

IN THE SUPERIOR COURT OF FULTON COUNTY
STATE OF GEORGIA

CIVIL ACTION NO:

DESTINY KENNEDY,
On behalf of herself and all
Other Georgia citizens similarly situated,

Plaintiff,

CLASS REPRESENTATION

vs.

VGW HOLDINGS LIMITED, VGW
MALTA LIMITED, VGW LUCKYLAND INC.,
VGW GP LIMITED,

Defendants.

Plaintiff DESTINY KENNEDY brings this action on behalf of herself and all other citizens of the State of Georgia similarly situated (“hereafter Georgia citizens”) and Plaintiff sues Defendants VGW HOLDINGS LIMITED, including its subsidiaries VGW MALTA LIMITED, VGW LUCKYLAND INC., and VGW GP LIMITED.

PARTIES JURISDICTION AND VENUE

1. This court has jurisdiction over the subject matter of this action because it is a court of general jurisdiction and the damages sought by Plaintiff and on behalf of a group of Georgia residents (hereafter referred to as the “Class”) exceed \$50,000, the jurisdictional threshold for this court.
2. VGW HOLDINGS LIMITED is an Australian company that fully controls and operates its subsidiary companies, VGW MALTA LIMITED, VGW LUCKYLAND INC., and VGW GP LIMITED. VGW HOLDINGS LIMITED has admitted in its audited financial statements that it

fully controls and operates its subsidiary companies. Likewise, VGW HOLDINGS LIMITED operates an internet website “vgwplay.co” that directly links consumers to its subsidiary companies’ internet casino operations. VGW HOLDINGS LIMITED, along with these subsidiary companies, actively operate and market internet gambling websites within the State of Georgia and Fulton County, which websites and operations are unpermitted and illegal under Georgia law.

3. VGW LUCKYLAND INC. is a Delaware corporation. VGW LUCKYLAND INC. maintains an office in San Francisco California. VGW LUCKYLAND INC. conducts business throughout Fulton County and the state of Georgia.

4. VGW MALTA LIMITED is a company formed in the Island of Malta and also maintains offices in Australia. VGW MALTA LIMITED conducts business throughout Fulton County, and the state of Georgia.

5. VGW GP LIMITED is a company formed in the Island of Malta. VGW GP LIMITED conducts business throughout Fulton County, and the state of Georgia.

6. This court has personal jurisdiction over VGW HOLDINGS LIMITED, including its subsidiaries VGW MALTA LIMITED, VGW LUCKYLAND INC., and VGW GP LIMITED pursuant to OCGA § 9-10-91. VGW HOLDINGS LIMITED, the parent company of VGW MALTA LIMITED, VGW LUCKYLAND INC., and VGW GP LIMITED, actively controls and actively operates these subsidiaries and exercises sufficient control over the subsidiaries to render VGW MALTA LIMITED, VGW LUCKYLAND INC., and VGW GP LIMITED as agents or alter egos of VGW HOLDINGS LIMITED.

7. Hereafter VGW HOLDINGS LIMITED is referred to as “VGW HOLDINGS”. VGW MALTA LIMITED is referred to as “VGW MALTA”, VGW LUCKYLAND INC., is referred to

as “VGW LUCKYLAND” and VGW GP LIMITED is referred to as “VGW GP”. Throughout this Complaint when Plaintiff refers to VGW HOLDINGS, VGW MALTA, VGW LUCKYLAND, and VGW GP collectively, Plaintiff identifies these combined Defendants acting in concert as “VGW”.

8. Venue is proper in Fulton County pursuant to OCGA § 9-10-93. because a substantial part of the events giving rise to the claims asserted herein occurred in Fulton County and because VGW committed acts that are the basis for this lawsuit proceeding in this county.

9. VGW actively promotes and operates internet gambling websites that target citizens of the State of Georgia or Georgia citizens and constitute conducting business within the state of Georgia and Fulton County.

10. Plaintiff is a natural person and citizen of the state of Georgia who resides in Fulton County, Georgia at all times material to this Complaint.

11. Between September 7, 2023, and December 3, 2023, Plaintiff registered and entered into internet casino websites operated by VGW MALTA, VGW LUCKYLAND, and VGW GP, which are owned and controlled by VGW HOLDINGS. During that period Plaintiff lost approximately \$1,150, playing the casino games of chance that are promoted and operated by VGW on these internet websites (\$500 on Chumba, September 7 and 12, 2023; \$449.95 on Luckyland, September 12, 2023; \$200 on Global Poker, December 3, 2023)

12. Plaintiff is authorized to bring this action because Plaintiff was damaged by the illegal gambling operations conducted by VGW, and because Plaintiff has not agreed to any form of arbitration or alternative dispute resolution. This is because in accordance with the Terms of Service contained in VGW’s websites, by August 27, 2023 (Chumba and Luckyland), reaffirmed November 20, 2023, and November 29, 2023 (Global Poker), Plaintiff timely “opted out” of any

obligations to participate in arbitration or alternate dispute resolution. Copies of Plaintiff's notices are attached as Composite Exhibit "A" and incorporated as part of this Complaint by reference.

13. Plaintiff is also authorized to bring this action on behalf of other similarly situated Georgia citizens who have gambled on VGW websites.

14. VGW actively promotes and operates internet gambling websites that target citizens of the State of Georgia or Georgia citizens and the actions of VGW constitute conducting business within the state of Georgia and Fulton County.

INTRODUCTION

15. VGW HOLDINGS actively owns and operates three companies as its agents or alter egos to conduct gambling operations in the State of Georgia. These companies are VGW MALTA, VGW LUCKYLAND, and VGW GP. These companies claim to be video game development business entities and operators of a "social casino". In reality, VGW has created, and operates popular virtual internet gambling casinos that market online gambling casino games under the names "Chumba Casino" (hereinafter also referred to as "Chumba"), which is operated by VGW MALTA, "LuckyLand Slots" (hereinafter also referred to as "LuckyLand"), which is operated by VGW LUCKYLAND, and "Global Poker", operated by VGW GP. Collectively, these sites are also referred to as "the games" or "casino games" when the websites are described in general terms.

16. In these casino games VGW offers a multitude of electronic versions of slot machines, blackjack, poker, and at all times material to this action, roulette or a form of a lottery wheel. The games are available to play online at chumbacasino.com for Chumba or VGW MALTA, luckylandslots.com for LuckyLand or VGW LUCKYLAND, and globalpoker.com for Global

Poker or VGW GP, which, in addition to poker, provides both games of blackjack and slot machines.

17. VGW has represented to the citizens of Georgia that VGW operates video game or arcade game websites permitting just for fun gameplay. However, in reality VGW has intended to and actually operates websites that are internet gambling casinos where Georgia citizens and other customers and consumers wager and lose real money. In some sense VGW has attempted to camouflage key components of the operations as “sweepstakes”.

18. VGW HOLDINGS and VGW GP operate slot machines and blackjack games, similar to Chumba and LuckyLand. In addition, VGW through VGW GP also hosts on-line poker games and takes a percentage of the money wagered by Georgia citizens playing online poker. The percentage ranges from 2.5 percent to 15 percent in what is identified on globalpoker.com as “the rake”, for which VGW is liable in accordance with OCGA § 13-8-3. In addition, Global Poker or VGW GP operates slot machines and blackjack games, similar to Chumba and LuckyLand.

19. All of VGW’s games are identical to gambling or games of chance that exist in legally permitted, but highly regulated brick-and-mortar gambling casinos. The difference is that VGW’s casino games are operating illegally under Georgia law.

20. In exchange for payment of “real money” or dollars from consumers or Georgia citizens, VGW sells virtual currency, or “coins” that can be used to wager on games of chance. VGW has established a scheme to deprive consumers of their money or dollars by providing consumers the potential to win and collect real money prizes or dollars. VGW uses these coins to both give consumers a false sense of security, while hiding that VGW are engaging in real money gambling. Likewise, VGW has used this scheme to attempt to mislead regulators about the true

nature of VGW's operations. The terms "consumer", "consumers", and "customers" as used in this Complaint are intended to solely mean "Georgia citizens" or "citizens of the state of Georgia".

VGW Formation, History and Intent To Create Internet Online Gambling

21. For over a decade VGW has developed and marketed online gambling in the United States. As early as 2012, the billionaire founder/CEO of VGW HOLDINGS, Laurence Escalante, expressed his intent to create virtual gambling casinos that would offer consumers the opportunity to gamble online with "real money" outside the United States, and at that time purportedly within the United States with "virtual currency".

22. Laurence Escalante outlined the plan during a televised or recorded conference at the "Launch Festival, March 7 and 8, 2012, at the San Francisco Design Center." A video presentation of this expressed intent can be found at <https://www.youtube.com/watch?v=M-ekhp92V-0&list=PPSV>. From 2012 through the present VGW and Laurence Escalante have advertised that they look to combine "virtual currency and gambling", eventually shifting into creating online gambling operations for real money in the United States. For several years VGW has targeted Georgia citizens and operated online real money gambling casinos within Georgia, a large market known for having extensive restrictions regarding gambling.

Summary of VGW General Procedure To Market Internet Gambling

23. In Georgia, as with other states, VGW entices visitors to play on the sites by selling "coins" and offering a "free-to-play" option where players receive a bundle of free "coins" to play VGW's casino games of chance. After the customers inevitably lose these coins, they are prompted to purchase more if they wish to continue playing the games of chance.

