1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28

Erik L. Jackson, (SBN 166010)
ejackson@cozen.com
Nathan M. Dooley (SBN 224331)
ndooley@cozen.com
COZEN O'CONNOR
601 S. Figueroa Street, Suite 3700
Los Angeles, CA 90017
Telephone: 213.892.7900
Facsimile: 213.892.7999

Attorneys for Defendants TILTWARE LLC and CHRIS FERGUSON, and Specially-Appearing Defendants POCKET KINGS LTD., HOWARD LEDERER and RAYMOND BITAR

ORIGINAL FILED
JUL 12 2013
LOS ANGELES SUPERIOR COURT

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF LOS ANGELES

RECEIVED
DEPT. 48
JUL 10 2013

CARDROOM INTERNATIONAL, LLC, a Florida Limited Liability Corporation,

Plaintiff,

vs.

MARK SCHEINBERG, an individual, et al.,

Defendants.

Case No.: SC 114330
[Related to Case No. BC423036]

[Assigned for all purposes to Hon. Elizabeth White, Dept. 48]

~~[PROPOSED~~D] ORDER SUSTAINING DEMURRERS TO PLAINTIFF'S SECOND AMENDED COMPLAINT WITHOUT LEAVE TO AMEND AND DISMISSING ACTION IN ITS ENTIRETY

Complaint Filed:	9-30-11
FAC Filed:	11-9-11
Date of Removal:	4-2-12
Date of Remand:	6-29-12

On June 7, 2013, the following matters were heard in Department in Department 48 of the above-referenced Court, Judge Elizabeth White presiding:

(1) The Demurrer of Defendant Tiltware, LLC ("Tiltware") to the Second Amended Complaint ("SAC") of Plaintiff Cardroom International, LLC ("Plaintiff" or "Cardroom");

(2) The Joinder of Defendant Phil Ivey ("Ivey") in Tiltware's Demurrer to Plaintiff's SAC;

(3) Defendant Ivey's Motion to Quash and Demurrer to Plaintiff's SAC;

(4) The Demurrer of Defendant Philip S. Gordon ("Gordon") to Plaintiff's SAC;

(5) The Joinder of Defendant Chris Ferguson ("Ferguson) in the Demurrers filed by Defendants Tiltware, Ivey and Gordon; and

(6) The Motions to Quash Service of Summons and Complaint filed by Defendants Pocket Kings, Ltd. ("PKL"), Erik Seidel ("Seidel"), Andy Bloch ("Bloch") and Perry Friedman ("Friedman").

Cyrus Sanai, Esq. appeared on behalf of Plaintiff. Erik L. Jackson, Esq. of Cozen O'Connor appeared on behalf of Defendants Raymond Bitar ("Bitar") and Ferguson, and Specially Appearing Defendants Howard Lederer and Pocket Kings, Ltd. Ian Imrich, Esq., of the Law Offices of Ian J. Imrich, APC, appeared on behalf of Defendant Chris Ferguson. Ronald M. Greenberg, Esq. of Dykema Gossett specially appeared on behalf of Defendant Perry Friedman.[1] Neil M. Sunkin, Esq. of Law Offices of Neil M. Sunkin appeared on behalf of specially appearing Defendants Andy Bloch and Erik Seidel.[2] Richard Schonfeld, Esq. specially appeared on behalf of Defendant Phil Ivey. Maurice Suh, Esq. of Gibson, Dunn & Crutcher appeared on behalf of Defendant Phil Gordon.

The Court, having reviewed the moving and opposing papers on the Demurrers and Motions to Quash identified above, and after extensive oral argument of counsel, finds, adjudges and orders as follows:

I. BACKGROUND

Plaintiff filed its Second Amended Complaint ("SAC") on February 19, 2013, after the Court sustained Tiltware's Demurer to Plaintiff's First Amended Complaint ("FAC").[3] In sustaining Tiltware's Demurrer to the FAC, this Court held in its Order filed on December 31, 2012, that as the FAC was pled, "there is no way that Mr. Sanai would be able to proceed." The Court expressly held

---

[1] By Order of this Court dated December 31, 2012, this Court granted a Motion to Quash Service of Summons for lack of personal jurisdiction filed by Mr. Greenberg on behalf of Defendant Perry Friedman with respect to Plaintiff's FAC.

[2] By Order of this Court dated December 31, 2012, this Court Granted a motion to quash the summons and complaint of specially appearing Defendant John Juanda. In that same Order, the Court also granted the motions to quash the summons and complaint of specially appearing Defendants Oldford Group, Ltd. and Mark Scheinberg as to the FAC, both of whom were never thereafter served with the SAC.

[3] The SAC names over 20 Defendants, including a number of Defendants who were never served, and several who were dismissed from the FAC based on motions to quash that were granted by the Court.

in relevant part as follows: "There is no tangible injury. There is no proximate cause ... there's very little that the court can look to try to establish either the RICO or antitrust claims." *Id.* The Court warned Plaintiff's counsel that "If the problems are not resolved, . . . [it] "would not hesitate next time around to sustain without leave to amend."

II. PLAINTIFF'S SECOND AMENDED COMPLAINT

As was the case in the FAC, Plaintiff's SAC sets forth claims for relief under (1) civil RICO, 18 U.S.C. § 1964 *et seq.*; (2) the Florida Anti-Trust Act, 542.14 FLA. STAT *et seq.*; and (3) the Cartwright Act, Cal. Bus. & Prof. Code §§ 16700 *et seq.* On March 26, 2013, the various Demurrers and Joinders thereto brought by Defendants Tiltware, Ivey, Ferguson and Gordon were filed. Also on March 26, 2013, Defendants Pocket Kings, Ltd., Erik Seidel, and Andy Bloch re-noticed their previously filed Motions to Quash. On April 4, 2013, Defendant Friedman filed his Motion to Quash Service of Summons with respect to Plaintiff's SAC.

III. THE THREE HEARINGS

On May 1, 2013, a hearing was held as to the pending Demurrers and Motions to Quash. The May 1 hearing lasted for several hours and was continued to May 8, 2013. The Court provided the parties with a detailed tentative ruling prior to oral argument that in part sustained the Demurrer without leave to amend as to the Civil RICO cause of action.

On May 8, 2013, the Court again heard extensive oral argument for approximately two hours from Plaintiff's counsel and from counsel for several Defendants. The Court determined that oral argument was closed as to the Civil RICO cause of action, and again continued the matter to June 7, 2013, for a third day of oral argument, to further address the antitrust causes of action.

