer to decline a representation due to conflict of interest where "there is a significant risk that the representation of one or more clients will be materially limited by the lawyer's responsibilities to another client, a former client or a third person or by a personal interest of the lawyer." Here, Zaiger LLC's economic dependence on Black Diamond, together with Black Diamond's demand to control how Zaiger LLC would prosecute the Steam Arbitration claims created a clear conflict of interest.
- 342. Moreover, 5.4(c) prohibits a lawyer from "permit[ting] a person who recommends, employs, or pays the lawyer to render legal services for another to direct or regulate the lawyer's professional judgment in rendering such legal services." Here, Zaiger LLC was intending to accept payment from Black Diamond for legal services pertaining to the Steam Mass Arbitrations, while allowing Black Diamond to regulate hiring and firing of attorneys, litigation strategy, and even when Zaiger LLC must withdraw from representing the Steam Arbitration clients.
- 343. Similarly, Rule 5.4(d) prohibits a lawyer from "practic[ing] with or in the form of a professional corporation or association authorized to practice law for a profit, if . . . [a] nonlawyer has the right to direct or control the professional judgment of a lawyer." Here, Zaiger LLC was

practicing law while allowing Black Diamond (a non-lawyer) to direct or control Zaiger LLC's professional judgment.

- 344. Bucher has lost and will continue to lose earnings and benefits, his earning capacity has been substantially impaired, he has lost and will continue to suffer from humiliation and emotional injuries and distress, he has and will continue to incur litigation expenses and attorney's fees and the quality of his life has been substantially diminished, all to his loss and detriment.
- 345. Zaiger LLC's conduct shows a reckless indifference to the rights of others or an intentional and wanton violation of those rights. As such, Bucher is entitled to punitive and exemplary damages.

WHEREFORE plaintiff Bucher prays for relief as set forth below.

#### NINTH COUNT- COMMON LAW RIGHT OF PUBLICITY

#### (Bucher Against Zaiger LLC and Jeff Zaiger)

- 346. Plaintiffs hereby incorporate by reference each and every allegation in paragraphs 1 through 345 of this complaint as though said paragraphs were fully set forth herein.
  - 347. On or about August 15, 2022, Bucher commenced employment with Zaiger LLC.
  - 348. On February 28, 2023, Zaiger LLC terminated Bucher's employment.
- 349. After February 28, 2023, Zaiger LLC and Jeff Zaiger continued to use Bucher's name and likeness for commercial purposes to benefit Zaiger LLC and Jeff Zaiger. In particular, they continued to use Bucher's name and likeness on social media marketing campaigns and websites to aid in new client solicitation. Zaiger LLC and Jeff Zaiger also continue the use of Bucher's name and likeness to aid in client retention. Zaiger LLC and Jeff Zaiger did not notify the Steam Mass Arbitration clients that Bucher was no longer with Zaiger LLC for nearly a month

and that communication failed to disclose sufficient information to allow the clients to make an informed choice of whether to remain with Zaiger LLC or retain Bucher, or even that they had a choice. The unilateral client communication sent on March 25, 2023, did not end the harm from Zaiger LLC's and Jeff Zaiger's invasion of Bucher's right of publicity but instead served to entrench those harms and retain the commercial benefits from their wrongdoing.

- 350. Further, Zaiger LLC's and Jeff Zaiger's invasion of Bucher's right of publicity caused consumer confusion.
- 351. Bucher has suffered actual damages proximately caused by Zaiger LLC's and Jeff Zaiger's invasion of his right to publicity in an amount to be proven at trial.

WHEREFORE plaintiff Bucher prays for relief as set forth below.

#### TENTH COUNT - FEDERAL FALSE ADVERTISING AND UNFAIR COMPETITION, 15 U.S.C. § 1125(a))

#### (Bucher and Bucher Law Against Zaiger LLC and Jeff Zaiger)

- 352. Plaintiffs hereby incorporate by reference each and every allegation in paragraphs 1 through 351 of this complaint as though said paragraphs were fully set forth herein.
- 353. Zaiger LLC and Jeff Zaiger's actions described above and specifically, without limitation, their false advertising to current and prospective clients through the Website and the March 25, 2023, communication, regarding their intent to prosecute clients' claims constitute unfair competition and false advertising in violation of 15 U.S.C. § 1125(a).
- 354. Consumers are likely to be misled and deceived by Zaiger LLC's and Jeff Zaiger's misrepresentations and material omissions into believing that by hiring Zaiger LLC and Jeff Zaiger or deciding not to pursue their cases with new counsel (which they have the right to do at any time), they will have hired counsel that will pursue their cases through judgment.

355. Upon information and belief, Zaiger LLC and Zaiger have a premeditated intent to abandon their clients if a settlement is not achieved immediately upon filing an arbitration. Upon information and belief, Black Diamond and Deckoff have insisted that this premeditated plan to abandon the clients is a condition of funding and that Black Diamond will withdraw its legal work, economic support, and support of Zaiger LLC's infrastructure unless Zaiger LLC and Zaiger comply. Zaiger has previously indicated that he cannot disobey orders from Black Diamond under

356. Zaiger LLC and Jeff Zaiger knew or should have known that that their statements, omissions and conduct were likely to mislead.

these circumstances.

357. As an actual and proximate result of Zaiger LLC's and Jeff Zaiger's willful and intentional actions, the Bucher Parties have suffered damages in an amount to be determined at trial, and unless Zaiger LLC and Jeff Zaiger are enjoined, the Bucher Parties will continue to suffer irreparable harm and damage to their business, reputation, and goodwill.

358. Pursuant to 15 U.S.C. § 1117, the Bucher Parties are entitled to damages for Zaiger LLC's and Jeff Zaiger's Lanham Act violations, an accounting for profits made by Zaiger LLC and Jeff Zaiger on the Steam mass arbitration claims, as well as recovery of the costs of this action. Furthermore, the Bucher Parties are informed and believe, and on that basis alleges, that Zaiger LLC's and Jeff Zaiger's conduct was undertaken willfully and with the intention of causing confusion, mistake or deception, making this an exceptional case entitling the Bucher Parties to recover additional damages and reasonable attorneys' fees pursuant to 15 U.S.C. § 1117.

WHEREFORE plaintiffs pray for relief as set forth below.

ELEVENTH COUNT - CONNECTICUT UNFAIR TRADE PRACTICES ACT, SEC. 42-110a, ET. SEQ.

(Bucher and Bucher Law Against Zaiger LLC and Jeff Zaiger)

- 359. Plaintiffs hereby incorporate by reference each and every allegation in paragraphs 1 through 358 of this complaint as though said paragraphs were fully set forth herein.
- 360. Zaiger LLC and Jeff Zaiger's actions described above and specifically, without limitation, their false advertising to current and prospective clients through the Website and the March 25, 2023, regarding their intent to prosecute clients' claims, were performed in the conduct of trade or commerce, and constitute unfair competition and unfair and deceptive trade practices in violation of the Connecticut Unfair Trade Practices Act, Sec. 42-110a, et. seq.
- 361. Consumers are likely to be misled and deceived by Zaiger LLC's and Jeff Zaiger's misrepresentations and material omissions into believing that by hiring Zaiger LLC and Jeff Zaiger or deciding not to pursue their cases with new counsel (which they have the right to do at any time), they will have hired counsel that will pursue their cases through judgment.
- 362. Upon information and belief, Zaiger LLC and Zaiger have a premeditated intent to abandon their clients if a settlement is not achieved immediately upon filing an arbitration. Upon information and belief, Black Diamond and Deckoff have insisted that this premeditated plan to abandon the clients is a condition of funding and that Black Diamond will withdraw its legal work, economic support, and support of Zaiger LLC's infrastructure unless Zaiger LLC and Zaiger comply. Zaiger has previously indicated that he cannot disobey orders from Black Diamond under these circumstances.
- 363. Zaiger LLC and Jeff Zaiger knew or should have known that that their statements, omissions and conduct were likely to mislead.
- 364. As an actual and proximate result of Zaiger LLC's and Jeff Zaiger's willful and intentional actions, the Bucher Parties have suffered actual damages in an amount to be determined at trial, and unless Zaiger LLC and Jeff Zaiger are enjoined, the Bucher Parties will continue to suffer irreparable harm and damage to their business, reputation, and goodwill.

365. Pursuant to Sec. 42-110g, Bucher is entitled to damages for Zaiger LLC's and Jeff Zaiger's acts, as well as recovery of the costs of this action and reasonable attorneys' fees incurred in bringing this action. Furthermore, the Bucher Parties are informed and believe, and on that basis allege, that Zaiger LLC's and Jeff Zaiger's conduct was undertaken with evil motive, a reckless indifference to the rights of others, and intent to cause wanton and malicious injury, such that punitive damages should be awarded pursuant to Conn.Gen.Stat. Sec. 42-110g(a).

WHEREFORE plaintiffs pray for relief as set forth below.

## TWELFTH COUNT – CONTRIBUTORY FALSE ADVERTISING AND UNFAIR COMPETITION, 15 U.S.C. § 1125(a))

#### (Bucher and Bucher Law Against Black Diamond LLC and Deckoff)

- 366. Plaintiffs hereby incorporate by reference each and every allegation in paragraphs 1 through 365 of this complaint as though said paragraphs were fully set forth herein.
- 367. As further described above, Zaiger LLC and Jeff Zaiger have engaged in unfair competition and false advertising in violation of 15 U.S.C. § 1125(a) by, among other things, falsely advertising to consumers their intent to prosecute their claims in the Steam Arbitrations through arbitral award.
- 368. Upon information and belief, Zaiger LLC and Zaiger have a premeditated intent to abandon their clients if a settlement is not achieved immediately upon filing an arbitration. Upon information and belief, Black Diamond and Deckoff have insisted that this premeditated plan to abandon the clients is a condition of funding and that Black Diamond will withdraw its legal work, economic support, and support of Zaiger LLC's infrastructure unless Zaiger LLC and Zaiger comply. Zaiger has previously indicated that he cannot disobey orders from Black Diamond under these circumstances.
- 369. Black Diamond LLC and Deckoff induced Zaiger and Zaiger LLC to engage in false advertising by, among other things: (i) directing Zaiger and Zaiger LLC to cease

representing clients in the Steam Arbitration if Valve does not immediately settle; (ii) making Zaiger and Zaiger LLC agree to the foregoing as a condition of funding; and (iii) nonetheless insisting that Zaiger and Zaiger LLC continue to solicit prospective clients.

- 370. Based on the direction of Black Diamond LLC and Deckoff, Zaiger and Zaiger LLC solicited clients (and continue to do so) and advertised to current clients to be retained for the Steam Arbitrations without informing such clients and prospective clients that Zaiger and Zaiger LLC had no intention to fully pursue their claims.
- 371. Black Diamond LLC, and Deckoff knew or should have known that the advertising by Zaiger and Zaiger LLC was false and misleading. It was apparent that soliciting clients with an unspoken premeditated intent to abandon them rather than prosecute their arbitrations to a final outcome was false and misleading. Moreover, Bucher had informed Black Diamond LLC and Deckoff, during the time he was employed by Zaiger LLC, that based on his experience with mass arbitrations, clients had an expectation that by hiring an attorney, that attorney would handle their case through arbitration, if necessary.
- 372. As an actual and proximate result of Black Diamond LLC and Deckoff's willful and intentional actions, the Bucher Parties have suffered damages in an amount to be determined at trial, and unless Black Diamond LLC and Deckoff are enjoined, the Bucher Parties will continue to suffer irreparable harm and damage to their business, reputation, and goodwill.
- 373. Pursuant to 15 U.S.C. § 1117, the Bucher Parties are entitled to damages for Black Diamond LLC and Deckoff's Lanham Act violations, an accounting for profits made by Black Diamond LLC and Deckoff on the Steam mass arbitration claims, as well as recovery of the costs of this action. Furthermore, the Bucher Parties are informed and believe, and on that basis alleges, that Black Diamond LLC and Deckoff's conduct was undertaken willfully and with the intention of causing confusion, mistake or deception, making this an exceptional case

entitling Bucher to recover additional damages and reasonable attorneys' fees pursuant to 15 U.S.C. § 1117.

WHEREFORE plaintiffs pray for relief as set forth below.

## THIRTEENTH COUNT - BREACH OF WRITTEN CONTRACT/BREACH OF COVENANT OF GOOD FAITH AND FAIR DEALING

(Bucher and Bucher Law Against Zaiger LLC and Jeff Zaiger)

- 374. Plaintiffs hereby incorporate by reference each and every allegation in paragraphs 1 through 373 of this complaint as though said paragraphs were fully set forth herein.
- 375. Although Zaiger and Zaiger LLC initially resisted sending a joint communication to any of the Steam Mass Arbitration Clients, faced with the threat of a motion for restraining order or injunction, Zaiger and Zaiger LLC finally agreed to send a joint communication to those of Bucher's former clients who Bucher had not already contacted unilaterally to inform them of his departure.
- 376. On or around May 8, 2023, Bucher, Bucher Law, Zaiger, and Zaiger LLC entered into and intended to be bound by the Joint Communication Protocol Agreement. A true and correct copy of the Joint Communication Protocol Agreement is attached as Exhibit C.
- 377. The Joint Communication Protocol Agreement states that the parties to the agreement would send attached instructions for a joint communication to Wettstein, the Chief Technology Officer of Leverage Law, who would then send out a mutually agreed communication regarding choice of counsel, addressed from both Zaiger LLC and Bucher, to all Zaiger LLC clients "who: (i) retained the Zaiger Firm in connection with filing potential claims through arbitration against Steam/Valve; (ii) became clients of the Zaiger Firm on or before February 28,

2023; and (iii) have not received a communication from the Bucher Firm directly regarding Bucher's departure from the Zaiger Firm."

- 378. As part of the Joint Communication Protocol Agreement and related joint communication, the Joint Communication Protocol Agreement stated that clients would receive a digital ballot so that they could indicate whether they wished to move their files with Bucher to Bucher Law or keep their files with Zaiger LLC. The email sent to clients stated "Please indicate your preference via the [one question form here]." and "[Click here] to make your selection." The words in brackets were hyperlinked to the digital ballot allowing clients to seamlessly select which counsel they wanted to continue their case with.
- 379. The Joint Communication Protocol Agreement did not state that the survey would be disabled after a period of time. Nor did the agreement provide Zaiger LLC unilateral authority to disable the survey. There was no legitimate reason to shut down the survey other than to impede client choice away from Zaiger LLC.
- 380. Closing the survey meant that clients would not be able to indicate their choice of counsel via the method explained in the communication they received. Instead, a client would click the link, find that it was broken, and would then need to figure out that they needed to specifically email Zaiger LLC requesting that their file be transferred. The communication received by these clients under the Joint Communication Protocol Agreement provided no instructions indicating how to handle a closed survey. As a default, Zaiger LLC held the files of all Mass Arbitration Clients covered by the Joint Communication Protocol Agreement, so any increased difficulty in a client making their election of counsel could serve only to increase clients staying with Zaiger LLC and decrease clients electing to transfer their files to Bucher.

- 381. The Bucher Parties performed all of their obligations under the Joint Communication Protocol Agreement and did not take any actions that would conceivably justify Zaiger and Zaiger LLC's repudiation of the Joint Communication Protocol Agreement.
- 382. The Bucher Parties reasonably expected that, because the parties were attempting to fulfill their ethical obligations to provide clients an informed opportunity to choose counsel, that the survey would stay open to facilitate that client choice.
- 383. By surreptitiously closing the survey called for by the agreement, Zaiger and Zaiger LLC therefore breached the agreement.
- 384. Zaiger's and Zaiger LLC's surreptitious closure of the survey obstructed, undermined, and worked in opposition to both the Bucher Parties', and the third-party beneficiary clients', ability to profit from the Bucher Parties' performance of the Joint Communication Protocol Agreement by impeding the ability of Steam Mass Arbitration Clients to elect Bucher (and Bucher Law) as counsel going forward. For this reason, Zaiger and Zaiger LLC breached the implied covenant of good faith and fair dealing.
- Joint Communication Protocol Agreement had not received the joint communication, and he notified Zaiger and Zaiger LLC of this, Zaiger and Zaiger LLC dragged their feet on correcting the mistake then refused to agree that they would not again close the survey. When asked for a justification for closing the survey, Zaiger's counsel replied on behalf of Zaiger and Zaiger LLC only that the survey needed to be closed because non-responding recipients would receive a reminder to complete it. To be clear, the only justification Zaiger provided for closing the survey,

was that if he left it open, clients might later be reminded that they still had a choice. Impeding client choice away from Zaiger LLC was the only explanation ever provided.

386. As a proximate result of Zaiger LLC's breaches of the Joint Communication Protocol Agreement and the implied covenant of good faith and fair dealing with respect to that agreement, the Bucher Parties have suffered damages to be proven at trial.

WHEREFORE plaintiffs pray for relief as set forth below.

#### PRAYER FOR RELIEF

WHEREFORE, plaintiffs respectfully pray for judgment against defendant and in their favor as follows:

#### On the First Count

- 1. For general and special damages in an amount to be proven at trial;
- 2. For pre-judgment interest and post-judgment interest in an amount to be proven at trial;
- 3. For costs of suit; and
- 4. For such other and further relief as the Court deems just and proper.

#### **On the Second Count**

- 1. For general and special damages in an amount to be proven at trial;
- 2. For pre-judgment interest and post-judgment interest in an amount to be proven at trial;
- 3. For costs of suit;
- 4. For exemplary damages; and
- 5. For such other and further relief as the Court deems just and proper.

#### On the Third Count

- 1. For general and special damages in an amount to be proven at trial;
- 2. For pre-judgment interest and post-judgment interest in an amount to be proven at trial;
- 3. For costs of suit; and
- 4. For such other and further relief as the Court deems just and proper.

#### On the Fourth Count

- 1. For general and special damages in an amount to be proven at trial;
- 2. For pre-judgment interest and post-judgment interest in an amount to be proven at trial;
- 3. For costs of suit;
- 4. For exemplary damages; and
- 5. For such other and further relief as the Court deems just and proper.