24. Freshly topped off with additional coins, consumers wager to win more coins. The coins won by consumers playing VGW's games of chance are identical to the coins that VGW sells. Thus, by wagering coins that were purchased, consumers have the chance to win additional coins that they would otherwise have to purchase.

25. None of these types of coins, which are titled "Gold Coins" may be redeemed for money. However, through this process, a consumer or Georgia citizen expends money to play casino games for the experience of the game and the experience of games of chance or gamble. The exclusive purpose of selling consumers and Georgia citizens the "Gold Coins" is to cause consumers to play VGW's games of chance. It is very difficult for consumers to play VGW's games without purchasing "Gold Coins" and impossible to play any of the games without maintaining a balance of coins that the consumer can wager.

26. More importantly, when consumers or Georgia citizens purchase "Gold Coins", VGW provides an additional allotment of special coins that are titled "Sweeps Coins". Consumers and Georgia citizens can use the "Sweeps Coins" to play the games and win or lose real money. This is where the Georgia citizens are truly lured into gambling, because "Sweeps Coins" can be gambled and redeemed for dollars on a 1 to 1 basis.

VGW's Operations – Internet Cafés

27. VGW may claim it is a sweepstakes, and Sweeps Coins are part of the sweepstakes operation. However, VGW parrots the same claim that brick-and-mortar internet sweepstakes facilities, formerly known as internet cafés, tried to justify their gambling operations across the state of Georgia in 2010-2011. However, as described below, the internet cafés were shut down through criminal prosecution and through legislation passed by the Georgia General Assembly in

2012. The only material difference between VGW and the internet cafés is that VGW now operates exclusively on the internet rather than in conducting gambling on the ground in Georgia.

28. In the early 2010s, across the United States, the spread of “Internet Sweepstakes Cafés” or “Internet Sweepstakes Facilities” (hereafter “internet cafés”) became an epidemic. Georgia was no exception to this.

29. These illegal gambling operations would claim to sell internet time or phone cards to consumers and, as part of an alleged “sweepstakes promotion”, consumers would receive “sweepstakes points” or “sweepstakes credits”. These “points” or “credits” – which were redeemable for cash – would be used to wager and gamble on casino style games of chance that were played on computer terminals through the internet at the internet cafés.

30. This ploy to circumvent gambling laws was highly lucrative for a time, despite the scheme clearly being gambling under Georgia law. In 2012, the Georgia General Assembly passed Senate Bill 431 to establish that these so called “sweepstakes promotions” like VGW’s are in fact schemes of chance, which are now recognized as gambling under Georgia law, as identified in OCGA §§ 10-1-393, 16-12-20, and 16-12-22.

31. Criminal charges were brought against operators of the Georgia internet cafés and in *Patel v. State of Ga.*, 341 Ga. App 419, 801 S.E.2d 551 (2017) the Court of Appeals of Georgia recognized that businesses, even like gas stations that provide customers access to computer games or video games of chance that result in the payout of lottery tickets or money constitute commercial gambling operations under Georgia law.

32. However, innovation is a constant where there are financial incentives, and criminal activities are not exempt from that fact. The gambling internet café operations have transitioned

into calling the internet home and operate commercial gambling forums, just like the internet sweepstakes cafes or even brick and mortar casinos.

33. VGW pioneered this migration of “sweepstakes casinos” to the world wide web and since 2013, VGW has knowingly, intentionally, willfully, and illegally won *billions of dollars* from its gambling operations, while also lying to the public and proclaiming that VGW’s operations are legal.

VGW’s Pretextual Claim That It Is A Sweepstakes

34. VGW’s attempts to thwart Georgia law by boldly and falsely claiming that the VGW websites are legal operations and part of a “social casino” that is offering “sweepstakes promotions”.

35. VGW claims the coins that consumers and Georgia citizens purchase, the “Gold Coins”, have no redeemable monetary value. However, when purchasing these “Gold Coins”, VGW also issues the consumer or Georgia citizen also an allocation of what VGW calls or categorizes as “Sweeps Coins”. These “Sweeps Coins” have redeemable monetary value and may be cashed in for dollars that can be deposited to the wagering Georgia citizen’s bank account or digital wallet or converted to gift cards, at an exchange rate of 1:1 (one “Sweeps Coin” being equivalent to \$1).

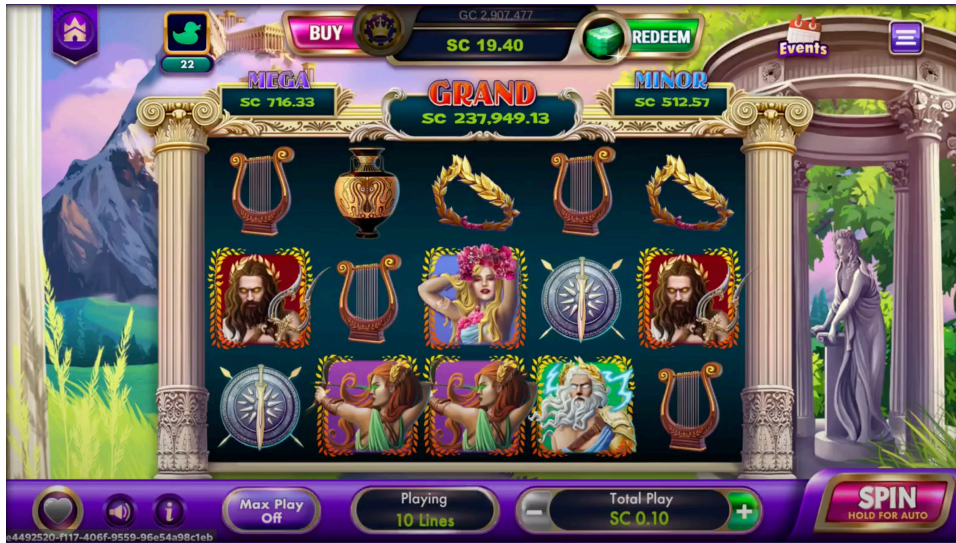
36. Consumers may use the “Sweeps Coins” to wager on games of chance such as online slot machines, online blackjack, online poker and more in the hopes of winning more “Sweeps Coins” and ultimately more money. The sale of “Gold Coins” is nothing more than a pretext for the purchasing of and wagering with “Sweeps Coins” in what amounts to a real money online gambling casino – the exact type of operation that the Georgia General Assembly has prohibited.

37. VGW controls and operates at least three popular casino Internet sites. These are Chumba Casino, operated through VGW MALTA, LuckyLand Slots, operated through VGW LUCKYLAND, and Global Poker, operated through VGW GP.

38. VGW offers games of chance – including but not limited to slot machines, blackjack, and poker.

39. VGW makes money by taking the other side of the consumers' / bettors' wagers (betting against the consumer) Georgia citizens in all of their games, except for the poker games that exist on VGW GP where VGW makes money by taking a "rake" (a percentage of every pot or wagers made in a hand of poker) or by charging a fee for organizing poker tournaments.

40. All of VGW's games are games of chance where algorithms assign results after the wager is placed. Once a user presses a button on the consumer's computer, phone, tablet or electronic device of any kind, VGW's computer servers display entertaining game images to the consumer / bettor and the result of the game is decided by code on VGW's computer servers. VGW's games possess a user interface identical to games of chance that may be found in brick-and-mortar casinos. The images below exemplify the types of games, that are found on VGW's websites.





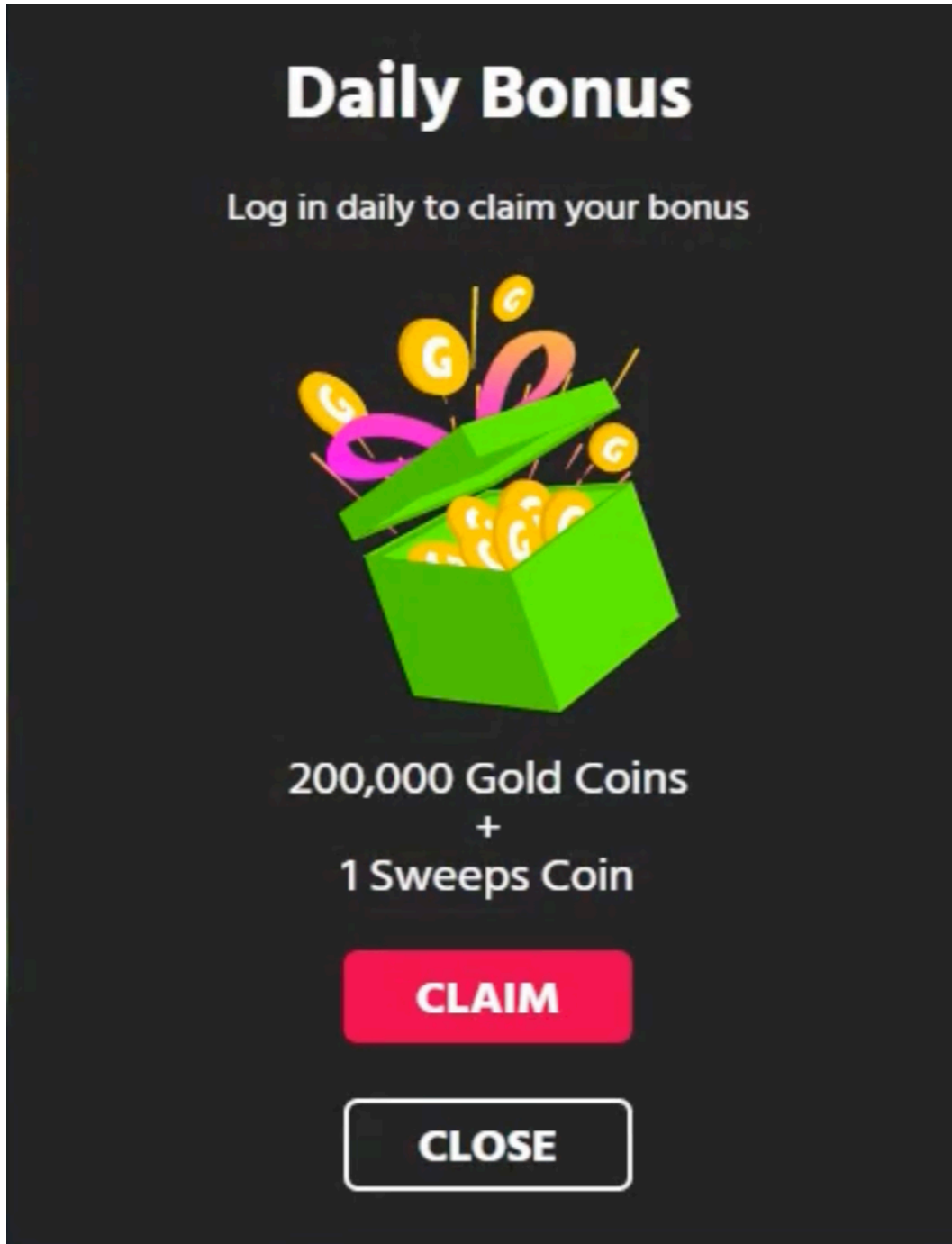
41. When playing VGW's games of chance, consumers put at risk or wager money or things of value in the hopes of winning more money or additional things of value.