On June 7, 2013, the Court once again heard extensive oral argument on the antitrust claims. Prior to the hearing, the Court provided the parties with a tentative ruling sustaining Tiltware's Demurer as to all three causes of action without leave to amend, sustaining the other Demurrers without leave to amend, granting all Joinders in the various demurrers, denying the various pending Motions to Quash as moot, and ordering the case dismissed in its entirety with prejudice. Prior to the hearing, the Court conducted its own research regarding the anti-trust causes of action. At the

hearing, the Court once again heard extensive oral argument from Plaintiff's counsel and counsel for various Defendants.

IV. THE COURT SUSTAINS ALL DEMURRERS AND JOINDERS TO DEMURRERS WITHOUT LEAVE TO AMEND

Having considered the moving papers, opposition and arguments of counsel, the Court ADJUDGES, ORDERS AND DECREES as follows:

A. Tiltware's Demurrer To Plaintiff's First Cause of Action For Civil RICO Violations Is Sustained Without Leave To Amend

Tiltware's Demurrer as to the first cause of action (Relief Under the Racketeering-Influenced Corrupt Organizations Act ("RICO"), 18 U.S.C. $ 1964 et seq.) is sustained without leave to amend:[4]

The Court finds persuasive Defendant's argument that Plaintiff lacks standing to bring a civil RICO claim because Plaintiff has failed to plead the requisite proximate causation element of a RICO cause of action.

"It is well settled that, to maintain a civil RICO claim predicated on mail [or wire] fraud, a plaintiff must show that the defendants' alleged misconduct proximately caused the injury." *Poulos v. Caesars World. Inc.*, 379 F.3d 654, 664 (9th Cir. 2004) (*citing Holmes v. Sec. Investor Prot. Corp.*, 503 U.S. 258,268,112 S. Ct. 1311,117 L. Ed. 2d 532 (1992)). *Sosa v. DIRECTV, Inc.* (9th Cir. Cal. 2006) 437 F.3d 923, 941. Moreover, "[o]nly financial institutions have standing to allege violations of bank fraud under 18 U.S.C. § 1344 as predicate acts for RICO purposes. (Citations omitted.) The plaintiffs make no allegation that they are financial institutions within the meaning of section 1344. This portion of the their complaint must therefore be dismissed for failure to state a claim upon which relief may be granted." *Best Deals on TV. Inc. v. Naveed* (N.D. Cal. Sept. 25, 2007), 2007 U.S. Dist. LEXIS 99922, ** 28-29.

> Here, there are more direct victims than plaintiffs who can "be counted on to vindicate the law as private attorneys general." *Mendoza*, 301 F.3d at 1169; see also id. at 1169-70 **("[Potential plaintiffs who have suffered 'passed-on' injury— that is, injury derived from a third party's direct injury — lack statutory standing").** Those more direct victims would be the banks who were the targets of the alleged fraud, and who have a substantial stake in recovering any financial losses they incurred, especially if plaintiffs' allegation that defendants' conduct "[left] the Banks holding millions in unpaid loans" is true. n83 Indeed, it is this reality that may have led other courts to hold that only banks can assert a RICO claim based on predicate acts of bank fraud. See, e.g., *Edmonds v. Seavey*, No. 08 Civ. 5646(HB), 2009 U.S. Dist. LEXIS 84397, 2009 WL 2949757, *6 n. 8 (S.D.N.Y. Sept. 15, 2009) ("[Section] 1344 only prohibits 'a scheme or artifice . . . to defraud a financial institution,' and a RICO plaintiff who is not a financial institution under the statute lacks standing or injury to bring a RICO claim based on bank fraud as the predicate act," *quoting Hilgeford v. Nat'l Union Fire Ins. Co. of Pittsburgh*, No. 3:08-CV-669,2009 U.S. Dist. LEXIS 9766,2009 WL 302161, *6 (E.D. Va. Feb. 6, 2009)). The presence of a

[4] This portion of the Order is copied virtually verbatim from the Court's Tentative Rulings of May 1, 2013 (Civil RICO cause of action), and June 7, 2013 (antitrust causes of action).

more direct victim thus weighs strongly against a finding that plaintiffs can assert a RICO claim based on bank fraud.

Hill v. Opus Corp. (C.D. Cal. 2011) 841 F.Supp.2d 1070,1098 (bold emphasis added).

Here, the direct victims of the alleged fraudulent scheme to circumvent credit card companies' policy against processing Internet gambling transaction via e-check processing (2AC, ¶¶ 54-61, 72-74) are the credit card companies, banks, and financial institutions who were tricked into authorizing gambling transactions. The banks who agreed to engage in "transparent processing" to knowingly process gambling transactions in exchange for fees cannot be considered victims. ¶¶ 62-66.

The direct victims of the Full Tilt Companies Ponzi-esque payout practices are the gamblers themselves. 2AC, ¶¶ 67-68.

Likewise, as to the alleged scheme to defraud cable companies by representing to the companies that the advertisements were not promoting illegal gambling and were not themselves illegal in any way, the direct victims were the cable companies, who were put at risk for criminal prosecution. 2AC, ¶¶ 75-77.

Also, as this Court previously noted and as discussed below, there is an insufficient direct causal connection between Defendants' alleged RICO violations and Plaintiffs alleged harm:

> The Racketeer Influenced and Corrupt Organizations Act (RICO), 18 U.S.C. §§ 1961-1968 (2000 ed. and Supp. III), prohibits certain conduct involving a "pattern of racketeering activity." § 1962 (2000 ed.). One of RICO's enforcement mechanisms is a private right of action, available to "[a]ny person injured in his business or property by reason of a violation" of RICO's substantive restrictions. § 1964(c).
>
> In *Holmes v. Securities Investor Protection Corporation*, 503 U.S. 258,268.112 S. Ct. 1311,117 L. Ed. 2d 532 (1992), this Court held that a plaintiff may sue under § 1964(c) only if the alleged RICO violation was the proximate cause of the plaintiffs injury.

Anza v. Ideal Steel Supply Corp. (U.S. 2006) 547 U.S. 451,453.