#### On the Fifth Count

- 1. For general and special damages in an amount to be proven at trial;
- 2. For pre-judgment interest and post-judgment interest in an amount to be proven at trial;
- 3. For costs of suit;
- 4. For exemplary damages; and
- **5.** For such other and further relief as the Court deems just and proper.

#### On the Sixth Count

1. For general and special damages in an amount to be proven at trial;

- 2. For pre-judgment interest and post-judgment interest in an amount to be proven at trial;
- 3. For costs of suit;
- 4. For preliminary and permanent injunctive relief;
- 5. For an accounting and disgorgement of profits;
- 6. For reasonable attorney's fees;
- 7. For exemplary damages; and
- 8. For such other and further relief as the Court deems just and proper.

#### **On the Seventh Count**

- 1. For general and special damages in an amount to be proven at trial;
- 2. For pre-judgment interest and post-judgment interest in an amount to be proven at trial;
- 3. For costs of suit;
- 4. For preliminary and permanent injunctive relief;
- 5. For reasonable attorney's fees, pursuant to Conn.Gen.Stat. Sec. 42-110g(d);
- 6. For punitive damages, pursuant to Conn.Gen.Stat. Sec. 42-110g(a); and
- 7. For such other and further relief as the Court deems just and proper.

#### On the Eighth Count

- 1. For general and special damages in an amount to be proven at trial;
- 2. For pre-judgment interest and post-judgment interest in an amount to be proven at trial;
- 3. For costs of suit;

- 4. For exemplary damages; and
- 5. For such other and further relief as the Court deems just and proper.

#### **On the Ninth Count**

- 1. For general and special damages in an amount to be proven at trial;
- 2. For pre-judgment interest and post-judgment interest in an amount to be proven at trial;
- 3. For costs of suit;
- 4. For exemplary damages; and
- 5. For such other and further relief as the Court deems just and proper.

#### On the Tenth Count

- 1. For general and special damages in an amount to be proven at trial;
- 2. For pre-judgment interest and post-judgment interest in an amount to be proven at trial;
- 3. For costs of suit;
- 4. For preliminary and permanent injunctive relief;
- 5. For an accounting and disgorgement of profits;
- 6. For reasonable attorney's fees;
- 7. For exemplary damages; and
- 8. For such other and further relief as the Court deems just and proper.

## **On the Eleventh Count**

1. For general and special damages in an amount to be proven at trial;

- 2. For pre-judgment interest and post-judgment interest in an amount to be proven at trial;
- 3. For costs of suit;
- 4. For preliminary and permanent injunctive relief;
- 5. For reasonable attorney's fees, pursuant to Conn.Gen.Stat. Sec. 42-110g(d);
- 6. For punitive damages, pursuant to Conn.Gen.Stat. Sec. 42-110g(a); and
- 7. For such other and further relief as the Court deems just and proper.

#### On the Twelfth Count

- 1. For general and special damages in an amount to be proven at trial;
- 2. For pre-judgment interest and post-judgment interest in an amount to be proven at trial;
- 3. For costs of suit;
- 4. For preliminary and permanent injunctive relief;
- 5. For an accounting and disgorgement of profits;
- 6. For reasonable attorney's fees;
- 7. For exemplary damages; and
- 8. For such other and further relief as the Court deems just and proper.

#### On the Thirteenth Count

- 1. For general and special damages in an amount to be proven at trial;
- 2. For pre-judgment interest and post-judgment interest in an amount to be proven at trial;
- 3. For costs of suit;

4. For such other and further relief as the Court deems just and proper.

# **DEMAND FOR JURY TRIAL**

Plaintiffs demand a trial by jury on all claims asserted herein.

### PLAINTIFFS, WILLIAM BUCHER AND BUCHER LAW PLLC

By s/ William J. O'Sullivan (ct06482)
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Attorneys for Plaintiffs

**CERTIFICATE OF SERVICE** 

I hereby certify that on August 1, 2023, a copy of the foregoing was filed electronically

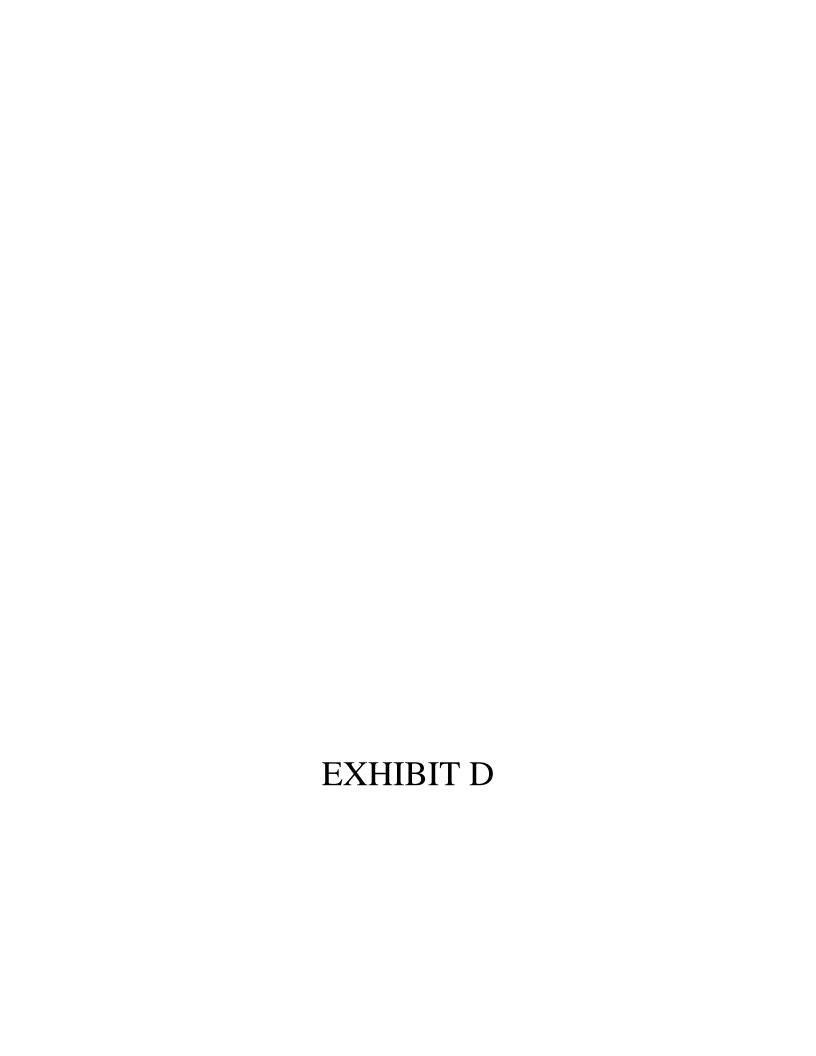
and served by e-mail to all parties by operation of the Court's electronic filing system or by mail

to anyone unable to accept electronic filing as indicated on the Notice of Electronic Filing. Parties

may access this filing through the Court's CM/ECF System.

/s/William J. O'Sullivan

William J. O'Sullivan (ct06482)



FILED: NEW YORK COUNTY CLERK 05/09/2023 03:20 PM INDEX NO. 154124/2023

NYSCEF DOC. NO. 29

RECEIVED NYSCEF: 05/09/2023

COUNTY OF NEW YORK		
	:	
Zaiger LLC,	:	<b>INDEX NO.:</b>
Plaintiff	•	

V. : AFFIDAVIT OF

: WILLIAM BUCHER Bucher Law PLLC, :

Defendant. :

SUPREME COURT OF THE STATE OF NEW YORK

ILED: NEW YORK COUNTY CLERK 05/09/2023 03:20 PM INDEX NO. 154124/2023

SCEF DOC. NO. 29 RECEIVED NYSCEF: 05/09/2023

I, William Bucher, declare as follows:

1. I am an attorney admitted to practice in New York.

2. I earned my bachelor's degree from Washington University in St. Louis, where I

graduated summa cum laude. I earned my law degree from University of Chicago Law School,

where I also graduated with honors.

3. I am currently the principal of Bucher Law PLLC. I was recently terminated from

my employment at Zaiger LLC, where I worked from August 15, 2022 to February 28, 2023. I

have personal knowledge of the facts stated below, and would competently testify to these facts.

How I Came To Build A Mass Arbitration Practice At Zaiger LLC

4. For most of my professional career, and prior to Zaiger LLC, I worked for two large

Amlaw 100 law firms, Debevoise & Plimpton and Fenwick & West, handling complex litigation

matters, including antitrust, copyright, trademark, and data privacy claims.

5. At Fenwick & West, my employer immediately prior to Zaiger LLC, I was exposed

to the concept of bringing thousands of identical claims in arbitration at once against a single

defendant. My practice at Fenwick & West focused on defending such mass arbitrations.

6. Prior to joining Zaiger LLC, I was part of a mass arbitration team that litigated over

70,000 consumer arbitrations, of which most were settled. Our team litigated approximately 160

consumer arbitrations that were won by a merits decision or withdrawal with prejudice by the

opposing side prior to a final merits decision. I appeared before arbitrators approximately fifty

times, authored hundreds of documents including final merits briefs, and spent thousands of hours

working on the cases. To date, I have never lost a consumer arbitration.

NYSCEF DOC NO 29

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7. As I continued to obtain success on behalf of corporate clients, however, I began to feel as though I was on the wrong side. In particular, where corporate conduct causes harm to hundreds of thousands, if not millions, of consumers the normal method by which these consumers may receive justice is through class actions. There, one or more class representatives can represent the interests of a class of consumers and obtain a recovery for all. This was an efficient method of adjudicating these cases, particularly where the dollar values of each individual injury are low relative to the potential cost of litigation. But businesses have stymied the class action device by making consumers—often through terms and conditions in a website—enter into mandatory arbitration clauses that not only required each individual consumer to file their dispute in arbitration and not a court of law, but prevented these claims to be resolved in any kind of class or consolidated basis and required each to be litigated on an individual basis.

- 8. I began to see mass arbitration as a means of leveling the playing field once again. A skilled and well-resourced mass arbitration firm can represent tens of thousands of individual consumers in filed arbitrations and either negotiate a settlement for all of its clients or, if the defendant was unwilling to settle, litigate each of these arbitrations individually in a manner that was cost-effective given the common issues to all consumers.
- 9. Further, I had ideas of how tens of thousands of claimants could be retained, kept up to date, and managed on separate arbitration cases with similar factual theories, by leveraging technology in new ways. In other words, from what I had observed of mass arbitration firms, I thought I may be able to do it better and therefore provide greater value to those consumers in need of representation.
- 10. On January 7, 2022, I had a telephone call with Jeff Zaiger, the principal of Zaiger LLC, about potentially building a mass arbitration practice at Zaiger LLC. I viewed Zaiger LLC

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as an attractive place to build a mass arbitration practice, in part, because Mr. Zaiger represented that he could not only offer me the infrastructure and resources of an existing firm to build my practice but that he had a close relationship with Black Diamond Capital Management LLC ("Black Diamond") as a potential source of funding mass arbitration cases. Mass arbitration cases are very capital intensive for a plaintiff because they must have the resources to file initial arbitration filing fees for tens of thousands of consumers. This means millions must be spent at the outset of a case, and without the funding to file the cases, a mass arbitration strategy cannot get off the ground.

- 11. Mr. Zaiger explained that Zaiger LLC had historically worked exclusively for Black Diamond, its managed funds, portfolio companies, affiliates, investment partners, employees, and spouses of its founders. But Mr. Zaiger also expressed that he was looking to expand the firm's practice and was interested in the concept of mass arbitrations.
- 12. On Jan 16, 2022, I sent Mr. Zaiger a six-page proposal outlining the mass arbitration strategy I was proposing to start at Zaiger LLC.
- 13. On April 26, 2022, Mr. Zaiger, Ethan Auerbach ("Auerbach") of Black Diamond, and I met to discuss the mass arbitration strategy and my joining Zaiger LLC to lead it.
- 14. With the help of Mr. Zaiger, I created a final slide deck outlining my mass arbitration proposal ("Mass Arbitration Slide Deck") on June 6, 2022. A true and correct copy of the Mass Arbitration Slide Deck is attached hereto as **Exhibit A**. That slide deck contemplated bringing a mass arbitration against Valve for their anti-competitive pricing restraints (the "Steam Mass Arbitration"). The Steam Mass Arbitration was the first mass arbitration strategy that I proposed to Jeff Zaiger that the new mass arbitration practice at Zaiger LLC could pursue. Mr.

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Zaiger told me that he would be sending the Mass Arbitration Slide Deck to Black Diamond for

consideration.

15. On July 26, 2022, Mr. Zaiger sent me an offer of employment (the "Original

Employment Offer"). A true and correct copy of the Original Employment Offer is attached hereto

as **Exhibit B**. The Original Employment Offer stated that I was being hired to "lead the Firm's

development and pursuit of mass arbitration strategies (the 'Strategies')." The Original

Employment Offer specified in Section 1(b) that I would receive "a percentage of Z LLC's

recovery from any cases brought pursuant to the Strategies commensurate with any percentage to

be paid to Jeff Zaiger." The language was structured to give Mr. Zaiger and I co-equal shares to

account for the fact that Zaiger LLC received only 40% of any recovery in contingent fees and to

allow for the possibility that Zaiger LLC might enter into funding arrangements or otherwise that

would require it to share a percentage of its contingent fees with others. But given that Mr. Zaiger

owned 100% of Zaiger LLC, both Mr. Zaiger and I agreed that the contract was being worded in

this manner to reflect that we would split any contingent fees realized by Zaiger LLC on a 50/50

basis. The Original Employment Offer specified that I would be an "at will" employee, and it

provided: "the Firm may end your employment at any time for any or no reason."

16. Although the economic terms of the Original Employment Offer were consistent

with what I had discussed with Mr. Zaiger, I was wary. In particular, I wanted insurance that

Zaiger LLC would not act in bad faith by hiring me, having me build the needed systems to manage

a large volume of clients, then fire me and not compensate me for my work on the Mass Arbitration

Strategies. I expressed my concerns to Mr. Zaiger and asked to revise the offer to ensure that I

was fairly compensated if I built a mass arbitration practice at Zaiger LLC.

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17. Mr. Zaiger and I agreed that the employment agreement would be revised to state: "(i) if the Firm terminates your employment, without cause, you will be entitled to compensation outlined in Section 1(b) for services rendered and work performed on cases pursued pursuant to the Strategies while employed, on a *quantum meruit* basis, even if applicable revenue is received from such cases after termination." The revised agreement also included a provision that required good faith negotiation over my compensation under Section 1(b) in the event of any termination. The revised language stated "that good faith discussions regarding resolution of any payment of compensation outlined in Compensation Section 1(b) shall occur in the event of either party terminating employment." An offer of employment with the revised language was executed on July 27, 2022. A true and correct copy of the revised and final employment agreement is attached as **Exhibit C**.

- 18. I started my employment at Zaiger LLC on August 15, 2022.
- 19. On or around August 16, 2022, Black Diamond entered into an agreement to provide seed funding to Zaiger, LLC for the mass arbitration strategies in the amount of \$500,000 (the "Seed Funding Agreement."). Mr. Zaiger showed me the agreement.
- 20. Within two weeks, I launched a website that was dedicated to recruiting clients to participate in a mass arbitration against Valve Corporation ("Valve") based on allegations that it acted as an illegal monopoly in the PC gaming market. (I am a frequent speaker at the Game Developers Conference, chair of the Digital Games and New Media chapter of the American Bar Association, a member of the Video Game Bar Association, and a long-time user of Valve's product, Steam, myself so this seemed like a natural fit despite the fact that to my knowledge, neither of the other lawyers at Zaiger LLC had experience with mass arbitrations, cases related to video games, or the Steam product.) Within a month of starting, I created and ran the firm's first

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advertising campaign. I identified needed software service providers to set up the system I envisioned. I integrated these systems to recruit clients, ultimately totaling in the tens of thousands. While technically complex, the result was the creation of a simple system for potential claimants to determine if they were eligible to file a claim, to retain Zaiger LLC and me as their lawyers, and for clients to communicate with Zaiger LLC and me. Clients could respond to any email or text they received and receive in-person answers from a Zaiger LLC employee, usually myself. Clients could also receive updates and view their documents through a web portal, enabling confidential communications to be delivered securely to the relevant claimants.

21. The system I set up was wildly successful. The Seed Funding Agreement and Mass Arbitration Slide Deck estimated that it would take approximately a year to get the software infrastructure set up and manage mass arbitration claims. Within weeks of starting at Zaiger LLC, however, I set up the infrastructure to run mass arbitration campaigns, including advertising campaigns for potential clients, screening of clients for eligibility, sending them a custom retainer based on the preferences the client expressed at intake, digitally signing and filing the retainer, setting up a web portal that clients could ask questions and contact their attorneys through, and spent hundreds of hours communicating with clients. By the end of November 2022, my advertising campaign had recruited over 20,000 Steam Mass Arbitration clients to bring arbitrations against Valve. Whereas the Mass Arbitration Slide Deck had anticipated that it might cost up to \$150 to recruit each client, the advertising campaign that I created recruited the initial 20,000 Steam Mass Arbitration clients for less than \$7 each. By the time of my later departure from Zaiger LLC, I had spent nearly 1300 hours – over 95% of my time – on the specific Valve arbitration and the mass arbitration strategies. This resulted in approximately 48,000 clients deciding to retain me (and the Zaiger Defendants) as counsel for an arbitration against Valve.

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Based on my knowledge and observations of the work put in by all attorneys during my time at

Zaiger LLC, it is my understanding that my work on the Valve case dwarfed the contributions of

the firm's other two attorneys, in both raw hours worked and percentage of total work hours

dedicated to the Valve arbitration.

