S-263821

NO.
VANCOUVER REGISTRY

SUPREME COURT
OF BRITISH COLUMBIA
VANCOUVER REGISTRY
MAY 21 2026

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

SINA SALMASSI

PLAINTIFF

AND:

VALVE CORPORATION

DEFENDANT

Brought under the *Class Proceedings Act*, R.S.B.C. 1996, c. 50

NOTICE OF CIVIL CLAIM

This action has been started by the Plaintiff for the relief set out in Part 2 below.

If you intend to respond to this action, you or your lawyer must:

(a) file a response to civil claim in Form 2 in the above-named registry of this court within the time for response to civil claim described below, and

(b) serve a copy of the filed response to civil claim on the plaintiff.

If you intend to make a counterclaim, you or your lawyer must:

(a) file a response to civil claim in Form 2 and a counterclaim in Form 3 in the above-named registry of this court within the time for response to civil claim described below, and

(b) serve a copy of the filed response to civil claim and counterclaim on the plaintiff and on any new parties named in the counterclaim.

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the response to civil claim within the time for response to civil claim described below.

TIME FOR RESPONSE TO CIVIL CLAIM

A response to civil claim must be filed and served on the plaintiff:

(a) if you were served with the notice of civil claim anywhere in Canada, within 21 days after that service,

(b) if you were served with the notice of civil claim anywhere in the United States of America, within 35 days after that service,

(c) if you were served with the notice of civil claim anywhere else, within 49 days after that service, or,

(d) if the time for response to civil claim has been set by order of the court, within that time.

THE PLAINTIFF'S CLAIM

Part 1: STATEMENT OF FACTS

DEFINED TERMS

1. In addition to terms defined elsewhere herein, this Notice of Civil Claim uses the following defined terms:

(a) "**Affected Title(s)**" means the following games developed, published, and distributed by Valve on the Steam platform: Counter-Strike: Global Offensive; Counter-Strike 2; Team Fortress 2; Dota 2; and any other titles developed, published, and distributed by Valve between September 30, 2010 and the date of certification (the "**Class Period**");

(b) **"Consideration"** means any money, property, or valuable thing paid, deposited, or staked by a player to secure the right to open a Crate, including the purchase price of a Loot Box Key;

(c) **"Crate(s)"** means all consumable virtual containers available in the Affected Titles that, for Consideration, yield a randomized selection of virtual items of unknown identity and value to the player at the time of opening. The term Crates encompasses all such mechanisms across the Affected Titles regardless of their in-game designation, including but not limited to:

i. "Cases", as they are specifically designated within Counter-Strike: Global Offensive; Team Fortress 2; Dota 2; and Counter-Strike 2, and other Affected Titles, including but not limited to Weapon Cases, Operation Cases;

ii. "Crates", as they are known in Team Fortress 2, including Mann Co. Supply Crates and all variant series;

iii. "Treasures", as they are known in Dota 2, including Immortal Treasures;

iv. "Souvenir Cases" and "Sticker Capsules"; and

v. all other key-gated containers available in the Affected Titles during the Class Period.

(d) **"Loot Box System"** means the monetized randomized reward mechanism operated by Valve across the Affected Titles whereby players are required to expend Consideration in order to obtain a Loot Box Key to open a Crate to receive a randomized virtual item of unknown identity and value at the time of opening;

(e) **"Loot Box Key(s)"** means the virtual "key" items sold by Valve through the Steam platform, for any consideration in any currency, which is required to open a Crate in any of the Affected Titles;

(f) **"Prize"** means any virtual item, digital asset, advantage, or access to game content received upon opening a Crate, including but not limited to weapon skins, character cosmetics, rare collectible items, and any other virtual item that carries real-world monetary value by virtue of its tradability on the Steam Community Market or third-party platforms;

(g) **"Steam Community Market"** means the in-platform marketplace operated by Valve through which users may buy, sell, and trade virtual items, including Prizes obtained from the Loot Box System, for real money; and

(h) **"Valve"** means the Defendant, Valve Corporation.

THE PARTIES

Plaintiff

2. The Plaintiff, Sina Salmassi, is an individual residing in British Columbia.

3. During the Class Period, Mr. Salmassi maintained a Steam account on Valve's platform and took part in Valve's Loot Box System. He spent money to purchase Loot Box Keys from Valve to open Crates in at least one of the Affected Titles. He made these purchases for personal purposes.

4. During the Class Period, Mr. Salmassi lost money by purchasing Loot Box Keys to open Crates in Valve's Loot Box System.

5. The Plaintiff brings this claim on their own behalf, and on behalf of the following proposed class (the "**Class**" or "**Class Members**"), to be further defined on the application for class certification:

> All persons in Canada who, between September 30, 2010 and the date of certification (the "**Class Period**"), purchased or otherwise paid directly or indirectly for Loot Box Keys or Crates in any of the Affected Titles.

