

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

FANATICS COLLECTIBLES TOPCO, INC.,

Plaintiff,

v.

PANINI S.P.A.,

Defendant.

**Case No. 1:23-cv-06895**

**AMENDED COMPLAINT**

**JURY TRIAL DEMANDED**

Plaintiff Fanatics Collectibles Topco, Inc. (hereinafter, “Plaintiff” or “Fanatics Collectibles,” and collectively with its affiliates, “Fanatics”), through its undersigned attorneys, brings this amended complaint against Defendant Panini S.p.A. (hereinafter, “Panini”) seeking damages and other appropriate relief in this forum, pursuant to a governing forum-selection clause, in order to remedy Panini’s unfair competition, tortious interference with business relations, and breach of the duty to negotiate in good faith.

**INTRODUCTION**

1. This case highlights the stark contrast between two competitors in the sports and entertainment collectibles industry: it pits Fanatics Collectibles, the innovative disruptor, against Panini, the stagnant, long-time incumbent with the antiquated business model. Fanatics Collectibles is revitalizing the sports and entertainment collectibles industry by introducing innovations and quality enhancements that have resonated with athletes, players’ associations, sports leagues, teams, and collectors. Its commitment to reinvesting in the industry has proved to be a winning strategy with these key stakeholders, significantly benefiting collectors and consumers. On the other hand, Panini has become complacent, failing to invest in marketing or

innovation as it funnels profits back to the two individuals in Italy who own the company while openly—and unsuccessfully—trying to sell its business for nearly a decade. As Panini’s licensing deals neared expiration, licensors unsurprisingly chose Fanatics Collectibles as their new licensee that would commit long-term to the business, quite different from Panini’s strategy of siphoning cash to its Italian owners. Instead of fighting back on the merits, Panini responded to Fanatics Collectibles’ successful entry by misleading Fanatics Collectibles into pursuing a deal through falsified earnings projections, interfering with Fanatics Collectibles’ ability to hire at-will employees, and ultimately suing Fanatics for engaging in the same sort of licensing arrangements that Panini itself had capitalized on for more than a decade. This case is about Panini’s protracted campaign to squeeze the last dollars from its U.S. business by trying to stifle Fanatics Collectibles’ hard-earned success through a campaign of tortious, unfair, and unlawful actions.

2. Over the last two decades, Fanatics has continued to innovate in licensed fan gear. With a world-class organization, the company is best-known for cutting edge e-commerce, as well as designing, manufacturing, and selling officially licensed sports fan gear, jerseys, headwear, and other sports merchandise. During that time, Fanatics has become a fan favorite and trusted partner of athletes, players’ associations, sports leagues, and teams thanks to a vision and business model that emphasize integrity, authenticity, quality, innovation, and customer satisfaction. In 2021, certain professional players’ associations and sports leagues decided to exercise their right to license their intellectual property to Fanatics for collectible trading cards.

3. Like a sprinter benefiting from a head start, Panini had a sizable lead as the incumbent. Prior to Fanatics Collectibles’ entry, and for the last 14 years, Panini held exclusive licenses for sports and entertainment collectible cards in the U.S. pursuant to long-term license agreements—and Panini has long touted itself, even today, as the “world’s largest sports and

entertainment collectibles company” as a result. In spite of these long-term exclusive privileges with the players’ associations and leagues, however, Panini failed to capitalize on opportunities that stood to benefit collectors and business partners. Instead of innovating and investing in growing the collectible cards business, Panini elected to funnel as much of its profits as possible to its owners in Italy. That choice to send profits to Italy instead of investing in its business yielded a track record of dismal customer service, quality control issues, shoddy product offerings, vast numbers of outstanding redemption cards, and missed opportunities to grow revenues (which could in turn be shared with the players’ associations and leagues) through secondary sales and by capitalizing on new phenomena such as “card breaking” (also known as “breaking”)—where card packs are opened live online, generating interactive and suspense-driven experiences for viewers as the cards are revealed.

4. Notwithstanding Panini’s substantial head start, Fanatics Collectibles overcame the gap by sharing an obviously superior vision and business model for the future of sports and entertainment collectibles, and by building upon Fanatics’ track-record as a proven partner to the licensors with the ability to deliver quality, innovation, and customer satisfaction. That juxtaposed with Panini’s embarrassing track record of dismal customer service, heavy reliance on the use of redemption cards (enormous amounts of which remain unfulfilled), egregious quality control issues, shoddy product offerings, and pervasive underinvestment—all while Panini put itself up for sale throughout the majority of the last decade.

5. Panini’s mismanagement of its privileged position as exclusive licensee betrayed a lack of vision and a neglect of its obligations to both licensors and customers. Its licensors suffered from lost opportunities as Panini failed to devote remotely adequate resources to marketing, innovation, and customer service. Nor did Panini anticipate or participate in, much less allow its

licensors to profit from, industry trends such as the explosion of secondary markets for trading cards or the incredibly popular practice of card breaking. Panini's owners' pursuit of short-term profits, underscored by its corner cutting, has also left collectors thoroughly dissatisfied. Panini has long failed to staff an adequate support team to field the flood of customer complaints it receives, resulting in a 95% customer abandonment rate and leaving Panini with an "F" rating from the Better Business Bureau.

6. Given these differences in track record and vision, it is no surprise that many players' associations and leagues (represented by negotiators who are highly experienced and knowledgeable) have embraced Fanatics Collectibles to usher in the next generation of trading cards. Over the course of the next few years, several players' associations and leagues will begin licensing their intellectual property to Fanatics Collectibles for a multi-year period. And Panini well understands the procompetitive benefits of its own multi-year exclusive agreements with the players' associations and leagues, having repeatedly trumpeted those benefits:

- Mark Warsop, Panini CEO: "Strategically, if you're in a non-exclusive environment you're more reluctant to invest in new brands and new technologies because you have a certain number of releases and you have to put your best feet forward. ... Whereas, when you have an exclusive, you can try new things. You can take risks to grow the hobby in a way you wouldn't be able to do with a non-exclusive." Mark Warsop has also explained that when there were more licensees for a particular product, "there was a lot of confusion and way too many products."
- D.J. Kazmierczak, Panini SVP of Operations: "One of the key benefits [of the exclusive is that it] allows us to make the right numbers and types of



release for the [sic] every channel, something that would have been more challenging to do in the past.”

7. Beyond maximizing royalties for licensors, Fanatics Collectibles’ model promises to afford marketing tools and vehicles for fan engagement so as to drive the overall popularity of the players and leagues. Whereas Panini’s complacent leadership was content to perpetuate the status quo—poor marketing, nonresponsive customer service, pervasive underinvestment in product quality, and an overreliance on (and lack of fulfillment of) redemption cards—Fanatics Collectibles was eager to push the industry to new heights by tapping into new revenue streams and business lines, developing innovative products to enhance fan engagement, expanding royalty payments for business partners, and generally investing in the long-term health and success of the industry. Put simply, when faced with a choice between (a) continuing in an exclusive relationship with a company that was not investing in its business and was attempting to cash out through a sale (Panini) or (b) moving those exclusive relationships to a known and trusted partner and innovator that offered better deal terms, is in it for the long haul, and was willing to invest in growing the collectible cards business (Fanatics Collectibles), the licensors chose Fanatics Collectibles. That’s a decision that’s all too easy to understand—but apparently far too difficult for Panini to swallow.

8. Having lost a number of major licenses, Panini’s Italian owners embarked on a protracted, unlawful, and deceitful campaign of unfair trade practices, strong-arm tactics, and tortious misconduct to hamper Fanatics Collectibles’ nascent business, in the hopes that it could force Fanatics Collectibles to pay an extortionate amount for Panini to terminate its licenses early, even though early termination would inure to the benefit of collectors and licensing partners—and Panini—alike. Desperate to sabotage Fanatics Collectibles’ progress, or at least slow it down

considerably, Panini first stooped to providing falsified earnings projections to bait Fanatics Collectibles into continuing sham talks of terminating Panini's licenses, impeding Fanatics Collectibles' business plans to work with players' associations and individual athletes to grow the sports and entertainment collectible cards category. When that failed to work, Panini switched tactics and began a campaign of harassment in the courts. In particular, Panini brought suits against at-will former employees, who did not have non-compete restrictions, after they followed the industry currents and decided to join Fanatics Collectibles. And it threatened others who considered following their lead.

9. Specifically, in June 2022, Fanatics and Panini preliminarily agreed (subject to licensors' approval) that Panini would terminate certain of its licenses early, initially with a target effective date of July 31, 2022, thereby allowing Fanatics Collectibles to accelerate the start date of the licenses it had already been awarded. In return, Fanatics would pay Panini an early termination fee based on Panini's projected earnings for the remaining years of the licenses. Over the course of the ensuing eight-plus months, however, Panini dragged out the early termination negotiations in bad faith by slow-walking negotiations for several months and ultimately trying to pass off knowingly inflated earnings projections that translated to an unreasonably high early termination fee. Because of Panini's deceit, Fanatics Collectibles lost valuable parallel opportunities, devoted substantial internal resources, and spent tens of millions of dollars paying lawyers, accountants, and other professionals for their advice, negotiation, preparation, and diligence related to the transaction. Those funds and focus were spent in good faith and otherwise could have fueled opportunities to even further promote the intellectual property of its business partners and build its business overall. All the while, Panini knew early termination would never happen because Panini would never be willing to agree to a termination fee that matched its own

accurate, real-world earnings projections. In fact, Fanatics Collectibles eventually learned through private discussions with the CEO of Panini America that Panini itself was relying on a different, materially lower set of accurate, updated figures for its own internal use while still feeding Fanatics Collectibles the pumped-up projections to string the negotiations along. In the end, Panini's purported moves towards reaching agreement on early termination were a series of head-fakes—an unfair tactic and a bid to advance its position through subterfuge rather than good old-fashioned competition.

10. After license-termination negotiations with Fanatics Collectibles ended, Panini shifted gears and escalated its campaign to slow down Fanatics Collectibles, bringing litigation in Texas against Fanatics and a group of former at-will employees who had the legitimate right to seek out better opportunities, longer-term prospects, and a more modern, inclusive workforce at Fanatics Collectibles. Panini also threatened litigation against other of its employees and thereby dissuaded them from leaving Panini for Fanatics Collectibles as they otherwise expressed a desire to do. Those former employees who had the courage to depart Panini recall the emotional turmoil, failures of transparency, and bleak trajectory that led to their interest in a brighter future at Fanatics Collectibles. Panini's policies and workforce composition also contributed to its business decline and the willingness of its employees to join Fanatics Collectibles. Two years ago, Panini took the remarkable step of removing the express (albeit hollow) commitment to diversity to which it had previously paid lip service on its website. Alarming, Panini also removed race as a protected class from its code of conduct. Panini's racially insensitive practices have drawn the attention of social activists, who have blasted the company for having "no Black leadership in the United States" despite employing "hundreds of employees in the United States" and deriving "75% of its

business from selling depictions of Black and Brown athletes.”<sup>1</sup> And most recently, four former Panini employees filed workplace discrimination suits against Panini.<sup>2</sup> These lawsuits, especially when viewed together, paint a troubling picture of systematic racial discrimination within the Panini organization, where non-Caucasian employees were allegedly subjected to racist verbal remarks, denied advancement opportunities based on their race, and even segregated from Caucasian coworkers. Panini reportedly placed employees of color in “storage rooms,” while their Caucasian coworkers worked in conventional office spaces. Rather than facing reality and reckoning with its internal problems, Panini has instead waged war in court against several of the employees who left Panini for Fanatics Collectibles, while simultaneously and explicitly threatening their colleagues with similar litigation if they too depart—all in an effort to prevent those workers from seeking out more fulfilling employment and a brighter future, including at Fanatics Collectibles. In the end, Panini prevented further employee departures by threatening litigation.

11. Panini’s unfair tactics do not stop there. In August 2023, Panini (through its American subsidiary) filed a baseless and incoherent antitrust lawsuit against Fanatics. Not only is the lawsuit littered with factual inaccuracies, but Panini’s own licensing practices and experience as the longstanding incumbent presiding over multiple, overlapping exclusive licenses with players’ associations and leagues give the lie to any allegations that such licensing arrangements

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<sup>1</sup> Letter from Tamika D. Mallory and Rev. Michael McBride to Mark Warsop, *Re: Panini America Inc.’s (“Panini”) Lack of Diversity In Its Executive Leadership* (May 15, 2023), <https://thesource.com/wp-content/uploads/2023/05/Letter-to-Panini-America2-002.pdf>.

<sup>2</sup> *Dulce Huerta v. Panini America, Inc.*, No. 3:23-cv-02529-K (N.D. Tex., Nov. 15, 2023); *Nora Vargas v. Panini America, Inc.*, No. 3:23-cv-02689-B (N.D. Tex., Dec. 6, 2023); *La Shanda Woods v. Panini America, Inc.*, No. 3:23-cv-02690-X (N.D. Tex., Dec. 6, 2023); *Derrick Pickett v. Panini America, Inc.*, No. 3:23-cv-02691-N (N.D. Tex., Dec. 6, 2023).

now make Panini an antitrust victim. Long before Fanatics entered the sports and entertainment collectibles space, Panini proclaimed its goal of becoming “fully licensed in every [U.S.] sport.” Now that Panini’s future in U.S. sports is fading, due to its own complacency and the existence of a fierce competitor, Panini brazenly argues that the very same goal it once aspired to is now, somehow, illegal. But the antitrust laws protect consumers, not entrenched incumbents like Panini who wish to avoid competition from new, innovative entrants like Fanatics Collectibles. Panini built its “world leading sports and entertainment collectibles business” through a series of long-term exclusive contracts—contracts that the players’ associations and leagues believed were in their best interests at the time. But times have changed, and those players’ associations and leagues no longer feel the same way about Panini. It is hypocritical for Panini now to suggest that there was a violation of the antitrust laws arising out of the decision by the players’ associations and leagues to choose to enter into exclusive licenses of their intellectual property with Fanatics Collectibles, as opposed to Panini. Panini has stated publicly that it chose not to sue the leagues and players’ associations because they “remain partners” of Panini.<sup>3</sup> Yet Panini has filed a lawsuit directly challenging those licensors’ independent, informed decision as to how to license their intellectual property.

12. Panini’s strategy is an admission of its ineptitude: rather than elevating the collector experience, granting licensors access to downstream opportunities, or improving the broader industry, Panini is trying to undermine its competitor through unfair and unlawful tactics so that it may continue to treat its American subsidiary as an ATM serving its private owners in Italy. But Fanatics Collectibles will not be bullied. Fanatics Collectibles has nothing to fear from

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<sup>3</sup> Jordyn Holman & Ken Belson, *Will Fanatics Upend the World of Sports Collectibles?*, NY TIMES (Jan. 26, 2024), <https://www.nytimes.com/2024/01/26/business/fanatics-sports-memorabilia.html>.

the baseless litigation that Panini has brought, as Fanatics Collectibles has done nothing other than outcompete Panini by convincing athletes, players' associations, and leagues that Fanatics Collectibles will maximize the value of their intellectual property in the future. That is called competition—and it is what the antitrust laws promote and protect. All Fanatics Collectibles wants is to fairly compete in the industry, where all stakeholders will benefit from seeing both parties commit themselves, as Fanatics Collectibles so clearly has, to delivering products and services that promise improved experiences for consumers worldwide. To get there, however, Fanatics Collectibles must first put a stop to Panini's bad-faith acts and unrelenting campaign to hobble a new, innovative competitor. These parties should ultimately be judged on the merits of what they are each offering to licensors and customers alike. By that most important measure, Fanatics Collectibles has proved to be the company that is rightly poised to bring much-needed innovation to the marketplace in the coming years.

### **THE PARTIES**

13. Plaintiff Fanatics Collectibles is a Delaware corporation with its principal place of business in New York, NY. Fanatics Collectibles is a subsidiary of Fanatics Holdings, Inc., alongside Fanatics Commerce Holdco, Inc, ("Fanatics Commerce") and other related entities operating different business units. Fanatics Holdings, Inc. and its subsidiaries are collectively referred to as "Fanatics." Fanatics has developed its brand as a leader in selling and producing licensed sports merchandise. For over 15 years, Fanatics has operated the official e-commerce sites for certain sports leagues in the United States, including the NFL, MLB, NBA, and NHL, along with many professional and collegiate teams. It has invested deeply in technology and marketing to better serve sports fans and its business partners and has significantly increased e-commerce sales. Thanks to Fanatics' track record of success with its partners, Fanatics has

consistently expanded its rights, including the right to produce a broad range of apparel such as jerseys, championship products, and most recently collectible products including trading cards. Fanatics has also partnered with major entertainment companies, including World Wrestling Entertainment, Inc. (“WWE”). Fanatics sells licensed consumer products for these companies on its website, along with products related to music, pop culture, and other segments of the entertainment industry.

14. Defendant Panini S.p.A. (“Panini”) is an Italian corporation with its principal place of business in Modena, Italy. It describes itself as the “world’s largest sports and entertainment collectibles company ....”<sup>4</sup> Based in Italy, Panini S.p.A. produces books, stickers, trading cards, and other consumer sports products through its collectible and publishing subsidiaries across the globe.<sup>5</sup> Panini has long enjoyed the right to produce soccer stickers exclusively and trading cards for Fédération Internationale De Football Association (“FIFA”) and similar collectibles for the Union of European Football Associations (“UEFA”).<sup>6</sup> Panini S.p.A. benefits from long-held exclusive licenses with FIFA World Cup and the English Premier League, and dominates sales of soccer stickers across the European Union; in fact, Panini’s partnership with FIFA dates back more than 50 years.<sup>7</sup> It owns manufacturing facilities in Italy, where it manufactures its soccer stickers

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<sup>4</sup> @paniniamerica, PANINI, <https://www.instagram.com/paniniamerica/?hl=en> (last visited Jan. 25, 2024).

<sup>5</sup> PANINI, <https://www.paninigroup.com/en/us/about-us> (last visited Jan. 25, 2024).

<sup>6</sup> *Brand collaborations*, FIFA (May 8, 2015), <https://web.archive.org/web/20150508222147/http://www.fifa.com/about-fifa/marketing/licensing/brand-collaborations.html>; Greg Lansdowne, *Peter Warsop on Panini EPL deal (Full Interview)*, CARDZREVIEW.COM (Oct. 9, 2018), <https://www.cardzreview.com/peter-warsop-panini-epl-interview/>.

<sup>7</sup> *FIFA and Panini continue historic partnership to inspire football fans across generations*, FIFA (Dec. 14, 2023),

and other sports merchandise. Upon information and belief, Panini produces and markets well over 90% of the soccer stickers sold in Europe and across the globe.

15. Aldo Sallustro and Anna Baroni are, upon information and belief, the 100% owners of Panini.

16. Non-party Panini America, Inc. (“Panini America”) is a Delaware corporation with its principal place of business in Irving, Texas. Panini America is a subsidiary of Panini S.p.A. Panini America holds licenses with athletes, players’ associations, sports leagues, entertainment companies, and other entities, and otherwise operates Panini’s U.S. business.

17. Non-party Mark Warsop is the current CEO of Panini America. Warsop has been CEO of Panini America since 2009 and previously served as Panini’s marketing director. Before joining Panini, Warsop was a marketing manager at Topps Europe, a subsidiary of the Topps Company, Inc. (“Topps”).

### **JURISDICTION AND VENUE**

18. The Court has subject matter jurisdiction over all claims under 28 U.S.C. § 1332, as complete diversity exists between the parties and the amount in controversy exceeds \$75,000, exclusive of interest and costs.

19. This Court may exercise personal jurisdiction over Panini pursuant to N.Y. C.P.L.R. § 302(a) because Panini has transacted business within the State of New York and has purposefully availed itself of the privilege of doing business in the State, including by selling soccer stickers, sports and entertainment trading cards, and other products within New York state; soliciting sales of the same products and other business within New York state; and deriving

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<https://www.fifa.com/fifaplus/en/tournaments/mens/worldcup/canadamexicousa2026/articles/fifa-panini-continue-historic-partnership-to-inspire-football-fans>.



substantial revenue from these sales and other business activities conducted in New York state. In addition, Panini is subject to personal jurisdiction in New York because it committed an array of tortious conduct aimed at Fanatics Collectibles—a New York-based company that felt the effects of this conduct in New York. This conduct includes making material misrepresentations of fact to Fanatics Collectibles; intentionally stringing Fanatics Collectibles along in dead-end negotiations for Panini to terminate certain of its licenses early (some of which negotiations occurred in New York); and tortiously preventing Fanatics Collectibles from hiring qualified employees.<sup>8</sup>

20. Venue is proper in this District under 28 U.S.C. § 1391(b)(2) because a substantial part of the events and omissions giving rise to Plaintiff’s claims occurred in this District, as set forth in the previous paragraph and elsewhere in this Complaint. Venue is further proper—and indeed, required—under a mutual non-disclosure agreement (“NDA”) that Fanatics and Panini entered into on April 12, 2022, in connection with their negotiation of a potential early termination of certain of Panini’s licenses.

21. The NDA provides, in relevant part:

Any court action or proceeding arising out of or relating to the subject matter of this Agreement shall be brought only in the federal or state courts located in the borough of Manhattan, New York. Each Party agrees and submits to the exclusive jurisdiction of these courts for any such action or proceeding and each Party agrees not to commence any such action or proceeding in any other court or forum. Each Party further acknowledges and agrees that the federal or state courts located in the borough of Manhattan, New York, are and would be convenient forums and irrevocably and unconditionally waives any objection to the laying of venue of an action or proceeding in such courts, and, further, irrevocably and unconditionally waives, and agrees not to plead or claim in any such court, that the action or proceeding has been brought in an inconvenient forum or should be transferred.

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<sup>8</sup> For all purposes relevant to personal jurisdiction, executives of Panini America and Panini S.p.A. operate in tandem and make decisions together, and Panini America is 100% owned and controlled by Panini S.p.A. Accordingly, Fanatics treats Panini America as an arm of Panini for purposes of personal jurisdiction.

22. In addition, the term sheet between Fanatics and Panini for the early termination correspondingly provided for “[e]xclusive venue with the federal or state courts in Manhattan, New York,” thereby confirming that both parties viewed New York as the proper forum for any disputes arising from the termination negotiations that are specifically at issue in this action.

23. Because this action arises from the negotiations and business relationship reflected in the NDA and term sheet, the instant action belongs before a New York court.

## FACTS

### A. Sports & Entertainment Collectibles

24. The sports and entertainment collectibles industry generates tens of billions of dollars in annual sales of memorabilia from areas such as sports, entertainment, music, television, and film; items from collectible trading card games (*e.g.*, Pokémon, Magic: The Gathering); merchandise from diverse entertainment franchises (such as Disney trading pins and Marvel action figures); game-worn sports jerseys, shoes, gear, equipment, and other memorabilia; and a variety of miscellaneous items such as ticket stubs and bobbleheads. Collectibles vary from autographs and trading cards to action figures, pins, limited-edition trading game collectibles, and entertainment collectibles such as movie props and television posters.

25. Trading cards, one type of collectible product, are typically made of paperboard or other thick paper. Trading cards feature a range of subjects including athletes, cartoons, and characters from television, films, comic books, or the trading game itself. Key players in the sports trading card segment of the sports and entertainment collectibles industry include Fanatics Collectibles and Panini, as well as Upper Deck and Leaf. Before creating and selling a trading card featuring intellectual property like team logos or player images, the card creator must obtain the legal right to use the intellectual property from the owners. For sports trading cards in the U.S.,

relevant intellectual property is owned by sports leagues or organizations (e.g., the NFL, NBA, WNBA, MLB, NHL, FIFA, UEFA, UFC, NASCAR, colleges, etc.), and players' associations or individual athletes. Examples of players' associations include the NFLPA, NBPA, MLBPA, NHLPA, and others. Collectively, the athletes, players' associations, leagues, and other organizations that license intellectual property for sports cards are referred to as "licensors."

26. Additionally, subject to certain restrictions and limitations, trading card creators can now reach deals with individual college athletes before they join a professional players' association. For many years, NCAA rules prohibited college athletes from receiving compensation from third parties for use of their name, image, and likeness ("NIL") rights. These rules barred college athletes from being paid "to advertise, recommend or promote directly the sale or use of a commercial product or service of any kind." Those rules changed in 2021 with the enactment of various state laws allowing college athletes to monetize their NIL rights. As a result, college athletes (as well as high-school athletes<sup>9</sup>) can now earn money from their social media presence, autographs, and trading cards.<sup>10</sup> For the top college (and even high-school) athletes, their NIL rights can be valuable; overnight, college athletes earned the right to monetize their rights. Likewise, the opportunity for card creators to sign these college athletes grew dramatically.

27. The players' associations and leagues that license rights for professional-level sports trading cards are run by experienced and knowledgeable executives. Licensing decisions involve careful consideration and planning to ensure a successful long-term partnership. Subject

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<sup>9</sup> Gena Terranova, *Panini America Signs Tre Johnson To Exclusive Multi-Year Agreement*, THE KNIGHT'S LANCE (June 27, 2023), <https://blog.paniniamerica.net/panini-america-signs-tre-johnson-to-exclusive-multi-year-agreement>.