> **The requirement of a direct causal connection is especially warranted where the immediate victims of an alleged RICO violation can be expected to vindicate the laws by pursuing their own claims.** See id., at 269-270,112 S. Ct. 1311,117 L. Ed. 2d 532 ("[Directly injured victims can generally be counted on to vindicate the law as private attorneys general, without any of the problems attendant upon suits by plaintiffs injured more remotely"). Again, the instant case is instructive. Ideal accuses the Anzas of defrauding the State of New York out of a substantial amount of money. If the allegations are true, the State can be expected to pursue appropriate remedies. The adjudication of the State's claims, moreover, would be relatively straightforward; while it may be difficult to determine facts such as the number of sales Ideal lost due to National's tax practices, it is considerably easier to make the initial calculation of how much tax revenue the Anzas withheld from the State. There is no need to broaden the universe of actionable harms to permit RICO suits by parties who have been injured only indirectly.
>
> The Court of Appeals reached a contrary conclusion, apparently reasoning that because the Anzas allegedly sought to gain a competitive advantage over Ideal, it is immaterial whether they took an indirect route to accomplish their goal. See 373 F.3d, at 263. This rationale does not accord with Holmes. **A RICO plaintiff cannot**

<u>circumvent the proximate-cause requirement simply by claiming that the defendant's aim was to increase market share at a competitor's expense</u>. *See Associated Gen. Contractors*, 459 U.S., at 537, 103 S. Ct. 897, 74 L. Ed. 2d 723 ("We are also satisfied that **an allegation of improper motive . . . is not a panacea that will enable any complaint to withstand a motion to dismiss")**. When a court evaluates a RICO claim for proximate causation, the central question it must ask is **whether the alleged violation <u>led directly</u> to the plaintiffs injuries.** In the instant case, the answer is no. We hold that Ideal's § 1962(c) claim does not satisfy the requirement of proximate causation.

Anza, supra. 547 U.S. at 456-61 (bold emphasis and underlining added).

In claiming this Court made a mistake in its prior tentative ruling. Plaintiff touts the decision in Bridge v. Phoenix Bond Co. (2008) 553 U.S. 639 as having rejected Anza. However, Bridge only stands for the following:

> We hold that a plaintiff asserting a RICO claim predicated on mail fraud need not show, either as an element of its claim or as a prerequisite to establishing proximate causation, that it **relied on the defendant's alleged misrepresentations.**

Bridge v. Phoenix Bond & Indem. Co. (2008) 553 U.S. 639, 661 (bold emphasis added).

Moreover, as directly cited above, in *Hemi Group*—decided after *Bridge*—the U.S. Supreme Court cited the *Anza* analysis with approval. Moreover, the Hemi-Group expressly discredited Justice Thomas' concurrence/dissent in *Anza* touting a foreseeability analysis rather than a "direct relationship" analysis. *Hemi Group, supra*, 130 S.Ct. at 991:

> The dissent would have RICO's proximate cause requirement turn on foreseeability, rather than on the existence of a sufficiently "direct relationship" between the fraud and the harm. It would find that the City has satisfied that requirement because "the harm is foreseeable; it is a consequence that Hemi intended, indeed desired; and it falls well within the set of risks that Congress sought to prevent." Post, at _____ 175 L. Ed. 2d, at 960 (opinion of Breyer, J.). If this line of reasoning sounds familiar, it should. **It is precisely the argument lodged against the majority opinion in Anza. There, the dissent criticized the majority's view for "permit[ting] a defendant to evade liability for harms that are not only foreseeable, but the intended consequences of the defendant's unlawful behavior." 547 U.S., at 470, 126 S. Ct. 1991,164 L. Ed. 2d 720 (Thomas, J., concurring in part and dissenting in part). But the dissent there did not carry the day, and no one has asked us to revisit Anza.**
>
> The concepts of direct relationship and foreseeability are of course two of the "many shapes [proximate cause] took at common law," Holmes, 503 U. S., at 268, 112 S. Ct. 1311,117 L. Ed. 2d 532. **Our precedents make clear that in the RICO context, the focus is on the directness of the relationship between the conduct and the harm. Indeed, Anza and Holmes never even mention the concept of foreseeability.**

(Bold emphasis added.)

Plaintiff cites *Morning Star Packing Co. v. SK Foods. L.P.* (E.D. Cal, 2011) 2011 U.S. Dist. LEXIS 113046 in support of its position that proximate cause is sufficiently alleged. However, *Morning Star* involved a bribery scheme which allegedly caused the Plaintiff to lose specific contracts they otherwise would have received. Id. at ** 17,18. Here, Plaintiff does not allege a bribery scheme, but rather that Pokerstars linked its agreement to purchase airtime for its poker-related cable television programs with a demand that it be given the exclusive right to license its software for fantasy poker play on Fox Sports' website. 2AC, ¶ 78.

1 Plaintiff's Allegations

2 **Dominant Market Position:** Plaintiff Cardroom International LLC ("Cardroom") alleges that it "owns a mature and proven Internet poker peer-to-peer system" and "has sought to license its
3 technology both for the real money and play money areas." 2AC, ¶ 48. Plaintiff alleges that its efforts "were repeatedly stymied by the illegal conduct of the Defendants, arising from their illegal
4 and anti-competitive servicing of United States poker players to play online...." Id. ¶ 49 alleges that "[bjecause the Full Tilt Defendants and the Pokerstar Defendants successfully cooperated in finding
5 mechanisms for illegally transferring money to and from United States players after the passage of the UIGEA [Unlawful Internet Gambling Enforcement Act, 31 U.S.C, §§ 5361-5367], they obtained
6 a dominant position in the world market." ¶ 50 alleges that Cardroom had to invest considerable resources to bring its software system (acquired in a 2008 bankruptcy sale) online, but "[b]y the time
7 Cardroom's system was ready for licensing in late 2008, the market for licenses had been substantially foreclosed by the activities of the Defendants." Plaintiff alleges that the Pokerstars
8 Defendants and Full Tilt Defendants dominated market position in legal real-money play due to unmatched liquidity of players, ¶¶ 49, 50.
9
Thus, Plaintiff's theory is that Defendants' RICO violations enabled them to attain a dominant
10 position in the world market, which has harmed Plaintiff's ability to license its technology for both the real money and play money areas. As discussed above, the facts alleged cannot meet the U.S.
11 Supreme Court's proximate causation requirement for purposes of a RICO cause of action. *See Anza. supra.* 547 U.S. at 456-61.
12
Network licensing: ¶ 78 of the 2AC alleges that "Cardroom sought to license its software to
13 sports sites in the United States." However, The Pokerstars Defendants and Full Tilt Defendants had entered into agreements for licensing of their software with the companies owing the espn.com
14 website and several sports-related websites before Cardroom could arrange meetings. Id. Although Plaintiff was able to engage in discussions with Fox Sports, Plaintiff alleges that it "would have
15 obtained a license agreement with Fox Sports in 2010 had Pokerstars not linked its agreement to purchase airtime for its poker-related cable television programs . . . with a demand that it be given
16 the exclusive right to license its software for fantasy poker play on Fox Sports' website." Id.

