THE HONORABLE JAMAL N. WHITEHEAD

## UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF WASHINGTON AT SEATTLE

IN RE VALVE ANTITRUST LITIGATION

No. 2:21-cv-00563- JNW

VALVE CORPORATION'S STATUS REPORT RE ORDER (DKT. 66)

Defendant Valve Corporation ("Valve") respectfully submits this status report regarding developments related to the Court's October 25, 2021 Order, which compelled arbitration under the arbitration agreement in a prior Steam Subscriber Agreement ("SSA") as to individual plaintiffs Sean Colvin, Susann Davis, Daniel Escobar, William Herbert, Ryan Lally, Hope Marchionda and Everett Stephens ("Consumer Plaintiffs"). (Dkt. No. 66.) That Order granted Valve's motion to compel arbitration as to the Consumer Plaintiffs but held that "any objections with respect to the existence, scope or validity of the arbitration agreement" were reserved for arbitrators. (Dkt. No. 66 at 3.) The Court stayed the Consumer Plaintiffs' claims pending arbitration. (*Id.* at 5.)

VALVE CORPORATION'S STATUS REPORT RE ORDER (DKT. 66) CASE NO. 2:21-cv-00563-JNW – 1 CORR CRONIN LLP 1015 Second Avenue, Floor 10 Seattle, Washington 98104-1001 Tel (206) 625-8600 Fax (206) 625-0900

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On July 8, 2024, an arbitrator ruled that the arbitration agreement in the prior SSA was unenforceable and dismissed arbitrations brought against Valve by John Elliott and three other individuals represented by Bucher Law PLLC ("Bucher Law"). This arbitrator was the first and only arbitrator to squarely address the overall enforceability of the arbitration agreement in that SSA. Valve has not challenged those rulings of unenforceability and does not plan to do so.

On August 9, 2024, Bucher Law and Hagens Berman Sobol Shapiro LLP filed a putative class action in this Court captioned Elliott v. Valve Corporation, No. 2:24-cv-01218-JNW, naming John Elliott and the three other individuals as plaintiffs and proposed class representatives.2 The Elliott complaint was marked as related to this action, is pending before this Court, and asserts claims that overlap with the claims the Consumer Plaintiffs asserted in this action in 2021. Compare Complaint ¶¶ 184-252, Elliott v. Valve Corporation, No. 2:24-cv-01218 (W.D. Wash. filed Aug. 9, 2024), with Dkt. No. 34 ¶¶ 317-392. The plaintiffs in Elliott allege that they "won binding decisions from arbitrators rendering Valve's arbitration provision unenforceable" and assert claims on behalf of a putative nationwide class of persons who bought games, or made in-game purchases, on Steam. (Id. ¶¶ 13, 167.) The Elliott putative class overlaps with the class the Consumer Plaintiffs sought in this case. Compare Complaint ¶ 167, Elliott v. Valve Corporation, No. 2:24-cv-01218 (W.D. Wash. filed Aug. 9, 2024), with Dkt. No. 34 ¶ 302.

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Only one of the Consumer Plaintiffs in this case filed an arbitration demand against Valve, but the American Arbitration Association has not yet assigned that case to an arbitrator.

Valve was served with the *Elliott* complaint on August 23, 2024.

1 2 3 agreement and class action waiver. (See Ex. A.) The current SSA now provides: 4 5 6 7 objections as to personal jurisdiction or venue in such courts. 8 9 10 DATED this 27th day of September 2024. 11 12 s/ Blake Marks-Dias 13 CORR CRONIN LLP 14 10 Seattle, WA 98104 15 (206) 625-8600 Phone (206) 625-0900 Fax 16 elindberg@corrcronin.com 17

In light of the arbitrator's rulings that the arbitration agreement in the prior SSA is unenforceable, on September 26, 2024, Valve updated the SSA to remove the arbitration

> All disputes and claims between you and Valve (including any dispute or claim that arose before the existence of this or any prior agreement) shall be commenced and maintained exclusively in any state or federal court located in King County, Washington, having subject matter jurisdiction. You and Valve hereby consent to the exclusive jurisdiction of such courts and waive any

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