Defendant

6. Valve is a corporation incorporated under the laws of the State of Washington, with its principal place of business at 10400 NE 4th Street, Suite 1400, Bellevue, Washington, 98004, United States of America.

7. Valve develops and publishes video games, such as the Affected Titles which include Counter-Strike: Global Offensive ("**CS:GO**"), Counter-Strike 2 ("**CS2**"), Team Fortress 2 ("**TF2**"), and Dota 2.

8. Valve also operates the Steam platform, which serves as a leading digital distribution platform for PC desktop games worldwide.

9. Valve carries on business in British Columbia by, among other things: offering and providing residents of British Columbia with online accounts through the Steam platform; offering and selling video games, gaming equipment and Loot Box Keys to consumers in British Columbia; offering and selling virtual items to consumers in British Columbia through its Loot Box System; and enabling consumers in British Columbia to pay for chances to win virtual items through its Loot Box System.

FACTUAL BACKGROUND

The Steam Platform

10. Valve owns and operates the Steam platform, which is a digital distribution platform through which the Affected Titles are distributed and the Loot Box System is offered.

11. Valve launched the Steam platform in 2003 as a means of distributing its games directly to consumers. Steam has grown to become the dominant platform for PC desktop games, commanding approximately 74% market share globally. As of early 2026, Steam had an estimated 132 million monthly active users and 69 million daily users.

12. Valve's flagship video game franchises are Counter-Strike, Team Fortress, and Dota. These games have collectively been played by hundreds of millions of people

worldwide. As of mid-2025, Counter-Strike 2 had approximately 24 million monthly active players globally.

Valve's Loot Box System

13. Valve monetizes its games primarily through the sale of virtual cosmetic items via a system known as "Crates".

14. A Crate, in Valve's games, is a virtual container that a user can "open" to receive a randomly-selected virtual item. The items are purely cosmetic (such as weapon "skins" or character apparel) and provide no advantage in gameplay.

15. Valve distributes Crates to users at no cost through "drops" earned by in-game activity. To open the majority of Crates, however, a user must purchase a Loot Box Key from Valve. Loot Box Keys are currently priced at $2.49 (USD) plus applicable taxes.

16. When a user purchases a Loot Box Key and opens a Crate, Valve's server uses a random number generator to determine which virtual item the user receives. The item awarded is determined by odds set unilaterally and exclusively by Valve. Valve groups items into rarity tiers, which in Counter-Strike games are:

a) Industrial Grade (Light Blue): highly accessible

b) Mil-Spec (Blue): approximately 79.92% probability;

c) Restricted (Purple): approximately 15.98% probability;

d) Classified (Pink): approximately 3.2% probability;

e) Covert (Red): approximately 0.64% probability; and

f) Exceedingly Rare Special Item (Gold): approximately 0.26% probability.

17. Valve deliberately conceals the identity of the "Exceedingly Rare Special Items" within Crates prior to purchase. Users must turn to third-party websites to determine what rare items a given Crate may contain.

18. The experience of opening a Counter-Strike Crate is designed to resemble a slot machine. When a user clicks to open a case, an animation depicts a spinning wheel cycling through potential items and gradually slowing to a stop. When the wheel stops, Valve has designed the display to frequently appear to stop immediately adjacent to—but not on—a rare, valuable item. This design feature, known as a "near miss," is deliberately used by casino game designers to encourage continued spending. In reality, the outcome is pre-determined by Valve's server before the animation even begins.

19. Valve employs the psychological mechanism of variable ratio reinforcement ("**VRR**") in its Loot Box System. VRR is a behavioural conditioning mechanism employed by Valve in the design and operation of its Loot Box System, whereby rewards are dispensed on an unpredictable and intermittent basis, constituting the same psychological mechanism that underlies the design of slot machines and other gambling devices.

20. Valve's VRR delivers rewards on a seemingly random schedule, and is the same mechanism used in slot machines to drive compulsive spending behaviour. Research has firmly established that VRR is one of the most effective schedules for driving persistent engagement and spending.

21. The Loot Box System constitutes a two-stage monetization scheme in which: a. the Defendants sell or award Crates containing randomized virtual items of varying rarity and in-game value to players; b. the Defendants separately sell Loot Box Keys, which are the sole means by which Crates can be opened, thereby creating a mandatory secondary purchase before the contents of the Crate are revealed; and c. players are induced to purchase Loot Box Keys without knowledge of the contents of the Crate, which are determined by chance and concealed until after payment is made.

22. The two-stage nature of the Loot Box System—requiring separate purchase of the Loot Box Key distinct from acquisition of the Crate—is a deliberate structural feature that:

a. disaggregates the cost of participation to obscure the total price paid per chance outcome; b. creates an artificial sense of sunk cost once a Crate is held, psychologically compelling the further expenditure required to open it; and c. facilitates the accumulation of multiple unconsumed Crates, each representing a further incentive to purchase additional Loot Box Keys.