22. My image and name were an integral part of the process by which Zaiger LLC

acquired consumer clients for the Steam Mass Arbitrations. I was the only attorney who appeared

in the video advertisements potential mass arbitration clients saw. After clicking on an

advertisement, potential clients were taken to a website where they could complete a form to

determine if they were eligible. The website where clients completed claims forms 1) included a

photo of Mr. Zaiger and me, 2) stated: "Jeffrey Zaiger, nine-time 'Super Lawyer' and 'New York

Rising Star,' has teamed up with Will Bucher, chair of the American Bar Association's Digital

Games and New Media Committee and Video Game Bar Association member to bring these

antitrust claims against Valve. Together, we will negotiate, and if necessary litigate, your claim"

and 3) contained a 90-second video, in which I, without another attorney, explained the legal merits

of the case against Valve. Every single eligible client received an email from "William Ward

Bucher IV" noting that I was "Admitted to Practice in New York" inviting them to "review and

sign our retainer agreement" and noting "Once you sign the retainer agreement, we can get started

on your claim and obtaining compensation for you." No other attorneys were mentioned in this

email. A true and correct copy of one instance of this email, sent to client Michael Schultz, who

later forwarded it back to me<sup>1</sup>, is attached hereto as **Exhibit D**. I was also specifically named first

in the retainer agreement clients received. A true and correct copy of Michael Schultz's signed

<sup>1</sup> Mr. Schultz has expressly (in writing) waived privilege as to the communications with Zaiger

LLC that are cited in this declaration.

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version of this retainer agreement is attached hereto as Exhibit E. When clients completed the claims form and were eligible, they received a text message from "Will," not Mr. Zaiger or any other attorney. Tens of thousands of email communications were sent to clients bearing my name in the signature. A case update posted in January 2023 consisted of a video in which I, alone, explained the status of the case. Press articles regarding the case mentioned me and not any other lawyer. True and correct copies of such articles, each downloaded on March 31, 2023 and published about four weeks earlier, are attached hereto as Exhibit F and Exhibit G. When clients or potential clients had concerns about the legitimacy of Zaiger LLC as bona fide law firm that could take clients in the Steam Mass Arbitration, it was Zaiger LLC's policy to direct those clients to my LinkedIn page. Dozens, if not hundreds, of clients were directed to do so. Every single one of the clients retained prior to my departure receive at least one communication from "Will," "Bucher," or "William Ward Bucher IV." For the vast majority of these clients, I was the only attorney identified in any email or text they received from Zaiger LLC prior to February 28, 2023. Undoubtedly most, if not all, of these clients reasonably viewed me as their attorney.

- 23. By mid-October 2022, it became clear the mass arbitration strategy would be successful, and additional funding would be needed for the Steam Mass Arbitration cases.
- 24. In mid-October 2022, Mr. Zaiger also revealed to me that Black Diamond Capital had not been disbursing funds under the Seed Funding Agreement and that Mr. Zaiger has been paying costs from his own funds.

#### **Black Diamond Agrees To Fund The Steam Mass Arbitration Cases**

25. On October 28, 2022, Mr. Auerbach, Mr. Zaiger, and one of Black Diamond's two General Counsels, Adam Tarken ("Tarken"), and I reached an agreement for Black Diamond's funding of the Steam Mass Arbitration cases and drafted a funding agreement ("October 28

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Funding Agreement"), to which I was a party. The October 28 Funding Agreement contemplated the continued "employment of Bucher to lead the Firm's pursuit of the Strategies" and gave Black Diamond a four-year exclusivity period over similar mass arbitrations.

- 26. Mr. Zaiger and I signed the October 28 Funding Agreement on that day. Mr. Auerbach stated that he was ready to sign but needed to call Steve Deckoff, Black Diamond's CEO, to confirm Steve Deckoff didn't want to review before Mr. Auerbach signed.
- Also on October 28, Zaiger LLC and I entered into a Partnership and Compensation Agreement. The Partnership and Compensation Agreement stated "WHEREAS, Jeffrey Zaiger and Bucher intend to organize as a partnership between themselves and, at Judd Linden's option, Judd Linden, to ensure the continued commitment of themselves to the Strategies and ensure fair compensation for all involved." The Partnership and Compensation Agreement further stated, "WHEREAS, Jeffrey Zaiger and Bucher intend compensation in the partnership to reflect that in Bucher's current employment agreement," The Partnership and Compensation Agreement specified that "Jeffrey Zaiger and Z LLC commit to compensate me, regardless of employment status, with a payout or percentage of any recovery from the Strategies equal to any percentage, payout, or allocation due to Jeffrey Zaiger from the Strategies, or one-half the profit earned by Z LLC from the Strategies, whichever is greater." A true and correct copy of this agreement is attached as Exhibit H.
- 28. Mr. Zaiger told me that he had had a discussion with Mr. Decker, and that Mr. Deckoff offered his oral agreement to fund the mass arbitrations on the same substantive terms as listed in the October 28 Funding Agreement, to which I was a party. Auerbach and Zaiger requested that I begin distributing offers of funding to new arbitration clients. I expressed concern

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regarding making offers to clients without a signed written agreement in place, Zaiger assured me that there was agreement with Black Diamond and it was just a matter of papering the agreement.

#### **Black Diamond Reneges**

29. In November 2022, Mr. Zaiger told me that Mr. Deckoff had begun expressing that he wanted substantive changes to the terms of October 28 Funding Agreement and that Black Diamond would no longer honor the oral agreement. According to Mr. Zaiger, Mr. Deckoff said that he wanted Black Diamond to receive a higher percentage return than was contemplated in the October 28 Funding Agreement.

30. Throughout November 2022, Mr. Zaiger relayed that Black Diamond continued to refuse to dispense amounts due under the \$500,000 Seed Funding Agreement and was demanding that a new funding agreement would be negotiated to replace the October agreements before Black Diamond would honor its commitments under the Seed Funding Agreement.

## Black Diamond Makes Unacceptable Demands, And I Anger Them

- 31. In the first week of January 2023, Sam Goldfarb, Mr. Zaiger, Mr. Deckoff, and I had a meeting concerning funding the cases. Mr. Goldfarb was Black Diamond's other General counsel. During that meeting, Mr. Deckoff proposed taking an equity interest in the Steam Mass Arbitration cases of 60% of fees otherwise owed to Zaiger LLC in its fee agreements with its Steam Mass Arbitration clients as compensation for the investment in the cases, plus repayment of the amount spent by Black Diamond with interest.
- 32. Mr. Deckoff said his funding was contingent on Zaiger LLC agreeing, in advance, to drop the mass arbitrations and abandon the Steam Mass Arbitration clients if Valve paid its own filing fees in arbitration. Given the total amount of Valve's potential fees, which would total hundreds of millions, in Mr. Deckoff's view if Valve did not immediately settle the case upon

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notice that the Steam Mass Arbitration clients had paid their filing fees that suggested they were prepared to defend the individual arbitrations on the merits. Mr. Deckoff said that any litigation of the cases in that situation would be fruitless and that he was uninterested in paying for it.

- 33. I could not stay silent at the demand for a premeditated breach of the duties we owed our clients. I stated that the provisions that Mr. Deckoff and Black Diamond were demanding posed serious ethical concerns. I stated that as lawyers, Zaiger LLC and I couldn't take on cases we had no intention of pursuing and that a premeditated intention to abandon the Steam Mass Arbitration clients unless there was a quick settlement would be improper. I further stated that though Valve may have a strong incentive to settle quickly, we had to be prepared to litigate each of these individual consumer arbitrations if Valve was unwilling to settle. Mr. Zaiger agreed and stated that he was "a lawyer, not a snake oil salesman" and that he could not ethically take on cases he was unwilling to actually litigate.
- 34. During the conversation, Mr. Deckoff stated: "Well whatever your ethical obligations, I'm sure there is some amount of money that would let you forget about them." He further stated that he went into finance, not law, because was unconcerned with ethics and that he wasn't going to invest the millions of dollars needed unless he controlled the venture.
- 35. At this point, I expressed concerns about the level of control Black Diamond was contemplating taking in the mass arbitration cases.
- 36. Mr. Deckoff stated that Black Diamond had to control the arbitrations because otherwise absent an early settlement the litigation could go on for years and Black Diamond was not interested in investing in years of litigation.

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37. I also observed that under the ethics rules a non-recourse, high interest loan was

less concerning than the equity style investment Mr. Deckoff was proposing, and that the deal

would be better structured that way.

38. Mr. Deckoff stated that he was not interested in receiving only interest for his

investment and that his demands were final.

39. When Mr. Zaiger and I would attempt to propose alternative structures Mr. Deckoff

stated and that his terms were non-negotiable. At one point, when I tried to propose an alternative

structure, Mr. Deckoff immediately and loudly started repeating "no" in a child-like voice such

that no one could hear what I was saying.

40. During the meeting, Mr. Deckoff at times seemed noticeably frustrated or angry at

the statements I was making about Black Diamond's demands to control the litigation, the ethical

concerns associated with Black Diamond's demands, the lawyers' duties to their Steam Mass

Arbitration clients, and the undesirable economics of Black Diamond's proposal.

41. The week following the meeting, Mr. Zaiger expressed to me that I should have

"cowered more" when meeting with Mr. Deckoff because he was billionaire accustomed to people

doing what he says. I was taken aback by this statement and stated that neither I, nor my tens of

thousands of clients, would be well served by "cowering" to anyone. I noted that "We're plaintiffs'

lawyers now. We're in the business of suing billionaires. I'm not going to cower before Steve or

Gabe [the CEO of Valve] if they don't offer our clients a fair deal."

Mr. Zaiger And I Locate Alternative Funding

42. Given that Black Diamond had apparently reneged on its October agreement and

wanted to impose unacceptable conditions on funding, Mr. Zaiger and I discussed exploring other

funding options.

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resolve and with no equity interest in the recovery.

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43. In January 2023, Mr. Zaiger and I obtained three term sheets from potential funders other than Black Diamond offering to fund the Steam Mass Arbitration. The best offer Zaiger LLC received was an offer from an alternative funder (the "Alternative Funder") for eight figures in funding as a non-recourse loan, repaid with interest depending on how long the case took to

44. Upon receiving the offer from Alternative Funder, Mr. Zaiger told me that he intended to share it with Black Diamond and see if Black Diamond was willing to match it. Over the coming days, Mr. Zaiger said that he had called and emailed Black Diamond many times but had received no response on whether they would match the funding terms and that he had told them that Zaiger LLC must receive Black Diamond's decision by January 22, 2023.

45. By January 22, Mr. Zaiger confirmed that Black Diamond had not responded. On January 23, Zaiger LLC executed a term sheet with the Alternative Funder.

# Black Diamond Discovers That We Are Seeking Alternative Funding And Decides That I Am To Blame.

46. On February 8, 2023, Mr. Zaiger called me. Mr. Zaiger told me that on the prior day, Mounir Nahas, Black Diamond's Chief Operating Officer, came into Mr. Zaiger's office and seemed enraged that Zaiger LLC had accepted funding on the Steam Mass Arbitration cases from a source other than Black Diamond. Mr. Zaiger said that Mr. Nahas expressed anger that Mr. Zaiger would be doing any work that didn't directly profit Black Diamond and stated that there "would be consequences" for Zaiger LLC if Zaiger LLC proceeded to get funding from the Alternative Funder. According to Mr. Zaiger, Mr. Nahas confirmed that these "consequences" included that Black Diamond would withdraw all of its work from Zaiger LLC. Mr. Zaiger also

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stated that Mr. Nahas expressed anger at me, said that I was the cause of Zaiger LLC straying from Black Diamond, and demanded that I no longer be allowed to come into Zaiger LLC's offices.

- 47. Mr. Zaiger told me that given Mr. Nahas's comments, Mr. Zaiger feared losing Black Diamond's business. Mr. Zaiger further stated that because Black Diamond was responsible for all of his current income, he couldn't survive if he lost their business. He also told me that his \$1.2 million in savings was being managed by Black Diamond, that Black Diamond was asserting a supposed right to withhold that money if Zaiger stopped doing work for them, and that he was unwilling to risk losing that savings under any circumstances. He said that everything possible had to be done to salvage the relationship with Black Diamond and that Zaiger LLC had to take a funding deal with Black Diamond to save the business relationship. Mr. Zaiger also barred me coming into the office during working hours, because he said that he feared it would anger Mr. Deckoff and Mr. Nahas.
- 48. I expressed my concern that Black Diamond had already reneged on the October funding agreement and had never paid the full amount of the Seed Funding Agreement. This raised serious questions whether Black Diamond would enter into any future funding agreement or honor it, putting the claims of the Steam Mass Arbitration clients at risk.
- 49. I further noted Mr. Deckoff's condition to funding that Zaiger LLC agree that the Steam Mass Arbitration clients be abandoned if Valve paid its initial filing fee. I reminded Mr. Zaiger of his ethical duties and that it was impermissible to let one Zaiger LLC client, Black Diamond, who was not part of the Steam Mass Arbitration, dictate the cases of the tens of thousands of Steam Mass Arbitration clients.
- 50. Mr. Zaiger responded that even if Zaiger LLC did want to act against Black Diamond's wishes, it would be very difficult to disentangle from Black Diamond because of Zaiger

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LLC's complete dependence on Black Diamond. Mr. Zaiger noted that Zaiger LLC shared a bookkeeper, accounting, and human resources staff with Black Diamond. Mr. Zaiger noted that Black Diamond owned the building in which Zaiger LLC's office was located and that Zaiger LLC shared an office with Black Diamond and would need to locate new office space.

- 51. I then expressed concerns that Black Diamond might ask Mr. Zaiger to terminate me. Mr. Zaiger replied that he wouldn't fire me and noted that even if I was terminated for some reason, we had a contract that would protect me.
- 52. On Feb. 24 or 25, 2023, Mr. Zaiger asked me to come into the office on Sunday, Feb. 26, 2023. On Feb. 26, I walked into Mr. Zaiger's office, where Mr. Zaiger was having a speaker phone conversation with Mr. Deckoff.
- 53. Mr. Zaiger did not notify Mr. Deckoff that I had entered the office or was listening to the conversation. Mr. Zaiger and Mr. Deckoff were discussing Mr. Deckoff's repeated demands Mr. Zaiger terminate my employment. Jeff asked: "Steve, what is wrong with Will?" Mr. Deckoff replied: "He's a fucking a loser. I know you think this is your golden ticket, but trust me, you'll regret it if you keep working with Will." Mr. Zaiger stated: "I need Will to run these cases." Mr. Deckoff responded: "If you need Will to run these cases, you're a shit lawyer Jeff."
- 54. During the call, Mr. Zaiger stated: "Steve, I have ethical obligations to my clients I can't just ignore." Mr. Deckoff responded: "Fire Will, and you, me, and an ethics lawyer will sit down to figure out the ethics issues." Mr. Zaiger also stated: "I have a contract with Will. What am I supposed to do about that?" Mr. Deckoff replied: "Contracts are meant to be broken, Jeff."
- Following the call, Zaiger and I spoke and he expressed to me that he was very 55. concerned that Black Diamond would terminate its business with Zaiger LLC. Zaiger told me that he needed to go to the bank the next morning because the firm didn't have a bank account that

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wasn't controlled by Black Diamond. He explained that the accounts were in Zaiger LLC's name, but that Black Diamond staff could move money into and out of the account. Zaiger also told me that he didn't know that our keycards would work "after tomorrow," so that it was best to take anything I needed from the office. At Zaiger's request, I gathered my physical and digital files from the office. Zaiger instructed me to use an external hard drive from his office to bring home any data that I might need. Among the files I took home was a list of signed clients as of January

The morning of Feb. 27, 2023, Jeff Zaiger and Judd Linden, the only other attorney 56. at Zaiger LLC, surprised me at my apartment around 9:30 AM, arriving unannounced. Mr. Zaiger explained that Black Diamond had renewed its threat to stop doing business with Zaiger LLC if Zaiger LLC accepted funding from another source. He also explained that Black Diamond had also threatened to sue Zaiger LLC if Zaiger LLC accepted funding from another source. Mr. Zaiger expressed that given these threats, Zaiger LLC had to meet Black Diamond's demands.

18, 2023, which I had previously downloaded in the ordinary course of my work on the cases.

- 57. I responded that Mr. Zaiger was placing his personal interests above those of his Steam Mass Arbitration clients, a violation of his ethical duties. I noted that the Alternative Funder was ready to sign the final eight-figure deal that day. I expressed ethical concerns about Zaiger LLC not finalizing the deal to fund their 48,000 clients without another viable offer on the table, since those clients expected to have their filing fees funded, which would total \$3,600,000.
- 58. Mr. Zaiger responded that under no circumstances could he afford to lose Black Diamond as a client.
- 59. Following the February 27, 2023, meeting, I had serious concerns about Mr. Zaiger's ability to carry out his ethical obligations to clients. I was concerned that Black Diamond completely controlled Zaiger LLC and Mr. Zaiger, and that if Black Diamond continued to demand

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it, Mr. Zaiger would terminate my employment regardless of what was best for the 48,000 Steam

Mass Arbitration clients. Given that I was the architect of the mass arbitration strategies and the

only attorney at Zaiger LLC with consumer or mass arbitration experience, my absence would

leave the Steam Mass Arbitration clients without competent representation. I was also concerned

that, given the complete financial control and dominion Black Diamond had over Zaiger LLC and

Mr. Zaiger, Black Diamond would gain de facto control over important legal decisions in the

Steam Mass Arbitration cases, including whether or not those cases should proceed (or the clients

abandoned) if Valve paid its filing fees. I was also concerned that Mr. Zaiger might terminate all

48,000 Steam Mass Arbitration clients if Black Diamond demanded he do so and refocus the firm

on doing only work for Black Diamond.

Mr. Zaiger "Loses [His] Mind"

60. The evening of February 27, 2023, Mr. Zaiger informed me that the next morning,

February 28, Mr. Deckoff, Mr. Nahas and Mr. Goldfarb would be holding a meeting to decide how

they were going to direct Jeff Zaiger to handle "the situation" with the Steam Mass Arbitration

cases. Mr. Zaiger stated he would call me after the meeting to inform me of Black Diamond's

decision.