<sup>10</sup> Alan Blinder, *College Athletes May Earn Money From Their Fame, N.C.A.A. Rules*, N. Y. TIMES (June 30, 2021, updated Sept. 29, 2021), <https://www.nytimes.com/2021/06/30/sports/ncaabasketball/ncaa-nil-rules.html>.

to extensive negotiations and deliberations, licenses are often awarded several years in advance, giving licensees time to build out the necessary logistics for production and distribution. Licensors have complete control over the process for awarding licenses. The licensors recognize that trading cards can contribute materially to the expansion of a sport's or athlete's popularity by acting as marketing tools and driving fan engagement. Professional sports intellectual property is valuable, and often licensed on a long-term basis, whether to sports trading card creators, merchandisers, sponsors, or media partners. Through long-term licenses, licensees are given the opportunity and incentivized to invest heavily—including in manufacturing, marketing, logistics, infrastructure, customer relations, and more—all to support the long-term growth of the brand for the shared benefit of licensees, licensors, and ultimately consumers. Ten-year licenses are commonplace for sports leagues' media rights.<sup>11</sup>

28. Over the course of the past 70-plus years, the rights to sports trading cards have been licensed to a select group of companies for long-term deals (with extensions), including:

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<sup>11</sup> Ken Belson and Kevin Draper, *N.F.L. Signs Media Deals Worth Over \$100 Billion*, N. Y. TIMES (Mar. 18, 2021, updated May 26, 2021), <https://www.nytimes.com/2021/03/18/sports/football/nfl-tv-contracts.html>.

<u>Manufacturer</u>	<u>Sport</u>	<u>Start year</u>	<u>End year</u>
Topps	Baseball	1951	2021
Topps	Basketball	1969 1992	1981 2009
Panini	FIFA World Cup	1970 1998	1990 Present
Panini	UEFA European Championship	1980	2021
Topps	UEFA European Championship	2021	Present
Donruss	Baseball	1981 2001	1998 2005
Fleer	Baseball	1981	2005
Fleer	Basketball	1986	2004
Upper Deck	Baseball	1989	2009
Upper Deck	Hockey	1990	2026
Upper Deck	Football	1991	2009
Topps	UFC	2009	2020
Panini	Football	2009	2026
Panini	Basketball	2009	2025
Panini	Hockey	2010	2014
Topps	Major League Soccer	2013	2021
Panini	NASCAR	2016	Present
Panini	UFC	2021	2023

And the full list of sports and entertainment cards is dramatically longer.

## **B. The Panini Era in U.S. Sports Cards**

29. Panini grew its presence in the U.S. in 2009 by obtaining licenses from key players' associations and sports leagues and ultimately progressing into long-term exclusive licenses with

a number of them. Prior to 2009, Panini had no offices or staff in the U.S.<sup>12</sup> In 2009, Panini entered the U.S. by obtaining a sports card deal with the NBA, dislodging the then-holder of the license.<sup>13</sup> That same year, Panini America acquired Donruss, a U.S. trading card manufacturer with licenses from the NFL and NFL Players Association (“NFLPA”).<sup>14</sup> By 2011, Panini America had amassed rights to make cards for the NHL and its Players Association (“NHLPA”),<sup>15</sup> along with the MLB Players Association (“MLBPA”),<sup>16</sup> giving Panini America rights across four major U.S. sports leagues and their player groups. Panini’s aggressive approach also led to exclusive deals with NASCAR, WWE, the Collegiate Licensing Company (“CLC”), and UFC, dislodging existing licensees and securing various collectibles rights, portions of which extend at least through 2025. Over time, instead of innovating and expanding the collectibles category, Panini began to treat its sports card franchise like the proverbial cash cow, which Panini’s Italian owners milked at the expense of its licensing partners, athletes, and collectors alike.

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<sup>12</sup> See, e.g., Terry Lefton, *Five more years for Panini’s NBA trading card deal*, SPORTS BUSINESS J. (Oct. 29, 2012), <https://www.sportsbusinessjournal.com/Journal/Issues/2012/10/29/Marketing-and-Sponsorship/NBA-Panini.aspx> (“The NBA surprised the trading card industry in 2009 when it signed a virtual unknown brand in Panini while dropping two household names in Topps and Upper Deck. At the time, Panini had no U.S. offices nor staff.”).

<sup>13</sup> Darren Rovell, *Topps No Longer Tops With NBA*, CNBC (Jan. 28, 2009, updated Aug 5, 2010), <https://www.cnbc.com/id/28895814>.

<sup>14</sup> Darren Rovell, *Panini Buys Donruss*, CNBC (Mar. 13, 2009, updated Aug. 5, 2010), <https://www.cnbc.com/id/29678317>.

<sup>15</sup> Michael Long, *Extended deal on the cards for the NHL*, SPORTSPRO (Mar. 26, 2010), <https://www.sportspromedia.com/news/extended-deal-on-the-cards-for-the-nhl>.

<sup>16</sup> Tracy Hackler, *Breaking News: Panini America Inks Multi-Year Trading Card Deal with MLBPA*, THE KNIGHT’S LANCE (Sept. 15, 2011), <https://blog.paniniamerica.net/breaking-news-panini-america-inks-multi-year-trading-card-deal-with-mlbpa>.

i. Panini's Outdated Business Model and Failure to Invest in Marketing, Downstream Sales, Secondary Markets, and Breakers

30. Panini primarily sells to distributors, who then sell to retailers, hobby shops, and breakers at enormous markups, none of which flow to the licensors—and all of which work to the detriment of retailers, hobby shops, breakers, and ultimately collectors. While the reliance on distributors enriches distributors with outsized profits, it often results in significantly higher prices paid by the retailers, hobby shops, and breakers, which are in turn passed on to collectors. This outdated business model underscores Panini's inability to adapt to modern business dynamics and consumer trends. Its approach lacks the forward-thinking strategies, savvy marketing, and embrace of new opportunities and investment in technology evident in more progressive companies in the industry, such as Fanatics Collectibles. As the players' associations and leagues understood, Panini's complacent approach to managing its business resulted in it failing to adequately invest in marketing, overlooking downstream sales opportunities, disregarding burgeoning secondary markets, and failing to effectively leverage the emerging trend of breakers. Panini's lack of strategic investment and failure to capitalize on new opportunities have curtailed its growth potential, leaving it ill-equipped to compete effectively in today's rapidly evolving trading card industry in key ways.

31. First, Panini purportedly allocates approximately 1% of its revenues towards marketing. Other consumer products companies traditionally invest significantly in marketing to acquire new customers and maintain brand visibility, consumer engagement, and market share. They understand that a robust marketing strategy not only propels sales but also cultivates brand loyalty and drives long-term growth.

32. Second, Panini failed to capitalize on downstream sales of its products for its licensors. Historically, trading card royalties provided a significant revenue stream for leagues and associations. Under the prevailing royalty system utilized by Panini, the licensors are only compensated on the “first sale” of the trading cards, meaning that royalties are calculated as a percentage of the wholesale price that Panini charges to its distributors. Once the trading cards leave Panini’s control and enter the retail or secondary market, the licensors no longer share in the revenues generated, even though the licensors’ intellectual property is the most valuable component of these products.

33. This “first sale” royalty system has inherent limitations. While it provides a steady stream of revenues based on wholesale prices, it fails to account for the significant additional value that is often created downstream. As trading cards make their way from distributors to retailers, hobby shops, and collectors, their prices usually escalate significantly. This is especially true in the secondary market, where rare or high-demand cards can command exponentially higher prices. By leaving its business model unchanged, Panini has willingly enabled distributors to reap outsized profits at the grave expense of consumers, industry stakeholders, and Panini’s licensors.

34. Under this system, athletes (directly or through players’ associations) and leagues do not participate in these downstream revenue opportunities. As a result, they miss out on potentially substantial royalties that could have been earned if the system were structured to account for the true market value of the cards at every stage of the supply chain, rather than just the initial wholesale price to distributors.

35. The “first sale” royalty model is reflective of Panini’s overall business strategy, which prioritizes distribution through intermediaries rather than direct engagement with consumers and the secondary market. Unfortunately, this approach limits the financial benefit to



licensors and prevents them from fully capitalizing on the value of their licensed intellectual property. It also leaves Panini with less control over its products, depriving it and its licensors of the opportunity to engage with consumers downstream as much of the sports card community participates through hobby shops and secondary markets.

36. Third, Panini failed to develop a secondary market platform, ceding a multi-billion dollar business to third parties like eBay. The trading card industry was revolutionized by the advent of online trading platforms. These platforms facilitate a global exchange of trading cards, bringing together buyers and sellers from around the world in a dynamic, digital marketplace. They also make it possible to conduct transactions with ease and speed that were unimaginable just decades ago.

37. Not only do these platforms allow for the buying and selling of individual cards, but they also offer services such as digital portfolios, price tracking, and even secure storage. They have effectively digitized the hobby, adapting it to a new generation of tech-savvy collectors who demand convenience and transparency.

38. Yet Panini has been remarkably slow to adapt to these trends. While other companies capitalized on the secondary market's growth and the opportunities it presents, Panini's lack of a strong online presence and digital strategy has resulted in missed revenue and customer engagement opportunities. Its model, which emphasizes selling to distributors and neglects direct engagement with most consumers and hobby shops, leaves much of the online platforms untouched.

39. Fourth, Panini also neglected an important newer segment of the secondary market—"breaking." Breaking involves individuals or businesses ("breakers") that buy boxes or cases of trading cards, then open them live on the internet for a paying audience. Each participant

pays a fee for a share in the cards opened, often allocated by team, player, or card type. This trend has gained considerable momentum in recent years, particularly with the increasing popularity of live-streaming platforms. The emergence of breaking represents a remarkable shift in the way consumers engage with trading cards, transforming it into a shared, community experience. It offers another layer of excitement to the hobby, akin to the thrill of opening a pack of cards, but amplified by the sense of anticipation shared with others. Panini's approach, however, fails to leverage this trend. Its traditional business model, focused on selling to distributors and not directly engaging with collectors, hobby shops, and in this case, breakers, has failed to adapt to these industry innovations. Panini's refusal to sell to breakers directly forces breakers to buy from distributors at marked up prices and pass those inflated prices on to collectors. This oversight opened the door for other companies to step in and capitalize on the breaker phenomenon, driving further participation and interest in trading cards.

40. By failing to seize these opportunities, Panini effectively ceded a significant chunk of potential income to other entities in the trading card ecosystem. This not only represents a lost revenue stream for Panini—and more importantly its licensors—but also a missed chance to engage more dynamically with the customer base, a critical factor in maintaining and growing business in a rapidly evolving industry.

ii. Panini's Poor Reputation Among Consumers

41. Not only has Panini failed to invest in a robust business model, marketing, or innovation, but critically it has also failed the most important constituency—collectors. In particular, Panini has conspicuously failed to field a dedicated customer service and support team for U.S. collectors, exemplifying Panini's larger disregard for consumers. Unsurprisingly, dissatisfaction has soared due to Panini's shoddy quality control and questionable marketing

practices. For example, savvy collectors keep catching Panini mislabeling certain player patch cards as “game-worn” or “game-used,” *i.e.*, incorrectly representing that the jersey patch embedded in this type of specialty card was worn by the player in question in a game. After one collector noticed the numbering on a so-labeled “game-worn” Russell Wilson patch card was off from the team’s jersey design, Panini issued a statement confessing that certain cards featuring “*event-worn*” jerseys, which are much less valuable, had been “mistakenly labeled as ‘game-worn’” due to an “oversight.”<sup>17</sup> Even after this *mea culpa*, collectors continued to find dubious labeling on Panini’s cards, such as jerseys marked as “game-worn” or “game-used” after the player had retired or with labels from manufacturers that did not even make game jerseys:

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<sup>17</sup> BLOWOUT CARDS FORUM, <https://www.blowoutforums.com/showthread.php?t=797728>; 2014 *Panini Flawless "Mislabeled" Game Worn Jersey Card Scam*, YOUTUBE, [https://www.youtube.com/watch?v=BC6VL\\_oWH34](https://www.youtube.com/watch?v=BC6VL_oWH34) (last visited Jan. 25, 2024); Tracy Hackler, *Panini America CEO Addresses Jersey-Card Labeling Errors in 2014 Flawless Football*, THE KNIGHT’S LANCE (Nov. 18, 2014), <https://paniniamerica.wordpress.com/2014/11/18/panini-america-ceo-addresses-jersey-card-labeling-errors-in-2014-flawless-football>.



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<sup>18</sup> @SportsCardNews, X (Feb 25, 2015, 10:05 PM), <https://twitter.com/SportsCardNews/status/570781761644277761?ref> (collectors spotting Panini game-used card for a player who had retired before the manufacturer started making game jerseys).



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42. Some of the other embarrassments aired by collectors and journalists include fake, machine-generated autographs,<sup>21</sup> player jersey patches from the wrong team,<sup>22</sup> and autograph

<sup>19</sup> Darren Rovell (@darrenrovell), X (Apr. 30, 2017, 10:51 PM), <https://twitter.com/darrenrovell/status/858876536820256769?ref> (collectors spotting Panini game-used cards with patches from manufacturers who did not make game jerseys).

<sup>20</sup> milehighmagic80 (@Isaacortiz0730), X (Apr. 29, 2019, 12:51 PM), <https://twitter.com/Isaacortiz0730/status/1122906373728145409> (collectors spotting Panini game-used card for NFL player who was already retired when the featured NFL shield was adopted).

<sup>21</sup> Ryan Cracknell, *Head of Beckett Grading Responds to Dak Prescott Panini Autograph Card Recall*, BECKETT, <https://www.beckett.com/news/dak-prescott-autographs-recalled-by-panini> (last visited Jan. 25, 2024).

<sup>22</sup> @cardcollector2, INSTAGRAM, <https://www.instagram.com/p/CngKJcOsQhy/?igshid=NTc4MTIwNjQ2YQ%3D%3D> (last visited Jan. 25, 2024).

cards sporting a blank autograph box.<sup>23</sup> Even after the “first high profile mistake by Panini,” which was identified in 2010, Panini has nonetheless neglected to remedy its manufacturing mishaps and woeful customer service over the last 14 years.<sup>24</sup>

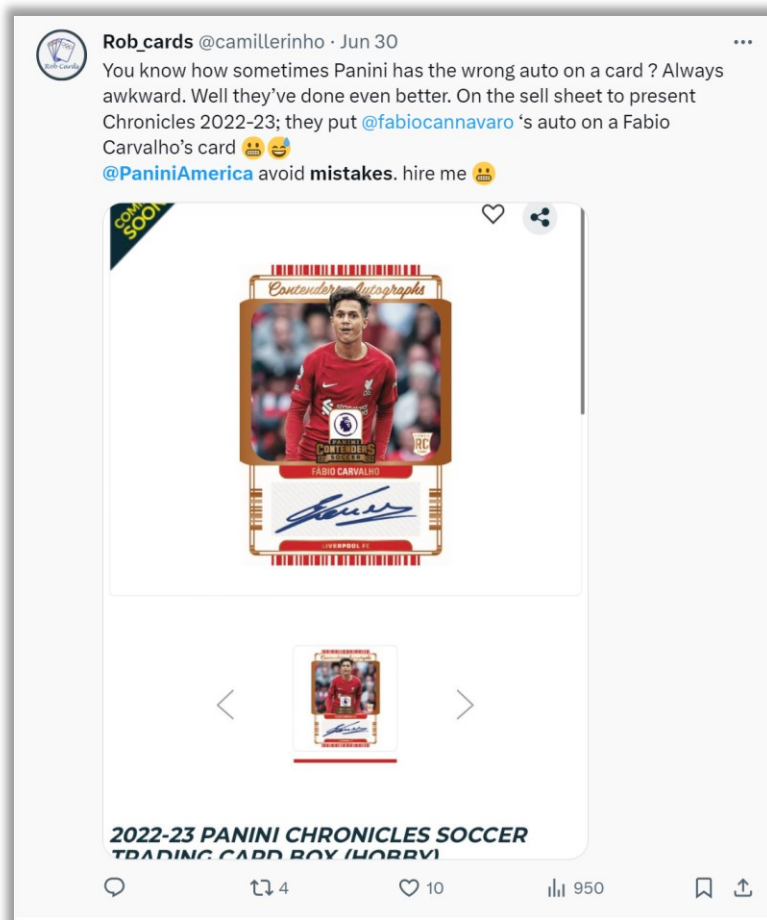


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<sup>23</sup> Jordan (@collectinghurts), X (May 28, 2023, 11:40 AM) <https://twitter.com/collectinghurts/status/1662846249362669569?s=46&t=YvmVhv17xmlSiQjcFER5tQ>.

<sup>24</sup> Sports Card Radio, *Panini America Greatest Hits of Fraud, Scams & Mistakes*, SPORTS CARD RADIO, <https://www.sportscardradio.com/panini-america-greatest-hits-of-fraud-scams-mistakes/> (last visited Jan. 25, 2024).

<sup>25</sup> Adam berner +X (@i\_bern\_em), X (Apr, 5, 2023 6:27 PM) [https://twitter.com/i\\_bern\\_em/status/1643742166710358016](https://twitter.com/i_bern_em/status/1643742166710358016).



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<sup>26</sup> Rob\_Cards (@Camillerinho), X (Jun, 30, 2023 4:13 AM) <https://twitter.com/camillerinho/status/1674692699176222723>.





<sup>27</sup> Josh wickersham (@wick6380), X (Mar 11, 2021, 9:43 AM) <https://twitter.com/wick6380/status/1370022450709356544>.





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43. Panini's disregard for customers meant that many collector complaints and requests went unanswered.



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<sup>28</sup> Abock22 (@abockjr), X (Jul 29, 2023, 5:08 PM) <https://twitter.com/abockjr/status/891405082926997505>.

<sup>29</sup> Ethan (@Ethan\_Norof), X (Dec 16, 2023, 11:02 AM) [https://twitter.com/Ethan\\_Norof/status/1736054227133473039](https://twitter.com/Ethan_Norof/status/1736054227133473039).



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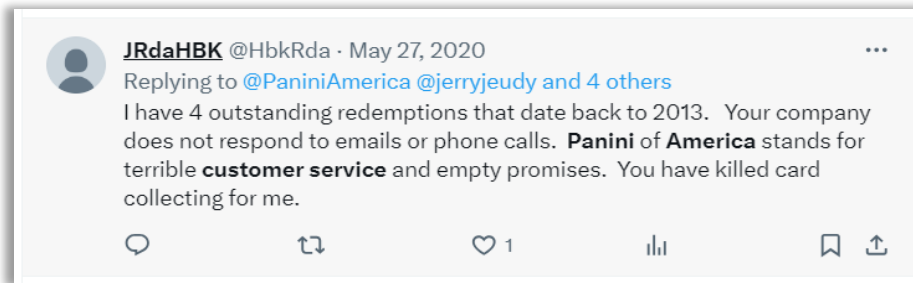


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<sup>30</sup> Big Turk (@BigTurk21), X (Apr 13, 2023, 11:37 AM) <https://twitter.com/BigTurk21/status/1646538117116043265>.

<sup>31</sup> Mookie (@Mook\_Franchise), X (Sep, 16, 2022, 12:14 PM) [https://twitter.com/Mook\\_Franchise/status/1570808371040890882](https://twitter.com/Mook_Franchise/status/1570808371040890882).

<sup>32</sup> hit\_kingsportscards (@kingsportscards) X (Dec 1, 2021, 5:05PAM) <https://twitter.com/kingsportscards/status/1466166699875610630>.



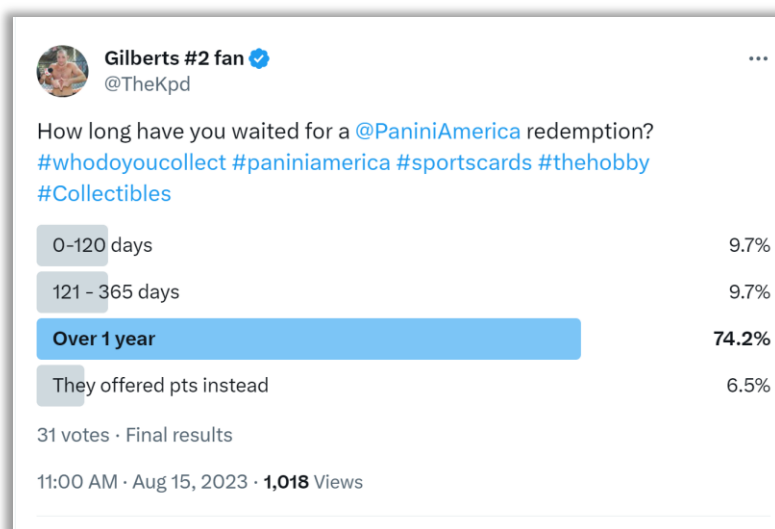
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44. Most recently, NBC-NY reported that a collector who received defective cards had to resort to the network’s consumer reporter program *Better Get Baquero* to obtain replacement cards after calling Panini for ten months to no avail.

45. Panini’s practices with redemption cards generates other continued fiascos and significant consumer dissatisfaction and backlash. A “redemption card” is a placeholder that can be exchanged (“redeemed”) for a high-value autograph card that the manufacturer was unable to secure in advance of packaging the cards. For example, if Panini has not yet secured an autograph from a player, Panini inserts a redemption card into the pack instead. Once the autograph becomes available, Panini is supposed to provide it to the customer. Panini’s currently outstanding redemptions, on a volume-adjusted basis, are estimated to be *5 to 10 times higher* than those issued by Fanatics Collectibles/Topps. Over-reliance on redemptions is in direct contrast to the approach of Fanatics, whose CEO has publicly and repeatedly expressed a desire to eliminate redemptions as a practice, and who has followed through on that promise, already having achieved material reductions in the 24 months since acquiring Topps—all to the significant benefit (and delight) of collectors.

<sup>33</sup> JRdaHBK (@HbkRda), X (May 27, 2020, 10:02 AM) <https://twitter.com/HbkRda/status/1265644449683603456>.

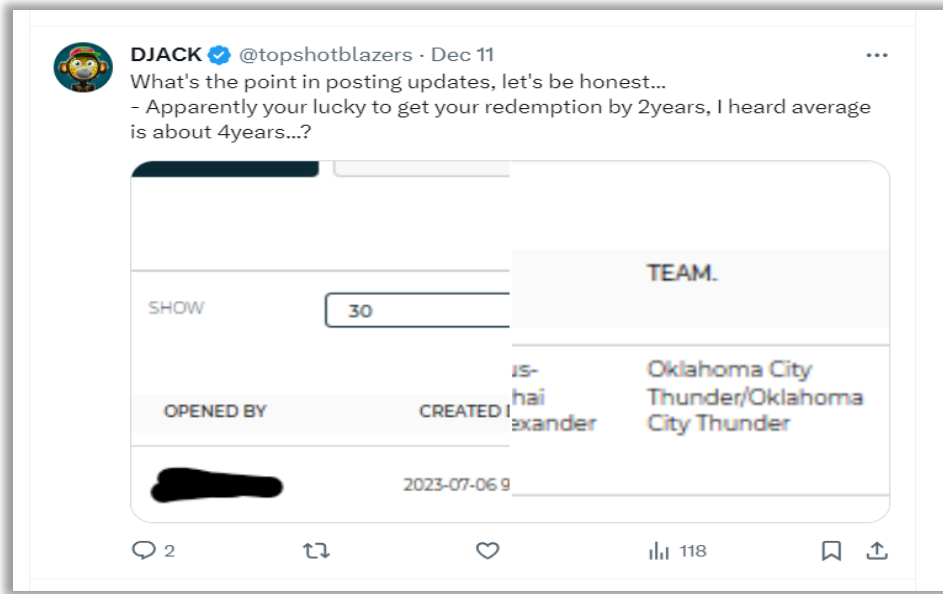
46. Panini’s sheer neglect of customer service has left collectors suffering repeated failures to fulfill redemptions. Despite assurances from Panini that it endeavors to redeem cards within 4 to 8 months, it is not uncommon for fans to wait *years* for redemptions from Panini. Reports abound of collectors waiting to be redeemed for as long as seven years,<sup>34</sup> and one social-media survey shows that around 75% of Panini’s consumers have waited over one year for their redemption cards.



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<sup>34</sup> BLOWOUT CARDS FORUM, <https://www.blowoutforums.com/showpost.php?p=16516274&postcount=13> (last visited Jan. 25, 2024, 2023); BLOWOUT CARDS FORUM, <https://www.blowoutforums.com/showpost.php?p=16515665&postcount=1> (last visited Jan. 25, 2024).

<sup>35</sup> Gliberts #2 fan (@TheKpd), X (Aug 15, 2023, 11:00 AM), [https://twitter.com/search?q=%40theKpd%20redemption&src=typed\\_query](https://twitter.com/search?q=%40theKpd%20redemption&src=typed_query).