Valve's Virtual Items Have Real Monetary Value

23. Unlike most other "conventional" video games, Valve has deliberately designed its platform so that the virtual items won through the Loot Box System have real monetary value and can be converted to cash. This is a critical distinction that renders Valve's Loot Box System gambling under Canadian and British Columbia law.

24. Valve operates the Steam Community Market, a marketplace integrated into the Steam platform through which users may buy, sell, and trade virtual items, including Prizes obtained from the Loot Box System, for real money.

25. Users can use "**Steam Wallet**" funds to participate in the Steam Community Market. Steam Wallet funds have purchasing power equivalent to cash on the Steam platform and can be used to purchase hardware, games, or other virtual items.

26. Steam Wallet funds are readily convertible to cash. For example a Valve user can: (a) win a Counter-Strike skin; (b) sell it on the Steam Community Market for Steam Wallet funds; (c) use those funds to purchase a Steam Deck gaming handheld; and (d) resell that hardware for $180 USD in cash.

27. In addition to the Steam Community Market, Valve has designed the Steam platform with features specifically intended to facilitate the purchase and sale of virtual items on third-party cash marketplaces. In particular, Valve provides each Steam user with a "Trade URL" and has explicitly encouraged users to share this URL "on third-party trading sites."

28. Third-party cash marketplaces, including CSFloat, Skinport, and CS.Money, allow users to sell their virtual items for direct cash payouts to bank accounts, debit cards, or

cryptocurrency. Valve has knowingly facilitated these marketplaces by, among other things:

a. exempting cash marketplace sites from its enforcement campaigns against skins gambling sites;

b. restoring Steam accounts operated by cash marketplaces when those accounts were inadvertently suspended;

c. specifically assisting CSFloat to complete a rebranding by whitelisting a domain Valve had previously flagged; and

d. acknowledging internally that it does not take action against sites that allow users to convert their Steam virtual items to cash.

29. The market for Counter-Strike skins alone has been valued at over $4.3 billion USD. Individual rare skins have sold for as much as $1 million USD. Even more common items can be sold for meaningful sums. The existence of this robust, liquid, cash market for virtual items is a direct result of Valve's design choices and deliberate facilitation of an unregulated system.

The Economics of Crate Openings: A Losing Gamble

30. The overwhelming majority of users who purchase a Loot Box Key and open a Crate receive a common item worth a fraction of what they spent. Approximately 96% of items awarded through Counter-Strike weapons cases are worth less than the $2.49 (USD) Loot Box Key price. Users routinely receive items worth $0.10 to $0.20 that could be purchased directly on the Steam Community Market for pennies. A user who received such an item after spending $2.71 (CAD, including tax) would incur a loss of approximately $2.50 in real value on that transaction.

31. Users do not purchase Loot Box Keys to obtain common items—they do so for the remote chance of winning a rare, high-value item. For example, the most valuable item in the Dreams & Nightmares Counter-Strike weapons case is a "Gamma Doppler Emerald

Butterfly Knife" worth approximately $10,000 USD on third-party marketplaces. The odds of winning this specific item are approximately 0.0002%.

32. Paying for a chance to win a prize of uncertain value, determined entirely by chance, where the expected value of the prize is less than the price paid, is the defining characteristic of gambling. The Loot Box System has each of these features.

Valve's Wrongful and Unlawful Conduct

i. Deceptive acts and practices

33. Valve has engaged in the following deceptive and misleading acts and practices in respect of its Crate consumer transactions with the Plaintiff and Class Members:

(a) concealing the identity of "Exceedingly Rare Special Items" within Crates from consumers prior to purchase, while simultaneously using those items' potential value as a draw to motivate purchases within the Loot Box System;

(b) designing the Loot Box System and Crate opening experience to simulate a slot machine, including the use of a spinning wheel animation and "near miss" mechanics, which mislead users into believing they came close to winning rare items when in fact the outcome was pre-determined;

(c) failing to disclose, or inadequately disclosing, the true odds of receiving particular items from Crates at the point of purchase;

(d) employing VRR and other psychological mechanisms known to drive compulsive and repeated spending, without disclosure to consumers;

(e) maintaining and facilitating a robust secondary market for virtual items to create the impression of value and investment potential, while representing to regulators that such markets violated its terms of service; and

(f) failing to implement meaningful age verification, despite knowing that a significant portion of its user base consists of minors who are particularly susceptible to the gambling mechanics embedded in its Loot Box System.

34. These acts and practices have the capability, tendency, or effect of deceiving or misleading consumers, including the Plaintiff and Class Members.

ii. Unconscionable acts and practices

35. Valve's total control over all aspects of the Crate transaction—including the odds, the item pool, the concealment of rare items, the near-miss animation, and the secondary market—and the corresponding ignorance of Class Members as to the true operation of the Crate mechanics created a profound asymmetry between Valve and Class Members amounting to an inequality of bargaining power.