42. VGW operates an obvious gambling scheme or commercial gambling business.

VGW's Paper Thin Effort To Camouflage Its Gambling Operations

43. VGW's attempt to camouflage its illegal gambling scheme hinges upon its promotion of a two-tiered system of "coins". To play on VGW's gambling websites, consumers and Georgia citizens may choose between wagering "Gold Coins" (hereafter also referred to as "GC") and "Sweeps Coins" (hereafter also referred to as "SC") (referred to collectively as the "coins"). GC may be used only to play the games on the sites and cannot be redeemed for cash or money. SC, however, may be redeemed for cash to the consumers bank account or digital wallet, or as gift cards at an exchange rate of 1:1 – 1 SC is equal to \$1.

44. When consumers visit VGW's websites for the first time, the consumers are awarded a nominal allocation of "free coins". Consumers also receive coins as a free daily bonus once a day when logging in to their accounts. An example of the popup message for this "Daily Bonus" (for Chumba) is below:



46. As can be seen above, the Daily Bonus of GC is 200,000, which can only be used to play the casino games. However, the Daily Bonus of SC is much lower or “1”, which is the equivalent of \$1 Dollar that can be redeemed later for cash, so long as the consumer or Georgia citizen plays the casino games and doesn’t lose the 1 SC, or wins more SC.

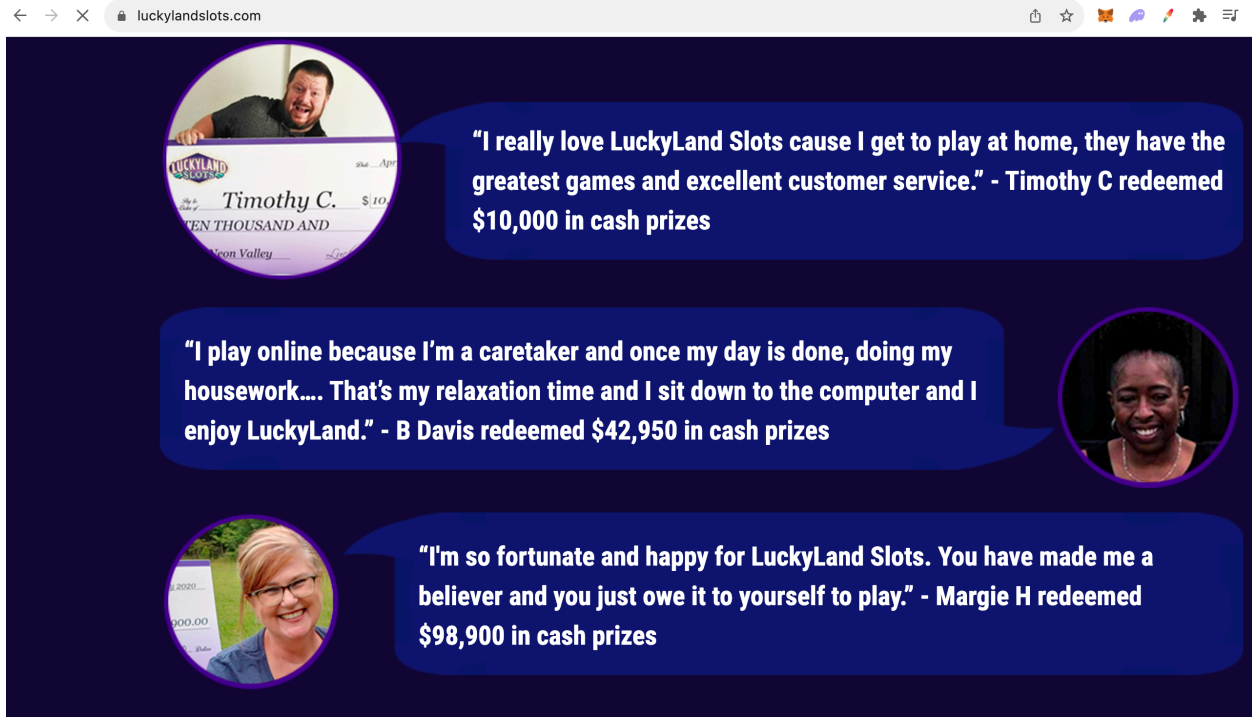
47. Consumers play games on the platform in what VGW refers to as “standard mode”, or “standard play” using the GC. Consumers or Georgia citizens play in what VGW refers to as “promotional mode” or “promotional play” using SC. Consumers may switch between these two modes easily and as frequently as they would like. An example of the toggle button permitting this switching is shown below:



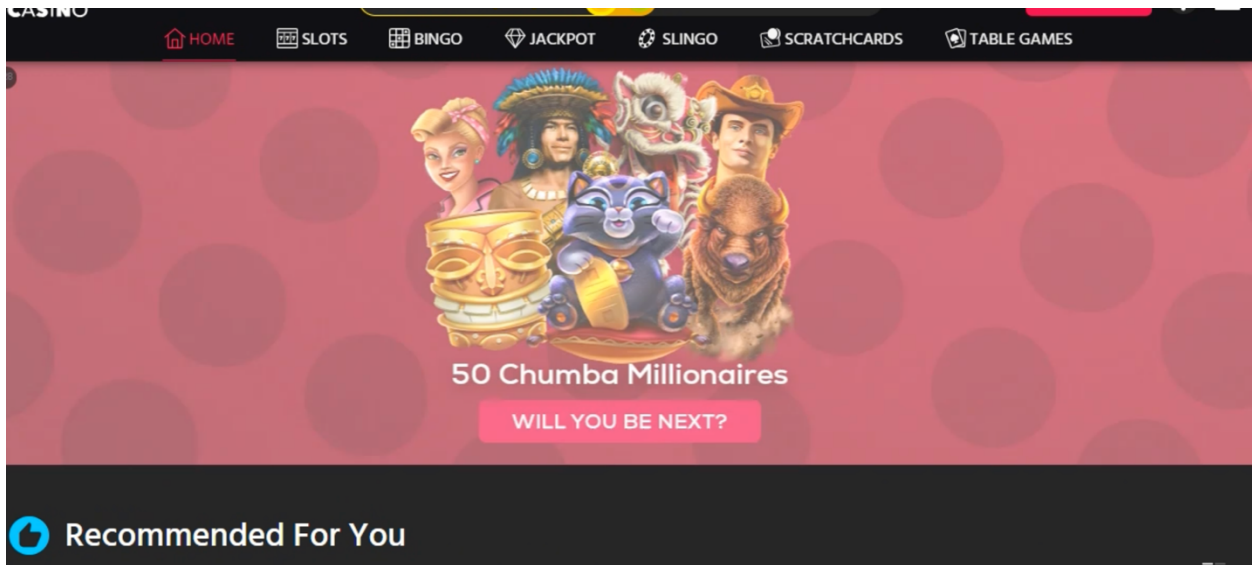
48. It is important to note that it is only possible to play VGW’s games through the wagering of either GC or SC. It is impossible for a consumer to play VGW’s games when the consumer does not have a balance of coins in an account with VGW.

49. The award of GC in “standard mode” is the way consumers or Georgia citizens can continue to play games in “standard mode” and either win more GC from the casino games or replenish their losses of GC by purchasing more GC.

50. However, when “standard mode” play with GC is compared to playing in “promotional mode” with SC, it is clear that accumulating SC is the be all end all of VGW’s platforms. There appears to be no evidence of testimonials by consumers of how they have won GC from VGW’s websites. However, the internet contains numerous examples of testimonials from happy gamblers of how they have won SC. For example, message boards such as Reddit are populated with players discussing wins and losses of SC. YouTube “influencers”, who are sponsored by VGW, have recorded themselves playing with SC for years. LuckyLand’s own website shows consumer testimonials telling of their large cash prizes consumers / bettors throughout the United States have won through the wagering of SC. A sample of such testimonials is shown below:



Chumba advertises how it has created “50 Chumba Millionaires”, and asks, “Will You Be Next?”.