61. On February 28, during the day, I tried to reach Mr. Zaiger by phone numerous

times to receive an update on his discussions with Black Diamond but Mr. Zaiger refused my calls.

62. Through the afternoon, Jeff Zaiger sent me erratic and alarming text messages: At

12:28 PM-"I'm kicking and screaming, Will ... see your calling"; At 3:16 PM-"Three words:

losing my mind"; At 4:47 PM "Will: I'm fighting for my life today – please give me a fucking

beat." True and correct copies of these text messages are attached as **Exhibit I**.

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I did not take texts that Mr. Zaiger was "losing my mind" lightly. Mr. Zaiger seemed completely under Black Diamond's control, Black Diamond cared nothing for the Steam

Mass Arbitration clients, and Mr. Zaiger's communications led me to fear that he would do

something rash.

63.

I Try To Protect The Steam Mass Arbitration Clients

64. I further concluded that my termination was imminent. I understood that I had an

independent ethical duty to notify the 48,000 Steam Mass Arbitration clients that I would no longer

be their lawyer at Zaiger LLC, that I remained willing to represent them, and the means by which

they could make an informed choice to switch counsel.

65. I therefore promptly took steps to safeguard my client's interests, to preserve the

status quo until it was clear what was going on, and to give Mr. Zaiger a "cooling off" period

before making any irreversible decisions with the Steam Mass Arbitration client database.

66. I attempted to download a list of clients and their contact information from the

Leverage Law CRM software platform I had set up for the clients. My attempt to download the

list was unsuccessful. So I contacted Jeff Wettstein ("Wettstein"), the Chief Technology Officer

of the CRM software platform for assistance. I did not receive an immediate response from Mr.

Wettstein.

67. I temporarily adjusted Mr. Zaiger's administrative privileges on the CRM software

platform to prevent Mr. Zaiger from taking any massive and irreversible actions without a cooling

off period. Following these changes, Mr. Zaiger still had full access to the system. Mr. Zaiger

could still read and send emails to clients, review files, create documents, send texts, send

documents, review client upload, answer client questions, and even terminate clients. I temporarily

ensured that Mr. Zaiger could no longer take mass actions, such as terminating all clients or

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deleting all data, without first contacting me or Mr. Wettstein, while Jeff Zaiger was "losing [his] mind."

**Zaiger LLC Terminates Me Without Cause** 

68. Mr. Zaiger continued to refuse my calls throughout the evening. At 8:00 PM on

that evening, Mr. Zaiger called me. Mr. Zaiger said he fought for me but had to terminate me. He

also stated: "You get quantum meruit and that's it." I asked Mr. Zaiger to come over to my

apartment to discuss my termination. Mr. Zaiger and Mr. Linden arrived shortly afterwards that

evening at my apartment. Mr. Zaiger stated that he'd spent all day pleading with Goldfarb, Nahas,

and Deckoff to try and keep me at the firm, highlighting my necessary expertise on mass arbitration

matters. Mr. Zaiger said it was an impossible situation, where he couldn't get funding from Black

Diamond without firing me and couldn't get funding from the Alternative Funder without being

sued by Black Diamond. And, in any event, Mr. Zaiger reiterated that given his reliance on Black

Diamond's business, he could not go against their wishes.

I expressed that I accomplished exactly what I set out to accomplish and had 69.

provided exemplary service to Zaiger LLC. Mr. Zaiger agreed that I had, and confirmed that my

termination was not for cause and through no fault of my own. Mr. Zaiger stated that the

personalities just got "crosswise" with Black Diamond, "they are pissed at you," and that the

reason for my termination "was just a personality clash, and not with me."

I asked if my termination was effective immediately. Mr. Zaiger confirmed Black 70.

Diamond insisted I be fired and that he had to take steps immediately to terminate me otherwise

he risked Black Diamond's ire. He further stated that Black Diamond controlled Zaiger LLC's

email servers and that I would likely be cut off from Zaiger LLC email shortly, if I hadn't been

already.

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71. Mr. Zaiger and Mr. Linden left my apartment at the end of the conversation.

72. Later in the evening of February 28, Mr. Zaiger called me, angry, and stated that I

had locked him out of the CRM software for the Steam Mass Arbitration clients. I responded that

I had not locked Mr. Zaiger out of the system but had temporarily suspended his ability to make

irrevocable global changes to the database, stated that all access would be restored, and suggested

we discuss any other concerns in the morning.

Zaiger LLC Purports To Terminate Me A Second Time, This Time "With Cause"

73. Mr. Zaiger arrived at my apartment building around 11:30 AM on March 1, 2023,

and delivered a letter purporting to terminate me "for cause." The letter stated that I had changed

Mr. Zaiger's access settings to that CRM software and that I had made an "unusual" request of

Mr. Wettstein for his assistance in downloading client data. At approximately 1:00 PM that day,

I provided Zaiger LLC with all passwords needed to manage the advertising accounts, website,

and other software and systems I had set up during my time at Zaiger LLC.

Zaiger LLC Continues To Use My Name And Likeness To Solicit Steam Mass Arbitration

Clients

74. Zaiger LLC had full control over the advertising and websites as of no later than

2:00 PM on March 1, 2023. Following my termination, Zaiger LLC continued to run video

advertisements on YouTube and Instagram that featured me, representing that I was a lawyer at

Zaiger LLC, and inviting potential clients to see if they were eligible to file a claim. It took days

following my departure before references to myself were removed from the steamclaims.com

homepage, which is what a user sees if they directly go to the website created to recruit clients.

But even once references were removed from the homepage, for weeks following my departure,

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subdomains of steamclaims.com continued to feature photos of and a video of myself explaining

the legal merits of the Valve case.

75. Further, for weeks following my departure, subdomains of steamclaims.com,

including steamclaims.com/file and steamclaims.com/max, continued to note "Jeffrey Zaiger,

nine-time 'Super Lawyer' and 'New York Rising Star,' has teamed up with Bucher, chair of the

American Bar Association's Digital Games and New Media Committee and Video Game Bar

Association member to bring these antitrust claims against Valve. Together, we will negotiate, and

if necessary litigate, your claim." When Zaiger LLC ran advertisements on Google Search, clients

were directed to steamclaims.com/file and were not directed to steamclaims.com. As a result,

following my departure, potential clients who clicked on an advertisement on Google were led to

a page that told potential clients that I would be handling their case.

76. Zaiger LLC knew how to, and did, make adjustments to the homepage

steamclaims.com. But Zaiger LLC left the subdomains, to which potential clients are actually

directed, with references to myself. Potential clients who are eligible receive an email with

instructions on how to sign the retainer agreement. Following my termination, that email

continued to include my signature block. Potential clients who are eligible to file a claim receive

a reminder text message if they have not completed their retainer agreement.

77. Following my termination, I expressed my preference to Zaiger LLC and Mr.

Zaiger to continue serving the clients jointly through a co-counsel relationship. I reasoned that my

continued involvement would serve the best interests of the clients.

Zaiger LLC Sends A Unilateral Message To The Steam Mass Arbitration Clients That

Fails To Provide Them Required Notice And Deprives Them Of An Informed Choice Of

Counsel

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as Exhibit J.

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78. While I was under the impression that Zaiger LLC was considering a co-counsel relationship, on March 25, 2023, Zaiger LLC unilaterally sent an email to clients informing them of a new, separate, co-counsel relationship which only briefly noted that I was no longer representing them. The communication included no information on how to contact me, my new firm, my willingness to continue to represent the clients, or their right to make a choice as to whom to retain as counsel. A true and correct copy of the substance of this communication is attached

# I Request That Zaiger LLC Provide Me A Complete List Of Steam Mass Arbitration Clients And Zaiger LLC Refuses

- 79. Upon reviewing this unilateral message to the 48,000 Steam Mass Arbitration clients, on March 26, 2023, I requested from Zaiger LLC a complete list of all the Steam Mass Arbitration clients so I could fulfil my duty to notify clients that I had moved firms, was willing to still represent them, and give them a choice between retaining me as lead counsel at my new firm, remaining with Zaiger LLC, or choosing new counsel entirely. I also stated that I needed the list so that I could run conflicts checks in connection with seeking employment with another firm or in my continued practice of law. A true and correct copy of my letter is attached as **Exhibit K**.
- 80. Zaiger LLC responded on March 29 and refused to provide me with a contact list of the Steam Mass Arbitration. A true and correct copy of this response is attached as Exhibit L.

  I Use A Partial List In My Possession To Discharge My Ethical Duty To Provide Notice To

  At Least Those Clients I Can Reach
- 81. Using the January 18, 2023, client list, I have been fulfilling my ethical obligation to provide my clients notice of my departure and allow them to make an informed choice regarding representation. I sent a message to Steam Mass Arbitration clients on this list that: 1) I was no

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longer at Zaiger LLC; 2) I was continuing my practice of law and was willing and able to continue

representing them; 3) they could choose to remain with Zaiger LLC or they could choose to

continue working with me. My message also gave clients a polling button that allowed clients to

make the necessary ballot election to decide who would represent them going forward. A true and

correct copy of my message is attached as Exhibit M.

82. For those clients that requested further information, I responded to their inquiries.

83. At the same time I began fulfilling my ethical obligation to provide my clients

notice of my departure to the client whose contact information I had, I also brought legal action in

the Federal Court of the District of Connecticut to secure a court order to ensure the remaining

clients received notice I was no longer at Zaiger LLC, that I was continuing my practice of law

and was willing and able to continue representing them, and that they could choose to remain with

Zaiger LLC or they could choose to continue working with me.

84. As of the date of this declaration, over 10,000 Steam Mass Arbitration clients have

indicated through digital ballot that they wish to work with me rather than Zaiger LLC and signed

agreements transferring their case to Bucher Law PLLC.

85. On April 14, 2023, I emailed Mr. Zaiger the names of the over 9,000 that had

conveyed their wish that I represent them rather than Zaiger LLC, and asked that Mr. Zaiger

transfer those client files to me. A true and correct copy of my email is attached as Exhibit N.

86. On April 18, 2023, my attorney, David Siegel, received a letter from counsel for

Zaiger LLC, stating that Zaiger LLC was not in a position to comply with my request. The letter,

among other things, accused me of making unilateral "misleading representations to the firm's

clients" regarding their choice of counsel. A true and correct copy of this email is attached as

**Exhibit O.** Mr. Siegel responded to counsel for Zaiger LLC's counsel later that day by email,

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pointing out that it was Zaiger LLC who first unilaterally communicated with the clients regarding Mr. Bucher's departure on March 25, 2023 and that Mr. Schwartz's letter of March 29, 2023 stated that Zaiger LLC was expressly unwilling to provide the clients the information needed to make an informed choice of counsel. A true and correct copy of this email from Mr. Siegel, which he shared with me, is attached as **Exhibit P**. After Mr. Siegel asked whether Zaiger LLC was willing to agree on a neutral, joint communication to all clients retained prior to my departure who haven't received a unilateral communication from Bucher Law PLLC, Zaiger LLC's counsel refused.

- Jeff Zaiger and Judd Linden continued to unilaterally contact clients on this matter. 87. A true and correct copy of one example of this email, which a client contacted by Zaiger and Linden forwarded to me, is attached as **Exhibit Q**.
- 88. My counsel and counsel for Zaiger LLC continued to correspond from April 21 up until the filing of this Motion for Preliminary Injunction. Zaiger and I agreed to try to send neutral, joint communication to some number of clients, but continued to disagree regarding the content of these communications and as to which clients this message should be sent. In the meantime, the Zaiger Defendants also initially refused to turn over files for most of the approximately 10,000 clients who had already elected to continue with me as their lawyer and had provided a written instruction that the Zaiger Defendants release their file to me. A true and correct copy of the April 25, 2023, letter from counsel for the Zaiger Defendants to Mr. Siegel refusing to turn over these files, which Mr. Siegel then shared with me, is attached hereto as Exhibit R. On April 26, 2023, in an effort to sort out the issue of client notification procedure and language, and to entertain the idea of broader settlement discussion, the Zaiger Defendants and I reached a standstill agreement that prevented both sides from making filings in the District of Connecticut or the Steam Mass Arbitrations, and prevented both sides from initiating further communications with the clients in

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question. Although the Zaiger Defendants still refused to transfer files for all of the clients who

had signed instructions to transfer, once the standstill was in place, the Zaiger Defendants did

transfer approximately 90% of the files in question.

89. In May, under the threat of a pending Preliminary Injunction action in the case in

District of Connecticut, Zaiger LLC agreed to send a joint communication to the approximately

14,000 clients who had not been informed of their choice of counsel.

90. Zaiger LLC now demands I cease all contact with my former clients, including

hundreds who have indicated that they want to continue their case with me but haven't yet executed

the needed transfer documents and those who have not yet made a ballot election to either stay

with Zaiger LLC or continue their case with me.

91. I have offered, and remain willing, to work out a follow-up email to clients who are

undecided that is either delivered jointly or is delivered by Bucher Law PLLC but attempts to

resolve Zaiger LLC's perceived concerns. Zaiger LLC has expressed no interest in such

cooperation, instead now seeking emergency relief in a different court than where this dispute is

already pending.

I declare under penalty of perjury that the foregoing is true and correct.

Bv:

William Rucher

**EXHIBIT E** 

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BUCHER LAW PLLC

Home Contact Terms & Conditions



# BUCHER LAW PLLC

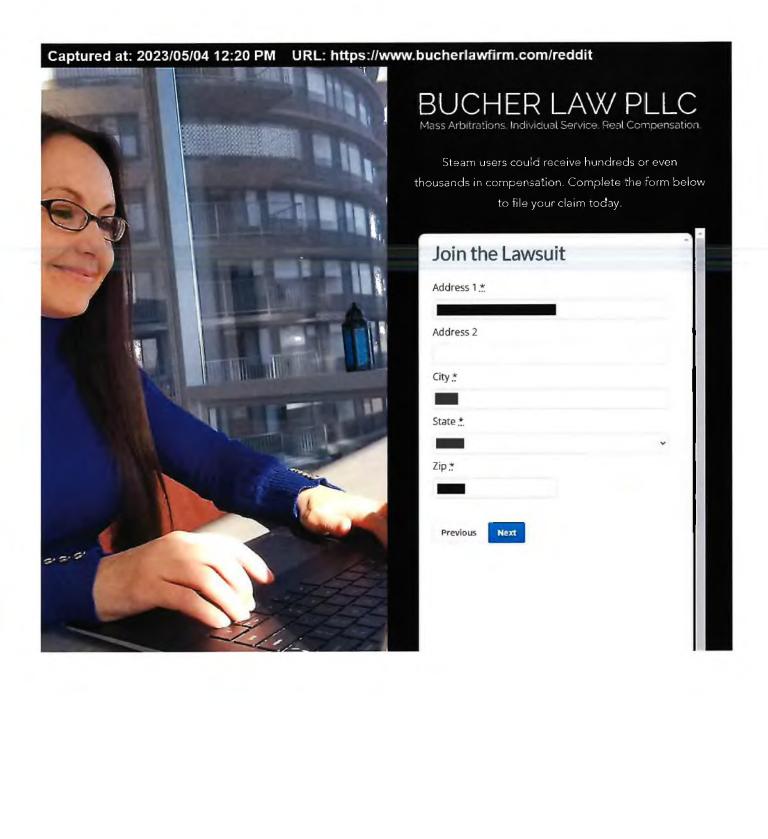
Mass Arbitrations, Individual Service Real Compensation

Steam users could receive hundreds or even thousands in compensation. Complete the form below to file your claim today.

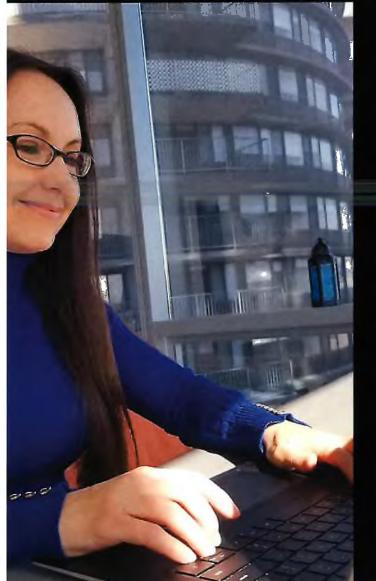
#### HOW IT WORKS

You can see if you're eligible by completing the form above. It only takes a couple of minutes. Once you do, Bucher Law PLLC will review your information. If you are eligible, Bucher Law PLLC will send you an agreement to digitally signed on your phone or computer. Once you've signed, Bucher Law PLLC will handle the rest. Every case is different, but many consumers get settlement offers without doing anything beyond completing the steps above.





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# **BUCHER LAW PLLC**

Mass Arbitrations, Individual Service, Real Compensation.

Steam users could receive hundreds or even thousands in compensation. Complete the form below to file your claim today.

# Join the Lawsuit

Steam Name + Terms

What is your Steam Account Name? \*\*

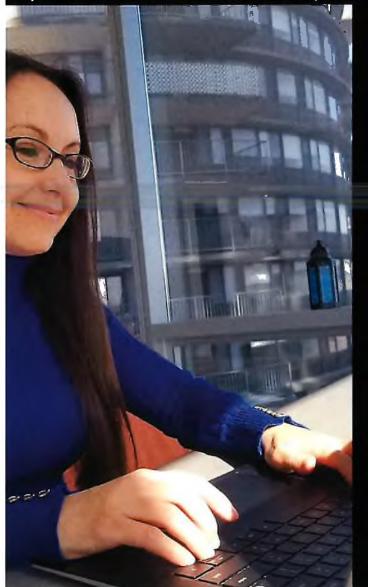
Your unique Steam Account Name may be different from your Public Display Name. You can find your Steam Account Name at the top of the "Account Details" page when in Steam.

By submitting this webform you are providing consent for Bucher Law PLLC to email, call, or text you regarding your potential case.