36. As a result of this inequality of bargaining power, the Plaintiff and Class Members did not understand or appreciate the true terms and conditions of their Crate transactions, including:

(a) that the content of Crates is almost always worth substantially less than the cost of the Loot Box Key required to open them;

(b) the extremely low probability of obtaining a rare or high-value item;

(c) that the near-miss animation was designed to create a false impression of having nearly won a valuable item; and

(d) that Valve was employing VRR and other psychological mechanisms associated with problem gambling to drive repeated key purchases.

37. The terms and conditions of the Crate transactions were inequitable and excessive because they flouted the reasonable expectations of the Plaintiff and Class Members that the items they could win would be worth the price of the Loot Box Key or more, and that the probability of winning rare items would be meaningfully higher than it actually was. These transactions conferred an undue advantage on Valve and an undue disadvantage

on the Plaintiff and Class Members, constituting improvident bargains resulting from the inequality of bargaining power described above.

iii. Unlawful gaming and gambling

38. Valve's Loot Box System constitutes gambling within the meaning of Part VII of the *Criminal Code*, R.S.C. 1985, c. C-46. Specifically:

(a) users stake something of value (the purchase price of a Loot Box Key) upon a future contingent event not under their control (the outcome of the random number generator);

(b) upon a certain outcome, the user receives something of value (a virtual item with real monetary value tradeable on the Steam Community Market and third-party cash marketplaces); and

(c) the outcome is determined entirely by chance.

39. The Defendants' conduct in operating the Loot Box System constitutes the keeping of gaming or betting houses contrary to s 201(1) of the *Criminal Code*, particularly in respect of the Defendants' establishment and operation of offices, computer facilities, and other physical or online infrastructure for the receipt and processing of Key purchases in the Affected Titles.

40. Further and in the alternative, the Defendants' conduct in operating the Loot Box System contravenes s. 202(1) of the *Criminal Code* in that the Defendants:

a. use or knowingly allow places under their control, including computer servers and online infrastructure, for the purpose of recording and processing Loot Box Key purchases and the randomized determination of Crate contents;

b. employ devices and apparatus—including random number generation systems and virtual inventory servers—for the purpose of registering bets and conducting games of chance through the Loot Box System mechanism;

c. hold under their control money and other property relating to transactions in breach of s. 202, including proceeds from the sale of Loot Box Keys in real or virtual currency; and

d. record and register the results of chance-based Crate openings triggered by Loot Box Key purchases; and e. willfully send, transmit, and deliver messages conveying information related to the Loot Box System, including in-game advertisements, promotional events, and limited-time Crate offerings designed to incentivize Loot Box Key purchases.

41. Further and in the alternative, the Loot Box System constitutes a scheme for the disposition of property by lot, card, ticket, or other mode of chance contrary to ss 206(1)(a)–(d) of the *Criminal Code*, in that: a. players pay money (via Loot Box Key purchase) for the chance to receive one of a range of virtual items of unequal and undisclosed value; b. the outcome is determined wholly or substantially by chance; and c. the Defendants structure the system so that desirable high-value items are obtainable exclusively or primarily through Crate openings, compelling Loot Box Key purchases.

42. Further and in the alternative, the Loot Box System constitutes a lottery scheme contrary to s. 207 of the *Criminal Code*.

43. By offering and operating Crates which players pay to access, Valve has engaged in conduct that advances gambling activity and profits therefrom contrary to sections 202 and 206 of the *Criminal Code*.

44. By offering and operating Crates as a commercial service to the public in British Columbia without a licence, Valve has breached the *Gaming Control Act*, S.B.C. 2022, c. 29, s. 234, which requires a licence for any person who provides gaming services to the public.

Part 2: RELIEF SOUGHT

45. The Plaintiff claims on his own behalf and on behalf of Class Members:

(d) an order certifying this action as a class proceeding and appointing the Plaintiff as the representative plaintiff under the *Class Proceedings Act*, R.S.B.C. 1996 c. 50 ("**CPA**");

(e) a declaration that the Defendant engaged in conduct contrary to the *Business Practices and Consumer Protection Act*, S.B.C. 2004, c. 2 (the "***BPCPA***"), the *Consumer Protection Act*, CQLR c P-40.1 ("***QC CPA***"), and comparable legislation in the other provinces and territories (collectively, the "**Consumer Protection Legislation**"), including:

i. *Consumer Protection Act*, 2002, SO 2002, c. 30 ("***ON CPA***");

ii. *Consumer Protection Act*, RSA 2000, c. C-26.3 ("***AB CPA***");

iii. *Consumer Protection and Business Practices Act*; SS 2014, c. C-30.2 ("***SK CPBPA***");

iv. *Business Practices Act*, CCSM, c.B120 ("***MB BPA***");

v. *Business Practices Act*, RSPEI 1988, c. B-7 ("***PEI BPA***");

vi. *Consumer Protection and Business Practices Act*, SNL 2009, c. C-31.1 ("***NL CPA***"),