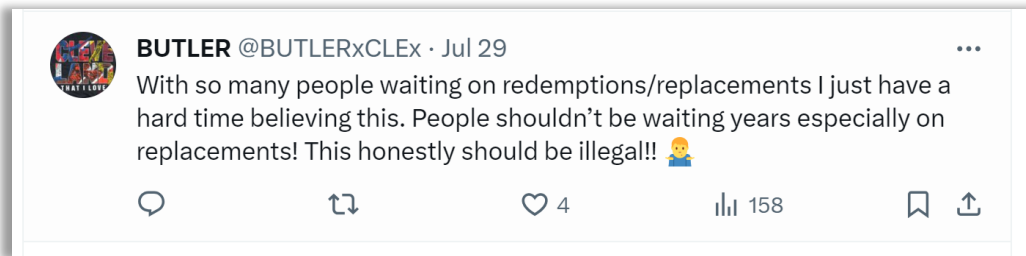
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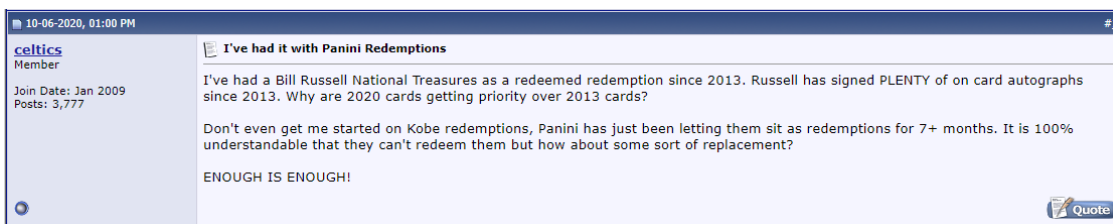
<sup>36</sup> DJACK (@topshotblazers), X (Dec 11, 2023, 1:40 PM), <https://twitter.com/topshotblazers/status/1734281949290864999>.

<sup>37</sup> Michael Joseph (@mjk1930), X (Dec 15, 2023, 5:24 PM), <https://twitter.com/mjk1930/status/1735787876091134126>.

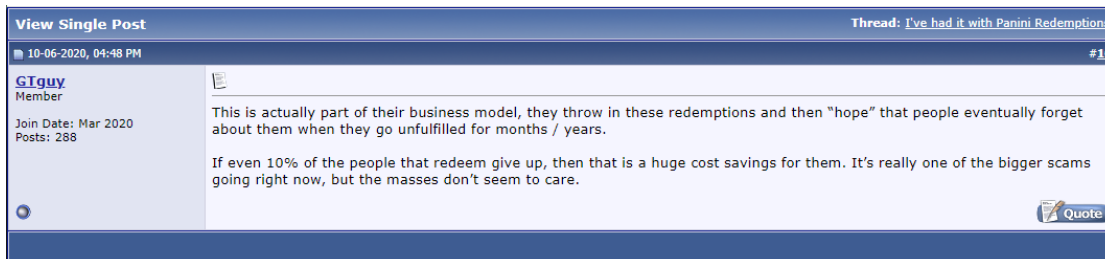


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47. Other collectors reported never receiving them at all or being sold redemption cards that had already expired.<sup>39</sup> Speculation grew that Panini was hoping the old redemptions would simply be forgotten so that they would never need to be fulfilled. Panini has done nothing to quell such speculation.



(<https://www.blowoutforums.com/showpost.php?p=16515665&postcount=1>)



(<https://www.blowoutforums.com/showpost.php?p=16516730&postcount=16>)

48. Instead, Panini has litigated with its own customers over its redemption card failures. In 2020, a group of consumers sued Panini America for deceptive trade practices, fraud,

<sup>38</sup> Butler (@BUTLERxCLEx), X (Jul 29, 2023, 11:34 AM), <https://twitter.com/BUTLERxCLEx/status/1685312760916115456>.

<sup>39</sup> *Kevin B. Brashear and Christopher S. Kitchen v. Panini America Inc*, No. DC-20-08771 (Tex. Dist. Ct., Dallas Co., June 26, 2020), ¶¶ 16, 20-25.

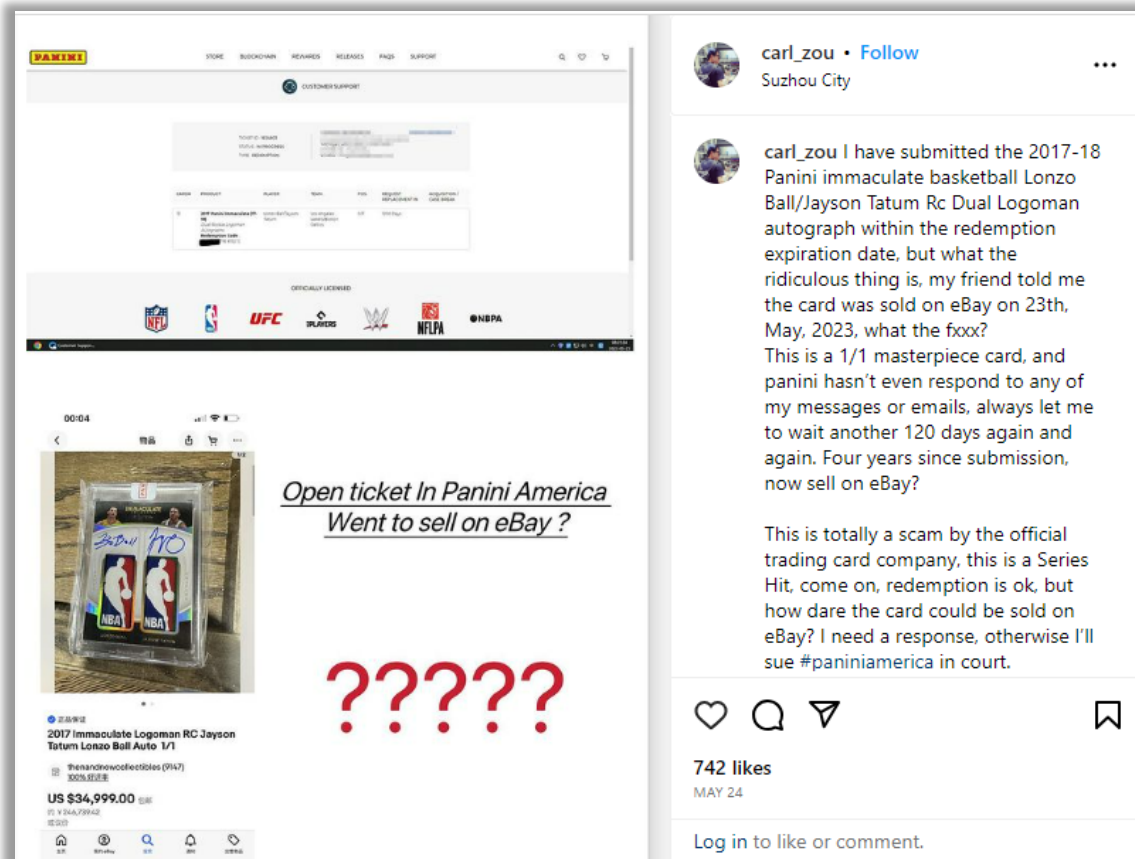
and other legal violations, claiming among other things that the company failed to honor and redeem redemption cards as promised, misled customers through false advertising related to the redemption card process, and purposely obscured the expiration dates associated with the redemption cards.<sup>40</sup> Regarding Panini’s dismal customer service, the lawsuit alleges: “It is nearly impossible [for customers] to contact Panini through any means.”<sup>41</sup>

49. Most recently, Panini’s redemption card practices took an even more disturbing turn. As collectors impatiently awaited the cards promised to them by Panini, they began to find them popping up on secondary markets like eBay. One collector was chagrined to find that a “1/1” card (*i.e.*, a card with only one copy in existence) for which he received a redemption card from Panini—and for which he had been waiting for four years to be fulfilled—had mysteriously popped up on eBay and was just sold on May 23, 2023 for \$34,000:

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<sup>40</sup> Complaint, *Brashear*, at ¶¶ 10-19.

<sup>41</sup> *Id.* ¶ 14.



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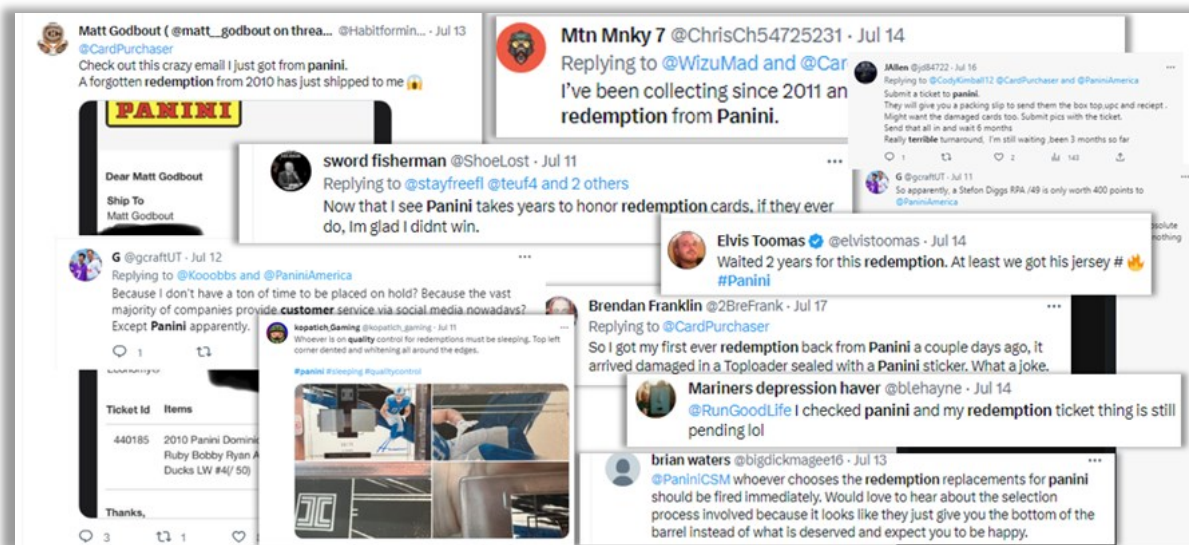
Other collectors have since come forward with similar experiences.<sup>43</sup>

50. Social media reflects a never-ending stream of customer complaints and dissatisfaction about Panini, as shown in the below series of tweets from a one-week period in mid-July 2023.

<sup>42</sup> @carl\_zou, INSTAGRAM, <https://www.instagram.com/p/CspktHvnpFz/?hl=en> (last visited Jan. 25, 2024).

<sup>43</sup> Shaiel Ben-Ephraim, *Are Your Pending Panini Redemptions Going To Someone Else?*, CARDLINES.COM (May 30, 2023), <https://cardlines.com/panini-redemption-sales-scandal>.





51. As of 2023, the Better Business Bureau had received customer complaints against Panini America from collectors in 46 states, as well as three Canadian provinces, “with an average loss reported to the BBB of \$1,700.”<sup>44</sup> It is therefore no surprise that the Better Business Bureau has maintained Panini America’s “F” rating for its abysmal customer treatment, including its failure to honor redemptions or even communicate with customers inquiring about redemptions.<sup>45</sup> Fanatics, by contrast, maintains an A+ rating on the Better Business Bureau’s website.<sup>46</sup>

<sup>44</sup> Cresse Jackman, *BBB warns collectors about pattern of complaint against trading card company*, WSAZ3 NEWS CHANNEL, (Oct. 11, 2023), <https://www.wsaz.com/2023/10/11/bbb-warns-collectors-about-pattern-complaints-against-trading-card-company>.

<sup>45</sup> Shaiel Ben-Ephraim, *Strong Misdeed Allegations Against Panini America*, CARDLINES.COM (Nov. 26, 2021), <https://cardlines.com/strong-misdeed-allegations-against-panini-america>; *Several northwest Indiana Hoosiers report losing money to Panini American*, WBIW (Nov. 4, 2021), <https://www.wbiw.com/2021/11/04/several-northwest-indiana-hoosiers-report-losing-money-to-panini-american>.

<sup>46</sup> *Fanatics, Inc.*, BETTER BUSINESS BUREAU, <https://www.bbb.org/us/fl/sunrise/profile/online-shopping/fanatics-inc-0633-30000854> (last visited Jan. 25, 2024).

iii. Panini Is Doomed by Its Lack of Long-Term Commitment to the Business

52. Panini's egregious track record can be partially explained by the fact that Panini's ownership has been trying to sell its business, without success, for roughly a decade. Perhaps most famously, Panini tried (and failed) to merge with Alex Rodriguez's Special Purpose Acquisition Company ("SPAC") in 2021. Although the proposed transaction would have required the approval of relevant licensors *and* extensions of licenses, Panini did not even *discuss* the transaction with these licensors, even as it was engaging in talks with Rodriguez. Panini's view of itself as the inevitable incumbent apparently led it to believe that its licensors would have no choice but to approve the transaction, regardless of their views on how it may affect their business.

53. In short, Panini has proven time and time again that its top priority is not collector experience or benefiting other industry stakeholders, but funneling profits back to Italy. So Panini's business partners have sought out better prospects. As far back as 2014, the NHL and NHLPA opted not to renew their partnership with Panini and to license their trading cards exclusively to the Upper Deck Company.<sup>47</sup> In 2021, the NHL and NHLPA again opted for Upper Deck over Panini, their former partner. Around the same time, some of Panini's business partners in the U.S.—the multiple sports players' associations and leagues—made their dissatisfaction and lack of belief in Panini known by announcing new licensing contracts with Fanatics Collectibles instead of Panini.

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<sup>47</sup> Tracy Hackler, *Panini America Issues Statement Regarding NHL/NHLPA Licensing Situation*, THE KNIGHT'S LANCE (Feb. 27, 2014), <https://blog.paniniamerica.net/panini-america-issues-statement-regarding-nhlnhlpa-licensing-situation>.

54. By August 2023, both the NFLPA and WWE sought to exercise their early termination rights to end their contracts with Panini and accelerate the start of their licenses with Fanatics Collectibles.<sup>48</sup>

**C. Fanatics Is Transforming the Sports and Entertainment Collectibles Industry**

55. Coinciding with Panini America’s decline, Fanatics has been revolutionizing the sports and entertainment collectibles business with a fresh model and vision that values and prioritizes the industry’s key stakeholders—athletes, players’ associations, collectors, leagues, and teams—rather than simply focusing on its own profits.

i. Fanatics’ Entry into Collectibles

56. In 2021, multiple players’ associations and leagues were searching for something new, while Panini’s complacent, checked-out leadership was preoccupied trying to sell their business and taking licensing renewals for granted. Against this backdrop, Fanatics approached the players’ associations and leagues with a new, more compelling value proposition. Fanatics Collectibles proposed investing in the industry as a whole over the *long-term*—including through marketing, customer service, improving manufacturing quality and timeliness, and related lines of business such as sports card manufacturing. As a more *innovative* partner, Fanatics Collectibles would sell directly to consumers, hobby shops, retailers, and “breakers,” thereby allowing for better engagement with collectors and opening up new revenue streams for its licensors. Instead of relying entirely on distributors, Fanatics Collectibles evolved its distribution practices to reduce

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<sup>48</sup> *NFLPA terminates Panini contract, executes Fanatics football license; Panini requests arbitration hearing*, SPORTS COLLECTORS DIGEST (Aug. 22, 2023), <https://sportscollectorsdigest.com/news/nflpa-terminates-panini-contract-fanatics-football-trading-cards-nfl>; *Panini Sues After WWE Moves to Terminate Card License*, SPORTS COLLECTORS DAILY (Sept. 20, 2023), <https://www.sportscollectorsdaily.com/panini-sues-after-wwe-moves-to-terminate-card-license>.

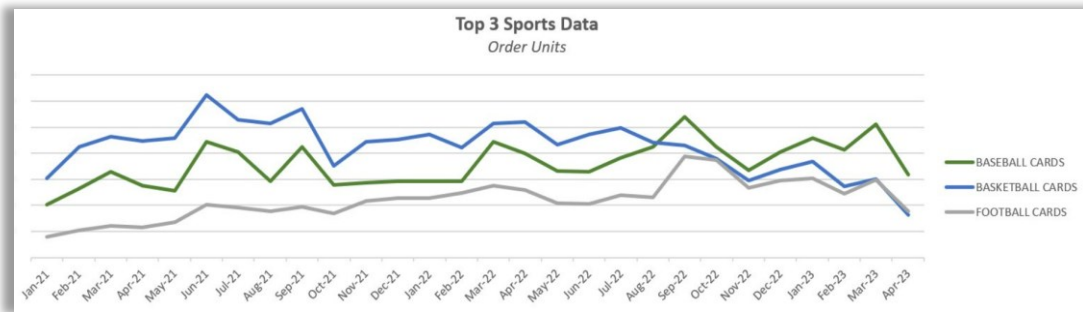
reliance on middlemen and increase servicing of hobby shops and breakers directly. As a result, in the last two years, Fanatics Collectibles has grown substantially—improving the business and the industry as a whole, ultimately to the benefit of collectors. By selling directly and substantially reducing reliance on distributors, Fanatics Collectibles is growing the market and benefitting consumers through lower pricing. Moreover, as a more *inclusive* partner, Fanatics Collectibles would share a greater percentage of revenue earned through the marketing and sale of the licensors’ intellectual property with players and leagues. Historically, players and leagues supplying content for sports trading cards only profited off the initial sale of the card (*i.e.*, the sale from a manufacturer to a distributor). Fanatics Collectibles disrupted that traditional model by offering players and leagues the right to share in revenues it receives from not only primary sales—which were already more lucrative given Fanatics Collectibles’ increased direct-to-consumer sales—but also from secondary markets (*e.g.*, through its Fanatics Live platform), as well as from complementary businesses.

57. In the end, the players’ associations and leagues made the only logical choice—they chose to partner with Fanatics Collectibles instead of Panini. Tellingly, although Fanatics Collectibles sought no restrictive negotiation covenants, such as an exclusive negotiating window, the licensors chose not to even ask Panini to bid on renewal of their licenses, clearly recognizing Panini’s value proposition paled in comparison to that presented by Fanatics Collectibles. Indeed, licensors could see that Fanatics Collectibles was a more attractive partner in every respect. Whereas Panini had surfed an uptrend in a cyclical industry that reached an unprecedented peak during COVID-19, Fanatics—through raw ingenuity and innovation—had grown from a \$10 million company into a \$6 billion company in less than two decades. Whereas Panini had a selfish, profit-first mindset, Fanatics had developed a reputation as a dedicated long-term partner with a

demonstrated ability to create growth and value for business partners. Whereas Panini's owners were trying (and failing) to cash out through a sale at the earliest opportunity, Fanatics was a future-focused visionary committed to the long-term investment in, and growth and health of, the industry.

58. The best test of ingenuity is success, and Fanatics has proven its ingenuity by consistently outperforming the competition in the eyes of industry stakeholders. Fanatics' track record in collectibles speaks for itself. Since entering the space in 2021, Fanatics Collectibles has won key licenses with the NFL, NFLPA, MLB, MLBPA, NBA, and NBPA—all of whom chose Fanatics Collectibles over Panini. Fanatics Collectibles' groundbreaking deals with the MLB and MLBPA ended Topps' 70-year run as the licensee for baseball cards. Fanatics then entered into a transaction to acquire Topps, giving Fanatics Collectibles the right to design, manufacture, and distribute baseball cards immediately, instead of having to wait until its own deals with MLB (in 2026) and the MLBPA (in 2023) began.

59. The licensors' decision to choose Fanatics Collectibles has already been thoroughly vindicated. For example, Fanatics Collectibles (through Topps) has grown baseball card revenues from \$370 million in 2021 to \$628 million in 2023—a 70% increase. Meanwhile, the NFL and NBA are experiencing meaningful declines as a result of Panini's years of stewardship:



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Fanatics Collectibles achieved its superior results by doing what Panini would not do: making significant marketing investments, product innovations, customer service enhancements and investment, significant product quality and manufacturing improvements, a significantly diminished reliance on redemptions, and a significant reduction in product delays. While Panini has virtually no customer service and a ~95% customer abandonment rate,<sup>50</sup> Fanatics Collectibles’ top-of-the-line customer service boasts a ~3% abandonment rate. Similarly, while Panini is heavily reliant on redemption cards—prompting the backlash described above—Fanatics Collectibles is able to rely significantly less on redemptions given its operational prowess, strong relationships with athletes who sign cards and more innovative product offerings, and it intends to eliminate them entirely over time except in limited and unavoidable situations.

60. Fanatics Collectibles has also had great success with college players who have declared their intent to participate in the draft (“prospects”), following the recent sea change on

<sup>49</sup> Nat Turner (@natsturner), X (May 14, 2023, 8:51 PM), <https://twitter.com/natsturner/status/1657911619584655364?s=42&t=cf5qfUoX9U6bUWaniG3NYw>; see also Holman & Belson, *supra* n.3 (“Major League Baseball has vaulted ahead of the N.B.A. and N.F.L. in the licensed trading card market. According to one industry executive, sales of baseball cards this season are expected to hit about \$640 million, up from \$370 million two seasons ago, when Fanatics purchased Topps. Sales of N.B.A. and N.F.L. trading cards are expected to fall to about \$350 million, from about \$550 million two seasons ago.”).

<sup>50</sup> A company’s customer abandonment rate is the percentage of customers who call the company’s customer service line and give up before speaking with a representative (*i.e.*, abandon the attempt), usually because of long wait times.

NIL rights allowing college athletes to enter deals before they join players' associations. In spring 2023, Fanatics Collectibles struck key deals to create trading cards for star football and basketball prospects. Panini competed for dozens of these prospects, but Fanatics Collectibles won every player it pursued, even though Panini offered nearly every prospect the same or, in most cases, more money. The prospects chose Fanatics Collectibles because they wanted a partner who cared about the industry and cared about them—and not just about short-term profits. As one example, Fanatics Collectibles proved its commitment to the industry by conceiving and creating a viral “Rookie Premiere” marketing video, in which legendary NFL players (including Joe Montana, Tom Brady, Aaron Rodgers, Jerry Rice, Peyton Manning, and Rob Gronkowski) provided personalized words of wisdom and signed jerseys to star prospects. The prospects praised the special experience that Fanatics Collectibles created.<sup>51</sup>

61. Fanatics Collectibles' MLB rookie patches are another example of how Fanatics Collectibles has capitalized on the hype surrounding rookie players: in spring 2023, Fanatics Collectibles and Topps introduced this new memorabilia patch created specifically for trading cards from MLB rookies making their debuts. These 1/1 cards contain an authentic patch worn by an MLB rookie during his debut game.<sup>52</sup> Fanatics Collectibles' partners at the MLB and MLBPA praised this innovation. For example, the MLBPA's Executive Director stated: “For a player there is no bigger moment than the first time they step onto a field for their Major League debut. The debut patches are one way to capture the timeless nature of this moment and provide fans the

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<sup>51</sup> Isabel Gonzalez, *LOOK: NFL legends surprise rookies with personalized messages at Rookie Premiere festivities*, CBS SPORTS (June 8, 2023), <https://www.cbssports.com/nfl/news/look-nfl-legends-surprise-rookies-with-personalized-messages-at-rookie-premiere-festivities>.

<sup>52</sup> *Fanatics debuts new MLB rookie patches as part of its expansion into collectibles*, FAST COMPANY (Mar. 30, 2023), <https://www.fastcompany.com/90871389/fanatics-mlb-rookie-patches-topps-trading-cards-collectibles>.



opportunity to be part of it by collecting a player-worn item.”<sup>53</sup> The Commissioner of the MLB offered similar praise: “A Major League player’s debut day is a cause for great celebration and the culmination of many years of hard work. ... I think this particular initiative is crucial to the development of deeper fan engagement.”<sup>54</sup>

62. Professional sports players and leagues have long praised Fanatics as a partner. In Tom Brady’s words: “Fanatics is a brand synonymous with authenticity, in both the merchandise they provide and the timeless memories they create that go well beyond a jersey or a football.”<sup>55</sup> More recently, the NFL’s chief media and business officer remarked on the NFL’s “belief that [Fanatics] is building a business that is new, unique and valuable.”<sup>56</sup>

63. The same is true of Fanatics’ entertainment partners. WWE’s Head of Corporate Development recently commented: “Fanatics has been an amazing partner and will immediately bolster WWE’s event retail business. Expanding our partnership will allow WWE to further expand our offering to fans and grow merchandise revenue in 2023 and beyond.”<sup>57</sup>

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<sup>53</sup> *Id.*

<sup>54</sup> Rafael Canton, *Fanatics unveils special MLB Debut Patches for player jerseys, rookie cards*, SPORTS COLLECTORS DIGEST (Mar. 30, 2023), <https://sportscollectorsdigest.com/news/mlb-debut-patches-rookie-cards-fanatics-tops>; see also Holman & Belson, *supra* n.3 (“When you think about it, fans want a piece of players,” M.L.B. Commissioner Rob Manfred said, referring to the rookie patches. “It just seemed like an idea that could really help invigorate the business.”).

<sup>55</sup> Mike Chiari, *Tom Brady, Fanatics Agree to Long-Term Contract for Exclusive Memorabilia*, BLEACHER REPORT (Oct. 21, 2021), <https://bleacherreport.com/articles/2914408-tom-brady-fanatics-agree-to-long-term-contract-for-exclusive-memorabilia>.