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# **BUCHER LAW PLLC**

Mass Arbitrations, Individual Service, Real Compensation,

Steam users could receive hundreds or even thousands in compensation. Complete the form below to file your claim today.

# Join the Lawsuit

Settlement Preferences

How do you want to receive your settlement payment?...\*

Check mailed to my address

What is the minimum amount you would be willing to accept to settle your antitrust claim? \*\*.

I want my attorneys to get me the highest settlement they believe is reasonably possible

\$2,700

⊕ \$900

The total amount I've spent on Steam

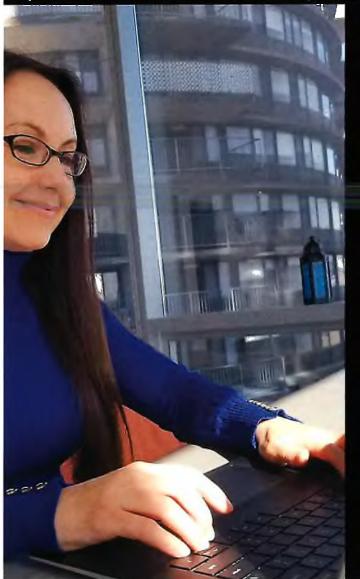
I want to be contacted directly with any settlement offers Valve makes

Other

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# BUCHER LAW PLLC

Mass Arbitrations, Individual Service, Real Compensation

Steam users could receive hundreds or even thousands in compensation. Complete the form below to file your claim today.

# Join the Lawsuit

Antitrust Litigation Against Valve

Prior to today, did you know Valve engaged in anticompetitive conduct that raised prices for consumers like you?...\*.

225	6.1
	IN(

Yes

🦪 I'm not sure

Have you ever retained counsel to bring a claim against Valve before?...\*

No

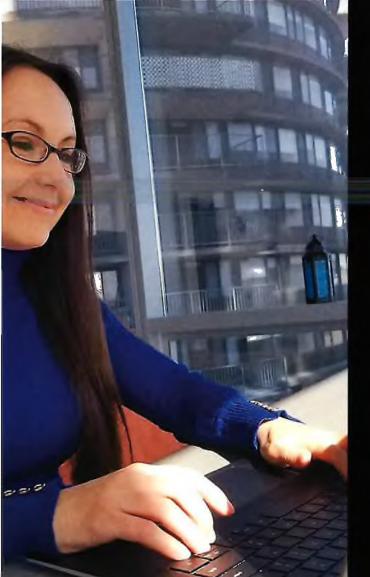
Yes

I'm not sure

Previous

Submit

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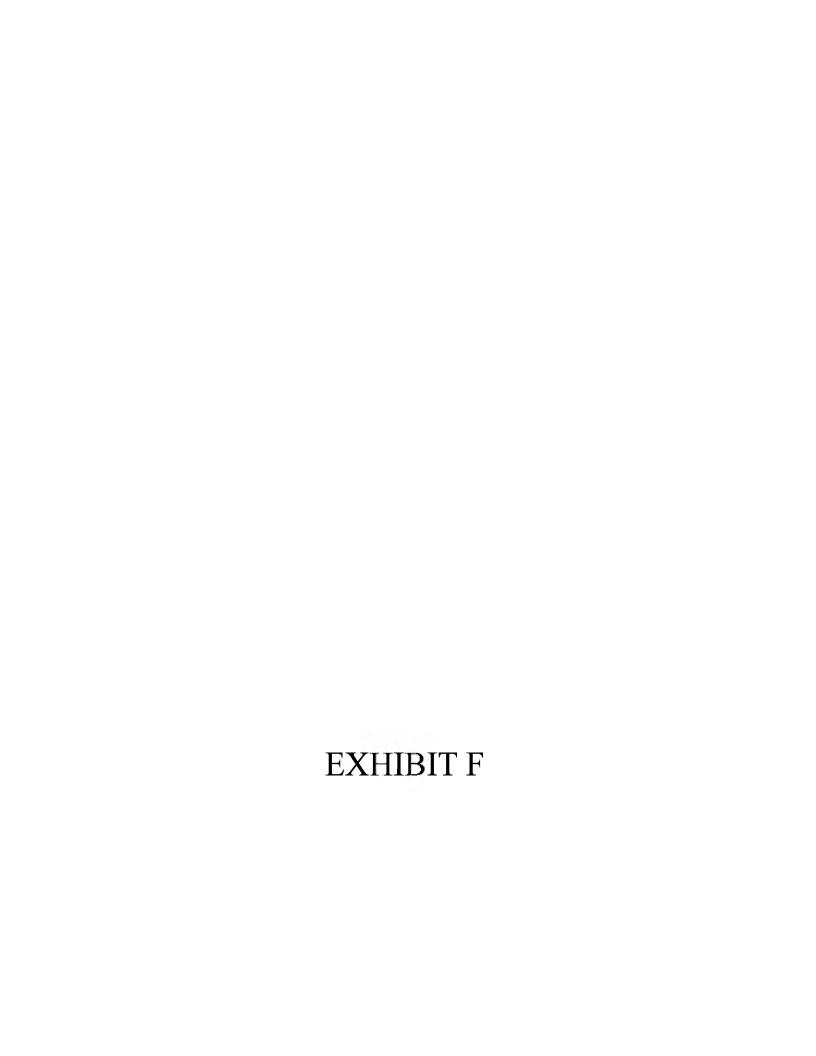
# **BUCHER LAW PLLC**

Mass Arbitrations, Individual Service Real Compensation,

Steam users could receive hundreds or even thousands in compensation. Complete the form below to file your claim today.

# Join the Lawsuit

Based on your responses, it appears that you are eligible to file a claim for compensation! Within the next 60 seconds you should receive an agreement for Bucher Law PLLC to represent you as your attorney. Please review that agreement. It can signed digitally on your phone of computer. If you don't see it, try checking your "Promotions" tab or other email filters. Once signed, we can get started on your claim.



#### Captured at: 10/13/2023, 11:03 PM URL: https://bucher.leverage.law/signature\_requests/765895689?bt=0becd3b04932dedcc **BUCHER LAW PLLC** Ω-Join the Lawsuit Posts My File 1 Ask a Question FAQ My Info My Documents 1 My Forms Retainer Cancel Decline Sign -

### Steam Antitrust Claims Retainer Agreement

This agreement is between you. The client, on the one hand, and, on the other, Bucher Law PLLC ("the attorneys" or "us").

#### 1. Scope of Representation

We will represent you to the best of our ability and comply with all professional standards of competence and integrity. We agree to represent you in investigating and, if appropriate in the attorneys' opinion, filing an individual lawsuit or arbitration asserting claims of anticompetitive conduct, illegal monopoly maintenance, unfair competition, and similar claims (the "Matter") against Valve Corporation and its affiliates and subsidiaries (collectively, the "Company"). The attorneys shall have no obligation to represent you in any other matter, and no obligation to handle any appeal of any decision in this matter.

#### 2. Attorneys' Fees

You will not owe the attorneys anything unless we are successful in collecting a recovery, payment to you, or settlement for your claim. If your claim is successful, then you agree to pay to the attorneys a fee equal to 40% of the gross amount recovered for you. Under no circumstances will the attorneys collect an unreasonably large fee. Under no circumstances will you ever owe attorneys' fees beyond a portion of your recovery. If your claim is successful, you agree to reimburse the attorneys from the remainder of the recovery for the expenses the attorneys advance on your behalf to pursue your claim. These expenses only include things reasonably necessary to pursue your claims, such as filing fees, postage, arbitration costs, court reporters, transcript fees, payments to expert witnesses and consultants, travel expenses, and all other litigation and arbitration expenses that we in our professional judgment determine to be reasonably necessary in connection with prosecuting or settling your claim. If we represent more than one client with claims similar to yours (which we intend to do), we may apportion expenses that go toward pursuing the claims of all clients on a pro rata basis among you and similar clients, but only if those expenses can reasonably be viewed as benefiting you and the other clients. Also, the law may, under certain circumstances, allow us to petition the court or an arbitrator for an award of attorneys' fees that the Company (not you) would have to pay. You agree that the attorneys may petition for that award and that any such award will belong to the attorneys. You grant the attorneys a lien to secure payment of the fees and expenses described by this agreement.

You acknowledge that any attorneys' fee sought by the attorneys in a litigation or arbitration on your behalf is intended to compensate them fairly in light of the complexity of the Matter, the risk and responsibility assumed, the time involved, the expertise brought to bear, and the results achieved. You acknowledge that no one of the above factors controls, and that the time billed to the Matter is only one such factor. The attorneys agree to keep contemporaneous time records based on attorney and paralegal time charges, broken down to tenths of an hour, and shall file documentation reflecting the time billed to the Matter for the tribunal's consideration. You further acknowledge that the attorneys' fee is negotiable and the result of an arm's length transaction between you and the attorneys. This agreement is a contingency fee arrangement in which you pay 40% of any compensation we obtain for you, and pay nothing if you recover nothing. However, if you would like to retain us on an hourly basis, we are potentially open to that arrangement. The billing rate for Will Bucher is nine-hundred and seventy dollars an hour. If you would like to negotiate an hourly billing contract or otherwise seek a different arrangement than the 40% contingency in this agreement, you can email steam@bucherlawfirm.com.

### 3. Settlement Offers

You have the right to accept or reject any settlement offer made to you. You have indicated to us that you want your attorneys to obtain the highest settlement they believe is reasonably possible. We will negotiate on your behalf to achieve that result. We will not bother you with settlement offers that are de minimus, substantially below the average amount recovered for similarly situated plaintiffs, or for gift cards, discounts, or other non-cash compensation. For other settlement offers, we will notify you of the offer and you can decide whether to accept it. If the Company imposes a time limit on acceptance or rejection of the settlement offer, and we do not hear from you within one-day prior to the offer's expiration, and it has been at least thirteen days since we contacted you, we will accept the Company's offer on your behalf if we believe it is the highest settlement reasonably possible. Otherwise, we will reject the offer on your behalf under such circumstances. You can update your settlement preferences anytime via the web portal or by emailing steam@bucherlawfirm.com.

At Bucher Law PLLC we believe that consumers are best compensated with cash not coupons, which often go unused and are disfavored under federal law. As such, we will endeavor to obtain a cash settlement on your behalf. We recommend that you reject all non-cash settlement offers, but you have a right to accept a settlement offer for non-cash settlement against our advice. If you accept a non-cash settlement offers, and that non-cash settlement is non-divisible, you will be responsible for paying Bucher Law PLLC on a per hour basis for the time spent on your case, rounded up to the nearest hour, at the rates listed in Section 2. If you do not pay such fees within 30 days of receiving an invoice, and the non-cash settlement's value is less than our fee calculated on a per hour basis, we will retain that non-cash, non-divisible settlement as our entire compensation for the legal work pursued on your case, and you would owe nothing else. In the event we are able to sell such non-divisible compensation, the proceeds of such sale will be credited towards your balance and any amount received above the amount of your balance will be refunded to you via a check mailed to your balance sor, if we have the necessary information on file, a payment made to your Venmo account. For example, if the Company offered you a one-thousand dollar gift card, and we had spent five hundred dollars on a per hour basis on your case, and you accepted the offer, you would pay Bucher Law PLLC five-hundred dollars, and if you did not within 30 days, Bucher Law PLLC would take possession of the gift card and you would receive and owe nothing. If the non-cash settlement offer is divisible, and you accept it, Bucher Law PLLC will retain a portion of that settlement in an

amount as close to, but never less than, 40% of the settlement amount, which may result in Bucher Law PLLC retaining more than 40% of the accepted settlement. If a joint cash and non-eash settlement is offered, and you choose to accept it. Bucher Law PLLC will, at Bucher Law PLLC's election, be compensated with either the entirety of the cash or the entirety of the non-cash portion of the settlement, and you will receive the remainder.

#### 4. Client's Duties

- a. Contact Information You agree to inform the attorneys by email to steam@bucherlawfirm.com if you change your address, phone number, or email address. You agree to do so within two weeks of the change. The attorneys have to the right to stop representing you if they cannot reach you at the contact information you provide. You also understand that if your address changes, and you do not notify us, that may impact your ability to securely receive any settlement payment due to you.
- b. Participation in Discovery You may be required to locate and produce documents, answer written questions, or appear at a time and place to answer questions under oath. You agree to make yourself available to do these things on reasonable notice.
- c. Participation in Hearing or Trial If we cannot reach a prompt settlement with the Company, you agree to make yourself available to participate in a hearing or trial on your claims via Zoom or other videoconferencing software. In the unlikely event the arbitrator requires an in-person, rather than virtual, proceeding, it will be conducted at a location which the arbitrator determines is reasonably convenient for you in the county in which you reside.
- d. Document Preservation You must not destroy, delete, or discard documents and other information sources in your possession that are relevant to your potential claims. This includes physical, paper documents and electronic documents like email or social media posts, whether on a computer, phone, or other device. You agree and acknowledge that your failure to fulfill any of these duties is grounds for the attorneys to stop representing you.

#### 5. Third-Party Liens

Certain third parties may have, or may assert in the future, liens on any recovery you might obtain. You recognize and understand that any liens must be resolved before we can distribute to you your portion of any recovery. You acknowledge that we may engage a company that specializes in resolving these types of liens, and that any fee paid to such company will be treated as an expense under this Agreement. Lien resolution could reduce or eliminate your recovery. If any liens on the proceeds of this matter are asserted, you authorize us to hold in trust any funds we reasonably believe are or may be subject to any liens until such liens are resolved and released.

#### 6. Attorneys' Right to Withdraw

You acknowledge that the attorneys have the right to stop representing you at any time if, in their professional judgment and consistent with their ethical responsibilities, they come to believe that your potential claims are unlikely to result in a recovery for any reason, including, but not limited to, the Company's inability to pay, your lack of honesty, or if your refusal to accept an offer of settlement causes the attorneys to conclude that you have unreasonable expectations regarding the resolution of your claim.

#### 7. Client's Right to Terminate Attorneys

You may terminate attorneys at any time by emailing <a href="steam@bucherlawfirm.com">steam@bucherlawfirm.com</a> from the email you provided starting the subject line with ATTORNEY TERMINATION followed by your name. If you do, you agree that the attorneys are entitled to a reasonable fee and reimbursement of costs for the work performed prior to termination.

#### 8. Potential Conflicts

The attorneys intend to represent many clients with claims like yours. At this time, your interests and the interests of other clients align. We know of no conflicts of interest that would have an adverse impact on our representation of you. It is, however, possible that conflicts may arise in the future, including: (1) We discover that there is a limited pool of assets from which recovery is reasonably likely (for example. an insurance policy), and those assets are insufficient to pay all of our clients the full value of their claims. (2) A defendant offers an aggregate or "lump sum" settlement to all of our clients that does not specify the amount each client will receive. (3) A defendant offers to settle, but only if a certain percentage, or even all, of our clients accept the proposed settlement. We may also be required by the applicable rules of professional conduct to share material information about your claims and negotiating position with our other clients with similar claims. While we will try to avoid these issues if it is practical to do so, they might occur. If any of the above conflicts of interest affecting you does arise, you consent to allow us to continue representing you. If other types of conflicts arise, we will inform you promptly and work with you on how best to proceed in accordance with the applicable rules of professional conduct. We may currently or in the future represent one or more other clients in matters involving you and we may represent the parties that are adverse to you in this matter in other unrelated matters. We are undertaking this engagement on condition that you give your express consent and agreement that we may represent other clients, including the parties adverse to you in this matter, in the future in other matters in which we do not represent you even if the interests of the other clients are adverse to you (including the appearance on behalf of another client adverse to you in an unrelated negotiation, litigation or arbitration), provided that the other matter is not substantially related to our representation of you and that in the course of representing you we have not obtained confidential information from you material to the representation of the other clients.

#### 9. No Guarantee

You acknowledge that the attorneys have not and will not provide any guarantee about the outcome of your claims.

#### 10. Association of Counsel

You acknowledge that the attorneys may associate with other counsel to assist with your potential claims and you authorize us to do so on written notice to you. We will pay for associated counsel without passing the expense on to you. Bucher Law PLLC is currently associating with AFN Law, who will receive between one-tenth and three-quarters of the attorneys' fees, depending on how many hours are worked by Bucher Law PLLC and AFN Law respectively.

#### Entire Agreement and Choice of Law

This Agreement contains the entire agreement of the parties. It cannot be modified or **cancel**ed except in writing signed by all parties. This Agreement will be construed in accordance with the laws of New York

notwithstanding choice of law rules.

#### 12. Arbitration

We look forward to a productive relationship as your counsel. In the event of any dispute, controversy, or claim between us (or our respective heirs, successors, assigns, or affiliates) arising out of, relating to, or in connection with your engagement of us (any of the foregoing, a "dispute"), you and we waive the right to seek remedies in court, including the right to a jury trial, and agree to submit said dispute exclusively to binding individual arbitration. For disputes where less than \$10,000 is in controversy, the arbitration should be conducted in accordance with Part 137 of the Rules of the Chief Administrator of the Courts (22 NYCRR), provided that arbitration is otherwise permitted under the rules. The arbitrator shall not have the authority to decide any claims as a class, collective, or representative action.

For disputes where greater than \$10,000 is at issue, or for disputes less than \$10,000 but for which 22 NYCRR does not permit arbitration, such dispute shall be resolved exclusively by final and binding confidential arbitration pursuant to the JAMS Comprehensive Arbitration Rules & Procedures, as they may be amended from time to time. Any such arbitration shall be conducted in the State, County and City of New York and governed by the laws of the State of New York without regard to choice of law principles. The arbitration shall be conducted by a sole arbitrator appointed pursuant to JAMS rules. The arbitrator shall not have the authority to decide any claims as a class, collective, or representative action. The parties will share the expense of arbitration equally. Threshold issues of arbitratility shall be decided by the arbitrator, including the scope of this agreement and whether a controversy or claim arises out of or relates to your engagement of us.