17 As alleged, the direct cause of Plaintiff s inability to license its software to one network was Pokerstars' agreement with that network, which included a contractual exchange of the purchase of
18 airtime on the network (presumably a show featuring professional poker players) conditioned upon the network using Pokerstars' software and system on the network's website. As noted, a
19 Defendant's increasing market share at a competitor's expense does not satisfy the proximate causation requirement for purposes of a RICO cause of action. *See Anza. supra*, 547 U.S. at 456-61.
20
Barrier to Entry: ¶ 67 alleges that the Pokerstars Companies and Full Tilt Companies were
21 competitors which ran their businesses differently. The Pokerstars Companies held players funds and returned players balances when required. Id. However, the Full Tilt Companies immediately spent
22 funds obtained from players on promotional expenses to expand influence in the professional poker world. Id. Player cash outs were paid from funds transferred from other players. as opposed to funds
23 the players had won or retained in playing poker. thus resembling a Ponzi scheme. Id. These players were the direct victim of the Ponzi scheme.
24
¶ 70 alleges that the Full Tilt Companies' expenditure of players' money on receipt enabled it
25 to effectively limit competition from new entrants into markets where online poker was legal and to ensure that companies looking to offer online poker on a play money basis in the United States
26 would be discouraged from entering into license agreements with software companies because the Full Tilt Companies "would offer strategic alliances on terms that no company making a fair profit
27 could match."

28 ¶ 79 alleges that the Pokerstars and Full Tilt Defendants proximately caused injury to Plaintiff by: (1) "[D]ominating the on-line poker business in the United States," giving Defendants

"a base of players that no international company could easily compete with," resulting in "fewer participants in the market for legal Internet poker willing to consider licensing the software of Cardroom." "Those companies that did license software necessarily preferred software which linked together multiple websites of different companies" instead of the "bespoke (i.e., custom-made) system offered by Cardroom, which is intended to be used by a single operator." ¶ 79 (bold emphasis added).

This appears to be the most direct cause of Plaintiff's injury—its product was modeled on a system that was not preferred by companies looking to license software. It was the companies' preference for other software—not Defendants' alleged illegal conduct (which as alleged may not even constitute "predicate acts" of "racketeering activity" under RICO), which was the proximate cause of Plaintiff's failure to license it software to certain companies.

Plaintiff also alleges that "the market dominance of the pokerstars.com and fulltiltpoker.com websites meant **that investors until April 15, 2011 were highly skeptical of the business prospects of independent software houses seeking to advance and develop software systems for legal on-line poker." ¶ 79** (bold emphasis added). The reasons why investors were skeptical in this regard is speculative.

Plaintiffs alleged damages: Plaintiff alleges that it has suffered losses to its business in the amount of at least ten million dollars, consisting of out-of-pocket losses and income and investment capital Plaintiff could have earned but for the conduct of the criminal enterprise by Defendants. ¶ 81. For the reasons discussed above, these purportedly losses were not proximately caused by Defendants' alleged violations of RICO.

Moreover, as to alleged re-entry into the market by Defendants, the Ninth Circuit has held that injunctive relief under RICO is not available to a private plaintiff in a civil action. Religious Technology Center v. Wollersheim (9th Cir. Cal. 1986) 796 F.2d 1076, 1084.

For the foregoing reasons, Plaintiff's theory of causation requires too many steps, too much speculation, and much difficulty in attributing damages to Defendant's alleged violations of RICO.

Copyright Violation: In order to plead a more direct harm from Defendants' conduct, Plaintiff alleges in ¶¶ 52, 80 of the 2AC that the Full Tilt Owners reached a settlement with the United States, whereby the Full Tilt Companies forfeited most of their assets, including their software, to the United States, which then transferred the assets to the Pokerstars Companies and dismissed the civil forfeiture complaints against them in exchange for more than $500 million. ¶ 80 alleges that:

> [T]he transfer to the Pokerstars Companies, and their subsequent resurrection of the fulltitlpoker.com website and licensing of the software, **has infringed upon Cardroom's superior co-ownership copyrights** in the software. All of the software used by the Full Tilt Companies for conducting on-line poker were derivative works of copyrighted software owned by Cardroom, and no other person (absent inapplicable exceptions such as affiliate transfers) could, under the conveyance establishing Full Tilt's property rights in the software, obtain valid ownership of such software absent Cardroom's consent or a bankruptcy sale, neither of which occurred. The Pokerstars Defendants are currently infringing on Cardroom's copyright for commercial advantage and private gain, constituting violation of the criminal copyright statute, 18 U.S.C.,§ 2319.

¶ 81 alleges that "Plaintiff Cardroom has suffered losses to its business in the amount of at least ten million dollars and will incur additional losses if Pokerstars continues to infringe on Cardroom's copyrights and reap the benefit of its conduct, and if Gordon, Doe 1 and other Full Tilt alumni [sic]." (Bold emphasis added.)

These allegations plead copyright violations which are subject to the exclusive jurisdiction of federal courts:

> Federal courts have exclusive jurisdiction "of any civil action arising under any Act of Congress relating to patents . . . [or] copyrights . . . ." (28 U.S.C. § 1338(a).) The meaning of "arising under" a patent or copyright statute for this purpose is the same as the meaning of "arising under" any other federal statute for purposes of general federal question jurisdiction (see 28 U.S.C. § 1331). (*Duncan v. Stuetzle* (9th Cir. 1996) 76 F.3d 1480, 1485-1486; *see also Christianson v. Colt Industries Operating Corp.* (1988) 486 U.S. 800, 808-809 and fn. 2 [108 S. Ct. 2166, 2173-2174, 100 L. Ed. 2d 811].)
>
> *Durgom v. Janowiak* (1999) 74 Cal.App.4th 178, 182.

"[F]ederal law gives exclusive jurisdiction over copyright disputes to the federal courts. (28 U.S.C.S. § 1338(a).)" *Balboa Ins. Co. v. Trans Global Equities* (1990) 218 Cal.App.3d 1327, 1338. A plaintiff "is required to invoke federal jurisdiction to prosecute such action because the federal courts possess exclusive jurisdiction in actions arising under the federal copyright act. (28 U.S.C. § 1338(a); *Zachary v. Western Publishing Co.* (1977) 75 Cal.App.3d 911, 915 [143 Cal.Rptr. 34].)" *Robert H. Jacobs v. Westoaks Realtors* (1984) 159 Cal. App. 3d 637, 643.

Thus, the direct harm of which Plaintiff complains is a copyright dispute which is subject to exclusive federal jurisdiction.

For the foregoing reasons, the demurrer to the first cause of action is SUSTAINED without leave to amend.