(f) a declaration that the Defendant engaged in conduct contrary to s. 52 of the *Competition Act*, RSC c. C-34 ("***Competition Act***");

(g) a declaration that the Defendant is vicariously liable for the acts and omissions of their officers, directors, agents, employees, and representatives;

(h) further, and in the alternative, a declaration that Valve has been unjustly enriched by the receipt of payments from the Plaintiff and Class Members for Crates (where separately purchased) and Loot Box Keys;

(i) general, special and punitive damages;

(j) relief pursuant to the Consumer Protection Legislation, where applicable;

(k) relief pursuant to the *Competition Act*;

(l) relief pursuant to articles 1493 to 1496 of the Civil Code of Québec, CQLR c CCQ-1991 (the "**C.C.Q.**");

(m) punitive and/or aggravated damages in an amount to be determined;

(n) further, and in the alternative to the claim for damages, an order that Valve account for and make restitution to the Plaintiff and Class Members in an amount equal to the profits or revenues realized by Valve from the supply and/or sale of Crates (where separately purchased) and Loot Box Keys;

(o) pre-judgment and post-judgment interest pursuant to the *Court Order Interest Act,* RSBC 1996, c 79;

(p) costs; and

(q) such further and other relief as this Honourable Court deems just.

Part 3: LEGAL BASIS

46. The Plaintiff realleges and reaffirms herein all factual pleadings set forth in paragraphs 1 to 40.

47. The Plaintiff pleads and relies on the *CPA*, the *Court Jurisdiction and Proceedings Transfer Act*, S.B.C. 2003, c. 28 (the "*CJPTA*"), and the *Supreme Court Civil Rules*, BC Reg 168/2009, as amended and any regulations thereunder, any equivalent provincial and territorial legislation as may be enacted, and such further and other statutes as counsel may advise.

CAUSES OF ACTION

Breach of the Consumer Protection Legislation

48. The Plaintiff pleads and relies on the Consumer Protection Legislation.

49. Valve's conduct particularized herein constituted unfair, unconscionable and/or otherwise prohibited practices under the Consumer Protection Legislation, given that, among other things:

(a) The Plaintiff and Class Members purchased Loot Box Keys and Crates from Valve for Consideration, for purposes that were for personal use. As such, they obtained Crates and Loot Box Keys in the context of "consumer transactions" and contracts within the meaning of the Consumer Protection Legislation;

(b) Valve is a supplier of products to the Plaintiff and Class Members;

(c) Valve engaged in deceptive, unconscionable and/or unfair acts and practices, including by presenting the Loot Box System as a lawful in-game feature and by obscuring the true nature of the scheme as an illegal lottery or gaming operation;

(d) Valve's conduct in their supply, promotion, marketing, advertising, solicitations, offers and sales of Crates (where separately purchased) and Loot Box Keys had the capability, tendency or capacity of deceiving or misleading consumers, such as the Plaintiff and Class Members;

(e) Valve has been unjustly enriched as a result of their conduct;

(f) the Plaintiff and Class Members were not reasonably able to protect their interests because of disability, ignorance and the inherent informational asymmetry between Valve and the public;

(g) each consumer transaction and contract whereby the Plaintiff and Class Members obtained the Crates (where separately purchased) and Loot Box Keys was excessively one-sided in favour of Valve; and

(h) the terms of the consumer transactions were uniformly inequitable and adverse to the Plaintiff and Class Members.

50. In the circumstances of this case, the Court should dispense with any notice requirements under any of the Consumer Protection Legislation, where required, in the interest of justice.

i. British Columbia

51. Valve has breached the *BPCPA*.

52. Valve's solicitations, offers, advertisements, promotions, sales and supply of Crates (where separately purchased) and Loot Box Keys for personal use by the Plaintiff and Class Members in British Columbia were "consumer transactions" within the meaning of s. 2 of the *BPCPA*. The Plaintiff and Class Members in British Columbia are "consumers" within the meaning of s. 1 of the *BPCPA*, and Valve is a "supplier" within the meaning of s. 1 of the *BPCPA*.

53. Valve has breached the *BPCPA* in connection with the Loot Box System. In particular:

(a) offering and operating the Loot Box System in breach of the *Criminal Code*, Part VII;

(b) concealing the odds of receiving any particular item or class of item from Crates in the Affected Titles;

(c) structuring the Loot Box Key/Crate purchase requirement so as to exploit sunk-cost psychology and impair consumers' ability to make free and informed purchasing decisions;

(d) failing to implement safeguards to prevent minors from purchasing Loot Box Keys/Crates in the Affected Titles;

(e) making high-value items that affect gameplay or confer cosmetic status available exclusively or predominantly through the Loot Box System, thereby influencing Loot Box Key/Crate purchases.

54. Valve's conduct, as particularized herein, was deceptive or unconscionable acts and practices contrary to ss. 4-5 and/or 8-9 of the *BPCPA*.