Likewise, internet video advertisements such as those shown below in October and November 2023 display gigantic sized checks to emphasize how consumers can win big money on VGW’s sites.

← Create 🔍 📷

BETTY W
REDEEMED \$44,500.00

LAND SLOTS *Sept. September 2022*
Betty W. \$ 44,500.00
FOUR THOUSAND FIVE HUNDRED AND 00/100 *2022*

ISN'T IT GREAT?

NO PURCHASE NECESSARY.
VGW Group. Void where prohibited by law. See ToS. 18+

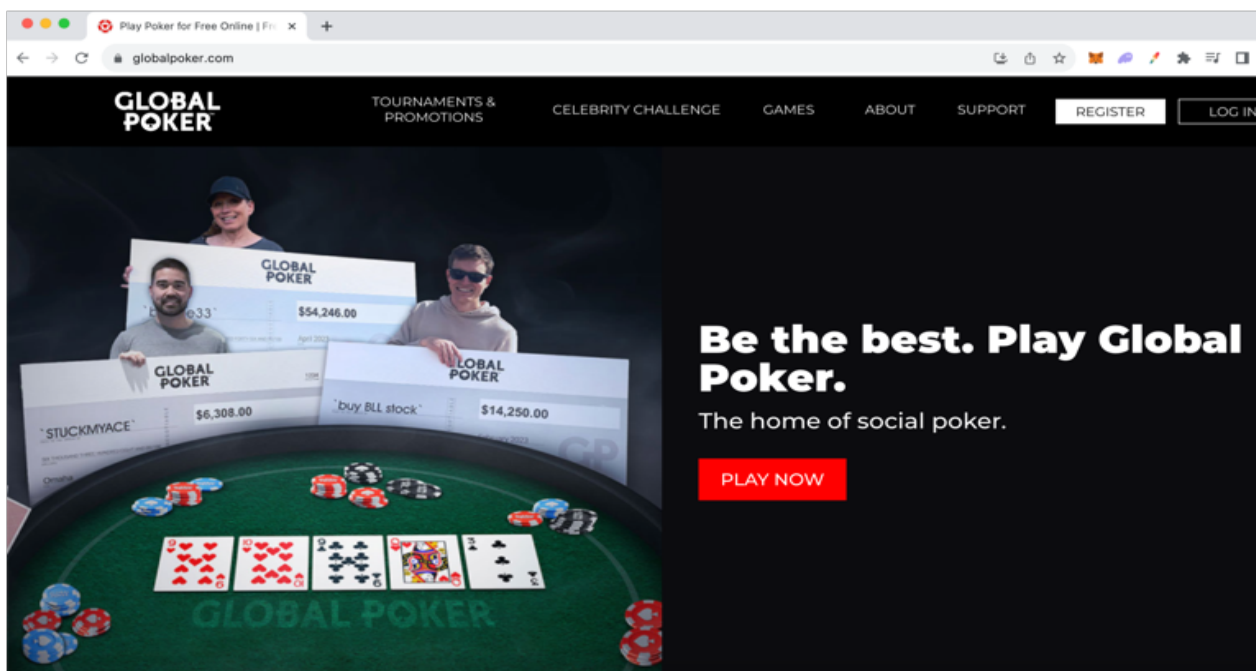
311
LUCKYLAND SLOTS
PLAY NOW

👍 777
💬
13

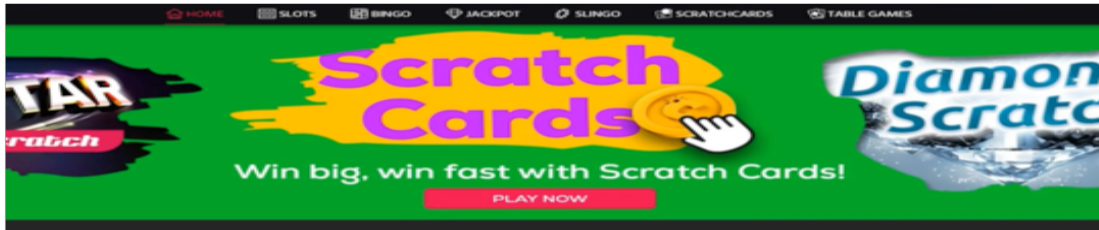
Based in Australia

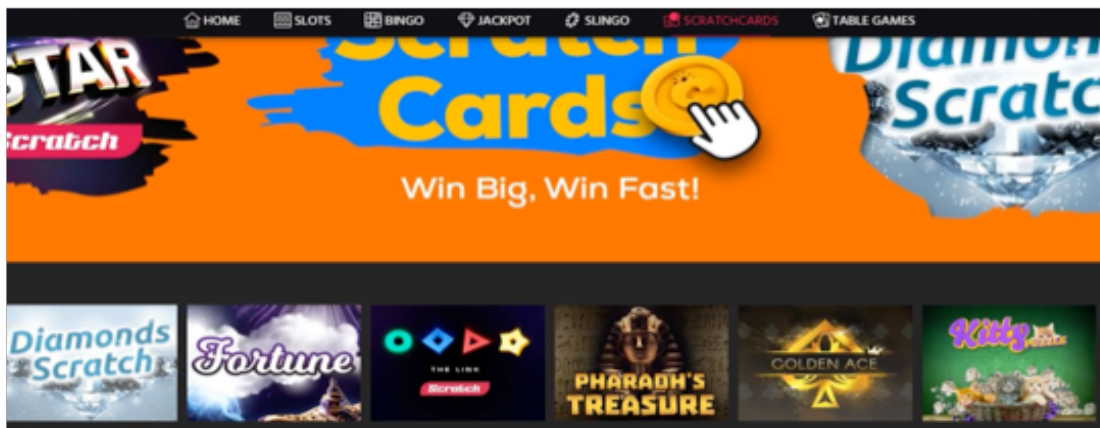
LuckyLand... 🌐 [Follow](#) [Send](#)

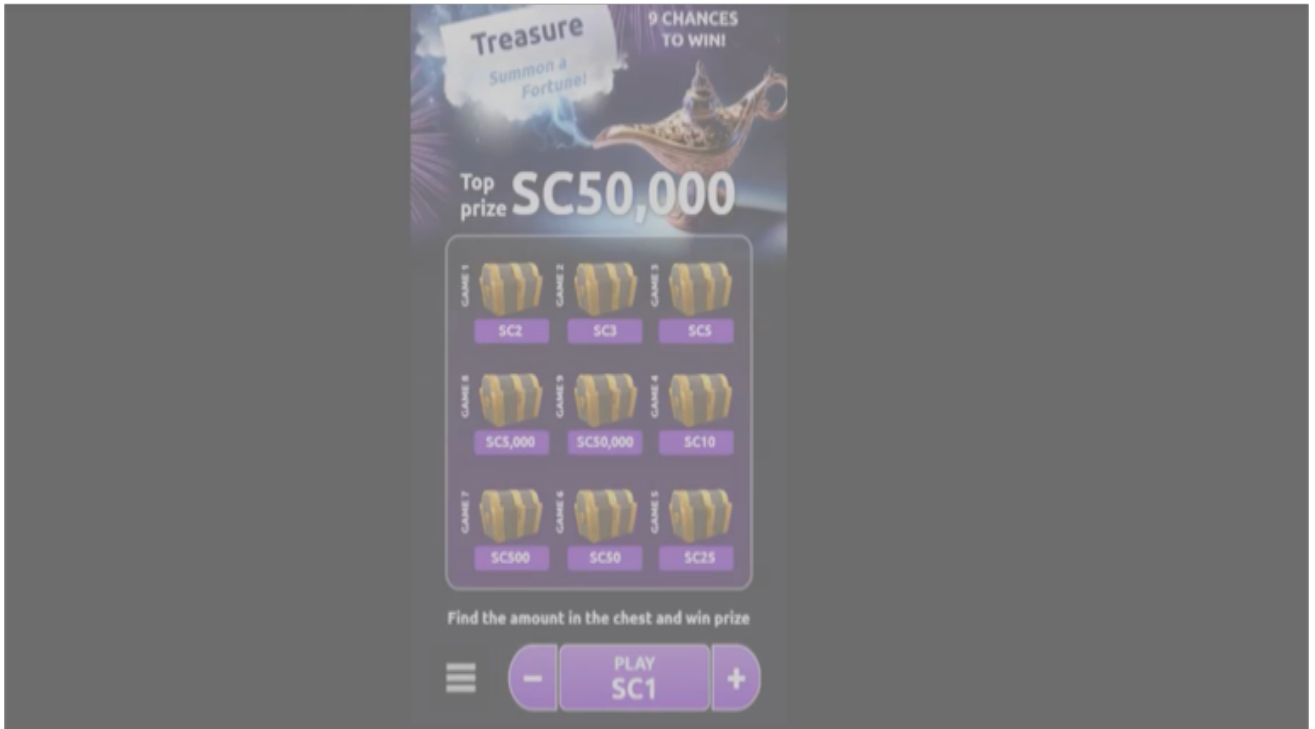
🌟 A huge congrats to Betty,... more ⋮



51. Indeed, VGW advertises that the websites function as gambling operations since the sites call themselves “Chumba **Casino**”, “LuckyLand **Slots**” and “Global **Poker**”. Furthermore, shown below is LuckyLand’s own logo where it prominently displays stacks of cash with “SC” written on them, emphasizing the importance of the SC versus GC. And VGW has now boldly ventured into marketing and selling lottery scratch off card games, in direct competition with state-controlled lotteries, as shown below.