B. Tiltware's Demurrer as to the Anti-trust Causes of Action is Sustained Without Leave To Amend

As noted, oral argument on Plaintiff's second cause of action (Relief Under Florida Anti-Trust Act, Florida Statutes 542.12 *et seq.*) and third cause of action (Relief Under the Cartwright Act, Cal. Bus. & Prof. Code §§ 16700 *et seq.* took place on May 1, May 8 and June 7, 2013. The Court issued its ruling sustaining Tiltware's Demurrer without leave to amend following the June 7, 2013, hearing. Specifically, the Court determined as follows:

> In taking the matter under submission, the Court has given due consideration to the oral argument presented by Defendants' counsel at the May 8, 2013 hearing. As set forth below, the Court finds Defendants' argument to be persuasive that no conduct prohibited under anti-trust laws has been, or can be, alleged.
>
> The Florida Antirust Act is codified at Fla. Stat. § 542.12.
>
> nl 1 Federal and Florida antitrust laws are analyzed under the same rules and case law. Fla. Stat. §542.32 (**"It** is the intent of the Legislature that, in construing this chapter,

due consideration and great weight be given to the interpretations of the federal courts relating to comparable federal antitrust statutes.");

All Care Nursing Serv. v. High Tech Staffing Servs. (11th Cir. Fla. 1998) 135 F.3d 740, 746, n.11.

The third cause of action for violation of the Cartwright Act codified at R& P Code § 16700 et seq. is based upon essentially the same allegations as the second cause of action. However, "[u]nlike the Clayton Act, the Cartwright Act does not require a direct relationship between plaintiffs and those alleged to have violated the state antitrust laws. (Bus. & Prof. Code, § 16750, subd. (a).)" *Boccardo v. Safeway Stores, Inc.* (1982) 134 Cal.App.3d 1037, 1044.

As to the second cause of action, ¶89 alleges that Defendants conspired to create poker television programs and used their dominant position in real-money play to require their software system be utilized for fantasy poker play offered on the websites of broadcast and cable networks in the United States with Defendants' purchase of airtime or advertising time on such networks. Plaintiff alleges that this made it impossible for Plaintiff to license its software to such media companies. Id. Plaintiff also alleges that "[t]he sales of combined package of television programs and compulsory acceptance of an exclusive license was an unreasonable restraint on its own, and ... was a per se violation of the anti-trust laws." Id. Similar allegations as to the third cause of action are set forth in ¶ 100.

At the June 7, 2013, hearing, Plaintiff argued that it properly alleged an antitrust conspiracy. Plaintiff is incorrect as it has not plausibly alleged an antitrust conspiracy. Notwithstanding Plaintiff's repeated attempts at the hearings to supplement its SAC with unpled factual allegations, the SAC does not allege facts sufficient to render its conspiracy allegations plausible, nor has plaintiff articulated any reason why participation in such a conspiracy would be in Tiltware's interest. Plaintiff's argument that Tiltware would receive money from converting fantasy online poker players to real money online poker players is simply too attenuated a theory to be actionable and is not supported by the allegations in the SAC or the law.

Moreover, Plaintiff's alleged conspiracy, even if plausible, would not constitute a per se antitrust violation. Per se treatment is reserved for those types of restraints with which courts are

sufficiently familiar that they have concluded that such restraints virtually always are anticompetitive, such as price fixing or market allocation. The conspiracy that Plaintiff seeks to allege does not fall within any of these types of restraints; rather, the alleged agreement between Tiltware and PokerStars is highly unusual and complex. The Court cannot conclude that it is so obviously anticompetitive as to warrant per se treatment. Therefore, the alleged conspiracy, even if plausible, would have to be analyzed under the rule of reason.

As noted above, rule of reason analysis requires an analysis of the agreement's actual anticompetitive effects in the relevant market. Upon review of the allegations in the SAC, as well as Plaintiff's repeated efforts to explain the anticompetitive effects of the alleged conspiracy, the Court concludes that the alleged agreement, even if plausible, cannot withstand rule of reason analysis.

First, Plaintiff has failed to adequately plead a relevant market. The one market that is pleaded with particularity—real money, peer-to-peer online poker—contains no alleged geographic boundaries. The SAC also hints at a fantasy poker market, but it is unclear from the SAC whether this market refers to the sale of fantasy poker playing opportunities to consumers or to the sale of advertising on fantasy poker websites.

Second, Plaintiff's theory of anticompetitive effects is that Tiltware and PokerStars used their combined market power in the "real money" online poker market, to coerce media companies into licensing Tiltware and/or PokerStars' software as a condition of Tiltware and/or PokerStars' purchase of airtime from the media companies, thereby foreclosing these companies to Plaintiff. This theory, however, would not require Tiltware and/or PokerStars to have seller-side market power in the "real money" market, but instead would require one or both companies to have buyer-side market power in the market for the purchase of airtime from media companies. As Defendant pointed out at oral argument on May 8, 2013, Plaintiff's focus on the purchase of airtime for poker programs is an artificially limited market which is not defined in terms of the reasonable interchangeability of substitute products, i.e, other purchasers' non-poker programs or advertisements.

Plaintiffs have the burden of defining the relevant market. Pastore v. Bell Telephone Co. of Pennsylvania, 24 F.3d 508, 512 (3d Cir. 1994); Tunis Bros Co., Inc. v. Ford Motor Co., 952 F.2d 715, 726 (3d Cir. 1991). "The outer boundaries of a product

market are determined by the reasonable interchangeability of use or the cross-elasticity of demand between the product itself and substitutes for it," Brown Shoe Co. v. U.S., 370 U.S. 294, 325, 8 L. Ed. 2d 510, 82 S. Ct. 1502 (1962); Tunis Brothers, 952 F.2d at 722 (same), Where the plaintiff fails to define its proposed relevant market with reference to the rule of reasonable interchangeability and cross-elasticity of demand, or alleges a proposed relevant market that clearly does not encompass all interchangeable substitute products even when all factual inferences are granted in plaintiff 's favor, the relevant market is legally insufficient and a motion to dismiss may be granted. (Citations omitted.)

Queen City Pizza v. Domino's Pizza (3d Cir. Pa. 1997) 124 F.3d 430, 436.

Third, in the absence of such market power, any agreement between Tiltware and PokerStars, even if proven, could not have prevented Plaintiff from bringing its own software to market. The success of other online poker business, such as Zynga, illustrates that Tiltware and PokerStars did not foreclose competition as a matter of law.

Plaintiff's allegations are in the nature of coercive reciprocal dealing, which is analyzed in the same manner as tie-ins:

2. Coercive Reciprocal Dealing

Coercive reciprocity presupposes the existence of economic leverage in one market to gain an unfair advantage in another, while mutual reciprocity occurs when both parties stand on equal footing with respect to purchasing power yet they agree to purchase from one another. Id. at 59; n29 Comment, A Re-evaluation of Reciprocal Dealings Under the Federal Antitrust Laws: *Spartan Grain & Mill Co. v. Ayers*, 11 Loy.U.Chi.L.J. 577, 597 (1980).