<sup>56</sup> Jessica Golden, *NFL, MLB and players unions lead the latest round of investment in rapidly growing Fanatics*, CNBC (Apr. 6, 2022), <https://www.cnbc.com/2022/04/06/nfl-mlb-players-unions-lead-latest-investment-in-fanatics.html>.

<sup>57</sup> *WWE® & Fanatics Expand Partnership to Include All Global Event Retail and Merchandise Operations*, BUSINESS WIRE (Apr. 18, 2023), <https://www.businesswire.com/news/home/20230418005782/en/WWE%C2%AE-Fanatics-Expand-Partnership-to-Include-All-Global-Event-Retail-and-Merchandise-Operations>.



64. An array of stakeholders have praised Fanatics Collectibles' commitment to investment and innovation, which has reinvigorated the sports and entertainment collectibles industry. In Brady's words: "This is what the industry really needed, you know? ... There's new product innovation, getting all the Fanatics athletes involved. All the other athletes talk to me about what Fanatics is doing, and they're excited about working with them."<sup>58</sup> An accomplished appraiser of sports collectibles views Fanatics Collectibles' growth as a "good thing," adding: "I think this hobby needs innovation, new ideas. For too long, it's the same old, same old."<sup>59</sup> Various participants in the sports and entertainment collectibles ecosystem have prospered due to Fanatics Collectibles' innovations. For example, after moving his business to the Fanatics Live platform, one prominent breaker noted: "All of a sudden our brand equity went through the roof."<sup>60</sup>

ii. Fanatics Collectibles' Investment in GCP

65. After acquiring Topps, Fanatics Collectibles made a strategic investment in the card-manufacturing company GC Packaging LLC ("GCP") in an effort to shore up manufacturing issues that were affecting Fanatics Collectibles and various other companies in an industry fraught with significant quality issues, capacity constraints, consistent delivery issues, theft, and underinvestment caused by industry cyclicalities.

66. GCP is a full-service card-manufacturing company known for its expertise in trading card production. GCP offers a comprehensive array of card-making processes, such as printing, laminating, foil stamping, embossing, wrapping, packaging, and more. For more than 40 years, various trading card companies—including Panini, Topps, Upper Deck, and Konami (the

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<sup>58</sup> Holman & Belson, *supra* n.3.

<sup>59</sup> *Id.*

<sup>60</sup> *Id.*

parent company of Yu-Gi-Oh)—have used GCP to convert trading cards from design to reality. These sports and entertainment trading-card companies supply the content (e.g., pictures, autographs, memorabilia/relics) along with detailed instructions and specifications for how the cards must be manufactured. GCP receives the content and instructions and manufactures the cards according to these instructions and specifications.

67. In the years leading up to Fanatics Collectibles' investment in GCP, the card-manufacturing industry as a whole was fraught with issues. Supply chain hiccups, poor quality control, and missed delivery dates had long been issues, and rising demand for sports trading cards from 2017 to 2020 only exacerbated them further. Then in 2020, COVID-19 rocked the industry with supply-chain issues at the same time as consumer demand skyrocketed to unprecedented levels, correlating to an unprecedented increase in delays and quality control issues as already-thin capacities were nearly stretched to breaking.

68. GCP was no exception to the industry's troubles. By the time Fanatics Collectibles acquired Topps (late 2021), high demand and underinvestment by the industry had resulted in pervasive issues with quality control, capacity, delay, and even theft. Manufacturing trading cards is a multi-step process where both the manufacturer (e.g., GCP) and card supplier (e.g., Topps) have numerous interdependent deliverables and deadlines. If delays, errors, or other quality issues arise (e.g., missing pictures or autographs, incorrect formatting instructions, etc.), complications and delays can cascade across the entire production line, affecting numerous other jobs if the manufacturer lacks sufficient capacity and flexibility to adjust.

69. Prior to Fanatics Collectibles' investment, GCP was a prime example of a manufacturer plagued by that kind of underinvestment. High demand combined with underinvestment and capacity constraints meant that GCP was often unable to adjust to the

rampant shortfalls in deliverables from trading card companies (including Panini), such as failure to provide pictures or autographs, as well as other complications, resulting in jobs often finishing late or otherwise delayed. More than 70% of GCP's jobs were late in the last quarter of 2020, and the situation only worsened in 2021. This was especially problematic for Topps (and by extension, Fanatics Collectibles) as Topps relied on GCP to produce approximately 40% of its trading cards. Collectors of trading cards demand perfection—rightfully so—and GCP's difficulties in meeting demand were having a severe impact on Topps' reputation. Moreover, while companies in other sport-adjacent markets—such as the sports video game and sneaker markets—have been able to capitalize on heavily promoted release dates in order to generate additional demand for their products, sports trading card companies lacked reliable manufacturing solutions that could deliver cards on schedule for major release dates. That inability to create—and appropriately market—reliable release dates meant leaving opportunities for greater sales on the table.

70. By investing in GCP, Fanatics Collectibles could resolve Topps' supply-chain issues by introducing much-needed improvements to the production process that would benefit both producers and consumers while at the same time capitalizing on the industry-wide demand for card manufacturing from Topps and other trading card companies. Independent card-manufacturing solutions companies, like GCP, have little ability or willingness to invest in their own improvement as, for years, the trading card trends have been largely cyclical in nature. Companies that spend time and capital building capacity to meet demand run the risk of finishing right as that demand dries up. As such, a number of trading card companies have invested in or acquired their own card-manufacturing solutions. This enables the trading card company to grow the card-manufacturing solutions alongside demand—Pokémon, one of the largest trading card

companies, bought Millennium Print Group in 2021; likewise, Panini has its own manufacturing solution abroad.

71. Indeed, even Panini America's CEO, Mark Warsop, recognized the need for investment into GCP, advising the CEO of GCP to sell the business. Warsop likely realized that an outside investment in GCP would increase GCP's ability to print Panini's cards, alleviate systemic delay issues, and generally expand GCP's capacity and flexibility—thereby allowing for greater innovation and fewer quality control issues.

72. Fanatics Collectibles' investment in GCP has paid off for collectors. In the last 18 months, Fanatics Collectibles' investment in GCP has allowed it to: (i) tighten quality control, already reducing the number of cards that fell short of "centering" standards by 70%; (ii) increase capacity from less than 300 million to over 400 million packs per year; (iii) substantially reduce delays, allowing trading card companies to meet precise release schedules far more often; (iv) enhance security procedures, resulting in significantly less theft which can impact cards' uniqueness; and (v) increase investment and innovation, with GCP doubling its capex since investment, deploying state-of-the-art innovations, and investing in new facilities.

73. Fanatics Collectibles' investment has benefited itself and Topps, as well as GCP's other customers—including Panini. Indeed, not only did Panini's output improve directly as a result of GCP's increased capacity, but Panini's share of that capacity grew substantially over time, resulting in GCP producing significantly more packs for Panini and the capacity to produce even more. Fanatics Collectibles' investment also clearly benefited trading card collectors, given the increase in not only the *quantity* of card production available, but their quality and timely production as well.

74. Ironically, while GCP's capacity and flexibility have grown by multiples, Panini's own mismanagement has prevented it from capitalizing on these improvements. While Panini has accused GCP of impeding its production, Panini has only itself to blame. For years, GCP has set aside adequate capacity to run Panini's jobs far in advance. But both before and after Fanatics Collectibles' investment, Panini regularly failed to timely supply deliverables including production files, autographs, and memorabilia/relics, causing delays and complications as GCP scrambled to accommodate these issues while meeting Panini's preferred timeline. In the end, while Panini's blunders may have resulted in some self-inflicted wounds, they harmed GCP most of all, as capacity that is reserved and not used is lost. In 2023, Panini's mistakes led GCP to miss its own budget and profit goals by tens of millions of dollars—even though GCP was able to successfully complete many jobs for Panini that were initially compromised by Panini's mismanagement and lack of organization.

iii. Fanatics Collectibles' Growth

75. Licensors have recognized the dynamic new opportunities Fanatics Collectibles offers, and licensors such as Bundesliga, colleges, Disney, F-1, MLB/MLBPA, NBA/NBPA, NFL/NFLPA, UEFA, UFC and WWE have all chosen to enter into license agreements with Fanatics Collectibles. Those licenses have varying terms depending on the interests of the licensor (the holder of the IP rights). Yet, for all its success, Fanatics Collectibles' share of the sports and entertainment collectibles market remains small—in fact, much smaller than Panini's as of today. Indeed, Fanatics Collectibles' portfolio of sports licenses largely resembles Panini's—except that many of Fanatics Collectibles' key licenses will not kick in until late 2025 or early 2026. The following chart compares Fanatics Collectibles' suite of licenses to Panini's past or present licenses:

<u>Fanatics Collectibles</u>	<u>Panini</u>
MLB	FIFA
MLBPA	MLBPA
NFL	NFL
NFLPA	NFLPA
NBA	NBA
NBPA	NBPA
F-1	NASCAR
UFC	UFC
WWE	WWE
Colleges	Colleges
Bundesliga	EPL
UEFA	UEFA

76. Panini also holds licenses with other major collectibles licensors such as Marvel, the global entertainment goliath.

**D. Panini's Unlawful Campaign to Disrupt Fanatics Collectibles**

77. Unable to keep pace with Fanatics Collectibles and having lost key licenses in football and basketball beginning in 2025, Panini launched a campaign of dirty tricks. Panini's intention behind these maneuvers was twofold: to disrupt Fanatics Collectibles' momentum and to possibly coax Fanatics Collectibles into early transitioning its remaining license years, a maneuver that would lead to an undeserved windfall profit for Panini and its Italian owners. Panini strung Fanatics Collectibles along by negotiating a sham agreement with respect to the early termination of certain licenses. In fact, Panini had no intent to consummate that agreement, which

served merely as a vehicle to stall Fanatics Collectibles' development of its business, as Fanatics Collectibles believed that it would be able to rely on Panini personnel, many of whom could freely join Fanatics Collectibles following the early termination of Panini's licenses. Panini then turned to wielding litigation and the threat of litigation as a weapon to prevent its employees from seeking greener pastures at Fanatics Collectibles. Finally, Panini filed an unfounded antitrust action against Fanatics.

i. Panini Bait-and-Switches Fanatics Collectibles with Sham Prospects of Early Termination

78. Unable to keep up with Fanatics Collectibles fair-and-square, Panini engaged in a campaign of stalling, misdirection, and misrepresentation against Fanatics Collectibles. With many of Fanatics Collectibles' licensing rights commencing after licenses held by Panini were set to expire in 2025-2026, Panini engaged with Fanatics in February 2022 about the early termination of certain of its licenses, which would facilitate an early transition of these licenses to Fanatics Collectibles, in exchange for a lump-sum fee equivalent to Panini's projected earnings for the remaining license years, less a discount factor.

79. Fanatics Collectibles welcomed the opportunity, recognizing that the collaboration could ensure a smooth transition for its licensor partners and for collectors. The proposed early termination would be extremely lucrative for Panini. At the time Fanatics and Panini began their discussions, the COVID-19 pandemic and the rise of NFTs brought a surge in demand and value for sports cards. As a result, the potential early termination presented Panini with the opportunity to secure compensation for years of future earnings predicated on unusually favorable market conditions and historically high valuations at that time. The huge cash infusion that Panini would receive from the early termination would allow it to remain highly competitive in the industry for years to come.

80. In furtherance of these discussions, Fanatics and Panini held numerous meetings, both in-person and virtual, and exchanged numerous communications by phone and email. Several of the in-person meetings took place in New York and were attended by representatives of Panini and/or Panini America. The negotiations that took place by videoconference, call, or email typically involved Fanatics' New York-based agents and representatives participating from New York.

81. The first milestone in negotiations occurred in June 2022, when the companies reached a preliminary agreement: with the approval of the licensors, Panini would terminate the remaining years on its licenses with the NFL, the NBA, their respective players' associations, the WWE, UFC, and the CLC. In exchange, Fanatics Collectibles would pay Panini an early termination fee based on Panini's projected earnings (as of the closing date) for the residual terms of the licenses. These core terms (price formula and licenses subject to early termination) remained unchanged throughout the parties' negotiations. The precise amount of the agreed-upon termination fee remained unchanged throughout June, July, and at least half of August 2022. But unbeknownst to Fanatics, Panini knew that it was materially underperforming against its annual projections by nearly 30%—a reality it intentionally disguised and fraudulently concealed to maintain an inflated termination fee. Fanatics received these false representations in New York.

82. The parties reached their preliminary agreement shortly after Fanatics sent Panini a draft term sheet outlining the terms of the contemplated transaction. After receiving the draft term sheet in May 2022, Panini executives orally informed Fanatics executives that Panini accepted the core structure proposed for the early termination deal, although certain less significant terms (e.g. trademarks, technology) remained open for negotiation. Although the duty to negotiate the remaining terms in good faith was implied as soon as the parties reached their preliminary



agreement, the following month, Panini's counsel added a provision to the draft term sheet stating that the parties "will continue to negotiate in good faith with the goal of expeditiously resolving all matters," thereby evincing that Panini recognized its ongoing duty to negotiate in good faith. In the coming months, the parties exchanged various draft term sheets and other deal documents containing materially similar language. These documents continued to reflect the core terms that the parties had agreed upon.

83. Unfortunately, Panini did not live up to its duty to negotiate in good faith. Closing was initially set for July 2022, but this date repeatedly slipped as Panini delayed, delayed, and delayed some more. Panini's delays were perplexing: a quick execution would give Panini the unique opportunity to take advantage of the sky-high valuations that COVID-19 and the NFT-related industry fervor had created. Yet even in the absence of any substantive disagreements, Panini routinely went weeks without providing any comments on draft transactional documents. More than once, Panini waited over a month to return its mark-up of the term sheet. Fanatics Collectibles, on the other hand, made every effort to advance negotiations, retaining top-tier lawyers and other advisers, engaging in robust due diligence, promptly turning comments on the parties' working term sheet, and leveraging key connections to secure commitments from lenders to fund the early termination payment to Panini. In doing so, Fanatics Collectibles devoted vast amounts of time, energy, and capital to effectuate the early termination. Despite all of Fanatics Collectibles' best efforts, Panini's repeated delays resulted in monthly postponements of the targeted closing date.

84. Around October 2022, after several months of stalling by Panini, Fanatics attempted to advance the discussions by drafting a long-form agreement to memorialize the detailed terms of the anticipated early termination. However, Panini continued to stonewall with

serial delays and inexplicable intransigence. It took Panini 28 days to send Fanatics its initial mark-up of the long-form agreement, and a later turn took Panini 34 days before returning its mark-up. Panini exhibited equally egregious delays with respect to other deal documents and diligence tasks. Ultimately, Panini's stalling delayed closing for the rest of 2022 and into 2023.

85. As Panini stalled, the collectibles industry grew more challenging. By early 2023, market realities had dramatically changed. The COVID-19 pandemic was showing signs of subsiding, and 2022's "crypto winter" (which also adversely affected demand for NFTs) coincided with a general downturn in economic conditions.

86. It was around this time that Fanatics learned Panini had created falsified financial projections to inflate the amount of the early termination fee, as part of its efforts to dupe Fanatics Collectibles into continued negotiations. Astonishingly, Warsop admitted to Fanatics privately that Panini was maintaining two sets of projections during negotiations with Fanatics Collectibles: (1) an internal set that Panini used and relied on to properly budget and operate its business, and which had been approved by Panini's Italian owners, and (2) a separate, much rosier set of falsified projections that were carefully and systematically fed to Fanatics for its consumption at the direction, and with the endorsement, of Panini's Italian owners. This was not some off-hand comment; in a series of meetings that occurred on November 14, 2022, November 19, 2022, December 5, 2022, December 11, 2022, and January 16, 2023, Warsop repeatedly confessed that Panini's own internal projections for 2023 had been revised downward by hundreds of millions of dollars in annual profits. During the January 16, 2023 meeting, Warsop confirmed that Panini's Italian owners had formally approved these reduced figures.

87. Even as it became clear to Fanatics that the projections provided by Panini's owners in Italy materially misrepresented the attractiveness of Panini's business, Panini continued to

reiterate to Fanatics that it stood by the same inflated earnings projections. On January 26, 2023—ten days after Warsop confirmed that Panini’s Italian owners had formally approved the reduced figures—Panini provided Fanatics with financial projections that still overstated its future earnings by hundreds of millions of dollars in 2023. A month later (on February 26, 2023), in complete contradiction to this representation, Warsop confirmed once more that Panini’s internal projections for 2023 were down dramatically in line with its actual earnings in 2022. Because the early termination price was directly tied to Panini’s projections, its inflated projections were designed to justify an inflated price.

88. Panini employed other maneuvers to extract an inflated termination fee. While Fanatics Collectibles engaged with Panini about the potential for early termination of Panini’s licenses, Panini repeatedly threatened, both explicitly and implicitly, that Fanatics would face an antitrust lawsuit if the parties failed to reach agreement. In this respect, Panini was attempting to strong-arm Fanatics into paying the falsely inflated fee that Panini wanted.

89. As a result of Panini’s delays, misdirection, and misrepresentations, Fanatics Collectibles missed out on lucrative business opportunities worth hundreds of millions in revenue over the last year. Before entering negotiations with Panini, Fanatics Collectibles had arranged certain potential deals adjacent to Panini’s established licenses. Specifically, prior to and during the negotiations with Panini, Fanatics Collectibles had agreed to a present-day licensing arrangement with the NBPA and had numerous opportunities with NFL prospects. No other company was vying for these licenses at the time. Moreover, to Fanatics Collectibles’ knowledge, none of these contemplated licenses violated Panini’s existing licenses, as Panini’s NBPA license was non-exclusive, and NFL prospects—prior to being drafted into the league—fell outside Panini’s NFL-related licenses. Once the parties reached a preliminary agreement to an early

termination of certain of Panini's licenses, however, Fanatics Collectibles paused pursuing these other deals because it reasonably believed it would no longer need to acquire the licenses that it was exploring, as it would obtain substantively similar licenses through the early termination.

90. By the time early termination talks terminated, Fanatics Collectibles had missed the opportunity to pursue valuable parallel business opportunities. When the parties finally reached an impasse in early 2023, the NFL prospects for 2022 had already been drafted, effectively preventing Fanatics Collectibles from entering license arrangements with the prospects. And while Fanatics Collectibles was able to re-enter and salvage its negotiations with the NBPA after its negotiations with Panini terminated, Fanatics Collectibles missed out on a full year of revenue stream as Panini deceptively led it down a path to nowhere. Together, Fanatics Collectibles estimates that these missed opportunities would have generated hundreds of millions of revenue for Fanatics Collectibles in the first year alone.

91. Also, as a result of Panini's misdirection, Fanatics Collectibles leveraged key lender relationships to no end, devoted valuable time and attention of its senior leadership, spent tens of millions of dollars paying lawyers, accountants, and other professionals to perform extensive due diligence work, invested in new facilities and expansion, and suffered other harm in connection with the early termination—which Panini knew would never happen because Panini was unwilling to negotiate in good faith.

92. Fanatics Collectibles was not alone in suffering from Panini's drawn-out misdirection campaign: consumers also suffered, as did the industry at large. By tying up Fanatics' senior leadership in dead-end early termination talks that lasted nearly a year, Panini prevented Fanatics Collectibles from devoting its full attention to creating, improving, and delivering better products and services for the group that matters most—collectors. A strong sports

and entertainment collectibles industry requires an engaged and loyal consumer base. Unlike Panini, Fanatics Collectibles' defining mission is to serve collectors and constantly improve their experience. By standing in Fanatics Collectibles' way, Panini harmed the entire industry to the detriment of collectors.

ii. Panini Uses Threats and Litigation to Prevent Its Employees from Joining Fanatics Collectibles

93. After drawing out licensing negotiations in bad faith, Panini next resorted to heavy-handed litigation threats to scare its at-will employees away from joining Fanatics.

94. While negotiations with Panini were ongoing, Fanatics Collectibles deferred hiring new employees to build out its growing sports card business in anticipation that certain of Panini's employees would naturally transition to Fanatics Collectibles as part of the early termination. In late March and early April 2023, shortly after talks fell apart, Fanatics Collectibles sought to hire new employees to support its existing collectibles business and to prepare for the impending start of certain of its licenses, which began as early as October 2023 and included such sports as basketball (through its NBPA license), UFC, tennis, boxing, and football. As part of this effort, Fanatics Collectibles posted over 100 job openings.

95. Fanatics Collectibles expected many Panini employees would be interested, given that Panini's sports business was struggling and its owners continued to attempt to sell the business to third parties, even as a number of Panini's licenses approached expiry. Given the circumstances, Fanatics Collectibles assumed that those employees who worked on products associated with those licenses would be concerned about their futures and would be interested in working for a new, dynamic participant in the card collectibles space.

96. That month, 37 former Panini employees chose to leave the company and join Fanatics Collectibles. Fanatics Collectibles gave them essential roles across its marketing,

operations, athlete relations, and product development departments, and those employees have been active and productive since they were hired. Fanatics Collectibles had a business need for these employees (today it still has over 75 job openings to support its growing business), and would have hired them earlier if Panini had not bait-and-switched Fanatics Collectibles into dead-end talks of early termination.

97. Panini's low morale among its workforce also contributed to the departures. Former Panini employees recall the emotional turmoil, stress, and lack of transparency that drove them to Fanatics Collectibles. Notably, Panini kept loyal employees in the dark as Panini negotiated the early termination of its licenses with Fanatics Collectibles. Caught unaware, these veterans felt slighted upon learning their licenses would transfer to Fanatics Collectibles with no consideration of their dedication over the years. Rather than receive due appreciation or reassurance, many felt devalued and expendable. Instead of reassuring staff, Panini leadership resorted to intimidation to prevent exits and attempted to pin the blame on Fanatics Collectibles—villainizing it for the very climate of fear Panini itself cultivated. On or about April 5, 2023, D.J. Kazmierczak, Panini SVP of Operations, told the Panini product development team that Fanatics was exposing itself to scrutiny from licensors, and that Fanatics Collectibles' contracts with licensors could be voided. Ultimately, Panini's strong-arm tactics worked as numerous Panini employees in product development rebuffed Fanatics Collectibles' attempts to hire them and stayed at Panini. Upon information and belief, these employees decided against joining Fanatics Collectibles because of Panini's threats.

98. Moreover, many Panini employees did not feel their salaries were reflective of what they deserved. Before they left Panini for Fanatics Collectibles, Panini America had not raised employee salaries in over two years, leaving many workers disappointed and disgruntled. Only

when it became clear that its employees would rather work for Fanatics Collectibles did Panini's ownership find motivation to offer employee raises. Remarkably, Warsop himself acknowledged Panini's stinginess towards employees. In May 2023, Warsop told Fanatics that Fanatics Collectibles' hiring of Panini America employees was great for Panini America because it finally got Panini's owners to open their checkbook after years of being "cheapskates" toward workers.

99. Making matters worse, Panini's business was hampered, upon information and belief, by its stark lack of diversity, including at the highest levels. Panini's racially intolerant workplace culture has occasioned ongoing widespread public concern and criticism. In the last two months alone, four former Panini employees have filed workplace discrimination actions against Panini.<sup>61</sup> These complaints allege that, for over a decade, Panini has maintained a racially hostile work environment for its employees of color and systematically suppressed their professional advancement. Amidst this hostile culture, Panini's employees of color have had nowhere to turn. The complaints allege that Panini never mandated employees or management undergo anti-discrimination training, and that Panini neglected to institute any formal complaint process or remedial avenue related to workplace discrimination.

100. Further, these complaints allege Panini's employees of color experienced segregation and harassment from their Caucasian coworkers and supervisors. Not only did Panini allegedly physically segregate "non-Caucasian" employees "from their Caucasian counterparts" during work and social events,<sup>62</sup> but Panini also allegedly placed employees of color in "storage

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<sup>61</sup> *Dulce Huerta v. Panini America, Inc.*, No. 3:23-cv-02529-K (N.D. Tex., Nov. 15, 2023); *Nora Vargas v. Panini America, Inc.*, No. 3:23-cv-02689-B (N.D. Tex., Dec. 6, 2023); *La Shanda Woods v. Panini America, Inc.*, No. 3:23-cv-02690-X (N.D. Tex., Dec. 6, 2023); *Derrick Pickett v. Panini America, Inc.*, No. 3:23-cv-02691-N (N.D. Tex., Dec. 6, 2023).

<sup>62</sup> Complaint, *Huerta v. Panini America, Inc.*, ¶ 4; Complaint, *Woods v. Panini America, Inc.*, ¶ 35.

rooms” while their Caucasian coworkers worked in conventional office spaces.<sup>63</sup> Further, Panini’s supervisors allegedly made discriminatory remarks towards Black and Latinx employees,<sup>64</sup> and allegedly failed to take any remedial action when other Caucasian employees engaged in racist behavior toward Black employees.<sup>65</sup> Panini also allegedly restricted its diverse employees’ ability to advance professionally and denied them equal privileges and pay.<sup>66</sup>

101. Given these egregious allegations, it is no surprise that Panini rolled back some of its internal protections for employees of color years ago. In 2021, Panini removed its previously proclaimed commitment to workplace diversity from its code of ethics.<sup>67</sup> It went still further by

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<sup>63</sup> Complaint, *Woods v. Panini America, Inc.*, ¶ 12; Complaint, *Vargas v. Panini America, Inc.*, ¶ 12; Complaint, *Pickett v. Panini America, Inc.*, ¶ 12.