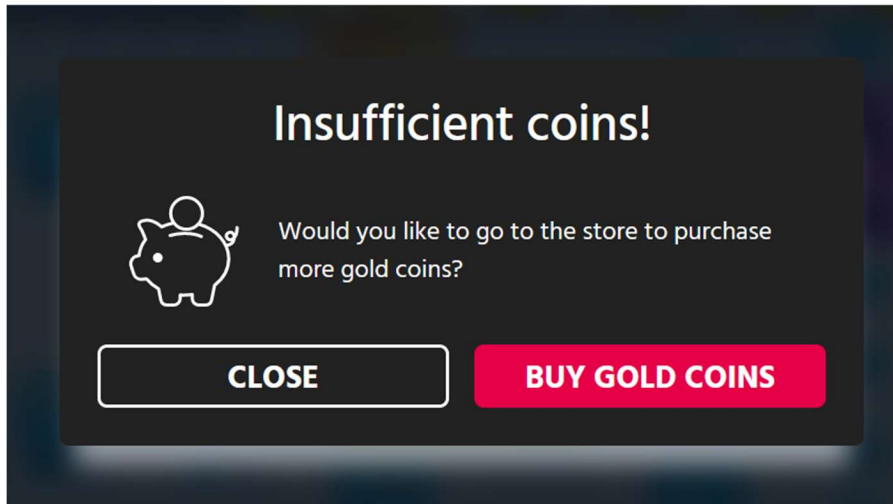


By advertising the money that can be won, the importance of the SC and by advertising the sites as casinos, VGW clearly intends money gambling to occur on VGW's websites.

52. When consumers or Georgia citizens play VGW's games they wager coins on games of chance with the hopes of winning more of the coins that they wagered. Routinely, after they begin playing, consumers or Georgia citizens quickly lose their allotments of coins. This is because a consumer or Georgia citizen is playing games of chance that are skewed heavily in the

favor of VGW casino operations – just like in brick-and-mortar casinos that exist in other states. Furthermore, as with brick-and-mortar casinos, the longer a consumer or Georgia citizen plays VGW’s games the more likely VGW will ultimately win, and the consumer or Georgia citizen will exhaust the coins. To make matters even worse, VGW, unlike brick-and-mortar casinos in other states, is not subject to a single regulation to ensure fair and legal practices or to ensure that VGW’s games provide the chances of winning that VGW advertises.

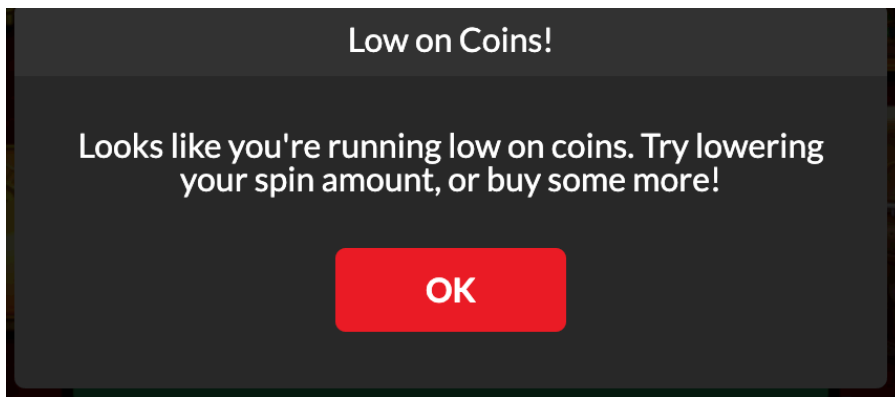
53. When playing with SC – which is the equivalent of playing with real dollars since SC may be redeemed for real cash and cash equivalents – after the consumers or Georgia citizens lose all the SC, VGW immediately informs the consumers or Georgia citizens that they have insufficient coins to place a wager. On Chumba users are presented with the below message instructing them to purchase more GC – as a mechanism to receive SC.



On LuckyLand the user is immediately redirected to the store, as shown below:



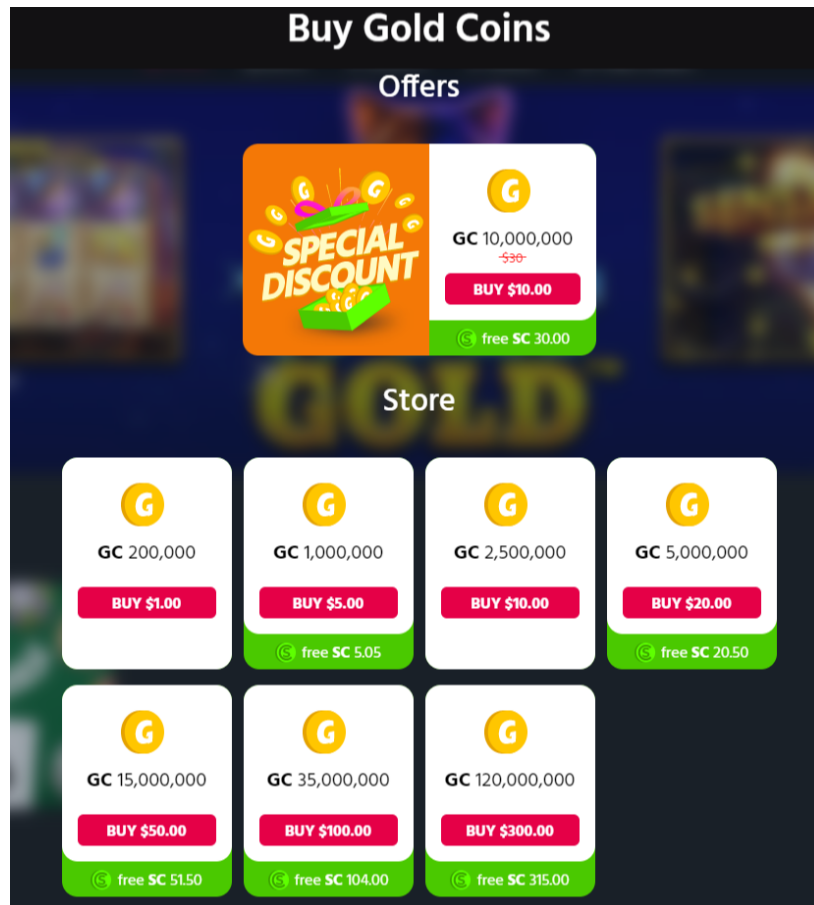
On Global Poker the users receive the below message telling them to go purchase coins.



The message is clear. To keep wagering SC, spending money on GC is the way to go about it.

What the consumer or Georgia citizen really values and is actually purchasing is SC.

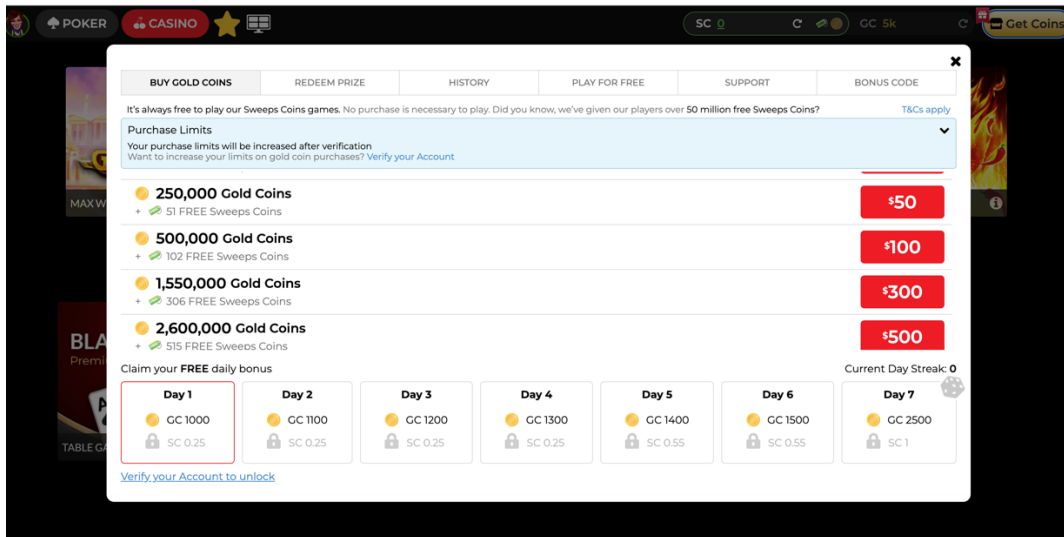
54. When playing on Chumba, upon clicking “Buy Gold Coins”, consumers are redirected to the “Store” where they can purchase more GC. The majority of the purchase packages also offer SC as part of the purchase of GC. The SC amounts are prominently highlighted by VGW in green, likely intended to symbolize the color of money. Shown below is an image of the Chumba Store.