55. Sections 4 and 5 of the *BPCPA* prohibit suppliers from engaging in deceptive acts or practices in respect of consumer transactions. Once it is alleged that a supplier committed or engaged in a deceptive act or practice, the burden of proof that the deceptive act or practice was not committed or engaged in is on the supplier.

56. Valve's conduct constitutes deceptive acts or practices. Valve breached ss. 4 and 5 of the *BPCPA*, as particularized herein, regardless of whether their conduct was contrary to any of the factors enumerated under subsection 4(3) of the *BPCPA*, as their conduct had the tendency or effect of deceiving or misleading Class Members in British Columbia.

57. Sections 8 and 9 of the *BPCPA* prohibit suppliers from engaging in unconscionable acts or practices in respect of consumer transactions. Once it is alleged that a supplier committed or engaged in an unconscionable act or practice, the burden of proof that the unconscionable practice was not committed or engaged in is on the supplier.

58. Valve's conduct constitutes unconscionable acts or practices.

59. In particular, Valve took advantage of the inability of consumers, per s. 8(3)(b) of the *BPCPA*, to reasonably protect their own interests because of their ignorance or inability to understand the character or nature of the consumer transaction, including the probabilistic and randomized nature of the Loot Box System and Crate contents, the mathematical expected value of Loot Box Key and Crate purchases, and the unlawfulness of the Loot Box System.

60. Per s. 8(3)(e) of the *BPCPA*, the terms on which the Plaintiff and Class Members in British Columbia purchased Loot Box Keys and Crates were so harsh or adverse to consumers as to be inequitable, given the inequality of bargaining power and Valve's failure to disclose odds, item probabilities, or the unlawfulness of the scheme.

61. Valve breached ss. 8 and 9 of the *BPCPA*, as particularized herein, regardless of whether it was contrary to any factors enumerated under subsection 8(3) of the *BPCPA*.

62. As a result of Valve's deceptive or unconscionable acts and practices, the Plaintiff and Class Members in British Columbia have suffered losses and damages. The Plaintiff seeks injunctive and declaratory relief, damages and statutory compensation pursuant to ss. 171 and 172 of the *BPCPA* on his own behalf and on behalf of Class Members in British Columbia. Such relief includes the restoration of the profits or revenues received by Valve from the supply and/or sale of Loot Box Keys and Crates (where separately purchased).

63. The declaratory and injunctive relief sought by the Plaintiff in this case includes an order under s. 172 of the *BPCPA* that the Defendant advertise any judgment against them and that they properly inform consumers of the material facts of the Loot Box Systems described above.

64. Class Members in British Columbia are entitled, to the extent necessary and pursuant to s. 173(3) of the *BPCPA*, to waiver of any notice requirements under the *BPCPA*, or alternatively, that the within action should proceed irrespective of any notice being served pursuant to the *BPCPA*.

ii. Québec

65. Class Members in Québec purchased Loot Box Keys and Crates for purposes that are primarily personal, family, or household, and are "consumers" within the meaning of section 1(e) of the *QC CPA*. Valve is a "merchant" within the meaning of subsection 1(2) of the *QC CPA*. The Affected Titles, the Loot Box Keys, and the Crates are "goods" within the meaning of the *QC CPA*, and the sale and supply of Crates to Class Members in Québec constitutes a consumer contract within the meaning of section 2 of the *QC CPA*.

66. Valve has committed deceptive practices prohibited by the *QC CPA* under sections 215 and onwards, and has engaged in conduct that amounts to lesion contrary to sections 8–9 of the *QC CPA*, as the obligations imposed on the consumer are excessive, harsh, or unconscionable.

67. In particular, Valve has violated the following provisions of the *QC CPA*, as particularized above:

a. Section 219, which prohibits a merchant from making, by any means whatsoever, false or misleading representations to a consumer;

b. Section 220, which prohibits false representation as to the nature, characteristics, uses, or benefits of goods or services; and

c. Section 228, which prohibits a merchant from failing to mention an important fact, the omission of which would likely mislead the consumer.

68. There exists, throughout the Class Period, a cognitive asymmetry between Valve and the proposed Class Members in Québec as to the terms and conditions of the transaction for Crates and Loot Box Keys. This imbalance flows from the total control by Valve over all circumstances surrounding transactions versus the Class Members' complete ignorance of the design, function, and operation of the Crates. In particular, Class Members could not understand or appreciate: (a) the low probability of obtaining rare and/or high value items through the purchase of Crates; and (b) that the contents of a Crate are almost always worth less than the cost to open the Crate.

69. As a result of Valve's violations of the *QC CPA*, Class Members in Québec are entitled pursuant to section 272 of the *QC CPA* to: (a) recovery of the damage suffered; (b) reduction of their obligations; (c) nullity of the contract; (d) amounts paid by Class Members in Québec to Valve for the purchase of Loot Box Keys and Crates during the Class Period; and (e) punitive damages, which are warranted given Valve's intentional and deliberate conduct.