FOOTNOTES

n29. The example of a reciprocal dealing arrangement given by the Spartan Grain court involves one party who is both a food wholesaler and a provider of goods used in processing foods, and another party who is a food processor. The wholesaler agrees to purchase products from the food processor only on the condition that the processor buy the processing goods from it. 581 F.2d at 424.

Although this is an example of coercive reciprocity, the court did not so define it. The court's analysis does not distinguish between coercive and noncoercive reciprocity. Relying on Spartan Grain & Mill Co. v. Ayers, 581 F.2d 419 (5th Cir. 1978), cert. denied, 444 U.S. 831, 100 S. Ct. 59, 62 L. Ed. 2d 39 (1979), Betaseed argues that this court should judge the coercive reciprocal dealing contracts at bar according to the legal standards applied to tie-ins. **In Spartan Grain, the Fifth**

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Circuit reasoned that tie-ins and reciprocal dealings should be analyzed alike because both arrangements have the same substantial anticompetitive effect: the use of economic power in one market to restrict competition in another market.

Although this circuit has had occasion to discuss and apply the per se tie-in standard, see, e.g., Hirsh v. Martindale-Hubbell, Inc., 674 F.2d 1343 (9th Cir. 1982); Krehl v. Baskin-Robbins Ice Cream, 664 F.2d 1348 (9th Cir. 1982); Phonetele, Inc. v. American Telephone and Telegraph Co., 664 F.2d 716 (9th Cir. 1981); Moore v. Jas H. Matthews Co., 550 F.2d 1207 (9th Cir. 1977); and Siegel v. Chicken Delight, Inc., 448 F.2d 43 (9th Cir. 1971), cert. denied, 405 U.S. 955, 92 S. Ct. 1173, 31 L. Ed. 2d 232 (1972), we have not yet addressed the interface of tie-ins and coercive reciprocal dealings and whether they should be judged by the same standard. For the reasons explained more fully in the analysis that follows, and because we believe the challenge restraint here fits within the tie-in per se category, see Gough v. Rossmoor, 585 F.2d 381, 386 (9th Cir. 1978), cert. denied, 440 U.S. 936, 99 S. Ct. 1280, 59 L. Ed, 2d 494 (1979), **we agree with the reasoning of the Fifth Circuit in Spartan Grain & Mill Co. v. Ayers, 581 F.2d 419, cert. denied, 444** U.S. **831, 100 S. Ct. 59, 62 L. Ed. 2d 39 (1979) that because the labels tie-in and coercive reciprocal dealing refer to similar phenomena, coercive reciprocal dealings should be judged according to the standards applied in a per se tie-in analysis. n30 Since we hold that there are material and genuine disputed facts as to a factual pattern of coercive reciprocity, our discussion is limited to coercive reciprocal dealings.**

Betaseed, Inc. v. U & I, Inc. (9th Cir. Wash. 1982) 681 F.2d 1203, 1216-17 (bold emphasis added).

The [Fifth Circuit in Spartan Grain] court noted that the transactions at issue in the case could be characterized as either a reciprocal dealing or a tie-in. The reciprocal arrangement involved Spartan Grain's purchase of eggs from producers on the condition that the producers buy its feed. The tie-in resulted where Spartan Grain arranged for the producers to buy flocks as well as feed. The court declined to shape the arrangement to fit either label because the arrangement could fit either label and because the two labels refer to similar phenomena: **In each case one side of a transaction has special power in the market place. It uses this power to force those with whom it deals to make concessions in another market.** In tying arrangements, a. seller with economic power forces the purchaser to purchase something else to [obtain] the desired item. **In reciprocal dealings a buyer with economic power forces a seller to buy something from it to sell its goods. In both cases, the key is the extension of economic power in one market to another market.** 581 F.2d at 425.

Applying the per se tie-in standards set forth in Northern Pacific Railway Co. v. United States, 356 U.S. 1, 78 S. Ct. 514, 2 L. Ed. 2d 545 (1958), the court concluded that there could be no per se liability. Although a substantial amount of commerce was involved, the producers had failed to show that Spartan Grain had **sufficient economic power with respect to the tying product** to appreciably restrain free competition in the market for the tied product.

Betaseed, Inc. v. U & I. Inc., supra, 681 F.2d at 1218 (bold emphasis and underlining added).

In our view, the malevolent economic results of market foreclosure and raising of artificial entry barriers in a market tinged with coercive reciprocity evinces the anticompetitive and predatory nature of the practice. The similarity between **coercive** reciprocity and tying arrangements, both in form and in anticompetitive consequences, leads to the conclusion that the two practices should be judged by similar standards. **Coercive** reciprocity, in our view, is a form of tying and hence "fits" this category. See Gough v. Rossmoor Corp., 585 b'.2d 381, 386 (9th Cir. 1978), cert. denied, 440 U.S. 936, 99 S. Ct. 1280, 59 L. Ed. 2d 494 (1979) (this court stated that the first question to be answered is whether the restraint fits any of the four per se categories: horizontal and vertical price-fixing; horizontal market division; group boycotts or concerted refusals to deal; and tie-in sales).

. . .

In Moore, this court rejected the notion that, as a prerequisite to finding a tie, there must be a showing of actual coercion. **We expressed the view that coercion may be implied from a showing that an appreciable number of buyers have accepted burdensome terms, such as a tie-in, and there exists sufficient economic power in the tying product market.** 550 F.2d at 1217. **"Coercion occurs when the buyer must accept the tied item and forgo possibly desirable substitutes."** Id. (citations omitted). n35 Since U& I was the only sugar beet processor in the relevant market, it is clear that latter requirement is met. We believe that there is an issue of fact as to whether or not the former requirement has been met.

FOOTNOTES

n35. In Moore, we rejected the argument that the fact that each purchaser of a cemetery lot was not absolutely required to buy a cemetery lot marker meant that coercion had not been shown. We stated that a showing of an onerous effect on **an appreciable number of buyers coupled with a demonstration of sufficient economic power in the tying market is sufficient to demonstrate coercion. 550** F'.2d at 1217. Thus, coercion in the context of a tie-in means that a product sold on the condition that the buyer also purchase a different or tied product or at least that the buyer agrees not to purchase the product from any other supplier. Northern Pacific Railroad Co., 356 U.S. at 5-6 & n.4, 78 S. Ct. at 518 &. n.4. "Where such conditions are successfully exacted competition on the merits with respect to the tied product is inevitably curbed." Id. at 6, 78 S. Ct. at 518. **Consequently, tie-ins are "unreasonable in and of themselves whenever a party has sufficient economic power <u>with respect to the tying product</u> to appreciably restrain free competition in the market for the tied product and a not insubstantial amount of interstate commerce is affected** (citations)." Id. **<u>Where the seller has no control or dominance over the tying product so that it cannot be an "effectual weapon to pressure buyers into taking the tied item</u>" the restraint attributable to it "would obviously be insignificant at most. "** Id.