55. In LuckyLand, after exhausting their SC balance, consumers or Georgia citizens are directed to the “LuckyLand Store” to purchase more GC. Every purchase package of GC provides SC which are likewise prominently displayed in green. An image of that store is below:



56. On Global Poker, when consumers no longer have any SC available to wager they are directed to the store to purchase more coins as well. It is clear that when purchasing GC consumers receive SC. An image from Global Poker is shown below:

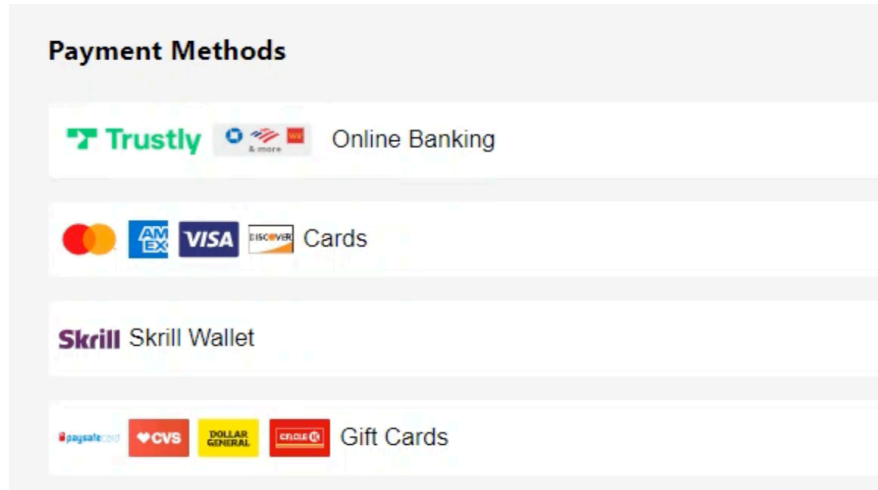


57. In the VGW sites and stores consumers or Georgia citizens are offered multiple options to purchase coins and purchase packages can vary. However, for Chumba, prices generally range from \$1.00 for 200,000 GC to \$1,000 packages for 400,000,000 GC; for Global Poker \$2 can be

used to purchase 10,000 GC, up to \$500 for 2,600,000 GC; for LuckyLand purchase packages range from \$9.99 for 40,000 GC to \$299.99 for 2,100,000 GC. So, there is enormous variance between sites in how much a \$1.00 payment will net in terms of GC.

58. However, the SC delivered in these packages is much more consistent as it tends to be approximately a 1:1 ratio to the “real money” purchase price the consumer or Georgia citizen pays – with some extra SC given when the consumer or Georgia citizen spends greater quantities of dollars. For example, on Chumba and LuckyLand a \$300 purchase package would produce 315 SC; on Global Poker a \$500 package would produce 515 SC. This small extra amount of SC compared to the dollars spent by consumers or Georgia citizens is similar to brick-and-mortar casinos giving “comps” of meals, hotel stays or free wagers to consumers who spend more money in the brick-and-mortar casinos. VGW also often throws in, or comps, a bonus of extra SC to the consumers so they will play more. This also shows that it is the SC that has value, whereas the GC is more of the bonus, or throw in since GC appears to have no value consistent or relative to the amount that the consumer or Georgia citizen pays to play the casino games.

59. VGW’s websites accept payment of dollars in exchange for coins through many forms, including, but not limited to, debit cards, credit cards, bank transfers, gift cards and digital wallet transactions. An example of the payment options is shown below.



60. All of VGW’s games are known to be games of chance or gambling that can be found in brick-and-mortar casinos. All of VGW’s games of chance, with the exception of poker, require no skill, nor do they test skill in any way. VGW’s games accept wagers of things of value – in the form of digital coins – which have monetary value and may be redeemed for cash and cash equivalents.

61. The bettors or consumers or Georgia citizens wager these coins on VGW’s games in the hope of gain in the form of earning more coins which is equivalent to gaining more money due to the redeemability of the SC for cash. The accumulation of GC allows the Georgia citizen to continue to play games in standard mode without having to purchase additional GC.

62. All games on VGW fit the Georgia statutory definition of a “gambling device”, and “commercial gambling” as defined in OCGA §§ 10-1-393, 16-12-20 and 16-12-22.

63. Playing games of chance on VGW’s websites, including wagering with SC, is clearly real money gambling as SC can be redeemed for cash or real money with an exchange rate of one SC equal to one dollar. This gambling of dollar equivalents is how VGW actually makes its profits.

VGW’s Gambling Operations Utilize Sweeps Coins To Attempt To Avoid Georgia Law And Reap Gambling Profits From Georgia Citizens

64. VGW has attempted to create a scheme to attempt to avoid Georgia laws related to operation of illegal commercial gambling operations.

65. VGW may claim it is not a gambling operation but is a sweepstakes. VGW's claim is that the SC it markets to consumers and Georgia citizens has no value because it cannot be redeemed for money by a consumer or Georgia citizen at the time of purchase or acquisition.

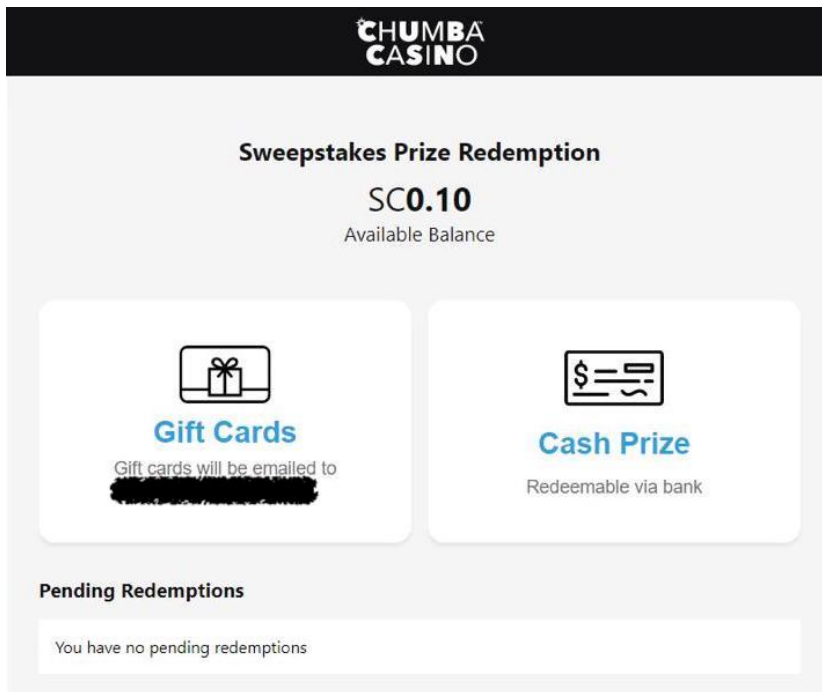
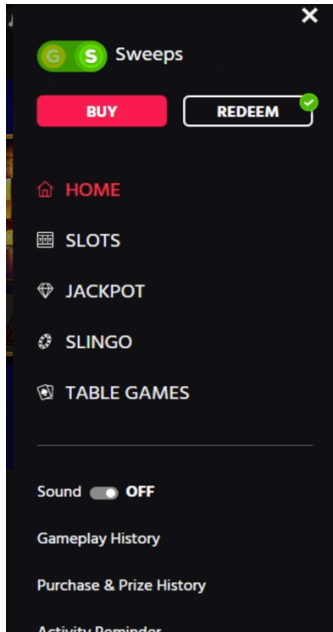
66. VGW's claim is that the SC may have no value and this somehow converts VGW's obvious illegal gambling operation into a "sweepstakes" that can operate legally. <https://www.chumbacasino.com/sweeps-rules>." However, VGW and the subsidiaries operations are clearly prohibited under OCGA §§ 10-1-393, 16-12-20 and 16-12-22.

67. VGW's claim that "...Sweeps coins cannot be purchased and [have] no inherent value. ..." <https://www.chumbacasino.com/about-us> is extremely disingenuous and contrary to VGW's own advertisements. The GC purchase packages sold to consumers and Georgia citizens prominently display the amount of SC the consumer or Georgia citizen receives, VGW's websites advertise how SC can be redeemed with payment of money from VGW being sent directly to consumers' bank accounts, digital wallets, and gift cards where 1 SC is equal to 1 Dollar.

68. Additionally, it is no mistake that at the time of purchase of GC, the amount of SC available to the consumer or Georgia citizen is nearly 1 to 1 for the dollars that the consumer or Georgia citizen spends. Obviously, the consumer or Georgia citizen would not be spending, for example, \$300 to receive 100 SC, much the same way that no one at legally permitted brick-and-mortar casinos in other states would pay \$300 to receive only \$100 in casino chips.

69. Once a consumer or Georgia citizen starts wagering SC on VGW's websites, and has a sufficient balance, the redemption button is prominently displayed and clearly identifies that the

consumer or Georgia citizen can redeem the SC for cash or cash equivalent gift cards. Below are images showing the redemption process on Chumba Casino. The process is identical for LuckyLand and Global Poker.



**CHUMBA
CASINO**

Sweepstakes Cash Prize Redemption

How many Sweeps Coins would you like to redeem?

SC 0.10 available

SC100.00 Minimum

The redeemed value of your sweepstakes prize will be **\$0.00** USD

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70. Unlike legally permitted casinos in other states, VGW uses unpermitted techniques to force consumers or Georgia citizens to play VGW’s games, and eventually lose their SC balance. These techniques include establishing restrictions on how and when SC can be redeemed and turned into money. For example, on Chumba and Global Poker the minimum permitted redemption amount is 100 SC to be redeemed for \$100; on LuckyLand, the minimum is 50 SC to be redeemed for \$50. Therefore, any balance below those thresholds remains stuck on the site and cannot be withdrawn or deposited. This is VGW’s way to force consumers or Georgia citizens to continue gambling and more likely lose SC. Likewise, VGW also permits only one redemption of SC per time that the consumer or Georgia citizen is utilizing the websites. Further, VGW has implemented weeks long delays to “approve” and “process” redemptions of SC. These restrictions are designed to further entice consumers to cancel their redemption requests and continue playing the casino games.