<sup>64</sup> Complaint, *Huerta v. Panini America, Inc.*, ¶ 5; Complaint, *Vargas v. Panini America, Inc.*, ¶ 13; Complaint, *Woods v. Panini America, Inc.*, ¶ 13; Complaint, *Pickett v. Panini America, Inc.*, ¶ 13. These supervisors allegedly told Latinx employees that they would be more “efficient” if they were not “distracted” by “having so many children.” Complaint, *Huerta v. Panini America, Inc.*, ¶ 6; Complaint, *Vargas v. Panini America, Inc.*, ¶¶ 24-25. Panini supervisors and even a Panini vice president deliberately referred to a Black employee by the wrong name “twice a month for multiple years,” telling him that it was the result of them mixing up the names of other Black people they knew. Complaint, *Pickett v. Panini America, Inc.*, ¶¶ 33-36.

<sup>65</sup> Complaint, *Pickett v. Panini America, Inc.*, ¶¶ 37-39 (alleging that supervisors failed to take remedial action after Caucasian employees called Black employees the wrong name and insinuated that Black people were not affluent enough to live in certain neighborhoods).

<sup>66</sup> When Panini did promote employees of color, Panini allegedly provided them merely ceremonial titles that were not accompanied by “any real change in responsibilities, pay, or authority.” Complaint, *Huerta v. Panini America, Inc.*, ¶ 37. And while Panini permitted Caucasian employees to work from home during the pandemic, Panini allegedly temporarily furloughed two Black employees and required its employees of color to work in person. Moreover, Panini employees of color allegedly experienced disproportionate workloads, scrutiny, and retaliation compared to Caucasian counterparts—all for less pay.

<sup>67</sup> Compare *Code of Ethics*, Panini S.p.A. at 8 (Dec. 1, 2016), [https://s3.amazonaws.com/prod-paninicx-store/info/PANINI\\_SpA\\_Code\\_of\\_Ethics.pdf](https://s3.amazonaws.com/prod-paninicx-store/info/PANINI_SpA_Code_of_Ethics.pdf) (“The Company believes diversity is an opportunity in terms of innovation and development through dialogue and exchanging ideas, opinions and experiences.”), with *The Code of Ethics*, Panini S.p.A. at 2, 5 (Dec. 17, 2021), [https://a.storyblok.com/f/71890/x/ee6c3e7ee1/panini\\_spa\\_code\\_of\\_ethics.pdf](https://a.storyblok.com/f/71890/x/ee6c3e7ee1/panini_spa_code_of_ethics.pdf). Panini S.p.A.’s 2016 code of ethics is archived on Panini America’s website. Panini S.p.A.’s current code of ethics is available on Panini S.p.A.’s website.



removing “race” from what Panini lists as the classes protected from workplace discrimination.<sup>68</sup> More recently, social-justice advocates sent scathing letters to Panini and top sports league executives protesting the stark contrast between the lack of Black employees at the company and the enormous sums that Panini has made from the talents and contributions of Black athletes. Since entering the U.S., Panini has generated massive revenues selling football and basketball cards featuring Black and Brown athletes, who comprise the overwhelming majority of NBA and NFL players. Yet, as one letter observed, “[t]here are virtually no Black executives at the senior level [at Panini America],” and there is “very little Black employment at any level of the organization.”<sup>69</sup> Another letter blasted Panini for having “no Black leadership in the United States” despite employing “hundreds of employees in the United States” and deriving “75% of its business from selling depictions of Black and Brown athletes.”<sup>70</sup> Notably, “only 3 of Panini’s 800 employees on LinkedIn are [B]lack.”<sup>71</sup>

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<sup>68</sup> *Compare Code of Ethics*, Panini S.p.A. at 8 (Dec. 1, 2016), [https://s3.amazonaws.com/prod-paninicx-store/info/PANINI\\_SpA\\_Code\\_of\\_Ethics.pdf](https://s3.amazonaws.com/prod-paninicx-store/info/PANINI_SpA_Code_of_Ethics.pdf) (“Discriminatory behaviour based on race, religion, age, health, political and trade union opinions, nationality, sexual orientation and in general any personal quality of a human being is not admitted in internal and external relations.”) (emphasis added), with *The Code of Ethics*, Panini S.p.A. at 5 (Dec. 17, 2021), [https://a.storyblok.com/f/71890/x/ee6c3e7ee1/panini\\_spa\\_code\\_of\\_ethics.pdf](https://a.storyblok.com/f/71890/x/ee6c3e7ee1/panini_spa_code_of_ethics.pdf) (“Panini s.p.a. condemns any conduct that harms individual personality, and, in particular, disapproves of and forbids, in its own organisational context, any discriminatory behaviour founded on nationality or origin, religious creed, age, health condition, political and trade union opinions, sexual orientation, and on any and all other subjective characteristics or conditions.”).

<sup>69</sup> Eileen Reslen, *The scathing letter sent to NFL, NBA, MLB execs over Panini’s alleged ‘racial injustice’*, N.Y. POST (May 24, 2023), <https://nypost.com/2023/05/24/tamika-mallory-accuses-panini-of-racial-injustice-in-scathing-letter-to-sports-leagues>.

<sup>70</sup> Letter from Tamika D. Mallory and Rev. Michael McBride to Mark Warsop, *Re: Panini America Inc.’s (“Panini”) Lack of Diversity In Its Executive Leadership* (May 15, 2023), <https://thesource.com/wp-content/uploads/2023/05/Letter-to-Panini-America2-002.pdf>.

<sup>71</sup> Complaint, *Huerta v. Panini America, Inc.*, ¶ 15.

**The scathing letter sent to NFL, NBA, MLB execs over Panini's alleged 'racial injustice'**

By Eileen Reskin

**NEW YORK POST**

Despite Panini's public commitments to diversity, Panini falls far short of its ideal. Panini has no Black leadership in the United States. While this failure would be notable for any organization, Panini's lack of diversity is especially shocking since its multi-billion dollar business has been built on the backs of Black and Brown athletes. Indeed, Panini, which has hundreds of employees in the United States, has derived 75% of its business from selling depictions of Black and Brown athletes.



102. Rather than address the root causes of these employee departures—and unable to keep its employees even with heavy-handed offers of pay raises and other incentives—Panini retaliated against its former employees with legal action. On April 14, 2023, Panini instituted an action in Texas state court against Fanatics and seven longtime former Panini employees who had joined Fanatics Collectibles.<sup>72</sup> Each and every named defendant was an at-will employee without any non-compete covenant restraining their move to Fanatics Collectibles. Even so, Panini sought immediate injunctive relief preventing Fanatics and the former employees from using Panini's supposed trade secrets and enjoining the former employees from recruiting more Panini employees.<sup>73</sup> The Texas state court initially granted Panini's application for a temporary restraining order, with language agreed to by the parties, and ordered expedited discovery.<sup>74</sup>

<sup>72</sup> *Panini America, Inc. v. Eli Nicholas Matijevich, Jr. et al.*, No. DC-23-04798 (Tex. Dist. Ct., Dallas Co., Apr. 14, 2023).

<sup>73</sup> Complaint ¶¶ 53-60, *Panini America, Inc. v. Matijevich et al.* (Apr. 14, 2023).

<sup>74</sup> Temporary Restraining Order, *Panini America, Inc. v. Matijevich, et al.* (Apr. 17, 2023).

103. For the sake of avoiding further dispute, Fanatics consented to a temporary injunction barring the seven former employees from recruiting other Panini employees and enjoining both Fanatics and the seven former Panini employees from using Panini's confidential information.<sup>75</sup>

104. While the litigation remains ongoing, the record developed provides zero support for the notion that Fanatics or Panini's former employees did anything unlawful. Panini accuses Fanatics of trade secret misappropriation because former employees left with thumb drives, but neutral forensic evidence has confirmed that no former employee ever accessed any Panini-related information on the thumb drives after leaving Panini. Meanwhile, Panini's alleged "trade secrets" are a hodgepodge of public or valueless categories of information. For example, Panini suggests that the identity of its employees is a trade secret, but its corporate representative readily agreed that this information is public knowledge.

105. Panini's heavy handed legal threats have succeeded at preventing other employees from joining Fanatics Collectibles. Since the first wave of employee departures, Panini has initiated a campaign of intimidation, leveraging the threat of further litigation to stem the tide of further employee departures. Panini has reportedly threatened current employees, regardless of seniority or whether they were under non-competes, with legal actions should they choose to transition to Fanatics Collectibles. In threatening litigation, Panini could point to no legally protected rights of interest; rather, Panini threatened litigation solely as a tactic to prevent the departures of its at-will employees. Upon information and belief, Panini's scare tactics, compounded by its actual suit against certain former employees, have instilled a climate of fear among its personnel. Consequently, many more Panini employees have been deterred from joining

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<sup>75</sup> Agreed Temporary Injunction, *Panini America, Inc. v. Matijevich, et al.* (May 25, 2023).

Fanatics Collectibles and forced to remain captive at Panini as their sole avenue for maintaining gainful employment in the industry. These are qualified, experienced employees who would add great value at Fanatics Collectibles.

106. Hiring statistics demonstrate that Panini's strategy of stemming employee departures through litigation threats and actual litigation has succeeded. Between April 4, 2023, and April 14, 2023, Fanatics Collectibles hired 34 former Panini America employees. Since Panini filed suit in Texas on April 14, 2023, however, Fanatics Collectibles has hired just three former Panini America employees, despite posting hundreds of job openings that other Panini America employees could have filled. Indeed, since Panini filed suit, Fanatics Collectibles has hired nearly 300 additional employees. These numbers strongly suggest that many other employees of Panini America would have joined Fanatics Collectibles but for Panini's vindictive litigation and litigation threats.

iv. Panini Alleges "Antitrust" Violations to Protect Its Incumbency

107. In early August 2023, Panini finally came through on its longstanding threats to bring a (baseless) antitrust action against Fanatics. In its latest move to thwart Fanatics' rise, Panini (through Panini America) has filed a federal action against certain Fanatics entities.<sup>76</sup> Panini America's lawsuit, which alleges violations of federal antitrust laws and state tort laws, is factually inaccurate, legally incoherent, and ultimately upside-down. At bottom, Panini is misusing the antitrust laws to try to insulate itself against competition, and doing so after Fanatics has proved to be the superior option, on the merits, for licensors as well as consumers. Indeed, while Panini is directing its allegations against Fanatics, what Panini is really doing is challenging decisions by sports leagues and players' associations to license their exclusive intellectual property

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<sup>76</sup> *Panini America, Inc. v. Fanatics, Inc. et al.*, No. 1:23-cv-09714 (S.D.N.Y., filed Aug. 3, 2023).

rights as they deem best, in furtherance of their interests and those of consumers. As the longtime incumbent, Panini had every opportunity to prove itself to the licensors. Instead, Panini took the renewal of its licenses for granted while openly trying to sell its business. Moreover, Panini is faulting conduct by Fanatics (including Fanatics' displacement of Panini, after Panini displaced Topps) that is no different from what Panini did to position itself in prior years. Examples of Panini's disingenuousness jump out from its amended complaint:

- **Panini's Track Record.** Panini America alleges that, “[t]hrough competitive prowess and product innovation,” it has “generated win-win results for the leagues, players associations, and consumers.”<sup>77</sup> But Panini's actual track record tells a much different story—of dismal customer service, enormous amounts of unfulfilled redemption cards, egregious quality control issues, shoddy product offerings, and pervasive underinvestment. The upshot has left athletes, players' associations, leagues, entertainment properties, and collectors hungering for a new alternative over the last decade, while Panini devoted itself to hoarding profits and trying to sell its business.
- **Fanatics' Competition for Licenses.** Panini America cries foul because it was not “given an opportunity to bid or otherwise compete for the licenses Fanatics acquired.”<sup>78</sup> Setting aside that Panini America should have been competing for the future business of its licensors every day it held a license, the reality is that sophisticated licensors choose for themselves whether or not to run a bidding

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<sup>77</sup> Panini Amended Complaint ¶ 78, ECF No. 69, *Panini America, Inc. v. Fanatics, Inc. et al.* (hereafter, “Panini Amended Complaint”).

<sup>78</sup> *Id.* ¶ 110.

process. Here, the licensors independently decided not to solicit bids from Panini because Panini had made painfully clear throughout its long tenure that it was trying to sell its business and lacked the vision, leadership team, and willingness to invest and deliver the way that Fanatics Collectibles is positioned and committed to do. Simply stated, it was obvious to licensors that the bold, comprehensive, and innovative vision Fanatics Collectibles brought to the table marked the path forward for the future and would best serve the interests of collectors and licensors alike. And Panini should well understand why licensors here proceeded as they did, having *itself* acquired licenses (including its long-held NFLPA license) *without* having to participate in a bidding process.

- **Prospect Deals.** Panini America alleges that Fanatics “began a targeted effort to execute exclusive deals with star, rookie players to deprive Panini of the ability to include those players’ original, handwritten autographs with its trading cards during the remaining years of Panini’s existing licenses.”<sup>79</sup> This allegation, too, is demonstrably false. Fanatics Collectibles had strong business reasons for entering the referenced deals with prospective draft candidates, which are expected to generate collector excitement and significant revenue and have already ignited successful, viral marketing campaigns. Notably, Panini fails to mention that it competed for dozens of these prospects and lost *every single one* to Fanatics Collectibles, even though Panini offered nearly every prospect the same or, in most cases, more money.

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<sup>79</sup> *Id.* ¶ 164.

- **Long-Term, Exclusive Deals.** Panini claims “[t]he durations of Fanatics’ exclusive dealing arrangements are beyond anything that is necessary for any legitimate economic or other purpose.”<sup>80</sup> This allegation ignores the fact that the licensors choose the terms upon which to license their intellectual property. It also flouts basic economic theory, as well-known to and long trumpeted by Panini itself. Long-term, exclusive IP licensing incentivizes parties to work together to grow and improve a business. Fanatics’ long-term deals are enabling it to invest deeply in marketing, product development, and innovation; to build strong, lasting relationships with athletes; and to take a variety of steps to improve the industry and enhance collector experience, including as reflected in Fanatics’ GCP investment. Collectors fare better, not worse, in a world where licensors have long-term deals with Fanatics as opposed to Panini.
- **Topps Acquisition.** Panini America alleges that Fanatics “extinguished competition by acquiring Topps,” while ignoring Panini’s materially indistinguishable acquisition of Donruss, prior to which Panini had no U.S. staff or offices.<sup>81</sup> Panini further suggests that “the monopoly power and effective market control created by [Fanatics’] exclusive deals with the Major U.S. Professional Sports Leagues and their players associations” pressured Topps to sell to Fanatics.<sup>82</sup> Yet Panini itself was in the same position as Topps—having

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<sup>80</sup> *Id.* ¶ 105.

<sup>81</sup> *Id.* ¶ 207.

<sup>82</sup> *Id.* ¶¶ 118-120.

lost its key licenses to Fanatics Collectibles—and Panini remains independent today, refuting the notion that Topps had no choice but to sell to Fanatics.

- **GCP Investment.** Panini alleges that Fanatics invested in GCP “to weaken Panini” and that the investment compromises Panini’s ability produce cards “according to the exacting standards Panini requires.”<sup>83</sup> This, too, is demonstrably false. Fanatics invested in GCP to improve an industry that has been plagued by significant quality issues, capacity constraints, consistent delivery delays, numerous theft issues, and underinvestment. Fanatics’ investment benefits everyone, including Panini—which has seen its share of GCP’s capacity grow substantially since Fanatics’ investment, resulting in GCP producing significantly more packs for Panini, even while Panini has been actively moving jobs to other manufacturers. Collectors should judge for themselves whether Panini truly maintains “exacting standards,” as Panini alleges. But the facts are that Fanatics’ investment in GCP has been improving the quantity, quality, and security of GCP’s production, and, in fact, has even expanded GCP’s facilities, all for the benefit of collectors and the industry as a whole.
- **Alleged “Raid” of Employees.** Panini America alleges that Fanatics hired dozens of its employees “to harm Panini’s current ability to perform under its existing licenses and to bolster Fanatics’ monopoly power by trying to put

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<sup>83</sup> See *id.* ¶¶ 131, 138.



Panini out of business.”<sup>84</sup> To the contrary, Panini employees were desperate to escape from Panini’s dim prospects and bleak, hostile workplace environment, and they eagerly flocked to Fanatics Collectibles to help it prepare for the license rights which would become effective in the near future. More would have joined Fanatics Collectibles had it not been for Panini’s tortious threats of legal action against them.

- **“Fir[ing]” of Distributors.** Panini America claims that Fanatics is using its alleged “monopoly power and effective market control” to “threaten distributors ... with cutting them off if they do not provide Fanatics with higher margins.”<sup>85</sup> In truth, Fanatics has yet even to step into most of the licenses in question. As it does, however, Fanatics will be prioritizing selling directly to hobby shops, retailers, and breakers. And Fanatics’ approach will benefit licensors and consumers, as it will avoid the enormous markups charged by distributors, which reduce profit margins for Fanatics’ business partners and subject consumers to higher prices.
- **NFLPA Termination.** Panini America alleges that Fanatics “induce[d]” the NFLPA to terminate its contract with Panini ahead of schedule, including by raiding Panini America’s employees to trigger an event of termination under the NFLPA’s contract with Panini.<sup>86</sup> This allegation is outlandish. Fanatics had a genuine need for every former Panini employee that it hired—indeed, it

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<sup>84</sup> *Id.* ¶ 162.

<sup>85</sup> *Id.* ¶ 194.

<sup>86</sup> *Id.* ¶¶ 179-87.

would have hired many more but for Panini’s tortious conduct. In truth, the NFLPA independently chose to end its contract with Panini. In fact, in June 2023, the NFLPA elected a new executive director, who has no prior relationship with Fanatics.<sup>87</sup>

- **WWE Termination.** Similarly, Panini America claims that Fanatics induced the WWE to terminate its contract with Panini.<sup>88</sup> But Panini provides no facts in support of this conclusory assertion, and public filings show that the WWE attempted to terminate Panini’s contract for poor performance, specifically citing Panini’s serial delays, which eroded the WWE’s “confidence in the partnership . . . [as the entertainment group] became concerned about Panini’s ability to perform under the Agreement to the standards expected.”<sup>89</sup>
- **Equity.** Panini claims that Fanatics “induce[d] the Leagues and players associations to acquiesce in Fanatics’ monopolization scheme” by providing them equity shares in Fanatics.<sup>90</sup> In essence, Panini complains that Fanatics

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<sup>87</sup> Michael Baca, *NFLPA elects Lloyd Howell as new executive director*, NFL (June 28, 2023), <https://www.nfl.com/news/nflpa-elects-lloyd-howell-as-new-executive-director#:~:text=The%20NFL%20Players%20Association%20on,the%20solidarity%20amongst%20our%20players.>

<sup>88</sup> Panini Amended Complaint ¶¶ 188-93.

<sup>89</sup> Supplemental Declaration of Scott Zanghellini in Support of Motion for Preliminary Injunction ¶¶ 17, 21, ECF No. 25, *Panini S.p.A. v. World Wrestling Entertainment, Inc.*, No. 23-cv-8324 (S.D.N.Y.); Declaration of Steven Pantaleo in Support of Motion for Preliminary Injunction ¶ 8, ECF No. 40-1, *Panini S.p.A. v. World Wrestling Entertainment, Inc.*, No. 23-cv-8324 (S.D.N.Y.). In November 2023, the parties confidentially settled their dispute. *Panini, WWE Settle Licensing Dispute*, SPORTS COLLECTORS DAILY (Nov. 15, 2023), <https://www.sportscollectorsdaily.com/panini-wwe-settle-licensing-dispute.>

<sup>90</sup> Panini Amended Complaint ¶ 8.

won licenses by offering more attractive terms than Panini ever offered. That is called competition—and is what the antitrust laws are designed to protect. Indeed, providing licensors with equity is part and parcel of Fanatics’ broader strategy to expand economic opportunities for athletes, players’ associations, teams, and leagues.

- **Fanatics’ Track Record.** In an effort to distract from the pervasive and egregious shortcomings that led licensors to abandon Panini *en masse*, Panini America includes a few paragraphs of cherrypicked allegations that supposedly demonstrate Fanatics’ track record of “poor quality” offerings.<sup>91</sup> Ironically, the few examples that Panini cites prove just the opposite: defects in Fanatics’ products are exceedingly rare, and when they inevitably occur on occasion, Fanatics accepts responsibility and provides immediate customer support.

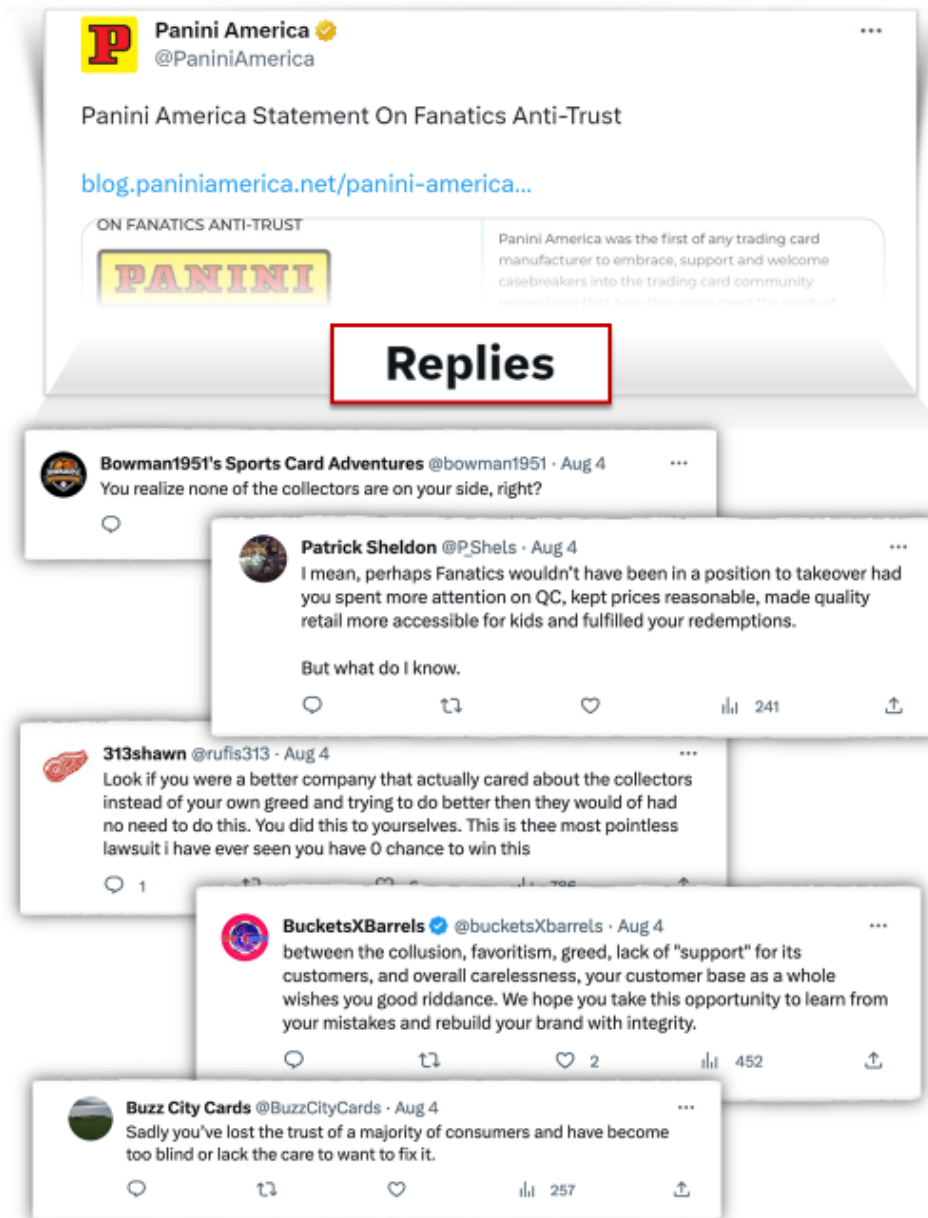
108. Collectors, fans, and commentators quickly seized on the hypocrisy of Panini America’s lawsuit, *i.e.*, complaining that Fanatics had fairly won long-term licenses with many of the same licensors with whom Panini has enjoyed a relationship for many years. On August 4, 2023, shortly after filing its lawsuit, Panini issued an out-of-touch public statement bragging that it had supposedly “driven the trading card category to unprecedented heights never before witnessed among our licensed partners and players through the development of the industry’s most popular trading card brands.”<sup>92</sup> Social media begged to differ—and had a lot to say about it. Panini was immediately met with a sea of criticism from collectors, fans, and commentators who

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<sup>91</sup> *Id.* ¶¶ 85-94.