You are not required to agree to the above paragraph for us to represent you. If you do not want the above paragraph to apply, simply let us know within 30 days of signing this agreement by sending an email to steam@bucherlawfirm.com with the subject ARBITRATION OPT OUT followed by your name indicating that you do not want the arbitration provision of this agreement to apply. The above paragraph does not apply if it is prohibited by the applicable attorney ethics rules.

#### 13. Power of Attorney - Execution of Documents

Consistent with the attorney ethics rules and other requirements for powers of attorney, you grant us the power of attorney to execute all documents connected with your claims.

#### Power of Attorney – CCPA

You grant us power of attorney and the authority to act as your authorized agent under the California Consumer Privacy Act. We will use this power of attorney to request data on your behalf that might be relevant to our representation of you, such as the amount you have spent with the Company. Like all information gathered on your behalf, this information will never be shared with third parties and, as our client, we will maintain the confidentiality of this information to the full extent permitted by law.

#### 15. No Tax or Benefit Advice

You acknowledge and agree that the attorneys cannot and will not provide legal advice regarding the tax and government benefit implications of you receiving any settlement or sum of money.

#### 16. Express Written Consent to Receive Text Messages and Automated Calls

You provide us and our designees and agents your express permission and authorization to send text messages and automated calls to the number or numbers you provide to us or our agents during the intake process and thereafter. You represent that you are the subscriber of those numbers and have the authority to give such consent. By executing this agreement, you authorize us to deliver or cause to be delivered to you calls using an automatic telephone dialing system or an artificial or prerecorded voice. You are not required to provide us this authorization for us to represent you. If you do not wish to receive text messages or automated calls, please let us know by sending an email to steam@bucherlawfirm.com with the subject SMS CONSENT followed by your name. Bucher Law PLLC will be sending no more than four automated text messages a week, regarding your claim, potential claim, or legal documents that need to be filled out for their case/claim. Reply HELP for help, Reply STOP to stop, Message and data rates may apply, and carriers are not liable for delayed or undelivered messages

Page Break

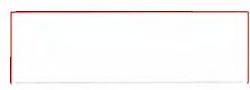
#### 17. Other Law Firms

You represent to us that you have not signed an agreement with another law firm to pursue any claims against the Company for you and that you do not recall signing such an agreement. To the extent you did and you do not remember, by signing this agreement, you are exercising your right to terminate any prior agreement with any other law firm in connection with your claims against the Company. You authorize the attorneys to communicate with any other firm about all issues related to any claims you have against the Company. If you were previously represented in this matter by Zaiger LLC, you are exercising your right to terminate any prior agreement with Zaiger LLC or any other law firm in connection with your claims against Valve, instructing Zaiger LLC to transfer your client file to Bucher Law PLLC, and authorizing Bucher Law PLLC to receive your client file. You further authorize Will Bucher and Bucher Law PLLC to communicate with Zaiger LLC about all issues related to any claims you have against Valve, including to communicate that you are terminating your prior agreement with Zaiger LLC, and authorizing Zaiger LLC to transfer your case file to Bucher Law PLLC. You also authorize Leverage Law, the software provider we use to manage your case file, to provide and transfer any data related to your case to Bucher Law PLLC.

#### 18. Authority to Sign

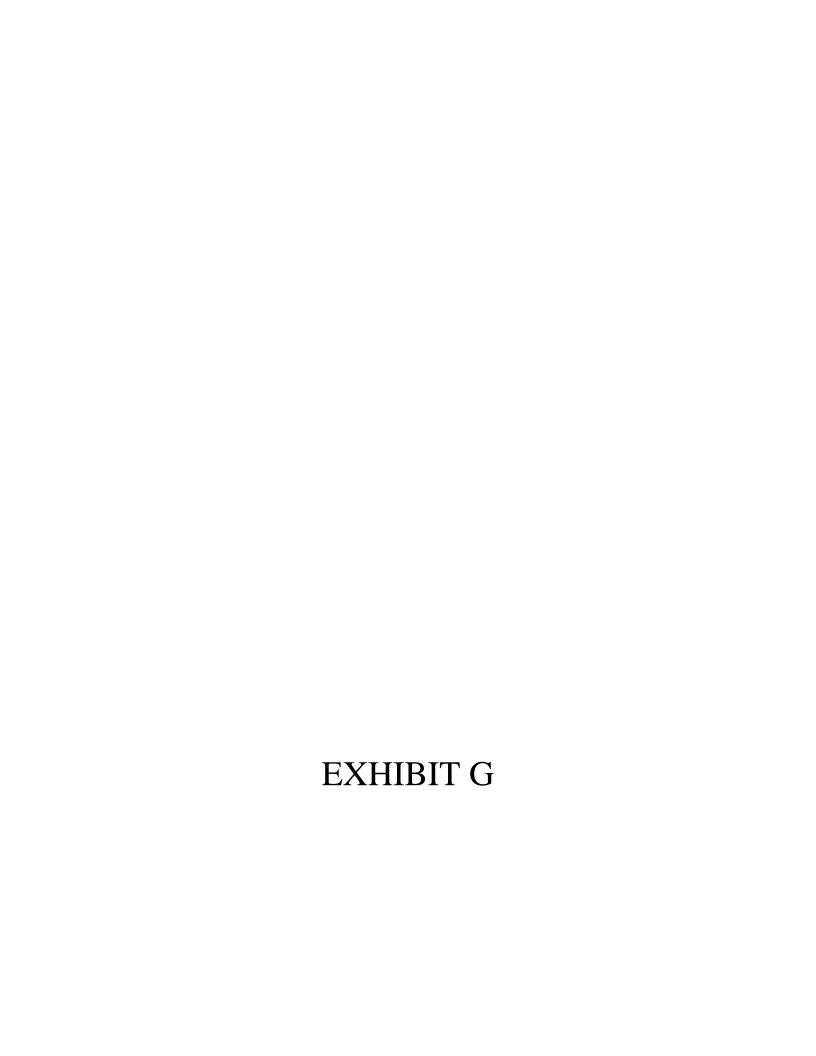
You represent that you have read and understood this agreement and have authority to sign it.

We look forward to working to get you compensation for Valve's anticompetitive conduct on the Steam platform.



Ву:		
Date:		
Name		
Name Email		
Phon		

Natices Terms & Conditions





July 12, 2023

ATTN: Arbitration Notice Valve Corporation P.O. Box 1688 Bellevue, WA 98004

### VIA FIRST CLASS MAIL

Re: Demand.

To Whom it Will Concern,

The undersigned Bucher Law PLLC and AFN Law PLLC ("we", "our" or "us") write on behalf of 44,903 clients we represent to demand compensation for Valve's violation of the Sherman Act and state law, arising from Valve's anticompetitive practices on its Steam platform. In addition, pursuant to Section 11 of the applicable Steam Subscriber Agreements, we hereby notify you of our intent to arbitrate our clients' claims.

### A. Valve's Anti-Competitive Conduct.

Among other things, Valve's Platform Most Favored Nations Clause on publishers has resulted in prices being charged to our clients that are significantly inflated from competitive levels, created an unlawful barrier to entry for new competitors, and suppressed price competition in the PC games market. Valve has also unlawfully discouraged and prevented potential competitors from entering or competing in the market for PC games and related services. Valve has also combined with publishers to monopolize the market for PC game distribution and entered into unlawful and anticompetitive agreements with game publishers to do the same.

These actions have had anticompetitive effects, in particular raising the prices for PC games on Steam's platform and keeping them at artificially high levels. As a direct result of these unlawful actions, Valve has acquired and maintained a monopoly in PC game distribution.

These actions are in violation of Sections 1 and 2 of the Sherman Act, 15 U.S.C. §§ 1 and 2, and applicable state law. Our clients seek relief in the form of compensatory damages incurred

.

<sup>&</sup>lt;sup>1</sup> These include 12,874 clients who were previously represented by Zaiger LLC but are now represented by Bucher Law PLLC and AFN Law. We have included with this letter a flash drive that includes two excel sheets, one listing clients who were previously represented by Zaiger LLC and one containing the names of Bucher Law PLLC clients who were not previously affiliated with Zaiger LLC.



as a result of Valve's illegal conduct, trebled, together with the cost of suit, including without limitation all arbitration costs, and reasonable attorneys' fees. To extent available under the Steam Subscriber Agreements and applicable law, our clients also seek injunctive relief to end the unlawful conduct and prevent further damage from Valve's continuing violations of law.

We are prepared to engage in good faith discussions for 30-days to attempt to resolve our clients' claims before we initiate arbitration against you under the mandatory arbitration provisions in the Steam Subscriber Agreements.

### B. Damages

Valve's illegal conduct has resulted in higher prices for PC gamers. In the competitive market for PC game distribution that would exist but for Valve's illegal price restraints, we would expect the cost of PC game distribution to approach the marginal cost, a price far lower than that charged by Valve. Given Valve's policies, it is difficult for would be competitors to even attempt to enter the market, but when they do attempt to break Valve's stranglehold, we see much lower pricing. For example, Epic Games charges an effective fee of between 7% and 12%, compared to Valve's 30% fee. That suggests an overcharge to consumers between 18% to 23%. Under the Sherman Act, those damages are subject to automatic trebling. As such, our clients are entitled to, at a minimum, between 54% and 69% of what they have spent on PC games as damages. On average, our clients have spent approximately \$4,000 on PC games on the Steam platform alone. That places trebled damages at between \$2,160 and \$2,760 per client.

The Sherman Act also provides for a mandatory award of attorneys' fees to a prevailing plaintiff. This is true for any prevailing plaintiff, even if the plaintiff only obtains nominal damages. *See, e.g., U.S. Airways, Inc. v. Sabre Holdings Corp.*, 11 Civ. 2725 (LGS) (S.D.N.Y. June 1, 2023) (awarding attorneys' fees where jury found damages of \$1, trebled to \$3). Because the parties must arbitrate each case individually, we reasonably expect that each case would incur tens of thousands of dollars in attorneys' fees.

As a good faith offer of compromise, Bucher Law PLLC proposes resolving this dispute on the lower-end of the potential damages range: an average settlement of \$2,400 a case. Additionally, while Bucher Law PLLC can expect to accrue substantially more in legal fees should our client's cases be litigated, as a compromise our clients only ask for legal fees amounting to 40% if we are able to reach a settlement promptly. All-in, our 44,903 clients are prepared to resolve their claims for an average of \$4,000 each.

Please let us know promptly if this settlement offer is amenable to you. If it is not, please propose a settlement offer of your own. All communications regarding these claims should be directed to <a href="will@bucherlawfirm.com">will@bucherlawfirm.com</a> and <a href="mailto:angus@afnlegal.com">angus@afnlegal.com</a>. Please do not contact or communicate with our clients directly.



Regards,

### **BUCHER LAW PLLC**

3v: WIIII

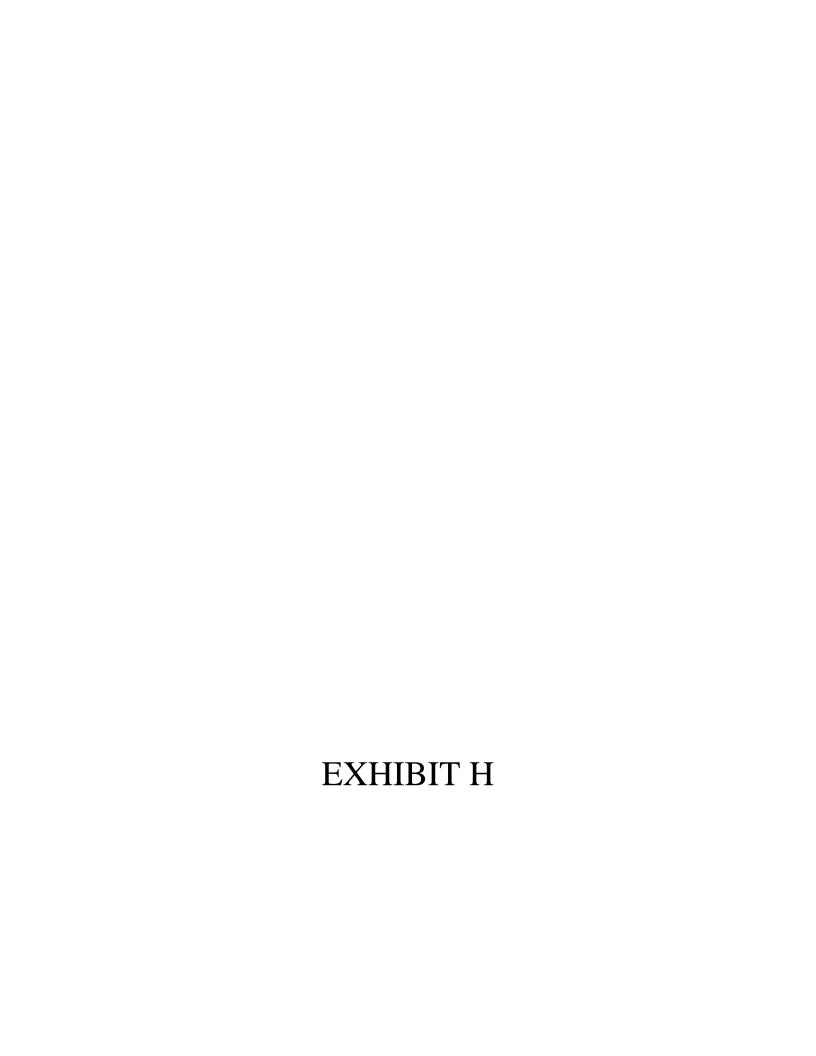
William Bucher 350 Northern Blvd STE 324 -1519 Albany, NY 12204-1000 202-997-3029 will@bucherlawfirm.com

AFN LAW PLLC

By:

Angus F. Ni 502 Second Avenue 14th Floor Seattle, WA 98104 (646) 453-7294 angus@afnlegal.com

cc: (by email)
chriss@valvesoftware.com
gskok@foxrothschild.com
ccasper@mmwr.com





Charles B. Casper

Admitted in Pennsylvania, New Jersey & New York

1735 Market Street Philadelphia, PA 19103-7505 Tel: 215-772-1500

Direct Dial: 215-772-7223 Fax: 215-772-7620 Email: ccasper@mmwr.com

July 25, 2023

William Bucher **Bucher Law PLLC** 350 Northern Boulevard STE 324 - 1519 Albany, NY 12204-1000

Angus F. Ni **AFN Law PLLC** 502 Second Avenue 14th Floor Seattle, WA 98104

**Valve Corporation** 

Dear Messrs. Bucher and Ni:

I am responding to your July 12, 2023 letter to Valve Corporation. Valve values its Steam subscribers and wishes to resolve any disputes with them informally. But if, after the parties have a chance to discuss that subscriber's claims, the facts underlying those claims, and the relief the subscriber seeks, Valve and the subscriber are unable to resolve their dispute informally, Valve is fully prepared to resolve the dispute in individual arbitration. All of this is set forth in Section 11 of the Steam Subscriber Agreement (the "Arbitration Clause").

In Section 11.B of the Arbitration Clause, the parties agree "to make reasonable, good faith efforts to informally resolve any dispute before initiating arbitration. A party who intends to seek arbitration must first send the other a written notice that describes the nature and basis of the claim or dispute and sets forth the relief sought." Regrettably, your letter does not provide sufficient information to enable Valve and any Steam subscriber to carry out their agreement to attempt to resolve their dispute in good faith, because your letter (i) did not provide enough information to accurately identify Steam subscribers; and (ii) did not describe "the nature and basis of the claim or dispute and set[] forth the relief sought" on behalf of those subscribers, and

(iii) was not sent in good faith. Moreover, it is unclear that you have authority to represent the individuals that you purport to.

## **Lack of Identifying Information**

As I am sure you know from your investigation into Steam, a person is able to create a Steam account by providing an email address and picking a unique user name.<sup>1</sup> Steam subscribers do not need to provide their first and last name. The spreadsheets of clients that you provided, which list only first and last names alongside Client ID numbers that appear to be numbers you or Zaiger LLC assigned, does not allow Valve to identify individual Steam accounts. Accurate SteamID numbers and user names are essential to identify Steam users among the more than 120 million active users on Steam each month—many of which share similar or identical names.<sup>2</sup> And some persons have more than one Steam account, but Valve cannot tell if that is true for any of the names on your spreadsheets from the information you provided. In short, your spreadsheets do not identify unique Steam accounts to enable Valve to evaluate the nature or basis of any individual's claim or dispute. To further complicate things, without knowing which country a subscriber is located in, Valve cannot know whether the Arbitration Clause even applies.<sup>3</sup>

### Lack of Information About Each Individual's Claim and Relief Sought

Not only is Valve unable to tie the names on your spreadsheets to Steam accounts, but you have not provided any information to show that those persons actually had Steam accounts, made any purchases on Steam and, if they did, the items purchased, the dates of purchase, or amounts spent. This information is crucial to understanding the basis of each subscriber's claim or dispute. For example, if a subscriber purchased a third-party game (one made by a company other than Valve) using a Steam Key, Valve received no funds from that purchase. As another example, if a subscriber purchased a Valve-made game, Valve's conduct you allege relating to publishers—even if it were true, which Valve denies—would not have affected the price. And if another person provided the money for a purchase on Steam, through a gift card or allowing a teenage child to use a parent's credit card, individual circumstances would determine who holds

<sup>&</sup>lt;sup>1</sup> See <a href="https://store.steampowered.com/join">https://store.steampowered.com/join</a>. Upon joining, Steam subscribers are provided with a unique SteamID, which identifies a unique Steam account. See <a href="https://help.steampowered.com/en/faqs/view/2816-BE67-5B69-0FEC">https://help.steampowered.com/en/faqs/view/2816-BE67-5B69-0FEC</a>.

<sup>&</sup>lt;sup>2</sup> Indeed, your spreadsheets contains numerous duplicate entries (*e.g.*, Robert Baker, Stephen King, Michael Miller, Stephen Robinson, and Zachary West on the former Zaiger client list and Taylor Cross, Aaron Hall, William Johnson, William Jones, Scott Olson, Jeffrey Owens, and Thomas Wilson on the other).