71. Such techniques or restrictions aren't even legal at brick-and-mortar casinos which are highly regulated in other states. In fact, VGW does not follow a single law or regulation that legally permitted and regulated brick-and-mortar casinos must follow in other states.

72. As a part of VGW's gambling scheme and attempt to maintain a façade of legality, consumers can accumulate SC in multiple ways:

- a. By receiving SC upon the purchase of specifically marked packages of Gold Coins;
- b. By entering "Sweeps Coins no-cost give away contests" on the games' Facebook pages;
- c. By sending a request by mail to VGW MALTA, VGW LUCKYLAND, and VGW GP, respectively; and,
- d. As a "Daily Bonus" given when logging on to the players account (once per day). <https://www.chumbacasino.com/sweeps-rules>.

Consumers or Georgia citizens, however, are highly incentivized toward option "a." This is because option "a" is instantaneous and allows large amounts to be purchased.

Whereas the other options vary from very difficult and slow (taking months to write, send letters and receive credits for sending a mail request) to very small (only receiving 1 SC per day from the "Daily Bonus"). The purchase of GC is the easiest and quickest way for a consumer or Georgia citizen to obtain SC and serves as a pretext to sell SC and facilitate real money gambling.

73. Consumers or Georgia citizens can play the same casino games using SC that they would play with GC. The significant difference is that when a consumer plays the casino games with GC, a consumer or player can only win or lose GC, whose value exists solely in allowing the

consumers to play the games and continue entertainment without needing to pay more money to purchase GC. However, winnings of SC can be redeemed for dollars in consumers' bank accounts, digital wallets, gift cards etc.

74. VGW has thus devised a scheme whereby players can utilize SC in a manner indistinguishable from a brick-and-mortar casino, but where VGW has misled Georgia citizens into believing that they are playing games that are permitted by Georgia law. In fact, VGW's websites knowingly, willfully, and prominently advertise the falsehood that the sites are operating legally in the United States and Georgia. This false claim is included in VGW's websites' Terms and Conditions / Terms of Use for each website.

75. In most instances, when purchasing a GC package, the consumer or Georgia citizen receives an amount of SC that is slightly greater than the dollar amount the consumer deposits. The larger the purchase package the more SC the consumer or Georgia citizen receives. For example, a purchase package that costs \$5.00 for GC will come with 5.05 SC, a difference of 1%. But a package that costs \$300 for GC comes with 315 SC, a difference of 5%. VGW rewards those players who purchase more expensive packages with extra SC, thus stimulating more purchases and more play. This is to incentivize players to purchase more, play more and inevitably lose more money.

76. VGW drives consumers or Georgia citizens to purchase SC by forcing them to buy more and more GC. For example, in Chumba when a consumer purchases 150,000,000 GC at a cost of \$300.00 "real money", the consumer receives 315 SC. However, if the consumer plays the casino game, wagers all 150,000,000 GC and wins an additional 150,000,000 GC, the consumer receives no additional SC. So, VGW restricts consumers or Georgia citizens by requiring them to purchase more and more GC, and at the same time enticing the consumers or Georgia citizens

to believe that by purchasing huge quantities of GC, the consumer or Georgia citizen can increase his or her supply of SC. This often results in the consumer or Georgia citizen playing the games with just SC because by wagering only SC, one can win “real money” that can be used to purchase more GC and get more SC.

77. VGW may claim that the award of SC to consumers or Georgia citizens is like an award of legitimate and legal sweepstakes prizes. In reality, however, consumers or Georgia citizens must either purchase SC or otherwise provide some monetary consideration to obtain SC, whether in the form of direct purchases of GC or by expending the costs of preparing and mailing in requests to VGW. Any other methods of obtaining SC provide only nominal amounts of SC. In other words, as in the case of brick-and-mortar casinos, consumers or Georgia citizens are only able to obtain SC in much the same manner as a customer purchasing chips at a brick-and-mortar casino. Likewise, VGW can and arbitrarily does limit the bonuses of SC upon purchases of GC to certain consumers or Georgia citizens.

78. And VGW often arbitrarily rejects submissions of mailed requests for SC, contrary to the normal, legitimate, sweepstakes process.

79. Consumers are encouraged by VGW's businesses to focus on wagering SC so that they may win "real money" in the form of winning more SC.

80. Winning any actual money through accumulating Sweeps Coins (SC) is often a pipe dream because VGW's games of chance are presently not subject to regulation in the United States (VGW MALTA and VGW GP claim to be regulated in the Island of Malta), and the games certainly heavily favor VGW. In fact, VGW's Terms and Conditions / Terms of Service state that it is the consumer's responsibility to check on the odds of each game. However, in many cases, these odds are nowhere to be found. Furthermore, VGW also states that VGW may change the

odds at VGW's discretion whenever it chooses. In other words, VGW's games are a black box that are not subject to any regulation in Georgia or anywhere in the United States for that matter.

VGW's Games Are Casino Games Of Chance

81. VGW markets and runs classic casino games of chance on its websites that include slot machines, blackjack, and poker.

82. Regardless of what mode a player is using, in VGW's websites once the player, consumer or Georgia citizen spins the slot machine by pressing a button none of VGW's slot machine games allow (nor call for) any additional user action. Instead, the consumer's device communicates and sends information to VGW's servers. VGW's servers then execute the games' algorithms that determine the spin's outcome.

83. None of the outcomes in VGW's slot machine games depend on any amount of skill to determine their outcomes – as all outcomes are based entirely on chance.

84. In VGW's blackjack games, the player, consumer or Georgia citizen makes choices and wagers coins in a manner that is identical, or nearly identical, to placing bets at a casino blackjack table. However, it is unknown if the player's choices or decisions affect the outcome as well as the chances of winning, due to the lack of transparency regarding the algorithms employed by VGW.

85. In VGW's poker games, the player, consumer or Georgia citizen makes choices and wagers coins in a manner identical or nearly identical to playing poker in a casino or a card room. Again, there is no certainty of legitimacy regarding the odds because of the lack of transparency regarding the algorithms employed by VGW.

86. VGW, however, maintains detailed win and loss records and account balances for each consumer. Indeed, once VGW's algorithms determine the outcome of a wager, VGW displays the

outcome to the consumer, VGW then adjusts that consumers account balance. VGW keeps records of each wager, outcome, win, and the loss for every player of the games.

87. VGW also maintains extremely detailed records of the identity of each individual user of their site. To create an account users must verify their identity and address, and provide a copy of photo ID, such as a driver's license. VGW also maintains detailed records of every individual purchase that users make and every redemption that users make. VGW knows exactly how much each individual user has won and lost on their site and the outcome of every single wager every bettor has made.

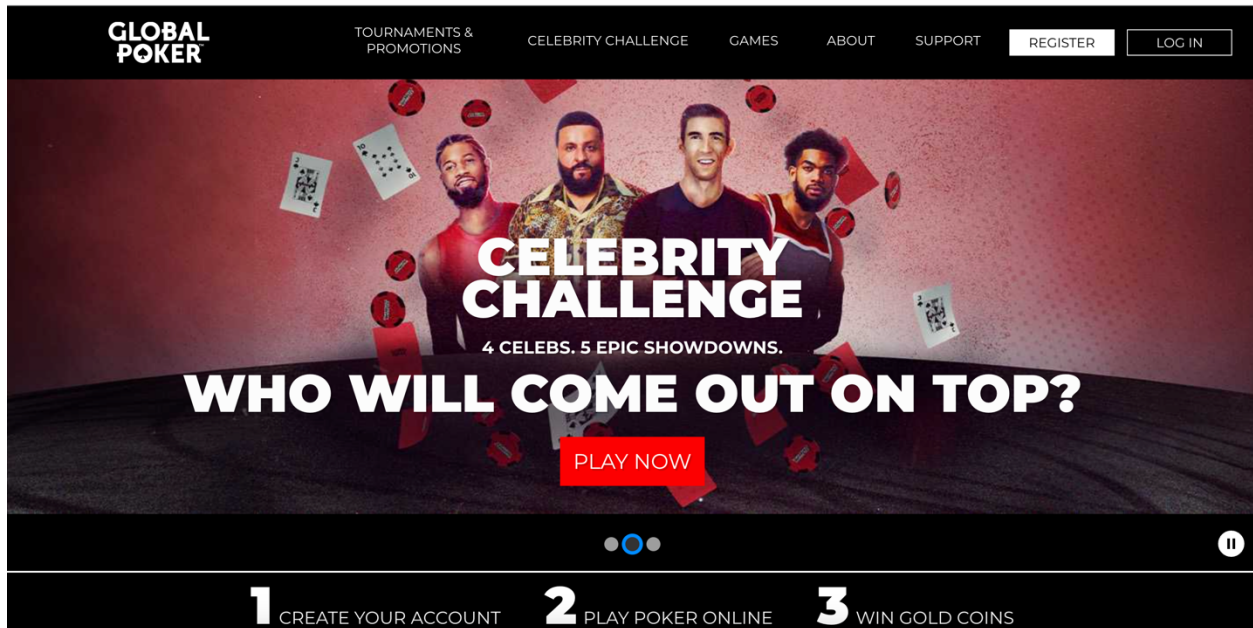
VGW's Casino Games And Illegal Scheme of Chance Cause Immense Losses to Citizens of Georgia

88. VGW proactively defrauds Georgia citizens because VGW advertises that its operations are legitimate and legal when, in reality, VGW knowingly and willfully operates what constitutes an illegal gambling enterprise. The Terms of Service across VGW's various sites further defraud Georgia citizens by stating that citizens will not be allowed to play on VGW's platforms in states where they are prohibited. However, VGW claims that Georgia permits VGW's operations.