<sup>92</sup> Panini America (@PaniniAmerica), X (Aug. 4, 2023, 1:52 PM), <https://twitter.com/paniniamerica/status/1687521935607885824?s>.

expressed dismay and incredulity at Panini’s arrogant (and dubious) self-characterization in its statement. Of the 250+ postings in response to Panini’s public statement that poured in over the next two days, through August 6, more than 95% were negative towards Panini. The onslaught of angry consumers and commentators was piercing:<sup>93</sup>



<sup>93</sup> See **Appendix A** for a full compilation of the immediate responses to Panini’s public statement.


109. Indeed, Panini's underpaid and overworked social media team gave up after hiding a dozen or so negative replies:

**Panini America**   
@PaniniAmerica

Panini America Statement On Fanatics Anti-Trust

[blog.paniniamerica.net/panini-america...](https://blog.paniniamerica.net/panini-america...)

ON FANATICS ANTI-TRUST



Panini America was the first of any trading card manufacturer to embrace, support and welcome casebreakers into the trading card community

**Hidden replies**  
These replies were hidden by @PaniniAmerica.

**Illinoishunter** @IhuntILLINOIS · Aug 4  
Replying to @PaniniAmerica  
But you suck at sending your paying customers their redemptions.

**Carlos** @figslabs · Aug 4  
Replying to @PaniniAmerica  
Where are the redemptions at though ?

**Jose S.** @SoberJArmy · Aug 4  
Replying to @PaniniAmerica  
LOL!

**TK** @ttgame916 · Aug 4  
Replying to @PaniniAmerica  
You wanna make a statement about the PayPal fees for your nfts?

**downtownjaykaboom23** @JRocksPhotos · Aug 4  
Replying to @PaniniAmerica  
Yo how about my 4 damaged cards you guys going on a year yet to see a solution

**Village Cards** @CardsVillage · Aug 4  
Replying to @PaniniAmerica  
Lost me at "catering to the consumer".

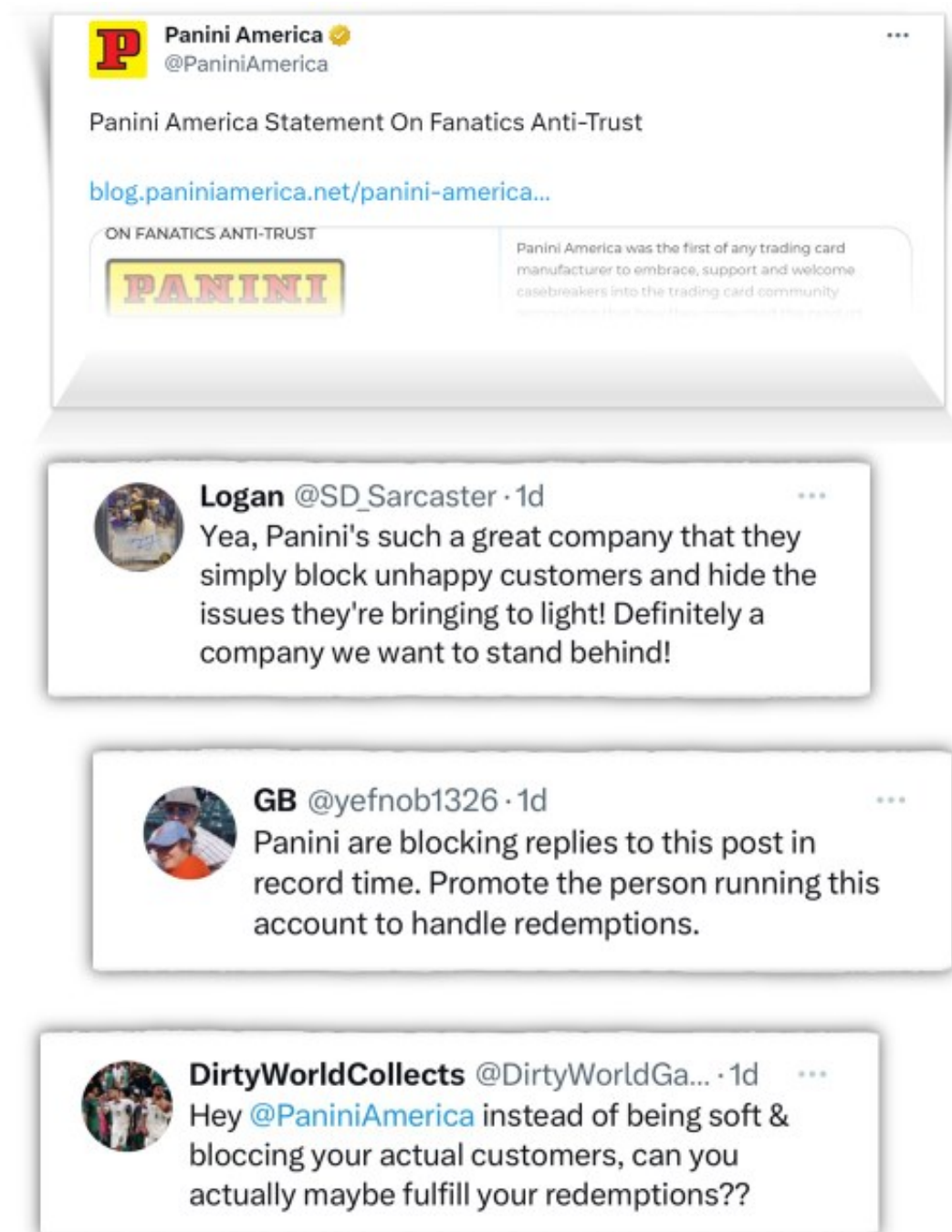
**Shannon** @SMSully14 · Aug 4  
Replying to @PaniniAmerica  
Couldn't proofread this either, eh?

**lasershow007** @pokerbeast0417 · Aug 4  
Replying to @PaniniAmerica  
Driving up prices on boxes but getting the same value of cards. You are a joke of a company and deserve to go under

**VA** @VirtualAlaska\_ · Aug 4  
Replying to @PaniniAmerica  
Panini's blockchain is a joke:

- Gimmicky tech that offers no blockchain advantages, might as well have just used a traditional database
- Paid moderators in their blockchain discord pretending to be "unpaid volunteers", even though they're regularly paid with free NFTs to dump

110. Panini's clumsy attempts to hide negative reactions to its postings about its lawsuit garnered further ridicule from collectors, fans and other commentators:



\* \* \*

111. To be clear, Fanatics intends to present a robust defense—and prevail—against Panini America’s baseless lawsuit. What should be said here and now is that Panini’s lawsuit is merely the latest installment in Panini’s ongoing campaign to stifle Fanatics’ rise through any and all means (other than competition on the merits).

112. Even casual observers will see that Panini’s antitrust claims seek to turn the antitrust laws on their head. Fanatics Collectibles is a dynamic new player that presented expanded economic opportunities to licensors, including players’ associations and leagues, for their intellectual property. These licensors—who are led by experienced and knowledgeable businesspeople—decided that their future was brighter if they licensed their intellectual property to Fanatics Collectibles. That is not an antitrust violation. It reflects competition and the fundamental principle that an entity has the freedom to license its intellectual property rights exclusively, non-exclusively, or not at all. Panini has no real standing to complain that these licensors exercised that freedom to enter into a new exclusive relationship with Fanatics Collectibles, a new and innovative player in the industry. And Panini’s antitrust litigation plainly lacks merit considering that, *e.g.*, Panini expanded its global business to the United States in 2009 based on exclusive licenses with licensors, a number of which it *still* has.<sup>94</sup> The antitrust laws

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<sup>94</sup> *See, e.g.*, Terry Lefton, *Five more years for Panini’s NBA trading card deal*, SPORTS BUSINESS J. (Oct. 29, 2012), <https://www.sportsbusinessjournal.com/Journal/Issues/2012/10/29/Marketing-and-Sponsorship/NBA-Panini.aspx> (“The NBA surprised the trading card industry in 2009 when it signed a virtual unknown brand in Panini while dropping two household names in Topps and Upper Deck. At the time, Panini had no U.S. offices nor staff.”); Rich Mueller, *NBA Trading Card License to Remain with Panini*, SPORTS COLLECTORS DAILY (June 1, 2017), <https://www.sportscollectorsdaily.com/nba-trading-card-license-remain-panini/> (“The league and the trading card maker announced [in June 2017] what they called a ‘long-term, multiyear extension’ of the exclusive trading card contract first signed in 2009. The deal means Panini won’t be facing any competition from other trading card makers for at least the next several years.”).



protect competition, not incumbent competitors like Panini, which failed to convince its long-term partners to enter into a new exclusive relationship with it.

113. By Panini’s own account, it remains the global market leader to this day. Panini America’s social media accounts also describe Panini as the “global leader in licensed sports & entertainment collectibles” or, alternatively, “the world’s largest sports and entertainment collectibles company”:



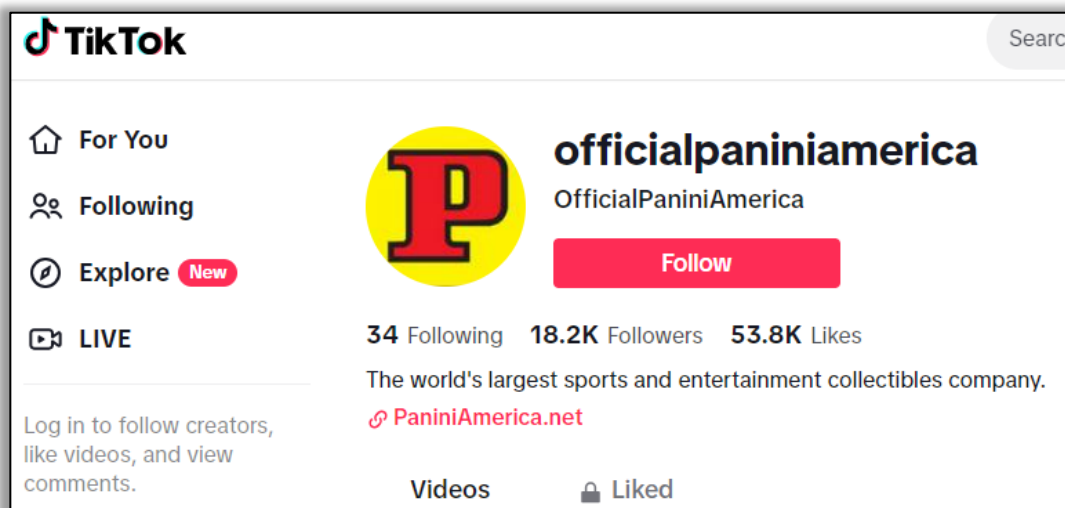
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<sup>95</sup> Panini America, FACEBOOK, <https://www.facebook.com/PaniniAmerica/> (last visited Jan. 25, 2024).





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114. Panini and its leadership have made similar statements to the press and in blog posts on countless occasions,<sup>98</sup> as well as in pitch materials. When it was attempting to combine with

<sup>96</sup> @paniamerica, INSTAGRAM, <https://www.instagram.com/paniamerica/?hl=en> (last visited Jan. 25, 2024).

<sup>97</sup> @officialpaniamerica, TIKTOK, <https://www.tiktok.com/@officialpaniamerica?lang=en> (last visited Jan. 25, 2024).

<sup>98</sup> See, e.g., Gena Terranova, *Panini America Signs Quinn Ewers to Exclusive Autograph Trading Card Agreement*, PANINI AMERICA BLOG (July 13, 2023), <https://blog.paniamerica.net/panini-america-signs-quinn-ewers-to-exclusive-autograph-trading-card-agreement>; Gena Terranova, *Panini America to immortalize Select Top Youth Football Players with Their Very Own Exclusive NFT Rookie Trading Cards*, PANINI AMERICA BLOG (July 11, 2023), <https://blog.paniamerica.net/panini-america-to-immortalize-select-top-youth-football-players-with-their-very-own-exclusive-nft-rookie-trading-cards>; Gena Terranova, *Panini America Signs Tre Johnson to Exclusive Multi-Year Agreement*, PANINI AMERICA BLOG (June 27, 2023),

Alex Rodriguez’s SPAC, for example, Panini boasted that it was “the largest global sports and entertainment trading cards & collectibles company,” elsewhere describing itself as a “[g]lobal market leader in the Collectibles industry.” In the words of Peter Warsop, Panini’s then-Licensing Director, “[t]he two biggest Football Collectable programmes anywhere are the FIFA World Cup and the UEFA Euro tournaments. Panini have [sic] exclusive rights for both 2020 and 2022. Looking back over the years at Panini sales achievements the World Cup has grown with each and every tournament since we started in 1970 and is now the world’s biggest collectable event. The same is true of the Euros, where we have grown every one of them since we started in 1980.” The list of examples goes on.<sup>99</sup> A global market leader losing the competition for a few contracts is not an antitrust issue—and by calling it one, Panini seeks to turn the antitrust laws upside down to try to extract more money for its Italian owners.

115. Nor can Panini legitimately complain about Fanatics Collectibles’ investment in a single manufacturing firm (GCP), which aligned with comments by Panini’s own CEO (Warsop) to GCP. As explained above, Fanatics Collectibles’ investment clearly benefits the industry and consumers, increasing the capacity to produce 100 million more card packs annually (giving Panini the ability to manufacture more card packs at GCP), while making improvements to ensure the quality of the cards and their timely production. And, to manufacture cards, Panini can still use GCP, its own manufacturing plant in Italy, the services of another printing company (such as U.S.-

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<https://blog.paniniamerica.net/panini-america-signs-tre-johnson-to-exclusive-multi-year-agreement>.

<sup>99</sup> See, e.g., Matt Bowen, *The FUTRSPRT Interview Series: Panini CEO Mark Warsop*, MEDIUM (Dec. 30, 2019), <https://medium.com/futrsprt-podcast/the-futrsprt-interview-series-panini-ceo-1014d25bab6c> (Mark Warsop stating in a 2019 interview that, in three years, Panini would “still be known for being the largest company in the world when it comes to collectibles”).

based companies like Carlson Print Group, Rex3, R.R. Donnelley & Sons Company and foreign manufacturers like Sinigaglia), or acquire another facility.

116. The same is true of Fanatics Collectibles' acquisitions of Topps in light of Panini's earlier acquisition of Donruss, the second oldest card company in the United States, in 2009. That acquisition allowed Panini to assume Donruss' NFL and NFLPA licenses,<sup>100</sup> similar to how the Fanatics Collectible-Topps deal allowed Fanatics Collectibles to assume Topps' MLB and the MLBPA licenses. In 2009, Panini characterized its acquisition of Donruss as "overwhelmingly positive" for all parties involved.<sup>101</sup> Panini's characterization of Fanatics Collectibles' materially indistinguishable acquisition of Topps as anticompetitive is the height of hypocrisy.

117. In sum, despite its position as the global leader in the sports and entertainment collectibles industry with ample resources, Panini is either unable or unwilling to legitimately compete with Fanatics Collectibles on the merits. As explained above, Fanatics has been able to grow its partnerships with licensors, including players' associations and leagues by being a better competitor. Fanatics Collectibles is a more *inclusive* partner than Panini (by delivering a new model that enables athletes and licensors to earn more for the use of their intellectual property); a more *innovative* partner than Panini (by opening up new revenue streams for licensors through selling directly to consumers, hobby shops, retailers, and "breakers"); and a more *long-term* partner than Panini (by investing in the industry as a whole through marketing, customer service, and related lines of business such as sports card manufacturing). Unable or unwilling to rise to

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<sup>100</sup> See, e.g., Darren Rovell, *Panini Buys Donruss*, CNBC (Mar. 13, 2009, updated Aug. 5, 2010), <https://www.cnbc.com/id/29678317> ("While Panini is the world's largest publisher of collectibles and has worldwide distribution of its products, the [2009 acquisition of Donruss] will quiet the talk of concern over Panini's relative lack of experience in the American market.").

<sup>101</sup> *Panini Buys Donruss: Q&A With Panini's Peter Warsop*, BECKETT (2009), <https://www.beckett.com/news/panini-buys-donruss-qa-with-paninis-peter-warsop>.

meet the challenge of Fanatics Collectibles’ competition, Panini’s baseless accusations of antitrust violations should be seen for what they are: a hypocritical and desperate attempt to stymie Fanatics Collectibles’ innovation and growth so that Panini can keep funneling profits back to its owners in Italy.

v. Panini Interferes with Fanatics’ Licenses and Business Operations in Europe

118. Panini’s bad faith conduct is not limited to the United States. In the trading card industry, depicting players on what are sometimes derogatorily referred to as “pajama cards,” *i.e.*, cards where any proprietary insignia or mark is removed from players’ jerseys (also referred to as “washed kits”), is a common industry practice.<sup>102</sup> In fact, Panini’s entire professional baseball trading card business relies on such cards—because Panini does not have license agreements with the MLB or MLBPA—as does a substantial portion of Panini’s college trading card business:

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<sup>102</sup> Panini Amended Complaint ¶ 168. Panini attributes the phrase “pajama cards” to Michael Rubin, but in the video clip cited by Panini, Rubin is referring to Panini’s own use of the phrase “pajama cards.” *Id.* n.11 (citing Santiago Sports LLC (@santiago\_sports\_), INSTAGRAM (Sept. 24, 2023), <https://www.instagram.com/reel/CxmOszAMIJ-/?igshid=MzRIODBiNWFIZA%3D%3D>).



119. Yet, ironically, Panini has frivolously pressured European licensors to take legal action against Topps for engaging in this same practice and, upon information and belief, spread untrue and misleading statements to European retailers regarding Topps’ use of so-called “pajama cards” to discourage them from selling Topps’ official Euro 2024 card and sticker collections.



120. In 2020, Topps won rights from UEFA to produce collectibles in connection with UEFA national team competitions, including Euro 2024. Under these rights, Fanatics is licensed to use photographs, player likenesses, and branding of 51 out of 55 UEFA national associations. Panini holds the licensing rights for the remaining four national associations, but Fanatics maintains 68 licensing agreements with individual players (or their clubs) belonging to these four national associations. To avoid infringing on Panini's licenses with these four national associations, Fanatics (through Topps) has depicted players from these associations in washed kits for its European soccer collections.

121. Panini has nonetheless attempted to interfere with Fanatics' lawful activities and licenses by, upon information and belief, representing to national associations and retailers that Topps' use of washed-kit cards is unlawful. After Topps' 2022 UEFA Nations League sticker collection and Match Attax 101 trading card collection launched, Topps learned that Panini was pressuring a national association, players, and players' agents to challenge the legality of Topps' washed-kit cards. Upon information and belief, Panini also told various retailers in Europe that they may be exposed to intellectual property infringement claims if they carry any of Topps' Euro 2024 collection. Panini's actions are a calculated and baseless attempt to interfere with Fanatics' ability to lawfully conduct business in Europe while clearing the way for the launch of Panini's own competing products. Panini's misconduct has already substantially harmed Fanatics' European business, causing approximately \$30 to \$40 million in lost profits per annum.

### **CLAIMS FOR RELIEF**

#### **Count 1: Unfair Competition**

122. Plaintiff realleges and incorporates by reference the allegations of every paragraph of this Complaint.

123. Unable to compete fairly in the industry, Panini has employed a pattern of unfair and deceptive practices to harm Plaintiff and benefit itself.

124. As described above, Plaintiff had the opportunity to pursue lucrative deals with NBA players and NFL prospects in spring 2022 and took concrete steps to obtain these deals.

125. Because no other company was vying for these deals, they qualified as a property right or competitive advantage belonging exclusively to Plaintiff.

126. Panini knew or should have known of these potential deals.

127. To prevent Plaintiff from pursuing these opportunities within the limited window, Panini bait-and-switched Plaintiff with a sham prospect of early termination.

128. Namely, Panini knowingly and intentionally sidetracked Plaintiff by using stall tactics, falsely inflated earnings projections, and other bad-faith tactics to string Plaintiff along. Once the parties entered into a preliminary agreement in spring 2022, Plaintiff reasonably believed it would no longer need to acquire the competing licenses, as it would obtain licenses covering the same subject matter through the proposed early termination. This was a diversion. Employing bad-faith dilatory practices, Panini intentionally ran the clock on negotiations, postponing closing for months through delays and other bad-faith tactics until Plaintiff's window to acquire the competing licenses had closed. By the time talks terminated, Plaintiff's ability to timely acquire the NBPA license was impeded, and the window to reach agreements with the NFL prospects had expired completely for 2022.

129. Panini's actions—proposing early termination, and then stringing along Plaintiff through stall tactics and false earnings projections—were unfair, intentional, and done in bad faith.

130. Were it not for Panini's intentional actions to induce Plaintiff to enter sham negotiations, Plaintiff would have pursued and obtained the deals with NBA players and NFL prospects in the spring of 2022.

131. By preventing Plaintiff from doing deals with NBA players and NFL prospects for which Panini had competing licenses, Panini misappropriated Plaintiff's exclusive right to pursue and obtain these deals. Panini also misappropriated the time, effort, and attention of Plaintiff's leadership by tying them up in dead-end negotiations for nearly a year, during which period they had less time, opportunity, and incentive to pursue deals that would have competed with Panini's business.

132. As a result of Panini's actions and unlawful misappropriation, Plaintiff missed out on hundreds of millions in revenue and earnings from competing licenses, lost the time and attention of key senior leadership personnel, invested in new facilities and expansion, and spent tens of millions of dollars in costs and fees paying lawyers, consultants, accountants, and other advisers to help negotiate early termination in vain. These losses benefited Panini by preventing competition on its NBA and NFLPA licenses for an entire season and tying up its competitor for almost a year with sham negotiations.

### **Count 2: Tortious Interference with Business Relations**

133. Plaintiff realleges and incorporates by reference the allegations of every paragraph of this Complaint.

134. Plaintiff has sought to hire a number of employees to support its sports and entertainment collectibles business.



135. Many of the employees interested in and qualified for these positions are current or former Panini employees. These Panini employees are at-will employees who are not subject to non-competition obligations.

136. Knowing that Plaintiff is hiring, Panini has intentionally interfered with Plaintiff's opportunity to employ Panini's current or former employees by threatening litigation should the employees enter into employment with Plaintiff.

137. Panini's litigation threats are meritless. Panini acted willfully and maliciously by making these threats in order to deprive its employees of alternative employment and Plaintiff of qualified employees, especially as Panini's licenses have expired or are expiring and it has no business need for many of the threatened employees.

138. Upon information and belief, Panini threatened litigation to prevent employee departures—not to protect any legal right or interest.

139. Panini's litigation threats have prevented Plaintiff from entering into employment contracts with specific Panini employees, as demonstrated by the stark drop-off in Plaintiff's hiring of Panini employees after Panini filed suit against some of its former employees.

140. Panini has also intentionally interfered with Plaintiff's opportunity to hire Panini employees by telling some of these employees that Fanatics would be exposed to scrutiny by licensors and that its contracts with licensors could be voided. Upon information and belief, multiple Panini employees decided against joining Fanatics because of Panini's thinly veiled threats.

141. Panini's unlawful actions have caused Plaintiff to suffer economic harm by depriving it of the ability to hire qualified, sought-after employees.

**Count 3: Breach of the Obligation to Negotiate in Good Faith**

142. Plaintiff realleges and incorporates by reference the allegations of every paragraph of this Complaint.

143. Plaintiff and Panini reached a preliminary agreement for Panini to terminate the remaining years on existing licenses with certain players' associations and leagues for an early termination fee.

144. The preliminary agreement between Plaintiff and Panini was a preliminary agreement to negotiate in good faith.

145. Once the offer from Plaintiff to pay a fee in exchange for Panini terminating the remaining years on existing licenses was accepted, Panini had a duty to use its best efforts to negotiate with Plaintiff in good faith and then close the transaction on customary and reasonable terms.

146. Panini breached its obligation to negotiate in good faith when, after the parties reached an agreement on the material terms of a contract, Panini (1) knowingly utilized inflated financial projections during the subsequent negotiation, and (2) delayed the proposed closing date for over six months, evidencing a lack of intention to ever close.

147. As a direct result of Panini's breaches, Plaintiff missed out on hundreds of millions in revenue and earnings from competing licenses with NBA players and NFL prospects.

148. In addition, Plaintiff leveraged key lender relationships to no end and spent tens of millions of dollars paying lawyers, accountants, and other professionals to perform extensive due diligence work in connection with the proposed early termination.

**DEMAND FOR JURY TRIAL**

149. Plaintiff hereby respectfully requests trial by jury on any and all issues so triable.

**PRAYER FOR RELIEF**

150. Wherefore, Plaintiff respectfully seeks the following relief:
- i. actual damages, punitive damages, and any such other relief available under the causes of action stated here;
  - ii. pre- and post-judgment interest on this monetary relief;
  - iii. equitable relief in the form of an injunction prohibiting the illegal conduct complained of here;
  - iv. the costs of bringing this suit, including reasonable attorneys' fees; and such other, further, and different relief as to the Court appears just and proper.

DATED: January 26, 2024

Respectfully submitted,

QUINN EMANUEL URQUHART &  
SULLIVAN LLP

/s/ Michael B. Carlinsky

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*Attorneys for Plaintiff Fanatics Collectibles*

**APPENDIX A:**

**SOCIAL MEDIA REACTIONS TO PANINI'S  
"STATEMENT ON FANATICS ANTI-TRUST"**



**Panini America** ✓  
@PaniniAmerica



### Panini America Statement On Fanatics Anti-Trust

[blog.paniniamerica.net/panini-america...](http://blog.paniniamerica.net/panini-america...)