70. Valve cannot rely on any stipulation that obliges the consumer to refer a dispute to arbitration or restricts the consumer's right to go before a court, if any such stipulation exists, pursuant to section 11.1 of the *QC CPA*, which renders any such clause or waiver void.

iii. Other Provinces

71. For Class Members resident outside of British Columbia or Québec, the Plaintiff additionally pleads and relies on the equivalent provisions of the other Consumer Protection Legislation applicable to them, each as amended from time to time and within regulations in force at material times.

Breach of the *Competition Act*

72. The *Competition Act* applies to business transacted in Canada, including over the internet.

73. Valve has breached s. 52 of the *Competition Act*.

74. The Affected Titles, Loot Box Keys, and Crates are "products" within the meaning of ss. 2 and 52 of the *Competition Act*.

75. Section 52 of the *Competition Act* prohibits false or misleading representations.

76. Valve breached s. 52 and 52.01 of the *Competition Act* in connection with the Loot Box System and committed an unlawful act because it made misrepresentations and omissions, as particularized herein.

77. Valve made the misrepresentations and omissions:

(a) to the public;

(b) knowingly and recklessly;

(c) for the purpose of promoting, directly or indirectly, the increased and unhealthy use of their Loot Box System, and purchase or supply of Loot Box Keys and Crates; and

(d) for the purpose of promoting, directly or indirectly, any business interests of Valve.

78. Valve's misrepresentations and omissions were false and misleading in a material respect.

79. Valve breached section 52.01 of the *Competition Act* and committed an unlawful act because for the purposes of promoting, directly or indirectly, the supply or use of their Loot Box System and purchase or supply of Loot Box Keys and Crates and their other business interests, Valve knowingly or recklessly caused representations to be sent in electronic messages—including the misrepresentations and omissions—that were false or misleading in a material respect.

80. The Plaintiff and the Class Members suffered damages as a result of Valve's unlawful breach of section 52 and 52.01 of the *Competition Act*. In particular, the Plaintiff and Class Members are entitled to recover from Valve in the amounts paid to Valve for the purchase of Loot Box Keys and Crates during the Class Period.

81. The Plaintiff and Class Members also seek their costs of investigation, pursuant to section 36 of the *Competition Act*.

Unjust Enrichment

82. Further, and in the alternative, Valve has been unjustly enriched by the unlawful conduct described above.

83. The enrichment is in the form of revenue that Valve would not have received but for their unlawful conduct. Valve has been enriched by the collection of payments from the Plaintiff and Class Members for Loot Box Keys and Crates (where separately purchased).

84. As a result of Valve's unlawful conduct, the Plaintiff and Class Members suffered a corresponding deprivation. The Plaintiff and Class Members have been deprived through the payment of monies for Crates (where separately purchased) and Loot Box Keys to Valve.

85. There is no juristic reason why Valve's enrichment should be permitted, including at equity, under contract or pursuant to any statutory obligations.

86. The Plaintiff and the Class Members have a legitimate interest in preventing the Defendant from using an unlawful gambling scheme to generate profits, including from

children. Valve's unlawful and wrongful conduct was intentional, deceptive, and has been ongoing for more than a decade. It conferred a benefit onto Valve in the form of profits that they would not have received but for their unlawful and wrongful conduct.

87. The Class Members are entitled to restitution or disgorgement of Valve's profits or revenues received by Valve from the supply and/or sale of Crates (where separately purchased) and Loot Box Keys.

88. Further, and in the alternative, the Plaintiff and Class Members in Québec are entitled to restitution of the amounts paid to Valve for the purchase of Loot Box Keys and Crates during the Class Period, pursuant to articles 1493 to 1496 of the CCQ.

DISCOVERABILITY AND CONCEALMENT

89. Valve willfully and intentionally concealed their unlawful conduct and the unlawfulness of their Loot Box System from the public, including the Plaintiff and Class Members. They did so by, *inter alia*, failing to disclose the odds of receiving any particular item from a Crate, by presenting the Loot Box System as a lawful in-game feature, by obscuring the true nature of the scheme as an illegal lottery or gaming operation, and by making the misrepresentations and omissions alleged herein. Valve carried out their conduct in a manner that precluded detection by the Plaintiff and Class.

90. The Plaintiff and Class Members did not discover, and could not discover through the exercise of reasonable diligence, the existence of the within claims because Valve actively, intentionally and purposively made misrepresentations and omissions regarding the Loot Box System.

91. In addition, the Plaintiff and Class Members could not reasonably have known that loss or damage had occurred, that it was caused or contributed to by acts of Valve, or that a court proceeding would be an appropriate means to seek to remedy the injury until this action was filed.

