

Edelson PC wins \$50 million payout from 'social casino' litigation

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(February 18, 2021) - A Washington federal judge has awarded nearly \$50 million in attorney fees to a prominent plaintiffs' firm for its work in three consumer class actions against the operators of several app-based slot machine games.

Kater et al. v. Churchill Downs Inc. et al., Nos. 15-cv-612 and 19-cv-199, 2021 WL 511203 (W.D. Wash. Feb. 11, 2021).

Wilson v. Playtika Ltd. et al., No. 18-cv-5277, 2021 WL 512230 (W.D. Wash. Feb. 11, 2021).

Wilson v. Huuuge Inc., No. 18-cv-5276, 2021 WL 512229 (W.D. Wash. Feb. 11, 2021).

U.S. District Judge Robert S. Lasnik of the Western District of Washington issued three orders Feb. 11 granting Edelson PC's motions for attorney fees in its cases against Churchill Downs Inc., Playtika Ltd., Huuuge Inc. and others.

The litigation was "extremely risky" for the firm because it worked on a contingency basis and pursued the novel theory that the defendants had violated a state law requiring the return of money lost on illegal gambling, Judge Lasnik said.

Apps lead to 'disordered' gambling, suits said

Attorneys from [Edelson PC](#), a Chicago-based plaintiffs' firm that specializes in class-action litigation against tech companies, represented several consumers in lawsuits against the operators of "social casinos" — online apps that replicate slot machines and other casino games.

According to the suits, each of the apps give new users a certain number of free chips with which to play the games. The games give users the chance of winning additional chips. However, users must purchase chips to continue playing once their initial allotment runs out.

While users do not officially have the option of cashing out chips from the apps, the suit against Churchill Downs pointed to the existence of an online black market where users could buy and sell chips from each other.

The complaints cited academic research saying that about 58% of "disordered gamblers who were seeking treatment" were introduced to gambling through social casino games.

According to the suits, the mobile apps had violated [Wash. Rev. Code Ann. § 4.24.070](#), a law which requires the dealer or proprietor of an illegal gambling outfit to return all money to the losing player.

Edelson's three class actions resulted in nearly \$200 million in total settlements: \$155 million from the Churchill Downs litigation, \$38 million from the Playtika litigation and \$6.5 million from Huuuge Inc.

In each of the cases, the firm moved for attorney fees equaling 25% of the common fund, or \$49,875,000 in total.

Judge Lasnik granted Edelson's motions Feb. 11, saying that "class counsel performed exceptional work and achieved an exceptional result for the class."

He further noted that the firm's requests for 25% of the common funds were supported by the fact that contingency fees in similar "high-stakes, high-value mass litigation" typically hover around 30-40%.

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[Judicial profiles](#)

[Robert S. Lasnik](#), U.S. District Judge, W.D. Wash.

[Attorney profiles](#)

[Jay Edelson and Alexander G. Tievsky; Edelson PC, Rafey S. Balabanian, Todd Logan and Brandt Silver-Korn; Edelson PC for Plaintiffs](#)

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[Churchill Downs Inc., Playtika Ltd., Huuuge Inc.](#)