#### ON FANATICS ANTI-TRUST



#### OFFICIALLY LICENSED COLLECTIBLES

Since entering the U.S. market in 2009, Panini America's goal has been to bring new collectors and consumers into the trading card category, rejuvenate the marketplace to benefit everyone from mass retailers and hobby stores, our licensed partners at the leagues and players associations and the individual athletes that we highlight and contract to individual deals to develop the most compelling products.

All while catering to the consumer and growing the overall trading card category globally.

Throughout our 60+ year history as the Panini Group

Panini America was the first of any trading card manufacturer to embrace, support and welcome casebreakers into the trading card community recognizing that how they consumed the product opened the door to engaging more consumers and building new collectors. This element helped provide a roadmap for how hobby stores could execute and engage their customers during one of the most challenging periods businesses experienced when customers couldn't get to stores.

dedicated direct-to-consumer platform in China that caters to more than one million followers and ensures that our licensed partners can reach fans of their respective sport through trading cards all over the world.

The Panini Group and Panini America remain committed to growing the overall trading card category across the entire global ecosystem to cater to licensed partners and our professional collectors. As the market leader we take that



**Sports Card News**  
@SportsCardNews

Panini better hope nobody on that jury has redemption cards 😏



**J**  
@NatsRealist



Panini out here hiding replies of people calling them out for not honoring redemptions 😂 what a bad look



**Zack Cunningham**  
@zack0978

If @PaniniAmerica wants to protect the health of the card market then maybe yall should start getting people the thousands of dollars worth of redemptions you owe us and maybe bringing the price of the products down because your slowly but surely pricing more n more people out.



**Infinite Cards** ✓  
@infinitecards00

To see these ppl say they value their responsibility in the market is laughable.

Every time I look through my WC Prizm cards I feel like throwing up. Cards that are SSP and animal prints completely beat up, off centered and scratched.

All Panini cares for is getting paid.



**HOF cards**  
@HOFcardsforsale



You forgot to add panini America was the first company to introduce player worn relics that are worthless. You don't care about the consumer. You care about money. I hope you lose. Stop the player worn crap



**Max** ✓  
@CardsMax

Panini social media team is in shambles



**Panini America** ✓  
@PaniniAmerica

Panini America Statement



**Max**  
@homiejswagkilla

Their customer service is quite literally known for being one of the worst in the collectibles scene. Not to mention them taking credit for the trading card boom in 2020-21, as if Pokémon TCG didn't also explode?



**Ric Ellis**  
@RicEllisCards

Well this post isn't going as expected.

trading card  
and welcome  
community

OFFICIALLY LICENSED COL

Since entering the U.S. m  
America's goal has been  
consumers into the trad  
the marketplace to bene  
retailers and hobby store



**Joey Wehbe** ✓  
@Lebanondon56

Look at the hidden replies 😂 I think I'd rather have a monopoly than a company like Panini having ANY marketshare in sports cards.



**Asta'sDaddy**  
@Asta\_sDaddy

Player cards from team sports that have the team logo and name edited out are worth less than nothing to me.

Also, touting a China based location is far from the flex you believe it to be.

These are reasons your products are not part of my sport card collection.

ater to  
sional  
hat



**DirtyWorldCollects**  
@DirtyWorldGamin

Hey @PaniniAmerica instead of being soft & bloccking your actual customers, can you actually maybe fulfill your redemptions??



**JB**  
@OldTownCards

Fulfill your redemptions. No one cares about this





**Panini America** ✓  
@PaniniAmerica

Panini America Statem

[blog.paniniamerica.net](http://blog.paniniamerica.net)



**Tua'a extra helmet padding** 🍌🍌  
@LilTaxxEvader

every, single, thing, you've, done to the hobby, the past 3 years, has been pure GREED without the CUSTOMER in mine AT ALL

sincerely shut the f up



**Bullmascot**  
@bullmascot

😂 yeah so new collectors can't afford half of football products! Not really something to be proud of not to mention letting card stores online set the market for your products that should be \$200 no matter what year it was!



**GB**  
@yefnob1326

Panini are blocking replies to this post in record time. Promote the person running this account to handle redemptions.



**Dreamweaver1984** ✓  
@LexSportsCards

panini is mad that they cant be a monopoly on the industry.. they loved it when they held all the cards (no pun intended, and now they are mad there is competition.

both companies should exist, id argue that the single use licenses are much more perverse than either company on their own.. end the bs licenses



**Card Aficionado** ✓  
@CardAficionado

I guess we're just going to gloss over the number of brands, IP, and innovation that Panini acquired as they entered the US market— particularly from Donruss/Playoff. For Pete's sake, the Rated Rookie logo they flash all over is from an acquisition.



**Jeffrey Silva**  
@jeffwsilva

The hidden tweet list is long on this one 😂



**Panini America** ✓  
@PaniniAmerica

Panini America Statement



**FloridaCardGuy**  
@FloridaCardGuy

Backspace the "...with the focus on the consumer..." part. I can help you re-phrase that part.



**RKO #FlyEaglesFly**  
@RKO6301221

Thank God Fanatics is taking over.

Dog s company

America's goal has been to bring consumers into the trading card marketplace to benefit every retailers and hobby stores, our lic

Panini America was the first of any trading card manufacturer to embrace, support and welcome basebreakers into the trading card community recognizing that how they consumed the product



**Alex Barnett** ✓  
@CheckCardsDown

But they haven't embraced customer service and filling redemptions in a timely manner. What a shame. QC on redemptions are usually trash too.



**Mason Jones**  
@mjones041

Competition ≠ Monopolization. Do a better job @PaniniAmerica

Panini America, we have driven the trading card and NIL athletes. As the market leader we take that



**Cody**  
@new\_orleansjazz

You guys suck tho

TX · 89.6K Views



**Reynolds, Dale**  
@DReynolds5294

You're also the reason I stopped collecting football cards.

A holes.



**Buster Brown (aka Greezy Money)**  
@xDweamx

Must suck to suck.





# Quotes



**Panini America** ✓  
@PaniniAmerica

Panini America Statem

[blog.paniniamerica.net](http://blog.paniniamerica.net)



**Tom FC**  
@fantasydonkey

These clowns are still using the pandemic excuse on redemption but they got time to sue Fanatics.. good luck with that.. (I just want my cards)



**The Drip**  
@swooshables

Well well well... Look who's come crawling back #tradingcards



**Logan**  
@SD\_Sarcaster

Yea, Panini's such a great company that they simply block unhappy customers and hide the issues they're bringing to light! Definitely a company we want to stand behind!



**Raul** 🇺🇸 🐦 @SlagaCards · Aug 4  
Rest in piss



**Lake Isabella Card Guy**  
@Blucrew0402

@coffebreak\_YT Here a good story to look into panini scamming people with there NFT market and unfilled redemption cards. See hidden replies



**スボル23**  
@svol23

リブ欄誰も味方いなくて笑える (笑)

みんな同じ不満持ってるということで (笑)

ファナティクス社に取り込まれたほうがやっぱり良くなるんですかね。

Translated from Japanese by Google

The reply column is funny because no one is on your side (laughs)

Everyone has the same dissatisfaction (laughs)

It would be better if it was taken over by Fanatics.



**Panini America** ✓  
@PaniniAmerica

### Panini America Statement On Fanatics Anti-Trust

[blog.paniniamerica.net/panini-america...](http://blog.paniniamerica.net/panini-america...)

#### ON FANATICS ANTI-TRUST



#### OFFICIALLY LICENSED COLLECTIBLES

Since entering the U.S. market in 2009, Panini America's goal has been to bring new collectors and consumers into the trading card category, rejuvenate the marketplace to benefit everyone from mass retailers and hobby stores, our licensed partners at the

Panini America was the first of any trading card manufacturer to embrace, support and welcome casebreakers into the trading card community recognizing that how they consumed the product opened the door to engaging more consumers and building new collectors. This element helped provide a roadmap for how hobby stores could execute and engage their customers during one of the most challenging periods businesses experienced when customers couldn't get to stores.

dedicated direct-to-consumer platform in China that

the million followers and ensures

ners can reach fans of their  
ugh trading cards all over the



**Brook's Beans** ✓ @brooksbreaks1 · Aug 4  
Hey @PaniniAmerica, you owe me a card too. Three years. I requested a replacement a year ago. What are we waiting for? Are you going to block me?

CARD#	PRODUCT	PLAYER	TEAM	POS.	REQUIREMENTS
34	2020 Donruss Optic Retro 1986 Signatures Holo Redemption Code: TC1KCFNKH1 #344/)	Corey Seager	Los Angeles Dodgers	SS	Replac

16 111



**Nick Pedalino** @npedalino · Aug 4  
"Sorry panini but we are unable to accommodate your request at the moment so we're going to send you a half eaten Cuban panini and three bus tokens in replacement. Thank you for your continued support!"

2 31 1,674



**The Closet- Cards & Consignment** ✓ @TheCloset\_Cards · Aug 4  
☠☠☠

4 1,185



**CrossViper Cards** ✓ @CrossViperCards · Aug 4  
Sell your company!!

2 665



**ykd** ✓ @ykdcollects · Aug 4  
Literally no one cares; fulfill your redemptions.

6 729



**Card Purchaser** ✓ @CardPurchaser · Aug 4  
I like cards

1 19



**JokicBedAh** \$5 ✓ @RipsAndSlips · Aug 4  
It's hard for me to support a company that is terrible with their customers

2 25 1,795



**Chris.** @ChrisSaysThis · Aug 4  
If you win I hope they pay you in Panini Points

2 27



**Huntibles** ✓ @Huntibles · Aug 4  
Hiding a lot of replies 😂

36 1,868



**Panini America** @PaniniAmerica

Panini America Statement Of



**The Cardboard Flame** @Cardboard\_Flame · Aug 4

Did Fantatics' "anti-trust" prevent your customer service department from responding to e-mails over the last several years? You literally closed out my redemption and sent me NOTHING in return. Good riddance

12 645



**Paullydoughnuts** @paullydoughnuts · 5h

FILL THE REDEMPTIONS ... putting SHAQ autos in black boxes when I'm owed a Shaq auto lol JFC

1



**313shawn** @rufis313 · Aug 4

Look if you were a better company that actually cared about the collectors instead of your own greed and trying to do better then they would of had no need to do this. You did this to yourselves. This is thee most pointless lawsuit i have ever seen you have 0 chance to win this

1 6 786



**Jeremy** @jeremy80plus8 · Aug 4

should've accepted the fanatics deal

4



**Anthony Glaser** @AnthonyAxGlaser · Aug 4

Can I get my Justin Fields redemption? It's been well over 2 years and we all know you have had him sign for you a couple times in the last 6 months. You've made billions off our backs and can't even produce cards that should have been in the box on release.

2 662



**EPLToken** @EPLToken · 18h

Hire some adults

3



**NZ Sports Cards** @nzsportscards · Aug 4

All the people sitting here in the comments complaining about redemptions are the same people who continue to purchase Panini's products. If it really mattered they would be fulfilling all redemptions but clearly it doesn't need to happen to keep people ripping lol

2 268



**DJ Cards** @DJCards7 · Aug 4

I hope you win \$10 million but in the fine print of the settlement it says Topps can send you a card of equal or great market value as a replacement in their sole discretion to determine value and you end up with a \$5 Kyle Lewis auto.

15



**BucketsXBarrels** @bucketsXbarrels · Aug 4

between the collusion, favoritism, greed, lack of "support" for its customers, and overall carelessness, your customer base as a whole wishes you good riddance. We hope you take this opportunity to learn from your mistakes and rebuild your brand with integrity.

2 452



**Brandon Ewing** @brandon\_ewing · 22h

I haven't bought Panini cards for about 1 yr. After waiting a year for redemption , I submitted it in 2021, asking for a replacement in 2022. they lost my trust.

2 363





**Panini America**   
@PaniniAmerica

Panini America Statement On F

[blog.paniniamerica.net/panini-](http://blog.paniniamerica.net/panini-)

ON FANATICS ANTI-TRUST



**@Judge208 - JT Cards and Collectibles** @judge208 · Aug 4

14 years of basketball and 8 years of football Monopoly? No problem.

Fanatics outbids your week-a attempt to continue your own monopoly?  
Sue the crap out of them.



5



369



**Forthefun\_ofthehobby** @ofthehobby · Aug 4

Your customer service and redemption issues have done you guys in. This feels like a very last ditch effort on the companies part. You guys have an F rating by the better business bureau...



4



571



**313shawn** @rufis313 · Aug 4

I mean ACTUALLY LOOK at the comments under this thread, perhaps if and that's a big if the company can survive this which you most likely won't you might actually learn something



1



3



546



**Michael Ricciotti** @Be\_Like\_Mike31 · Aug 4

I just want my redemptions



39



1,200



**Buster Brown (aka Greezy Money)** @xDweamx · Aug 4

You don't get to do everything in your power to alienate your customer base then come crying when somebody else does your job better. Just go out of business. Everyone hates you.



2



6



756



**BucketsXBarrels** @bucketsXbarrels · Aug 4

I think this pretty much sums up how nearly everyone feels..



1



496



**Infinite Cards** @infinitecards00 · Aug 4

You do not take that responsibility seriously whatsoever. Soccer has 1 billion fans, all of us soccer collectors anxiously waited 4 YEARS for you to simply MASSACRE what could've been a remarkable set with the 2022 World Cup Prizm. The quality is beyond poor and indescribable.



1



2



19



2,469



**Infinite Cards** @infinitecards00 · Aug 4

You literally gave zero importance to ensuring the largest fanbase within sports had at least a somewhat "decent" set, 90% of the cards are discardable, horrendous, disgusts me to just speak on it. Hope Fanatics runs you out of business soon. Don't get me started on Select.



2



1



13



1,526





Panini America   
@PaniniAmerica



**Robert Rimmer** @Rand0mHero · Aug 4

Paninis goal has been to get consumers money and ignore them if they have a issue with product quality or redemptions.

2020 PANINI SELECT ...

CARD# - 62

PRODUCT -

PLAYER -

TEAM -

POSITION -

REQUEST  
REPLACEMENT -



**RogerRoger** @rogerrogerspor1 · 18h

I read your statement. Fair.

But haven't you run a Monopoly in Football and Basketball for years? You ran Topps out of that business. Now someone came in and you lost. Should have bid more.

Your business model failed this time. Just like Topps failed.

I miss... quality



3

368



**Shamrock Cards** @ShamrockCards · Aug 4



GIF ALT



5

1,282







**Panini America** ✓  
@PaniniAmerica



**Richard Alcazar** @RPAIcazar · 19h

Between the lack of customer service, the unfulfilled redemptions, the best boxes going to certain breakers & delays in production it is hard to take @PaniniAmerica as even caring of the industry or it's fanbase. I hope @Fanatics can do better as the industry needs a shake up!



112



**tkstrevenge** @tkstrevenge · Aug 4

The redemptions class is action is gonna be 🔥



4

443



**Tom FC** @fantasydonkey · Aug 4

This is Cute, can I get my redemption that are like over 3 years old.. Thanks

1



9

518



**Jess** 🇺🇦 @MirrorMan\_jls · Aug 4

Is this why I can't afford to collect baseball and hockey cards anymore?



2

455



**failure2fail** @failuretwofail · Aug 4

I think Topps sent you a redemption card on their licenses and you guys didn't fulfill it.



17

904



**Hobby Tag Facilitator** @PCOregonDucks2 · Aug 4

This is called karma. You owe me redemptions from 6 years ago... nobody cares

1



8

545



**Bowman1951's Sports Card Adventures** @bowman1951 · Aug 4

You realize none of the collectors are on your side, right?



3

408



**Iron Rusty** @Rustyinho · Aug 4

Still waiting for my redemptions from 4 years ago.. maybe you need to go out of business for real



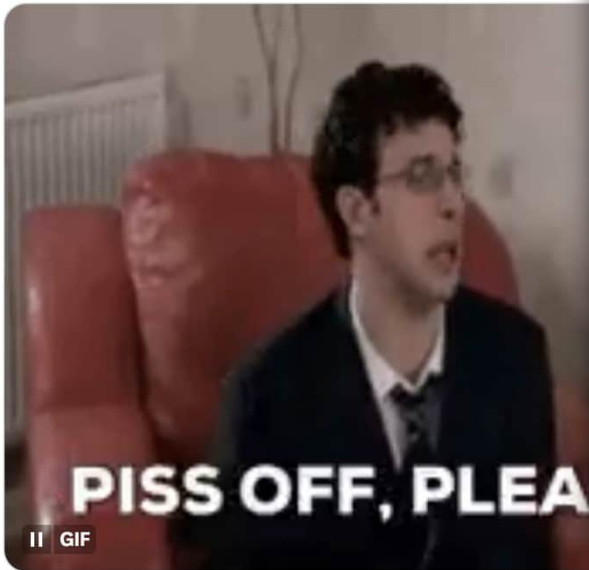
2

270



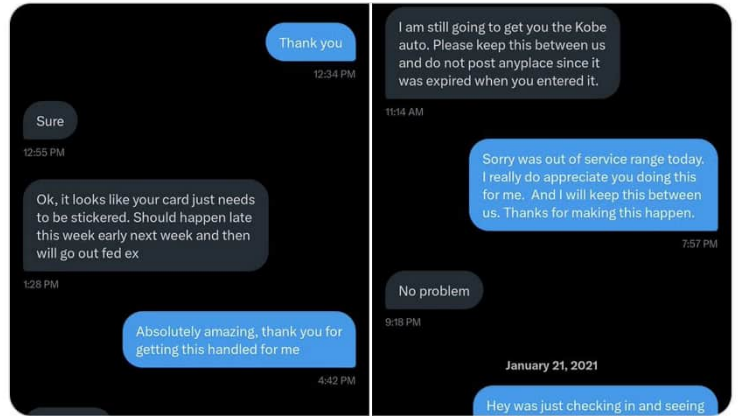


**Duuval\_Cards** @Duuval\_Cards · Aug 4  
Jog on Panini! You had your turn and you dropped the ball. Customer service/Quality assurance/ accountability has been shocking. Go quietly into the night.



2 315

**Josh Amick** @UOducks4 · Aug 4  
Ah yes please tell about antitrust.



2 4 331

**Mark Twiter gonna give it to ya** @iwasmmueller88 · Aug 4  
Would win over every single customer with good service.

But I emailed in January after missing autos in a case.  
Got a reply in APRIL! telling me to \*mail\* everything in from January.  
And that I would get a response in 16-20 weeks.  
Consumers would love ya'll if service was ok

1 7 849

**cg** @urmoms1stbowman · Aug 4

- TK** @tntgame916 · 46m  
Replying to @PaniniAmerica  
You wanna make a statement about the PayPal fees for your nfts?  
1 109
- Illinoishunter** @IhuntILLINOIS · 44m  
Replying to @PaniniAmerica  
But you suck at sending your paying customers their redemptions. 🤔  
56
- Eric Cantin** @eric\_cant90 · 44m  
Replying to @PaniniAmerica  
Fill our redemptions and we might care. You have the customer care of a crowded DMV. You have nobody to blame for this but yourselves.  
1 59
- laternerd808** @ViceClassics · 44m  
Replying to @PaniniAmerica  
My burrow gold premier level /10 been sitting in your shop for 2.5 years. No reply or follow up.

1 8 558



**Panini America** ✓  
@PaniniAmerica



**HBC** @h\_blakec · Aug 4

Are you still gonna do one of those redemption Friday update things?  
Justin Fields 🍀

1



1

992



**Oil City Drops** 🦘 @OilcityDrops · Aug 4

Every single one of your products comes out with damage off the line, your quality control is terrible, you don't give anyone their redemptions and back-door half of them yourself, the list goes on and on



398



**Tim** @bennick51 · Aug 4

Where's my griffey patch auto redemption



**Running The Breaks TM** @Kims\_isms · Aug 4

I called today about a damaged card claim, the phone was answered on the 3rd ring and since it was over 120 days old they took care of me on the spot. I think the covid boom has been hard for them to catch up with (understandably) but I still got stellar service 🏆

1



1

178



**Nester Nester The Card Suggester** 🇨🇦 @Nesterp99 · Aug 4

Have you considered trying to focus on the customer experience rather than whine about the competition?

1



**Philly Collector** @phillycollect · 13h

The chickens have come to roost.



102



**Hurley Hobbies** @HurleyHobbies · Aug 4

Can I get my 2020 LeBron James Noir vintage art /11 card back. I sent back because it was falling apart like 2 years ago. Cmon man. Help your customers out a little.



1

255







**4 Aces Trading Cards @4AcesTrading** · Aug 4  
Fulfill your redemptions.

1 comment 1 retweet 5 likes 334 views



**CARDinal Collector @CARDinalCollec3** · Aug 4  
Replace your damaged cards, fulfill your redemptions, and work on your quality control.

1 comment 1 retweet 1 like 134 views



**Jeremy @JeremyUtara** · Aug 4  
Keep hiding replies. Common Panini L. Embarrassing as always.

1 comment 1 retweet 1 like 70 views



**J. @ANerdInAHat** · Aug 4  
Never got my white box from Emily Brook after numerous emails confirming it. No one cares

1 comment 1 retweet 1 like 315 views



**Fester @UncleFester76** · Aug 4  
Why don't you first fill my redemptions or answer the phone or email

1 comment 1 retweet 1 like 765 views



**Gilberts #2 fan @TheKpd** · 14h  
I'll just leave this here...  
-another former customer who was repeatedly let down by panini

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Home > Texas > Irving > Baseball Cards > Panini America, Inc. [Is this Your Business?](#) [Share](#) [Print](#)

**Business Profile**  
**Not BBB Accredited**  
Panini America, Inc.  
Baseball Cards

**ADDITIONAL BUSINESS INFORMATION** [See all additional business information](#)

**Additional Info:**  
On June 21, 2023, BBB sent correspondence to Panini America, Inc. regarding a pattern of complaints previously reviewed. As of July 12, 2023, Panini America, Inc. has not responded to any BBB correspondence...  
[Read more](#)

**Additional Info:** On October 21, 2021, BBB has identified a pattern in consumer complaints regarding the marketplace behavior of this company, Panini America Inc.  
...  
[Read more](#)

**Contact Information**  
5325 FAA Blvd  
Ste 100  
Irving, TX 75061-3608  
[Get Directions](#)

**Customer Reviews**  
★☆☆☆☆ 1.05/5  
Average of 87 Customer Reviews

**BBB Rating & Accreditation**  
F  
THIS BUSINESS IS NOT BBB ACCREDITED

1 comment 1 retweet 2 likes 111 views

10:52 AM · Aug 4,



Show replies



**Neon Koopa** @NeonKoopa · Aug 4

Ok but what about your terrible quality control and the thousands of redemptions that nobody is receiving



93



**Panini America** @PaniniAmerica



**Killz4Thrillz** @mattwayne1986 · 19h

Did this go the way you thought it would go?



79



**JASANITY** @jtong80 · Aug 4

Panini getting no support with their complaint since they screwed everyone with boxes missing hits and unfilled redemptions <sup>100</sup>



96



ON FANATICS ANTI-TRUST



OFFICIALLY LICENSED COLLECTIBLES



**Nick Mikulas** @MikulasNick · 13h

I hope you guys win the lawsuit, but in order to unlock the settlement, you have to submit a random redemption to Panini. If it gets filled, you win, when it doesn't, you don't.



91



**TyCoTooCold** @TyCoTooCold · Aug 4

I wonder what's under the hidden replies. Lets take a look.

So, how long until YOU get sued? Just wondering.

about this



13.2K



**TK** @tttgame916 · 2h

Replying to @PaniniAmerica

You wanna make a statement about the PayPal fees for your nfts?



216



**Illinoishunter** @IhuntILLINOIS · 2h

Replying to @PaniniAmerica

But you suck at sending your paying customers their redemptions. 🤡



160



**Eric Cantin** @eric\_cant90 · 2h

Replying to @PaniniAmerica

Fill our redemptions and we might care. You have the customer care of a crowded DMV. You have nobody to blame for this but yourselves.



163



**laternerd808** @ViceClassics · 2h



152



deals to develop the most compelling  
All while catering to the consumer an  
overall trading card category globally  
Throughout our 60+ year history as th  
and our fifteen-year history in the U.S  
Panini America, we have driven the tr  
10:52 AM · Aug 4, 2023 from



**Panini America**   
@PaniniAmerica

Panini America Statement On Fanatics Anti-Trust

[blog.paniniamerica.net/pani](http://blog.paniniamerica.net/pani)

ON FANATICS ANTI-TRUST



**Birdville Collectibles** @BirdvilleColl · Aug 4

I ordered two boxes of 2019 World Cup stickers and only received one. You never replied to my email and basically stole money from me. Anything?

2



283



**JJT** @Jesse\_Toms · Aug 4

Worst customer sevice so get destroyed



3

139



**Garcia Futbol** @GFCards · Aug 4

The hidden replies are golden lmao



3

301



**Garcia Futbol** @GFCards · Aug 4

BRING BACK LIGA MX PRODUCTS YOU FRAUDS !!



