

Doom Indeed for Crowdfunding for Board Game Project

For those participating in the crowdfunding for *The Doom That Came to Atlantic City*, their investment was doomed by the promoter who used the funds for himself.

In its first crowdfunding case, the Federal Trade Commission reached a settlement with Erik Chevalier, d/b/a The Forking Path, Co. Under the agreement, Chevalier is prohibited from making any misrepresentations in future crowdfunding campaigns and had a \$111,793 judgment suspended because of his inability to pay.

The FTC complaint said Chevalier launched a crowdfunding campaign on Kickstarter to raise \$30,000 for the development of a board game called *The Doom That Came to Atlantic City*. The advertising for the campaign said the game was created by two prominent board game artists of the dark fantasy genre. The homepage provided a video of the artists describing the game as well as a demonstration of people playing a prototype of the game.

Crowdfunding is funding of a project by raising money in small amounts from numerous people. Usually, those funding receive a small token in return. For the *Doom* project, contributors of \$50 or more were told they would receive a copy of the game. Larger contributors would receive the game with pewter figures.

Chevalier's campaign raised over \$122,000 from 1,246 backers, the FTC said. However, the money was not used for printing and distributing the board game.

From time to time after the May 2012 campaign, Chevalier sent updates to the contributors stating that the board game was being delayed because of issues related to patent infringement and manufacturing issues abroad. In July 2013, he announced the project was being cancelled.

“In reality, Defendant never hired artists for the board game and instead used the consumers' funds for miscellaneous personal equipment, rent for a personal residence, and licenses for a separate project,” the complaint stated. Contrary to the terms of Kickstarter, Chevalier never refunded anything to the contributors. Despite his promise to backers that he would provide an accounting of expenses, he never did.

In announcing the settlement, the FTC's director of its Bureau of Consumer Protection said that, while consumers who participate in crowdfunding “generally know there's some uncertainty involved in helping start something new,” nevertheless “consumers should be able to trust their money will actually be spent on the project they funded.”

Federal Trade Commission v. Erik Chevalier, also d/b/a The Forking Path, Co., Dist. Ct. Oregon, Portland Division No. 15 cv 1029, filed June 10, 2015.

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