<sup>&</sup>lt;sup>3</sup> The Arbitration Clause does not apply to consumers living in certain regions, such as the United Kingdom or the European Union.

the claim you allege. Further, a user's purchases could have been made outside the applicable statute of limitations.

Your letter fails not only to describe "the nature and basis of the claim or dispute," as shown above, but also to "set[] forth the relief sought"—both of which Section 11.B requires. You say that your "44,903 clients" "are entitled to, at a minimum, between 54% and 69% of what they have spent on PC games as damages," but reveal nothing about how much any individual spent or what relief any individual Steam subscriber seeks. Rather, you assert that "they are prepared to resolve their claims for an average of \$4,000 each." This assertion does not satisfy each Steam subscriber's agreement in Section 11.B to send Valve a notice that "sets forth the relief sought"—the relief *that subscriber* seeks.

Under the Steam Subscriber Agreement, arbitration—and your clients' and Valve's undertakings—are individual not collective. Your clients and Valve agreed in Sections 11.A and 11.D to "individual binding arbitration," and "not to seek to combine any action or arbitration with any other action or arbitration without the consent of all parties to this Agreement and all other actions or arbitrations." Your letter's assertion of damage ranges and settlement averages flouts that agreement.

Valve is prepared to discuss the facts of each individual subscriber's claim or dispute, including these and other issues that a reasonable, good faith effort to resolve any such claim informally must consider. Any good faith attempt at dispute resolution must revolve around a concrete discussion of the relief that person seeks in light of that person's purchases on Steam, as arbitration is individual, not collective. Under the Steam Subscriber Agreement, efforts to resolve a claim or dispute informally require considering each subscriber's facts.

### Lack of Good Faith

It appears that you did not send your letter in a reasonable, good faith effort to resolve individual claims or disputes. You seek to assert claims against Valve on behalf of 44,903 clients, of whom you say 12,874 were previously represented by Zaiger LLC. According to Mr. Bucher's July 18, 2023 First Amended Complaint in *Bucher v. Zaiger LLC*, No. 3:23-cv-00452-AWT (D. Conn.) (Dkt. 50) (the "Amended Complaint"), Zaiger LLC's funder for the "Steam Mass Arbitration" said

his funding was contingent on Zaiger LLC agreeing, in advance, to drop the mass arbitrations and abandon the Steam Mass Arbitration clients if Valve does not immediately settle the case upon notice that the Steam Mass Arbitration clients have paid their filing fees and if, instead, Valve pays its own filing fees in arbitration and prepares to defend the individual arbitrations on the merits. He expressed his belief that any litigation of the cases after Valve had paid its arbitration fees would be fruitless and that

> he was uninterested in paying for it. He further stated that "once the filing fees are paid by Valve, the cow is out of the barn. Just not our barn."

Am. Compl. ¶ 107. The Amended Complaint goes on to allege that "Jeff Zaiger expressed that given his current situation, given his complete financial dependence on [the funder], which controlled both his income and held his savings, he had to do whatever [the funder] wanted." Am. Compl. ¶ 162. Moreover, it alleges:

Upon information and belief, by at least February 27, 2023, if not earlier, Zaiger LLC and Jeff Zaiger had abdicated all decision-making associated with the Steam Mass Arbitration cases and due to the coercive power and control that [the funder] had over them, had resolved to do anything [the funder] asked, including abandoning all Steam Mass Arbitration clients if Valve did not agree to an early settlement and instead paid its initial arbitration filing fees.

Am. Compl. ¶ 175.

As Mr. Bucher put it last week in his Form 26(f) Report of Planning Meeting in that case:

Zaiger LLC is not a normal law firm. It is a captive law firm, with every function completely dominated by Black Diamond, including Zaiger LLC's email servers, office space, HR function, accounting and payroll function, and bank accounts. Zaiger LLC is also completely financially dependent on Black Diamond given that Black Diamond and its affiliates represent 100% of Zaiger LLC's revenue. Though Zaiger is the titular leader of Zaiger LLC, Black Diamond controls it. Moreover, Zaiger is personally hopelessly beholden to Black Diamond given that Black Diamond gives him all of the income Zaiger uses to support himself and his family and because Zaiger's life savings are in Black Diamond's custody and under its control.

Dkt. 51 (July 19, 2023) at 3.

If true, those allegations suggest that while Mr. Bucher was a Zaiger LLC employee, he and Mr. Zaiger were not representing Steam subscribers in good faith and are not now engaging in reasonable, good faith efforts to informally resolve their claims.

Mr. Bucher's alleged termination by Zaiger LLC on February 28, 2023 does not alleviate these concerns. According to your letter, 12,874 of your clients were recruited while Mr. Bucher worked for Zaiger LLC—evidently under the circumstances Mr. Bucher alleged in the Amended Complaint.

In his part of last week's Form 26(f) Report of Planning Meeting, Mr. Zaiger alleges that Mr. Bucher ("Plaintiff") signed a false declaration in connection with his departure, and deceived, misled, and tricked the clients he and Mr. Zaiger had recruited:

Plaintiff signed a declaration under penalty of perjury representing that he had returned all of the Zaiger Parties' documents and information. ...

The Zaiger Parties later learned that Plaintiff's declaration was false. Plaintiff retained a partial Zaiger LLC client list and, after he started his own law firm, used that client list to send deceptive and misleading solicitations to the Zaiger Parties' clients. Many of the Zaiger Parties' clients reported that they were tricked by Plaintiff's solicitations into believing that they had to transfer their case to Plaintiff's new law firm.

*Id.* at 4.

If true, those allegations bespeak a lack of good faith.

### **Lack of Authority to Represent**

The allegations quoted above make it unclear that you are actually authorized to represent the individuals you purport to represent. Until these issues are resolved, Valve cannot accept at face value the assertion in your letter that you represent the persons listed on your spreadsheets.

### **Next Steps**

Valve cares deeply about its subscribers, and strives to resolve any issues subscribers have informally, without the need for arbitration. But to be able to do so, it is necessary to follow the procedure outlined in the Steam Subscriber Agreement. To start that process, Valve needs a written notice that identifies each individual subscriber, and that subscriber's Steam account, gives the subscriber's location, describes the nature and basis of that subscriber's claim or dispute, and sets forth the relief that subscriber seeks. Such a notice will commence the 30-day informal dispute resolution period under Section 11.B. Given the uncertainty of who is representing whom in this particular case, Valve would also need evidence from each subscriber confirming your authority to represent them.

Again, Valve is happy to make reasonable, good faith efforts toward informal resolution if any Steam subscriber brings a dispute to its attention as agreed in the Steam Subscriber

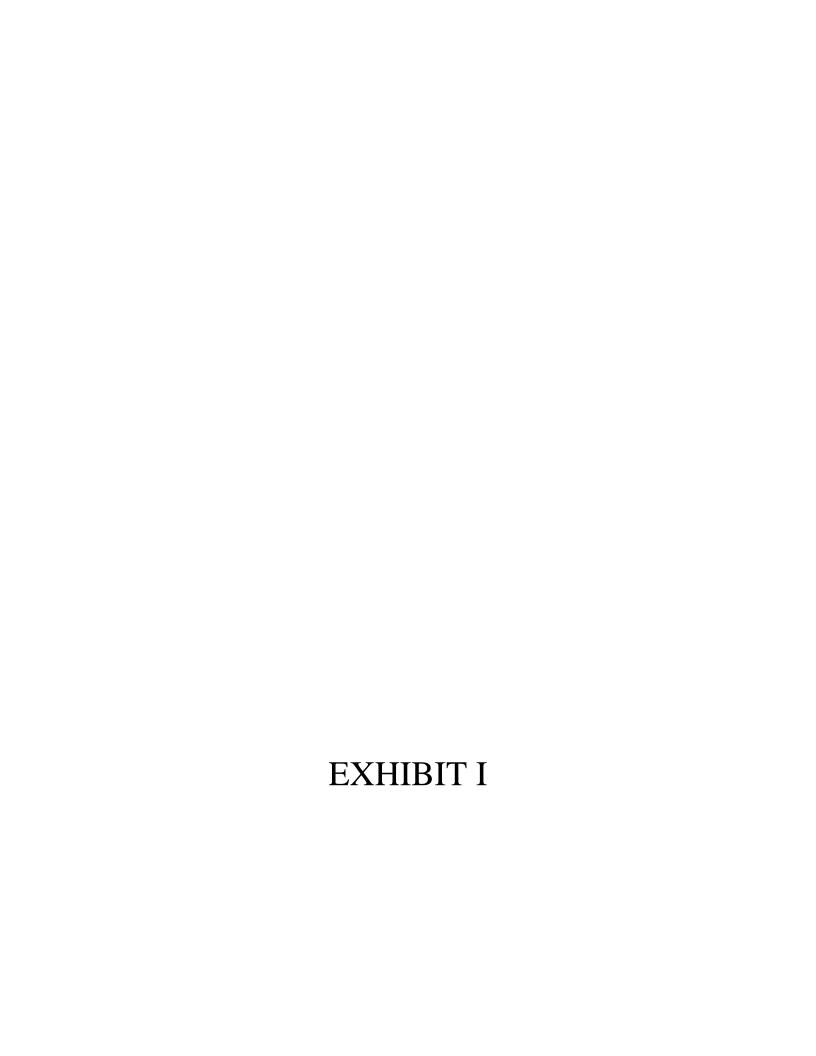
Agreement. If those efforts fail, Valve will arbitrate the dispute individually if the subscriber wishes.

Very truly yours,

Charles B. Casper

CUB. Com

cc: Gavin Skok



John G. Papianou Admitted in Pennsylvania, New Jersey & New York

ATTORNEYS AT LAW

1735 Market Street
Philadelphia, PA 19103-7505
Tel: 215-772-1500

Direct Dial: 215-772-7389
Fax: 215-731-3636
Email: jpapianou@mmwr.com

October 10, 2023

## **VIA EMAIL**

William Bucher, Esquire BUCHER LAW PLLC 350 Northern Blvd., Ste. 324-1519 Albany, NY 12204-1000 will@bucherlawfirm.com

Angus F. Ni AFN LAW PLLC 502 Second Ave., 14<sup>th</sup> Floor Seattle, WA 98104 angus@afnlegal.com

Re: Valve Corporation

Dear Will and Angus,

I write in response to (1) the 34,935 emails you sent to my colleague's inbox, (2) your October 2 emails claiming Valve breached the Steam Subscriber Agreement ("SSA") and demanding we refund your filing fees for 1,021 premature arbitrations, and (3) your October 2, 2023 letter introducing 18,204 more "clients" who are "different from and in addition to the 44,903" you have previously claimed to represent.

Valve has done what it can to work with your clients one-on-one to resolve their claims. We explained what it means that the SSA requires Valve and its subscribers to engage in individual, good faith discussions. We told you why that requirement is not met when you describe tens of thousands of subscribers' claims in just a couple paragraphs filled with sweeping generalities. We also explained what the SSA requires to start the resolution process. Finally, we expressed our concern about your representation of Steam subscribers based on publicly filed documents in your legal dispute with your former employer, Zaiger LLC.

What you've done since shows that you are unwilling to engage in either good-faith or individual negotiations. First, you flooded my colleague's inbox and my firm's server with roughly 35,000 emails. You could have just as easily, more efficiently, and less harmfully sent

William Bucher, Esquire October 10, 2023 Page 2

us the same information or messages by other means, like a Sharefile or thumb drive. Instead, you chose a bad-faith tactic that took weeks to complete and hindered my colleague's ability to use his email.

Worse yet, your messages still failed to provide us with the information the SSA requires. The emails were almost all nearly identically worded and continued to rely on vague generalities about Valve's conduct. None of them identified the purchases that your clients believe were impacted by that conduct. And a huge number—13,817—failed to specify any relief whatsoever. You claimed, for these 13,817 clients, that you could not provide that relief because it was impossible to derive an accurate total of how much your clients had spent from their Steam accounts. That was obviously disingenuous as you simultaneously sent over 21,000 emails from other clients that offer specific amounts that you claimed were "reasonable in light of [your client's] purchases and spending."

You also failed to meaningfully respond to our concerns about your representation, demanding we rely on your say-so or Zaiger's. The circumstances surrounding your departure from Zaiger LLC – as articulated in your own court filings – raise legitimate ethical concerns about your representation. Valve also has an ethical responsibility to speak only with its subscribers' true counsel. Yet you refused to come forward with any evidence that you actually represent the individuals you purport to. That only adds to, not assuages, our concern.

Notwithstanding these fundamental failings, Valve remained willing to work with you to start the informal negotiation process. As part of Valve's commitment, it hired outside vendors to collect and organize your nearly 35,000 emails and develop appropriately tailored responses to each one. We told you that you would receive our individualized responses by October 31 and invited you to contact us if you "ha[d] any issues or concerns." You did not respond to that email but instead responded by filing 1,021 premature demands with the American Arbitration Association, falsely claiming that our efforts "breached" the SSA. In other words, you withdrew your clients from the SSA's dispute resolution process *en masse* before any individual discussions occurred.

There can be no doubt what is happening here. You have no interest in pursuing either a good faith or individualized negotiation on behalf of your clients. Your October 2, 2023 letter confirms this. Not only does the letter repeat the same failings as the others, you now explicitly withhold individual information about your client's claims, presenting Valve with a coercive Hobson's choice: either Valve provides your client's purchase history and makes a settlement offer (*i.e.*, we do your job under the SSA to provide "the nature and basis of" each subscriber's claim or dispute and to provide the relief each one seeks, § 11.B) or it agrees to a mass settlement.

William Bucher, Esquire October 10, 2023 Page 3

Tellingly, the only settlement proposal you provide on behalf of your clients is a mass settlement. You state that "[y]our 63,107 clients are prepared to resolve their claims for an average of \$4,000 each," but refuse to provide amounts to settle their individual claims alone. This makes crystal clear your intent to use your purported clients as a bludgeon to coerce a collective resolution – the very thing the SSA prohibits.

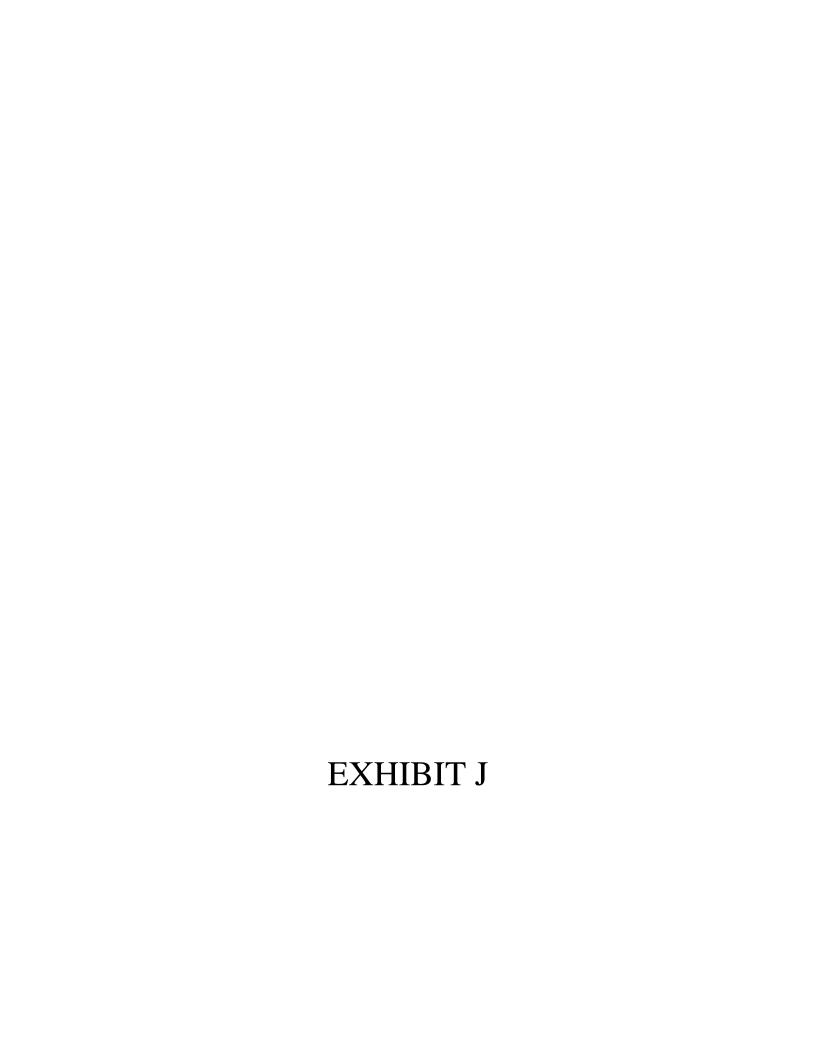
Now that your intentions are laid bare, Valve sees little point in responding to your 35,000 near-copycat emails with 35,000 responses. We remain available to meet with your clients (including the 18,204 new ones) one-on-one to answer their questions and attempt to resolve their individual disputes, and thereby fulfill Valve's and your clients' mutual promise to engage in individualized negotiations.

Finally, we received your email requesting reimbursement of your filing fees. As you know, Valve agrees to reimburse those when its subscribers "seek \$10,000 or less," "unless the arbitrator determines your claims are frivolous or were filed for harassment." § 11.C. Your demands satisfy neither condition. They were filed for the sole purpose of coercing a \$252 million collective settlement in blatant violation of the SSA's requirements. And each demand seeks not only compensatory damages, but punitive damages, costs, attorneys' fees, and injunctive relief. That plainly amounts to more than \$10,000 per demand. Valve will not reimburse your filing fees.