IV. RULE OF REASON CLAIM

Conduct which does not meet the per se requirements may still constitute a violation of the Sherman Act Section 1 rule of reason. Fortner Enterprises, Inc. v. United States Steel Corp., 394 U.S. 495, 500, 89 S. Ct. 1252, 1257, 22 L. Ed. 2d 495 (1969); Phonetele, Inc., 664 F.2d at 738; Kentucky Fried Chicken, 549 F.2d at 380. "Contrary to its name, the Rule does not open the field of antitrust inquiry to any argument in favor of a challenged restraint that may fall within the realm of reason. **Instead, it focuses directly on the challenged restraint's impact on competitive conditions."** National Society of Professional Engineers v. United States, 435 U.S. 679, 688, 98 S. Ct. 1355, 1363, 55 L. Ed. 2d 637 (1978). **The inquiry mandated by the rule of reason is whether challenged agreement is one that promotes competition or one that suppresses competition; "(t)he true test of legality is whether the restraint imposed is such as merely regulates and perhaps thereby promotes competition or whether it is such as may suppress or even destroy competition** ... " Id. at 691, 98 S. Ct. at 1365 (quoting Chicago Board of Trade v. United States, 246 U.S. 231,238, 38 S. Ct. 242, 243, 62 L. Ed. 683 (1918)).

> **In determining whether a restraint is unreasonable, the court must consider whether the intent of the restraint is anticompetitive and whether the restraint has significant anticompetitive effects.** Sherm.an v. British Leyland Motors Ltd., 601 F.2d 429, 449 (9th Cir. 1979) Under this rule, the fact finder weighs all the circumstances of the case to-determine whether a restrictive practice is illegal. Continental T.V., Inc. v. GTE Sylvania, Inc., 433 U.S. 36, 49, 97 S. Ct, 2549, 2557, 53 L. Ed. 2d 568 (1977) ...
>
> *Betaseed, Inc,, supra*, 681 F.2d at 1221-23, 1228-29 (bold emphasis added).

In selling airtime or advertising time to third parties, networks do not seek particular content (aside from socially acceptable restrictions), but instead are seeking to maximize revenue in the sale of such airtime. Here, when the relevant market is properly defined to recognize the reasonable interchangeability of the purchasers of airtime or advertising time without regard to the content of the programming or advertising being offered by the purchaser, it is clear that the networks, not Defendants, stand in superior economic bargaining power as sellers of network time. Plaintiff does not allege the existence of a programming/advertising relevant market, let alone that Defendants had economic power in the programming/advertising market in general (tying product being purchased)

to coerce a sale of poker software (tied product in relevant market as to which. Plaintiff is seeking to compete). To the networks, the airtime they sell is fungible and the networks are not seeking a particular type of content to be advertised (here, implicitly, Defendant's poker television programs and associated advertising). As such, there is no per se coercive reciprocal dealing involved. Given the vast array of potential advertisers and programmers available to any media company, allowing Plaintiff to amend its complaint yet again to allege market power in a programming/advertising market would be futile.

Similarly, the agreed-upon exchange of the purchase of airtime in exchange for the sale of online poker software does not fail the rule of reason because there is a limited number of networks, and the requirement that one network use only Defendants' software (associated with Defendants' poker television programs), means that the other networks or media platforms are available to utilize other poker software, such as Plaintiff's, which would be a pro-competitive effect in terms of increasing the demand for Plaintiff' s poker software which is not subject to an exclusive license by another network. Plaintiff does not allege that Defendants demanded exclusive licenses from all available networks or media platforms. Also, the allegation that Zynga had an exclusive arrangement with Facebook - with no allegation that Zynga used television programs as leverage to obtain such arrangement - is itself an admission that the purchase of network airtime was not a condition of obtaining fantasy poker licensing.

Plaintiff represented at the hearing that it is not asserting a claim for monopolization, attempted monopolization, or conspiracy to monopolize. To the extent that the SAC could be construed to assert such a claim, it must be dismissed given the absence of any allegation that Tiltware has or has ever had, or has a dangerous probability of achieving, monopoly power.

Finally, the Court has given Plaintiff ample opportunity to set forth allegations that would support a cause of action and Plaintiff has not been able to do so.

In light of the foregoing, Plaintiff's Second Amended Complaint does not plead conduct by Defendants prohibited by the anti-trust laws. Accordingly, **Tiltware's Demurrers to the second and third causes of action of Plaintiff's SAC are SUSTAINED without leave to amend.**

C. **All Demurrers Are Sustained Without Leave To Amend, All Joinders Are Granted, All Motions to Quash Are Moot and This Case Is Dismissed In Its Entirety As Against All Named Defendants, Whether Served or Unserved**

In view of the foregoing, and for any additional reasons stated on the record, the Court sustains all Demurrers to Plaintiff's SAC without leave to amend and orders that the case be dismissed in its entirety. The Court holds that all Motions to Quash filed by the parties are moot because the Demurrers are sustained without leave to amend and the case dismissed.

Specifically, the Court rules as follows:

1. The Court SUSTAINS Defendant Tiltware, LLC's Demurrer to the first, second and third causes of action of Plaintiff's SAC without leave to leave to amend;
2. The Court GRANTS Specially Appearing Defendant Phil Ivey's Joinder to the Demurrers filed by Defendants Tiltware and Ferguson;
3. The Court SUSTAINS Defendant Phil Ivey's Demurrer to the first, second and third causes of action of Plaintiff's SAC without leave to leave to amend;
4. Defendant Ivey's Motion to Quash is MOOT because there are no longer any viable causes of action pending;
5. The Court SUSTAINS Defendant Philip S. Gordon's Demurrer to the first, second and third causes of action of Plaintiff's SAC without leave to leave to amend;
6. The Court GRANTS Defendant Chris Ferguson's Joinder in the Demurrers filed by Defendants Tiltware, Phil Ivey and Philip Gordon;
7. The Motions to Quash Service of Summons and Complaint filed by Specially Appearing Defendants Pocket Kings, Ltd., Erik Seidel, Andy Bloch and Perry Friedman are MOOT because there are no longer any viable causes of action pending.