89. VGW's audited financials show VGW spends hundreds of millions of dollars advertising VGW's platforms and, in such advertisements, erroneously advertise their own legality and thus VGW has defrauded and manipulated consumers and Georgia citizens into engaging in illegal gambling and losing money.

90. VGW uses targeted advertising across social networks, advertises on search engines such as Google, sponsors YouTube gambling channels and more, to entice Georgia citizens to gamble on their platforms. Furthermore, VGW associates with famous athletes and celebrities (shown

below) to create a veneer of legitimacy – exactly like famous illegal gambling sites Full Tilt Poker and PokerStars used to do before those sites were shut down in the United States.



91. VGW's illegal gambling operations have been extremely lucrative as evidenced by a portion of VGW's audited financial statements (where all numbers are in thousands of Australian Dollars) for the fiscal year entered June 30, 2023, shown below.

VGW HOLDINGS LIMITED AND CONTROLLED ENTITIES
Consolidated Statement of Profit or Loss and Other Comprehensive
Income for the year ended 30 June 2023

From continuing operations	Note	2023 \$'000	2022 \$'000
Revenue from contracts with customers	4	4,835,148	3,457,148
Sweepstakes prizes		(3,355,545)	(2,288,975)
Merchant and affiliate fee		(248,902)	(161,462)
Finance income	5	5,753	89
Finance costs	5	(10,849)	(1,479)
Foreign currency (loss)/gain	5	(22,654)	10,464
Other income	5	217	9
Marketing and advertising fees	5	(359,987)	(235,259)
Legal and professional fees		(65,384)	(33,102)
Employee benefits expense	6	(116,862)	(80,408)
Share-based payments expense		(24,397)	(8,171)
Depreciation and amortisation expense		(6,927)	(5,977)
Technology and other communication expense		(47,984)	(31,105)
Property and occupancy expense		(2,281)	(1,589)
Sponsorship, general and administration expense		(33,198)	(16,079)
		(4,289,000)	(2,853,044)
Profit before income tax		546,148	604,104

92. Furthermore, these audited financial statements, which are filed with the Australian Securities and Investments Commission, show that in their fiscal year 2023 VGW paid out 69% of gross revenues in prize money. In their fiscal year 2022 that number was 66%.

93. It is thus clear that VGW through its websites, chumbacasino.com, globalpoker.com and luckylandslots.com operate illegal gambling operations in the state of Georgia. By operating through the internet, VGW pays no taxes to the state of Georgia, employs no Georgia residents, and has not obtained permits from the state of Georgia.

94. VGW's audited financial statements, and investor reports, clearly show that VGW has earned billions of dollars in gambling wins from United States consumers. A large amount of gambling losses come directly from consumers in the state of Georgia or Georgia citizens.

95. In fact, over the past four years VGW's revenue has increased at an average annual growth rate of 100%. Over the past four years VGW's advertising expenditures increased at an average annual growth rate of 74%.

96. Over the past four years losses sustained by consumers playing on VGW's illegal gambling internet websites have increased at an average annual growth rate of 76%. Furthermore, the fact that VGW has continued to operate freely and achieve such large economic profits has spurred the creation of many copycat websites which operate illegally, deprive consumers of their money, deprive citizens of the state of employment opportunities and deprive the government of tax revenue.

97. VGW maintains detailed records of every individual bettor's identity, individualized data about each bettor's purchase history, their redemption history, and the bet-by-bet history of the results of every single bet that was made. In fact, VGW has admitted under oath on several occasions that VGW captures detailed consumer data at the point of sale of the coins. Therefore, VGW maintains all records necessary to calculate and reveal the losses sustained by citizens of the state of Georgia.

CLASS REPRESENTATION ALLEGATIONS

98. Plaintiff seeks to sue VGW and Plaintiff seeks to represent a class defined as and limited to all citizens of the state of Georgia who suffered losses of money on Chumba Casino, Global Poker, or LuckyLand Slots and VGW during the applicable limitations period (hereafter the citizens of the state of Georgia are also referred to as the "Class").

99. Specifically excluded from the Class are VGW, their officers, directors, trustees, parents, children, corporations, trusts, representatives, employees, principals, servants, partners, joint ventures, or entities controlled by VGW, and the heirs, successors, assigns, or other persons or

entities related to or affiliated with VGW and or VGW's officers and or directors, the judge assigned to this action, and any member of the judge's immediate family.

100. Subject to additional information obtained through further investigation and discovery, the foregoing definition of the Class may be expanded or narrowed by amendment or amended complaint.

101. **Numerosity**: On information and belief numerous Georgia citizens fall into the definition of the Class. Members of the class can be identified through VGW's records, discovery and other third-party sources.

102. **Commonality and Predominance**: Common questions of law and fact exist as to all members of the Class and predominate over any questions affecting only individual Class members. The common legal and factual questions include, but are not limited to, the following:

- (a) Whether Plaintiff and Class Members play on all of VGW's virtual casino games constitute gambling under Georgia law;
- (b) Whether Plaintiff and the Class lost money gambling to VGW as defined by Chapter 849 of the Georgia Statutes;
- (c) Whether Plaintiff and the Class are entitled to recover from VGW their monies spent on VGW's casino games pursuant to OCGA § 13-8-3.

103. **Typicality**: Plaintiff's claims are typical of the claims of the other members of the Class and that among the other things all Class members were similarly situated and were comparably damaged through VGW's and FIS' wrongful conduct as set forth herein. The claims of all Class members are similar in that they all lost money playing the games owned by VGW. Further there are no defenses available to VGW that are unique to Plaintiff.

104. **Adequacy of Representation**: Plaintiff will fairly and adequately protect the interests of the Class, which is estimated to consist of numerous Georgia citizens. Plaintiff has retained counsel that has more than 30 years litigation experience and Plaintiff intends to vigorously prosecute the action on behalf of the Class. Furthermore, Plaintiff has no interests that are antagonistic to those of the Class.

105. **Superiority**: A class action is superior to all other available means for the fair and efficient adjudication of this controversy. The damages or other financial detriments suffered by individual Class members are relatively small compared to the burden and expense of individual litigation on their claims against VGW. It would thus be virtually impossible for the Class to obtain effective redress for the wrongs committed against the members on an individual basis. Furthermore, even if Class members could afford such individualized litigation, the court system could not. Individualized litigation would create the danger of inconsistent or contradictory judgments arising from the same set of facts. Individualized litigation would also increase the delay and expense to all parties and the court system from the issues raised by the action. By contrast, the class action device provides the benefits of adjudication of these issues in a single proceeding, economies of scale, and comprehensive supervision by a single court, and presents no unusual management difficulties under the circumstances.

CAUSES OF ACTION

COUNT I

SUIT– RECOVER MONEY LOSSES

OCGA § 13-8-3

106. Plaintiff, individually and on behalf of the Class sues VGW and realleges paragraphs 1-105, above.

107. OCGA § 13-8-3 specifically declares that all agreements and contracts for gambling transactions are void. Therefore, the winner of a gambling transaction has no right to keep the money under Georgia law.

108. Specifically, OCGA § 13-8-3 states:

§ 13-8-3. Gambling contracts

(a) Gambling contracts are void; and all evidences of debt, except negotiable instruments in the hands of holders in due course or encumbrances or liens on property, executed upon a gambling consideration, are void in the hands of any person.

(b) Money paid or property delivered upon a gambling consideration may be recovered from the winner by the loser by institution of an action for the same within six months after the loss and, after the expiration of that time, by institution of an action by any person, at any time within four years, for the joint use of himself and the educational fund of the county.

109. Plaintiff is authorized to proceed with litigation against VGW to recover all losses that she suffered and those losses suffered by the Class, the other citizens of Georgia, at least for the period from September 7, 2023, till March 7, 2024.

110. Plaintiff and the Class are recognized and entitled by Georgia law to the return of all gambling or gaming losses suffered by Plaintiff and the Class because any such gambling agreements are void.

111. OCGA § 13-8-3 authorizes the Plaintiff to obtain a judgment on behalf of Plaintiff and the Class as provided by OCGA § 13-8-3(b).

WHEREFORE, Plaintiff requests a judgment against Defendants VGW HOLDINGS LIMITED, including its subsidiaries VGW MALTA LIMITED, VGW LUCKYLAND INC., and VGW GP LIMITED for all money paid or property delivered to each and all of the above-named Defendants as authorized by OCGA § 13-8-3(b) for the monetary losses incurred Plaintiff and

the citizens of the state of Georgia, the Class for the last the 6 month period beginning on September 7, 2023, through the date of this complaint, and that the Court grant such other just and appropriate relief.

DEMAND FOR JURY TRIAL

Plaintiff demands trial by jury of any and all issues in this action so triable by Georgia law.

Dated this 5th day of March 2024

Respectfully submitted,

/s/

Barry Williams
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Villa Rica, Georgia 30180
Georgia Bar No. 538108
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Attorney for Plaintiff
DESTINY KENNEDY

ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Class Action Says Operators of Chumba Casino, LuckyLand Slots, Global Poker Violate Georgia Gambling Law](#)