Best regards,

John G. Papianou

JGP:rd



Subject:

FW: Valve - Response to Demands

On Wed, Sep 20, 2023 at 10:57 AM Papianou, John < <u>ipapianou@mmwr.com</u>> wrote:

Dear Will,

As you know, we represent Valve Corporation in the Steam litigation. Since August 31, my colleague Chuck Casper has received around 45,000 emails from you on behalf of various individuals. That volume of email essentially crippled his in-box and use of email for days. We are reviewing those emails (which were still coming in as of September 15) and plan to respond as soon as practicable. In light of the volume, however, and the need to engage vendors to help us sort the information we received, we anticipate that we will respond to each of the letters on or before October 31. Rather than send over 45,000 separate emails (which may crash your server and in-box), we will likely send a sharefile or use some other similar means to avoid or minimize any disruption of your service. If you have any issues or concerns, please let me know.

-John

John G Papianou | Partner Montgomery McCracken Walker & Rhoads LLP

1735 Market Street | Philadelphia, PA 19103-7505

Tel: 215-772-7389 | Fax: 215-731-3636 | jpapianou@mmwr.com | Attorney Profile

Notice: This email message may contain legally privileged and/or confidential information. If you are not the intended recipient(s), or the employee or agent responsible for delivery of this message to the intended recipient(s), you are hereby notified that any dissemination, distribution and/or copying of this message is strictly prohibited. If you have received this message in error, please immediately notify the sender and please immediately delete this message from your computer as well as any storage device(s). Thank you

EXHIBIT K

From:

William Bucher

To:

MassArbitration@adr.org

Cc:

Angus Ni; Gavin W. Skok - Fox Rothschild LLP (gskok@foxrothschild.com); Casper, Chuck; Day, Robert;

Papianou, John

Subject:
Date:
Attachments:

Valve Mass Arbitration Case Filing Monday, October 02, 2023 5:31:09 AM Order Compelling Arbitration.pdf

List of Parties" Counsel docx.msq

Feb. 2013 Steam Subscriber Agreement.pdf Feb. 2022 - Steam Subscriber Agreement.pdf

# \*\*CAUTION\*\* External Email

### AAA Mass Arbitration,

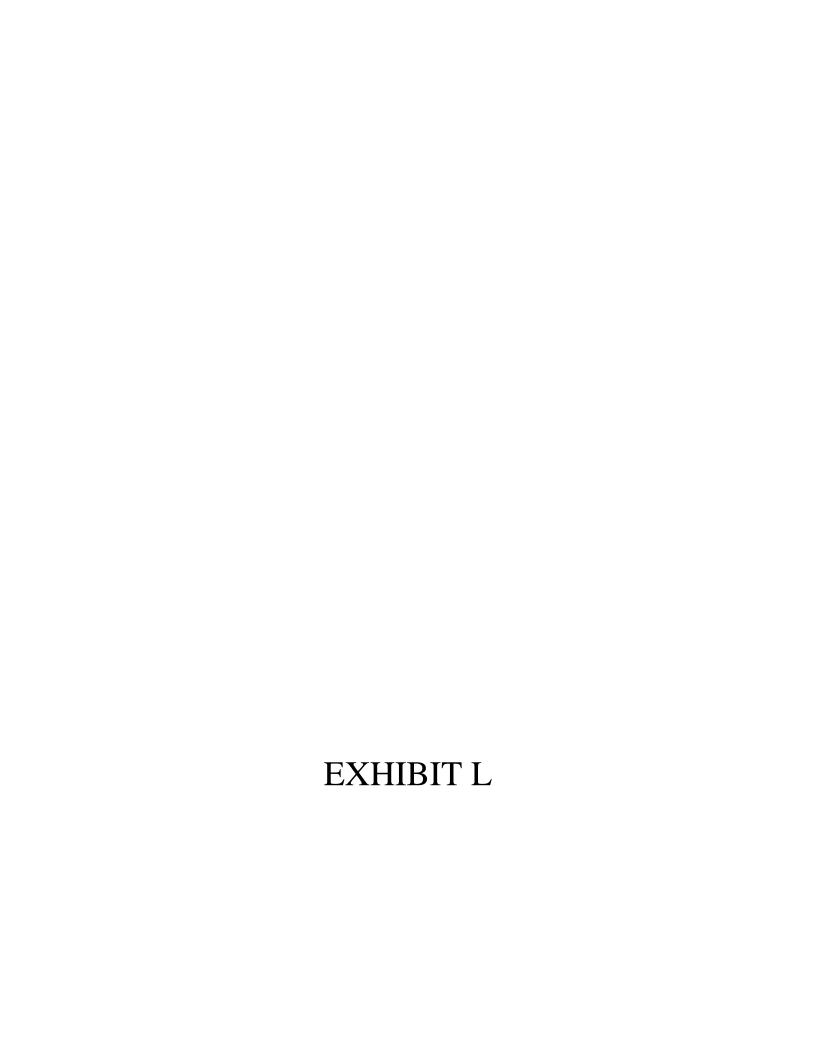
We write on behalf of our clients to file their claims in arbitration, as required by their applicable Steam Subscriber Agreements and federal court order, which are attached. A fully completed Mass Arbitration Intake Data Spreadsheet, along with the individual demands for our clients, can be found here. For security, the password to access this drive has been sent separately. Claimants have also sent Respondent's attorneys copies of the demands contemporaneously with this email.

In the Mass Arbitration Intake Data Spreadsheet we have additionally listed the primary and secondary email that should be used for correspondence regarding that specific client. Emails regarding the case as a whole should be directed to <a href="will@bucherlawfirm.com">will@bucherlawfirm.com</a> and <a href="mailto:angus@afnlegal.com">angus@afnlegal.com</a>. A list of both parties' counsel and their contact information is attached.

We have written under separate cover, without opposing counsel cc'ed, regarding filing fees and fee waivers. Please let us know the best way to pay the balance of the filing fees attributable to those clients who have not submitted a hardship waiver. Claimants are prepared to make that payment in full via ACH today. As a reminder, under applicable law, any information obtained by the American Arbitration Association regarding a consumer's identity, financial condition, income, wealth, or fee waiver request shall be kept confidential and may not be disclosed to any adverse party or any nonparty to the arbitration. As such, please do not include opposing counsel on any discussions regarding our clients' hardship waiver submissions.

If you have any questions or encounter any difficulty accessing the files we've provided, please let us know.

Will Bucher Bucher Law PLLC 202-997-3029 350 Northern Blvd STE 324 -1519 Albany, NY 12204-1000





October 2, 2023

ATTN: Arbitration Notice Valve Corporation P.O. Box 1688 Bellevue, WA 98004

### VIA FIRST CLASS MAIL

Re: Demand.

Mr. Casper and Mr. Papianou,

The undersigned Bucher Law PLLC and AFN Law PLLC ("we", "our" or "us") write on behalf of 18,204 clients we represent to demand compensation for Valve's violation of the Sherman Act and state law, arising from Valve's anticompetitive practices on its Steam platform. For clarity, these clients are different from and in addition to the 44,903 clients whose claims we notified Valve about on July 12. Pursuant to Section 11 of the applicable Steam Subscriber Agreements, we hereby notify you of our intent to arbitrate our clients' claims.

# A. Valve's Anti-Competitive Conduct.

Among other things, Valve's Platform Most Favored Nations Clause on publishers has resulted in prices being charged to our clients that are significantly inflated from competitive levels, created an unlawful barrier to entry for new competitors, and suppressed price competition in the PC games market. Valve has also unlawfully discouraged and prevented potential competitors from entering or competing in the market for PC games and related services. Valve also combined with publishers to monopolize the market for PC game distribution and entered into unlawful and anticompetitive agreements with game publishers to do the same.

These actions have had anticompetitive effects, in particular raising the prices for PC games on Steam's platform and keeping them at artificially high levels. As a direct result of these unlawful actions, Valve has acquired and maintained a monopoly in PC game distribution.

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<sup>&</sup>lt;sup>1</sup> These include 359 clients who were previously represented by Zaiger LLC but are now represented by Bucher Law PLLC and AFN Law. We have included with this letter a flash drive that includes two excel sheets, one listing clients who were previously represented by Zaiger LLC and one containing the names of Bucher Law PLLC clients who were not previously affiliated with Zaiger LLC.



These actions are in violation of Sections 1 and 2 of the Sherman Act, 15 U.S.C. §§ 1 and 2, and applicable state law. Our clients seek relief in the form of compensatory damages incurred as a result of Valve's illegal conduct, trebled, together with the cost of suit, including without limitation all arbitration costs, and reasonable attorneys' fees. To extent available under the Steam Subscriber Agreements and applicable law, our clients also seek injunctive relief to end the unlawful conduct and prevent further damage from Valve's continuing violations of law.

We are prepared to engage in good faith discussions for 30-days to attempt to resolve our clients' claims before we initiate arbitration against you under the mandatory arbitration provisions in the Steam Subscriber Agreements.

### B. Damages

Valve's illegal conduct has resulted in higher prices for PC gamers. In the competitive market for PC game distribution that would exist but for Valve's illegal price restraints, we would expect the cost of PC game distribution to approach the marginal cost, a price far lower than that charged by Valve. Given Valve's policies, it is difficult for would be competitors to even attempt to enter the market, but when they do attempt to break Valve's stranglehold, we see much lower pricing. For example, Epic Games charges an effective fee of between 7% and 12%, compared to Valve's 30% fee. That suggests an overcharge to consumers between 18% to 23%. Under the Sherman Act, those damages are subject to automatic trebling. As such, our clients are entitled to, at a minimum, between 54% and 69% of what they have spent on PC games as damages. On average, our clients have spent approximately \$4,000 on PC games on the Steam platform alone. That places trebled damages at between \$2,160 and \$2,760 per client.

The Sherman Act also provides for a mandatory award of attorneys' fees to a prevailing plaintiff. This is true for any prevailing plaintiff, even if the plaintiff only obtains nominal damages. *See, e.g., U.S. Airways, Inc. v. Sabre Holdings Corp.*, 11 Civ. 2725 (LGS) (S.D.N.Y. June 1, 2023) (awarding attorneys' fees where jury found damages of \$1, trebled to \$3). Because the parties must arbitrate each case individually, we reasonably expect that each case would incur tens of thousands of dollars in attorneys' fees.

# C. Settlement Proposal

In your July 25 letter addressed to our clients who noticed their claim on July 12, you asked for a wide range of pre-arbitration discovery and stated "Valve is prepared to discuss the facts of each individual subscriber's claim or dispute." The July 12 clients provided that information in the individual format you requested. A month later, Valve has failed to respond to a single email those clients sent and breached the good faith negotiation provisions of the agreement, which require such discussions to take place within 30-days. It is clear now that Valve is not, in fact, "prepared to discuss the facts of each individual subscriber's claim or



dispute." Presumably, Valve's request was, as we feared, aimed at securing delay rather than resolution.

The clients noticed in this letter are prepared to full their obligation to negotiate in good faith within the 30-day window provided for in their SSAs. These clients are further willing to provide pre-arbitration discovery, as our other clients did, that goes beyond what is required in the SSAs. But we will not expend valuable time providing you with such pre-arbitration discovery unless it is clear that Valve is serious about using that information to facilitate a settlement. As such, if Valve seeks information comparable to what was provided on behalf of our other clients, we seek a binding commitment from Valve as to the following:

- That Valve will respond to each individual demand within seven days of receiving it. Given that the entirety of the good faith negotiation is supposed to take place within a 30-day window, and reaching a resolution will likely take multiple rounds of back-and-forth, a prompt reply is necessary.
- That Valve will make, in its first response, a settlement proposal to any and all clients who have an account with Valve. Absent such a commitment, we believe Valve's responses are likely to continue to be aimed at delaying the resolution of this dispute.
- That Valve will provide to our clients with the total amount each has spent on the Steam platform, inclusive of all payment methods including but not limited to spending from credit cards, PayPal, gift cards, and Steam wallet funds, and inclusive of all purchases, including for PC games, in-game purchases, and downloadable content. If Valve seeks discovery prior to commencement of the arbitration, our clients should have access to a full accounting of their own accounts in exchange.

If Valve is unwilling to commit to the above, then we propose moving forward as we initially suggested, with a prompt resolution of all claims. As we noted in our prior letter, our clients are prepared, as a good faith offer of compromise, to resolve this dispute on the lower-end of the potential damages range: an average settlement of \$2,400 a case. Additionally, while we can expect to accrue substantially more in legal fees should our client's cases be litigated, as a compromise our clients only ask for legal fees amounting to 40% if we are able to reach a settlement promptly. All-in, our 63,107 clients are prepared to resolve their claims for an average of \$4,000 each.

Please let us know promptly if Valve is willing to make the commitments necessary for our clients to engage in pre-arbitration discovery or if this settlement offer is amenable to you. If neither is acceptable, please propose a settlement offer of your own. All communications regarding these claims as a whole should be directed to will@bucherlawfirm.com and angus@afnlegal.com. Any responses to emails or letters we sent on behalf of individual clients should be directed to the email that sent them. Please do not contact or communicate with our clients directly.



Regards,

# **BUCHER LAW PLLC**

By: Will Monny

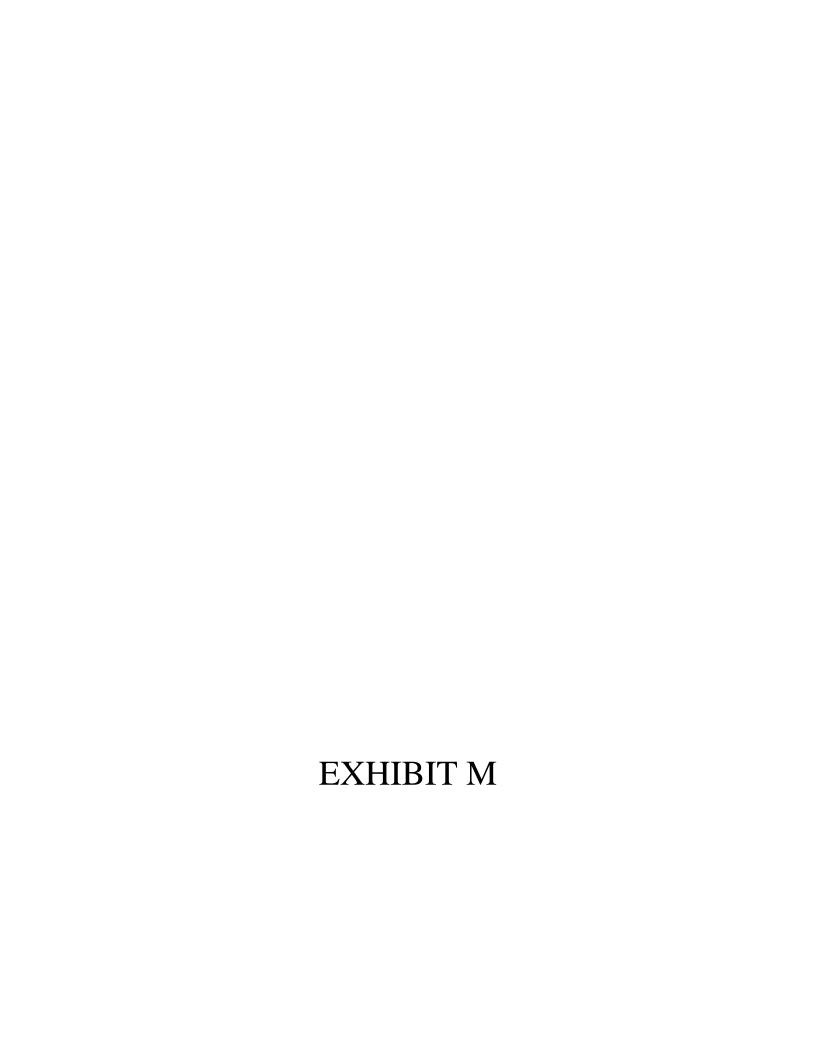
William Bucher 350 Northern Blvd STE 324 -1519 Albany, NY 12204-1000 202-997-3029 will@bucherlawfirm.com

AFN LAW PLLC

By

Angus F. Ni 502 Second Avenue 14th Floor Seattle, WA 98104 (646) 453-7294 angus@afnlegal.com

cc: (by email)
chriss@valvesoftware.com
gskok@foxrothschild.com
ccasper@mmwr.com
jpapianou@mmwr.com



Subject:

FW: Valve - Response to Demands

# \*\*CAUTION\*\* External Email

Mr. Papianou,

In Mr. Casper's July 25 letter he insisted that our clients provide individualized, "written notice that identifies each individual subscriber, and that subscriber's Steam account, gives the subscriber's location, describes the nature and basis of that subscriber's claim or dispute, and sets forth the relief that subscriber seeks." We did so.

Now, despite alleging that Valve was "prepared to discuss the facts of each individual subscriber's claim or dispute," Valve has not responded to a single one of those emails, breaching its obligation to negotiate in good faith within 30 days. Our clients are now entitled to, and have, filed arbitration demands with the American Arbitration Association. You can access copies of the demands at this link. For security, the password has been sent under separate cover.

Your purported difficulties in processing my clients' individualized written notices confirm what we feared: that the requests made in your colleague's July 25 letter were aimed at securing delay rather than resolution. In light of the challenges you seem to be facing managing these arbitrations on an individual basis, we hope you'll reconsider your willingness to work towards an efficient, joint settlement of all our clients' claims.

We appreciate your concern for our firm's servers and email and have confirmed with our software engineer that the emails used for our clients' individual demands are capable of receiving 30 emails a minute. Provided you respond on a rolling basis as you consider "the facts of each individual subscriber's claim or dispute," we don't expect any difficulty to arise from your response. If you intend to make individual settlement proposals or otherwise reply to those emails, please simply reply to those emails.

As for accommodations we can make, please let us know if there is another email address you'd like us to use for individual client communications. Until we hear otherwise, we will continue to only be able to send such emails to <a href="mailto:ccasper@mmwr.com">ccasper@mmwr.com</a>.

Finally, Mr. Ni and I would like to invite you and Mr. Casper to join us for a Zoom call on October 11 at 3:00 PM ET, noon PT. Please let us know if that time and date works for you.

Will Bucher Bucher Law PLLC 202-997-3029 350 Northern Blvd STE 324 -1519 Albany, NY 12204-1000