D. **Independent Bases For Sustaining the Demurrers of Defendant Gordon**

In addition to the reasons set forth above, having considered Gordon's Demurrer to Plaintiff's SAC, all supporting and opposing papers, and the arguments of counsel for each party, the Court finds good cause appearing for sustaining Gordon's Demurrers for the following independent reasons.

Plaintiff's First Cause of Action for Civil RICO fails to state a cause of action against Gordon because Plaintiff has failed to allege that Gordon was engaged in any actionable RICO conduct, or that Gordon was the cause of any alleged RICO injury.

Plaintiff's Second and Third Causes of Action for violations of the antitrust laws of Florida and California, respectively, fail to state a cause of action against Gordon because they do not allege that Gordon either competed in, or possessed market power in, any relevant market. Further, Plaintiff has not alleged that Gordon engaged in any anticompetitive conduct.

In addition, Gordon's Demurrer to Plaintiff's SAC is sustained because Plaintiff fails to sufficiently allege that Gordon is the "alter ego" of the Full Tilt Companies such that Gordon would be liable for the RICO or antitrust violations of any of the Full Tilt Companies under an alter ego theory of liability. Further to this analysis, Gordon did not participate in any "inherently wrongful conduct" pursuant to *Murphy Tugboat v. Shipowners & Merchants Towboat Co., Ltd.*, 467 F. Supp. 841, 853 (N.D. Cal. 1979). Thus, Gordon cannot be held liable for any antitrust violations of Full Tilt, even if those were properly alleged, which they were not. Separately, and independently from the *Murphy Tugboat* analysis, the allegations set forth in the SAC do not indicate that Gordon "actively and knowingly engaged in a scheme to achieve anticompetitive ends" pursuant to *Brown v. Donco Enterprises*, 783 F.2d 644, 646 (6th Cir. 1986). Thus, again, Gordon cannot be held liable for any antitrust violations of Full Tilt, even if those were properly alleged, which they were not.

Further, the following are insufficient to allege a basis of liability against the individual Defendants: (a) participation in a so-called "Jesus Coalition" to takeover a software development limited liability in 2003, (b) the formation of Tiltware, (c) an ownership interest in Tiltware, (d) day-to-day management of the so-called Full Tilt association in-fact-fact, (e) the status of a Defendant as a professional poker player, or (f) alter ego allegations.

Finally, for all of the reasons stated in this Order no RICO or anti-trust violations can be stated against any individual Defendant.

IT IS FURTHER ORDERED that this action is dismissed in its entirety with prejudice, as to all Defendants named in any of the iterations of the Complaint in this action, including, but not limited to, the Second Amended Complaint, whether or not said named Defendants were served, and

1 Judgment shall be entered in favor of said Defendants and against the Plaintiff. Costs to be awarded
2 to said Defendants.
3
4
5 IT IS SO ORDERED.
6
7 DATED: JUL 12 2018
8
9 Elizabeth Allen White
Hon. Elizabeth White,
10 Judge, Superior Court
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

PROOF OF SERVICE

I, the undersigned, declare: I am and was over the age of 18 years at the time of service of the papers herein referred to , and am not a party to the within action. I am employed in the County of Los Angeles, California, in which county the within mentioned service occurred. My business address is 601 S. Figueroa Street, Suite 3700, Los Angeles, CA 90017. On **July 3, 2013**, I served the following document(s)

[PROPOSED] ORDER SUSTAINING DEMURRERS TO PLAINTIFF'S SECOND AMENDED COMPLAINT WITHOUT LEAVE TO AMEND AND DISMISSING ACTION IN ITS ENTIRETY

] on the parties, through their attorneys of record, by placing true and correct copies thereof in sealed envelopes addressed as shown on the attached service list for service as designated below:

(1) ☑ **(By First Class Mail)** I caused each such envelope, with first-class postage thereon fully prepaid, to be deposited in the United States mail at Los Angeles, California.

(2) ☐ **(By Personal Service)** I caused each such envelope, with courier charges prepaid, if applicable, to be personally delivered to the offices of each addressee.

(4) ☐ **(By UPS)** I caused each such envelope with shipping charges fully prepaid, to be delivered to a UPS pick up box at Los Angeles, California for next business day delivery.

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

Executed at Los Angeles, California on **July 3, 2013, 2013.**

By:

ELIZABETH K. SITCHARUNGSI

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

SERVICE LIST

Cardroom LLC v. Scheinberg, et al.,

Case No. SC114330 [Related to Case No. BC423036]

Cyrus Sanai, Esq. SANAIS 433 N. Camden Drive, Suite 600 Beverly Hills, CA 90210	Counsel for Plaintiff CARDROOM INTERNATIONAL, LLC 310.717.9840 Telephone 310.279.5101 Facsimile
Sean A. O'Brian, Esq. Erik M. Andersen, Esq. PAYNE & FEARS, LLP 4 Park Plaza, Suite 1100 Irvine, CA 92614	Counsel for Specially Appearing Defendants MARK SCHEINBERG and OLDFORD GROUP LTD 949.851.1100 Telephone 949.851.1212 Facsimile
Richard A. Schonfeld, Esq. CHESNOFF & SCHONFELD 520 South Fourth Street Las Vegas, NV 89101	Counsel for Specially Appearing Defendant PHIL IVEY 702.577.3997 Telephone 702.598.1425 Facsimile
Ronald M. Greenberg, Esq. DYKEMA GOSSETT LLP 333 South Grand Avenue, Suite 2100 Los Angeles, CA 90071	Counsel for Specially Appearing Defendant PERRY FRIEDMAN 213.457.1800 Telephone 213.457.1850 Facsimile
Neil M. Sunkin, Esq. LAW OFFICE OF NEIL M. SUNKIN 22908 Gershwin Drive Woodland Hills, CA 91364	Counsel for Specially Appearing Defendants JUAN JUANDA, ERIC SEIDEL and ANDY BLOCH 818.876.9975 Telephone 818.876.9916 Facsimile
Ian J. Imrich, Esq. LAW OFFICES OF IAN J. IMRICH 10866 Wilshire Boulevard, Suite 1240 Los Angeles, CA 90024-4300	Counsel for Defendant CHRIS FERGUSON 310.481.2258 Telephone 310.481.4475 Facsimile
Maurice Suh, Esq. GIBSON DUNN & CRUTCHER 333 S. Grand Avenue, 46th Floor Los Angeles, CA 90071	Counsel for PHILLIP GORDON 213.229.7260 Telephone 213.229.6260 Facsimile

LEGAL\15683035\1 12049.0001.000/320200.000