92. The Plaintiff and Class Members rely on the doctrines of fraudulent concealment, postponement and discoverability to postpone the running of the limitation period. In the

alternative, or in addition, the Plaintiff and Class Members also plead and rely on the *Limitation Act*, SBC 2012, c 13, and in particular ss. 8 and 21(3), and the *Limitation Act*, RSBC 1996, c 266.

93. Any applicable statute of limitation has been tolled by Valve's knowledge, concealment and denial of the alleged facts, which prevented the Plaintiff and the Class Members from discovering their causes of action, or that a court proceeding would be the appropriate means to seek to remedy the injury until this action was commenced.

CAUSATION AND DAMAGES

94. As a result of Valve's unlawful conduct, including their tortious conduct, breaches of the Consumer Protection Legislation, breaches of the *Competition Act*, and/or unjust enrichment, the Plaintiff and Class Members have suffered and will continue to suffer loss and damage, equal to the amounts paid to Valve for the purchase of Loot Box Keys and Crates during the Class Period. Such loss and damage were foreseeable by Valve.

95. Additionally, Valve's conduct is deserving of condemnation and calls for an award of punitive damages to express society's condemnation of corporate conduct that promotes unlawful gambling, including targeting children. Valve engaged in conduct that is appropriately characterized as a marked departure from ordinary standards of decent behaviour. For profit and by unlawful means, Valve utilized deceptive and unconscionable acts and practices, and knowingly promoted an unlawful gambling scheme to persons in British Columbia, Québec and across Canada. Valve's conduct was intentional, deliberate, malicious, and shocks the conscience, warranting punitive and exemplary damages. An award of punitive damages would also help deter Valve and others from similar conduct in the future.

JURISDICTION

96. Without limiting the foregoing, the Plaintiff relies on ss. 7, 10 and 13 of the *CJPTA* because there is a real and substantial connection between the facts on which this proceeding is based and the Province of British Columbia as this proceeding concerns:

(a) restitutionary obligations that, to a substantial extent, arose in British Columbia;

(b) a tort committed in British Columbia; and

(c) a business carried on in British Columbia.

Form 11 (Rule 4-5(2))

ENDORSEMENT ON ORIGINATING PLEADING OR PETITION

FOR SERVICE OUTSIDE BRITISH COLUMBIA

The Plaintiff claims the right to serve this pleading/petition on the Defendant outside British Columbia on the ground that:

The Plaintiff has at all material times been a resident of British Columbia and has suffered loss in British Columbia. The Supreme Court of British Columbia has jurisdiction with respect to this matter and the Plaintiff pleads the Court Jurisdiction and Proceedings Transfer Act, 2003, SBC Chapter 28 and amendments thereto.

Plaintiff's address for service:	**RICE PARSONS LEONI & ELLIOTT LLP** 820 - 980 Howe Street Vancouver, BC V6Z 0C8
Fax number address for service (if any):	Nil
E-mail address for service (if any):	service@rplelaw.com
Place of trial:	Vancouver
The address of the registry is:	800 Smithe Street, Vancouver

Date: May 21, 2026

Signature of ☐ plaintiff
☒ lawyer for plaintiff

Anthony Leoni, K.C.
Nathan A. McQuarrie
Katherine Shapiro

Rule 7-1 (1) of the Supreme Court Civil Rules states:

(1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,

(a) prepare a list of documents in Form 22 that lists

(i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and

(ii) all other documents to which the party intends to refer at trial, and

(b) serve the list on all parties of record.

Appendix

Part 1: CONCISE SUMMARY OF THE NATURE OF THE CLAIM:

This is a proposed class proceeding regarding Loot Box System offered in the defendant's video games.

Part 2: THIS CLAIM ARISES FROM THE FOLLOWING:

A personal injury arising out of:

- ☐ a motor vehicle accident
- ☐ medical malpractice
- ☒ another cause

A dispute concerning:

- ☐ contaminated sites
- ☐ construction defects
- ☐ real property (real estate)
- ☐ personal property
- ☐ the provision of goods or services or other general commercial matters
- ☐ investment losses
- ☐ the lending of money
- ☐ an employment relationship
- ☐ a will or other issues concerning the probate of an estate
- ☒ a matter not listed here

Part 3: THIS CLAIM INVOLVES

- ☒ a class action
- ☐ maritime law
- ☐ aboriginal law
- ☐ constitutional law
- ☐ conflict of laws
- ☐ none of the above
- ☐ do not know

Part 4:

1. *Business Practices and Consumer Protection Act*, S.B.C. 2004, c. 2, ss. 4, 5, 8, 9, 10, 171, 172;

2. *Criminal Code*, R.S.C. 1985, c. C-46, Part VII, ss. 197, 202, 206, 207;

3. *Gaming Control Act*, S.B.C. 2022, c. 29, s. 234;

4. *Class Proceedings Act*, R.S.B.C. 1996, c. 50;

5. the equitable doctrine of unjust enrichment; and

6. such further and other legal and equitable grounds as counsel may advise.