4

231



**Zack** @BruhhZack · Aug 4

Don't care ship my redemptions



1

3

317



**Matt Przybysz** @fazzle1 · Aug 4

Aww, poor panini is mad that fanatics is able to do what you've been trying to for years.

1



2

628



**HOF cards** @HOFcardsforsale · Aug 4

“Congratulations you received a player worn jersey not from any specified event or photo shoot that the player probably never even touched. Hope it's worth the \$2000 per box. Thanks for being a great customer”.

I'm glad your losing your NFL and NBA licenses. Time to end this



253



**Joe Tall** @JoeTall · 13h

Panini, "We can't make baseball cards judge!"  
Also Panini, releases Immaculate Baseball...



99







**Uncle Drunk** @DrunkatTheRalph · Aug 4

I wish you the worst



**Casey from the Kingdom** @kcdageneral56 · Aug 4

Growing the card community by promising cards you never produce? Then 7 years later deciding to replace them with panini points that can be redeemed for valueless garbage?



1



141



[blog.paniniamerica.net/p](http://blog.paniniamerica.net/p)

ON FANATICS ANTI-TRUST



**Jason Luther** @jaxangler · Aug 4

No redemption without honoring redemptions.



1



259



**Aaron R. Smith** @AnOddbird · 22h

I GOT A JUSTIN HERBERT JERSEY CARD IN PACK BUT DAMAGED AND, TWO YEARS LATER, YOU THOUGHT REPLACING IT WITH A TREYLON BURKS CARD WOULD WORK. If Fanatics finally brings quality control and customer service to your products, the absorption can't happen fast enough.



1



186



**Affordable Sportscards+** @ASCPcollectable · Aug 4

so are you trying to destroy your own baseball line? With the air brushed pajama look?



**Queen City Cards** @QueenCityCards2 · 10h

"Sorry, after 3 years waiting for your redemption for Shohei Ohtani, we cannot fulfill this so here is your Juan Castro auto and four packs of Chronicles"



1



104



**Singcinnati** @jsinghoff · Aug 4

Right on, how are my redemptions coming along?



**Patrick Sheldon** @P\_Shels · Aug 4

I mean, perhaps Fanatics wouldn't have been in a position to takeover had you spent more attention on QC, kept prices reasonable, made quality retail more accessible for kids and fulfilled your redemptions.

But what do I know.



241



**Ryan** @sportscardrush · Aug 4

Panini:

Invest in China ✓

Invest in NFTs ✓

Invest in NIL Deals ✓

Invest in a few additional Customer Service Reps HAHAAAAAAAAHHA NOPE ✗



3



226





**Panini America**   
@PaniniAmerica

Panini America Statem

[blog.paniniamerica.net](http://blog.paniniamerica.net)

ON FANATICS ANTI-TRUST



**Ibn Türkoğlu** @mistermugabe · Aug 4

What a self-own.

China, Casebreaks and NFTs of cards are literally the worst possible things a company could do to the average American collector.

Respectfully, fire your entire PR team.



1



7



528



**Alex** @aApollo · Aug 4

Fill your redemptions



2



212



**PhilliesCards27** @PhilliesCards27 · 15h

You won't replace or fulfill my 2 year old redemptions...



74



**Caleb Crowdad** @washed

Since y'all hid it.



**JB** @OldTownCards · Aug 4

Replying to @PaniniAmerica

Fulfill your redemptions. No one cares about this



10:52 AM · Aug 4, 2023 from Keller, T



**Black Cats Sports Cards** @blackcatscards · 22h



1



88





**Panini America**   
@PaniniAmerica

Panini America Stateme



**Nick Inge** @Syr\_Inge · Aug 4

Literally one of the worst companies I have ever dealt with in terms of customer service and support. Good riddance.

    270 



**Seabreeze** @arango\_se · Aug 4

Where is my redemption???

 1 



**Grimm**  @Grimm\_NFL · Aug 4

Your company is a joke and sucks. I hope y'all go out of business.

   1  274 



**Adam** @onetime007 · Aug 4

Catering to the consumer - not when it comes to redemptions

#Blahblahblah



**Tucker Michael** ~~~ @tuckermichael81 · Aug 4

Fulfill my redemptions

    71 



**Philly Collector** @phillycollect · 14h

"Catering to the consumer" ... HILARIOUS!!! 🤡

    75 



**Philip Harden Jr** @papa\_bear1980 · Aug 4

Can you send me some free cards?

    354 



**The Knudson (PC)** @TheKnudson · Aug 4



   2  283 





**Panini America**   
@PaniniAmerica

Panini America Stat  
[blog.paniniamerica.com](http://blog.paniniamerica.com)



**Shut Up Drew** @DrewRipsCards · Aug 4

Just offer better products in the store for points or stop giving points out



180



**Jotadas** @That\_JuanGuy · Aug 4

Fill redemptions, get rid of sticker and non associated memb on high end products, and work on QC, then we can talk about this.



148



**Shiny Cardboard** @TKOCards · Aug 4

Terrible customer service and 7+ year outstanding redemptions = Market leader? 🤔



198



**Justin Shafer** @CharmCityGraphs · 12h

Why are you hiding replies? Kinda hard to focus on the consumer when you hide their replies.



**Joe Kyser** @joekyser23 · 9h

Probably a bad idea to air this out huh? I am trying to find Panini supporters here. I hear you guys are hiding tweets. I guess that seemed like a good idea until you realized it was every reply. Pro tip, worry about your customer service first then lawsuits and whatever.



45



**Eggy (Kris) #FireBuck** @Eggys\_Cards · Aug 4

Is this a resume or something for the next company that tries to buy you?



356



**steelcitydw** @steelcitydw · Aug 4

I hope Fanatics pays @PaniniAmerica in points like panini does to us. This is a cash grab and nothing more.

120



**Jason Kincaid** @JKincaid34 · 14h

Maybe Fanatics will fill redemptions in a reasonable amount of time. Not years later. Still waiting on a redemption over 2 years ago. You also bloated the card market charging unreal prices for boxes. I hope Fanatics buries Panini. You deserve it.



**Kyle** @KyleWil38113338 · Aug 4

Meanwhile I'm still waiting on a redemption going on over a year.



105





**Panini America** @PaniniAmeri

Panini America Sta



**Marc Arenibas** @DodgersMA89 · Aug 4  
Fulfill your redemptions.



63



**Chet Podd** @tripodd17 · 17h  
The writing is on the wall panini. Say bye bye. Maybe if you didn't suck people would actually back you



67



**Blake** @BlowinSmokexx · 17h  
Redemptions are scams @ me



61



**Vaughan(Sell the team Henry)** @vwb\_15 · 13h  
How about you treat your customers better & this won't happen



67



**Hobby Tag Facilitator** @PCOregonDucks2 · Aug 4  
!!



**JB** @OldTownCards · Aug 4

Replying to @PaniniAmerica  
Fulfill your redemptions. No one cares about this



881



**Moses L.** @StangBanger88 · 16h  
This says absolutely nothing about the lawsuit??



51



**Jo** @JoeCastoner · Aug 4



II GIF ALT



109







**Adan Garcia** @Adangr431 · Aug 4  
Hiding my redemptions for 2+ years 🤔

149

blog.paniniamerica



**Bure10** @Bure10DFS · 18h  
Panini has awful customer service its no shock Fanatics took over

62



**That One Guy** @Caligrown\_760 · Aug 4  
This is a joke right? Like this post is all sarcasm correct? Cause....yeah

168



**Audrey** @audpod310 · Aug 4  
We couldn't care less. How about YOU do better? Hope fanatics wins!

95



**Carlos** @figslabs · Aug 4  
Panini board be like why did the admin post this ?!

113



**RetiredWaxJunky - LETS GO BIRDS** 🦅🦅🦅... @tallen43... · Aug 4  
Send me my redemption than worry about suing them!

104



**RichardHeadMarketing** @RickHeadMedia · 22h  
The amount of money Panini has pocketed off unfulfilled redemptions is absolutely staggering. You're an awful company.

80



**Keiser** 🏆 @TheJordanKeiser · Aug 4  
Close out redemptions and maybe people would be on your side. You've essentially held onto money that we legally paid for.

147



**Nel** @SneakerNel · Aug 4  
Very little player worn memorabilia in National treasures reminds me why it's hard to defend you guys.

154



**r3ign** @i\_r3ign · Aug 4  
In 2020 I sent in cards for replacement. It's 2023 and I've never gotten anything back or a response. Is that "catering to the consumer"

1 233



Panini America  
@PaniniAmeri



**Dilly Dilly** @Suwobb · Aug 4  
you're cooked, my dudes.

97



ㄣ工しり毛尺 @fearofanubis · Aug 4  
no redemption fulfillment though?



**Baldy's Sports Cards** @BaldyCards · 15h  
Ha

136



**Kyle Peterson** @Kyl3p3t3rson · Aug 4  
Yall blocking people cause they are calling you on ur bulls t ? that's wild



144



**alf** @superdonkey222 · Aug 4  
y'all are trash. no one cares.



222



**Sports & Nonsense** @sportsnonsense · Aug 4



|| GIF ALT



1

75





**P** Panini America  
@PaniniAmerica

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ON FANATICS ANTI-TRUST



Since entering the U.S. market  
America's goal has been to bri  
consumers into the trading ca  
the marketplace to benefit eve  
retailers and hobby stores, our  
leagues and players associatio  
athletes that

All while c  
overall trac

Throug  
and our fif  
Panini Am

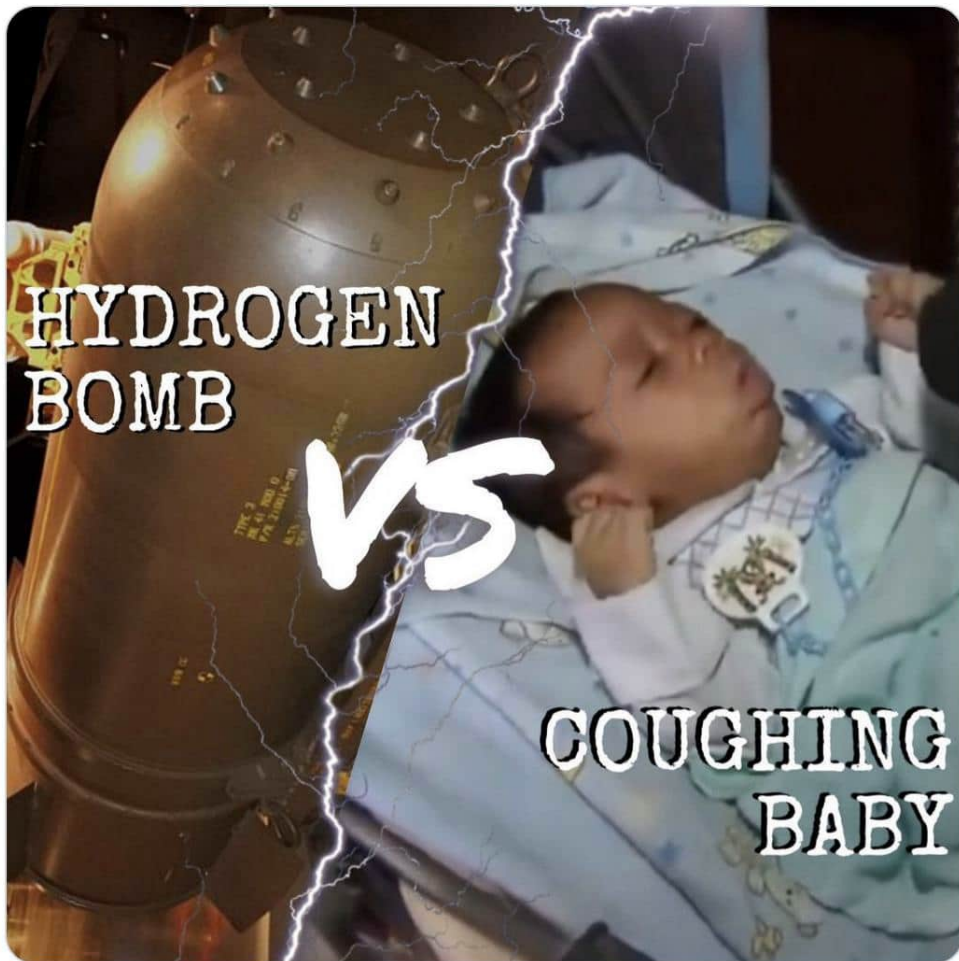
10:52 AM

**P** Poopnini America @PoopniniAmerica · Aug 4



Reply Retweet Like 49 Share

**Shank Delosa** @ShankDelosa · Aug 4  
Fanatics vs Panini



Reply Retweet Like 1 193 Share





**Panini America** @PaniniAmerica



**Hobby Tag Facilitator** @PCOregonDucks2 · Aug 4  
Look at these c... s @Paul\_Lesko

124



**David (nobody/somebody)** @LaichItIs · Aug 4

Yall can't win this. Also you don't care about the collector. Constantly screwing customers, not making carda, backdooring redeemed cards, shitty points program, not guaranteeing hits, terrible customer service

1



**GPSE Slabs** @GPSE\_Slabs · 15h

This will be fun watching Panini die a slow painful death after abusing their customers for so many years. What goes around comes around.

41



**Encyclopedia Brown Sports Cards** @EBSCNC · Aug 4

Cope losers

44



**Jeremy Meier** @JeremyMMeier · Aug 4

Sitting on NBA draftees while Topps makes MILLIONS. How does this even happen? They don't have the license and still beat you to the punch. Insane.

34



**LilDerp** @HometownBBHero · Aug 4

Aint readin all that, hope y'all get destroyed tho ❤️

92



**Cunning** @cunningstunt\_77 · Aug 4

Your QC sucks and you don't fill redemptions GTFO with taking responsibility seriously 🤡🤡🤡

49



**John Kenney** @swafas3 · 18h

Ok don't understand how you can put a redemption in a box if it's not ready to ship when it's pulled. Do you just make up a card then make it years later? I know Judge is signing so where's my card? 🤡🤡🤡

31



**Hobby Doggie** @HobbyDoggie · Aug 4

Woof remove America from your name woof. Woof you don't speak for us woof. Woof @POTUS woof

46



**Bill Parcels** @Fake\_B\_Parcels · Aug 4

Haha years on redemptions  
Next fling is bankruptcy



**CryptoBebop** @andre60742810 · Aug 4

Hey @PaniniAmerica Can someone over there help me with a redemption card I've been waiting over two years for. I will continue to post the same message on every single one of your post till I hear something back. I've left countless emails, voicemails, customer service tickets..



**Truls** @TrulsNicolai · Aug 4

You have no customer support. Stfu



**Travisty** @Travisty360 · Aug 4

Can I just get my J-Rod redemption please. It's been like a year. Y'all the worst at that Ish. Who wants to buy a product and have to wait a year for what has already been paid for. #WheresMyRedemptionPanini



**TheRealMaxx** @TheRealMaxx99 · Aug 4

You guys having the right to every sport has made cards so annoying in terms of quality. Topps and Upper Deck are light years better.



**@draganbendurant** · 15h

Bye bye enjoy oblivion



**Panini American** @Whodoyouco1lect · Aug 4

But also it's rich that we're suing another company all while not giving anyone the cards they're owed through redemption



**Dave's Dugout Collectibles** @daves\_dugout · Aug 4

We have no pity for you. You have constantly screwed the consumer and now you're getting a little taste of your own medicine. Maybe if you treated us better, you'd have sympathy.



**Buzz City Cards** @BuzzCityCards · Aug 4

Sadly you've lost the trust of a majority of consumers and have become too blind or lack the care to want to fix it.



**Panini America**   
@PaniniAmerica



**@draganbendurant** · 15h  
Fulfill redemptions weirdos



**JebediahS** @boomingshot · Aug 4  
How about you Fulfill your redemptions??



**Queen City Cards** @QueenCityCards2 · 11h  
I once bought a box of prizm and every card damaged. I sent it back and you sent me back about 30 raw cards of nba? Wtf?



**John Kenney** @swafas3 · 19h  
I want my redemption!



**CardsGoneAWOL** @CardsGoneAWOL · Aug 4  
Will someone at Panini please help a man out with a redemption?!?!?!?!?!?



**Luis** @shippingplustax · Aug 4  
But what about all your hidden replies!



42 76 42 38 84 68





Panini America  
@PaniniAmerica



Queen City Cards @QueenCityCards2 · 11h

Go bankrupt. You have screwed with us collectors enough

38



NUFFSAID @NUFFSAID\_ETH · Aug 4

A genius came in here earlier and said fulfill your redemptions and you blocked him. Pathetic. FULFILL YOUR REDEMPTIONS YOU WEIRDOS.

#BlockMeLikeIGiveARip #ScamRedemptionSystem



Gus @MambaForever83 · Aug 4

Funny how you address stuff like this but can't address the thousands of people waiting on redemption smh



164



311\_Collectibles @S  
#boycottpanini



Vane @PoorVane · Aug 4

Look at all the hidden replies. You guys are a joke!! Hope you go under



71



DH @TheAceGambit · Aug 4

"All while catering to the customer".....whoever wrote that part clearly has never been a customer of yours or they are just a liar. Come on now, Panini. And your response the comments has been abysmal, blocking people and hiding comments.....yep that will help you. Smh



109



Bobby Catch @BobbyCatch · Aug 4

Yet, you can't fulfill redemptions? #specificperformance #rebuttal #countersuit



77



Jay @BingBongHopLong · Aug 4

Panini is the worst run company and a nightmare for their customers. We're happy you're being pushed out



Lake\_Isabella\_Card\_Guy @Blucrow0402 · Aug 4

Ouch! Panini America Inc. currently has an "F" rating with the BBB for failures to respond to consumer complaints. Use BBB's tips to protect yourself when online shopping: Research before you buy.

[readthereporter.com/bbb-issues-war...](http://readthereporter.com/bbb-issues-war...)



65





**Panini America** @PaniniAmer

Panini America Sta  
[blog.paniniameric](http://blog.paniniameric)



**Queen City Cards** @QueenCityCards2 · 11h

Panini, you owe me roughly \$10k for screwing me over by giving the douche canoe breaker boys the good boxes. Never again. We all will sue you and Topps

42



**Lake Isabella Card Guy** @Blucrow0402 · Aug 4

You've basically flooded the market again!!

72



**Mark Ripper of Cards** @markcairns171 · Aug 4

Maybe spend more time giving a crap about the people who spend their money on your company rather than ur competitors, nobody cares , cry to someone else

104



**Ashe BigTittyCards** @ashebabes · Aug 4

Blocking people on twitter who don't use inappropriate language is always a bit odd

1 180



**Yvonne** @flyflyatom · 7h

@Readwiseio save

27



**A.K.A Mr. Albino Rhino** @D\_A\_M\_FIT · Aug 4

Your lawyers will be pissed when you try and pay legal fees with Panini Points

1 96



**Dallas Card Company** @Dallascardcomp · Aug 4

Y'all down bad eh? Throw in the flag and stop acting like y'all were about the customer that's total bs, we need change in the hobby and y'all couldn't bring it.

72



**congro\_jenkiñs** @Congro\_Jenkins · Aug 4

Maybe they'll send you some white sparkle packs in 3 years

87





**Panini America**   
@PaniniAmerica

Panini America Statement On Fanatics Anti-Trust



**Richard - TCGView.com** @TCGView · Aug 4

We're all kind of hoping you all lose and go under. You can't crap on your customers as often as you do and expect support from us.

I'm sure you'll block me which will tell us all I need to know about how you look at those of us that give you our hard-earned money.

106



**PhuckYourFeelings** @TRD\_CHAMPION · Aug 4

You have done NO such thing. You charge a ridiculous amount of money for hobby boxes and you put redemptions, points and player autos in them. Very rarely do people get a ROI from your product. STOP with the f'in redemptions you can't fulfill & stop putting points in Hobby!

35



**A.K.A Mr. Albino Rhino** @D\_A\_M\_FIT · Aug 4

Can't get my redemptions fulfilled. Win a contest and they never actually gave me the prize. Finally send 1 of my redemptions 3 years later and it's damaged. Overpriced, awful QC, even worse customer service and didn't even get to the backdoor of monster hits. Hope y'all lose.

139



**Snout** @Mowzer54 · Aug 4



214



**Panini America** ✓  
@PaniniAmerica



Panini America Statement On Fanatics Anti-Trust

[blog.paniniamerica.net/panini-america...](http://blog.paniniamerica.net/panini-america...)

ON FANATICS ANTI-TRUST



Panini America was the first of any trading card manufacturer to embrace, support and welcome casebreakers into the trading card community



**Whitt UpShott Cards** @WhittnessCards · Aug 4  
Honor Your Redemptions.



CUSTOMER SUPPORT

OPEN TICKETS

CLOSED TICKETS

ENTER TICKET ID 🔍

[RESET](#)

[FILTER BY](#)

OPENED BY	CREATED DATE	STATUS
Whitt Huffer	2017-06-06 8:00 PM	In Progress
Whitt Huffer	2014-09-11 8:00 PM	In Progress





**Panini America** ✓  
@PaniniAmerica

Panini America Statement On Fanatics Anti-Trust

blog.paniniamerica

ON FANATICS ANTI-TRU



**Scott Cowser** @nhl\_fight\_fan · 13h

Leader in the Business in Unfulfilled redemption, and sending trash replacement cards 2 years later, because you felt the Value was the same.

\$2000 worth of damaged cards sent in 2019, replaced in 2022 with \$100 card. #GTFOH #whodoyoucollect #RedeemThis



31



**Dan** @danmann · Aug 4



115



**MATTHEW MAC** ✓ @TheRealMattMac · Aug 4

F you guys. Send us our redemption's!



30



**Mike Chase** @MikeyChase2023 · Aug 4

Suck the fattest d possible.



2

94



**rodney mills** @bowler2324 · Aug 4

U guys f ing suck anyway u lost most of ur licensing so what ur butt hurt f u guys still waiting for redemption we should all sue u f ers



2

47



**Üöäyyz** @fishintheapan69 · Aug 4

Panini is a piece of s



2

50



**#FreeOhtani** @RatedR\_Cards · Aug 4

yal can f off and no one cares



5

79





# Hidden replies

Replies hidden by @PaniniAmerica



**Panini America**   
 @PaniniAmerica

Panini America Statement On Fanatics Anti-Trust

[blog.paniniamerica.com](http://blog.paniniamerica.com)

ON FANATICS ANTI-TRU



OFFICIALLY LICENSED COLLE

Since entering the U.S. mar  
America's goal has been to  
consumers into the trading  
the marketplace to benefit



**VA** @VirtualAlaska\_ · Aug 4  
Replying to @PaniniAmerica  
Panini's blockchain is a joke:

- Gimmicky tech that offers no blockchain advantages, might as well have just used a traditional database
- Paid moderators in their blockchain discord pretending to be "unpaid volunteers", even though they're regularly paid with free NFTs to dump

2 1 5 599



**Illinoishunter** @IhuntILLINOIS · Aug 4  
Replying to @PaniniAmerica  
But you suck at sending your paying customers their redemptions. 🙄

1 373

Throughout our 60+ year  
and our fifteen-year histo  
Panini America, we have

10:52 AM · Aug 4, 2



**laternerd808** @ViceClassics · Aug 4  
Replying to @PaniniAmerica

My burrow gold premier level /10 been sitting in your shop for 2.5 years. No reply or follow up.

CARD#	PRODUCT	PLAYER	TEAM.	POS.	SEQ.	DEFECT TYPE	ACTION
146	2020 Panini Select Base Premier Level Gold Prizm #146(4/10)	Joe Burrow	Cincinnati Bengals	QB	4/10	Indentations	<a href="#">PACKAGE SLIP</a>
TICKET TYPE	OPENED BY	CREATED DATE	STATUS	ACTION			
Factory Damaged	Richard Togami	2021-04-19 1:55 PM	In Progress	<a href="#">PACKAGE SLIP</a>			

2 468



**Eric Cantin** @eric\_cant90 · Aug 4  
Replying to @PaniniAmerica  
Fill our redemptions and we might care. You have the customer care of a crowded DMV. You have nobody to blame for this but yourselves.

2 377





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ON FANATICS ANTI-TRUST



**TK** @tttgame916 · Aug 4

Replying to @PaniniAmerica

You wanna make a statement about the PayPal fees for your nfts?



2



434



**JB** @OldTownCards · Aug 4

Replying to @PaniniAmerica

Fulfill your redemptions. No one cares about this



9



22



179



84.7K



**Village Cards** @CardsVillage · Aug 4

Replying to @PaniniAmerica

Lost me at "catering to the consumer".



**Carlos** @figslabs · Aug 4

Replying to @PaniniAmerica

Where are the redemptions at though ?



**lasershow007** @pokerbeast0417 · Aug 4

Replying to @PaniniAmerica

Driving up prices on boxes but getting the same value of cards. You are a joke of a company and deserve to go under



251



**Jose S.** @SoberJArmy · Aug 4

Replying to @PaniniAmerica

LOL!



**downtownjaykaboom23** @JRocksPhotos · Aug 4

Replying to @PaniniAmerica

Yo how about my 4 damaged cards you guys going on a year yet to see a solution



257



**Shannon** @SMSully14 · Aug 4

Replying to @PaniniAmerica

Couldn't proofread this either, eh?



217

