

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

No: 500-06-000032-264

**SUPERIOR COURT
(CLASS ACTION)**

JULIAN EDMOND LAPOINTE-BELLISLE

Applicant

v.

VALVE CORPORATION, a legal person,
duly constituted under the laws of the State of
Washington, United States of America,
having its address for service at 10400 NE
4th Street, Suite 1400, Bellevue, Washington,
98004, USA

Defendant

**APPLICATION FOR AUTHORIZATION TO INSTITUTE A CLASS ACTION
AND TO OBTAIN THE STATUS OF REPRESENTATIVE**
(Art. 571 C.C.P. and following)

**TO ONE OF THE HONOURABLE JUSTICES OF THE QUÉBEC SUPERIOR COURT, SITTING
IN AND FOR THE DISTRICT OF MONTRÉAL, THE APPLICANT STATES AS FOLLOWS:**

I. INTRODUCTION

1. Applicant contends that the Defendant, Valve Corporation ("Valve") operates the Steam platform, the dominant digital distribution marketplace for personal computer video games worldwide, with over 147 million monthly active users globally. In pursuit of recurring revenue, Valve has turned increasingly to psychologically manipulative monetization strategies across its own titles, among the most pervasive of which are so-called "Crates." A Crate is an in-game mechanism of pure chance through which a player pays real money, or virtual currency purchased with real money, for the opportunity to receive a randomly selected virtual reward of

unknown value (the “Loot Box System”). The contents of a Crate are concealed at the time of purchase, and the outcome is determined entirely by odds set by Valve.

2. The harmful nature of Valve's Loot Box System is not merely theoretical. Peer-reviewed scientific research has established a statistically significant link between Crate spending and problem gambling. A large-scale replication study published in *PLOS ONE* (Zendle & Cairns, 2019), surveying 1,172 gamers, found that problem gamblers spent on average \$38.24 per month on Crates compared to just \$11.14 among non-problem gamblers — a relationship of effect size $\eta^2 = 0.051$, comparable in magnitude to the well-established link between problem gambling and alcohol dependence. The evidence demonstrates that the association between Crate mechanics and problem gambling behavior is consistent, replicable, and not an artifact of methodology. The structural features of Valve's Loot Box System — randomized rewards, concealed odds, and real-money purchases — are precisely the features that the scientific literature identifies as driving this association. (**Exhibit P-1**).

3. Through this mechanism, Valve has extracted billions of dollars from players, including children, across titles such as Counter-Strike: Global Offensive, Team Fortress 2, and Dota 2, by operating what is in substance an unlicensed gambling product disguised as a video game feature. Valve's Loot Box System requires players to purchase a key for approximately \$2.49 USD each through the Steam platform to open a Crate, more often than not items received are worth less than the cost of the key itself.

4. The harms associated with Valve's Loot Box System are not limited to individual problem gamblers, but constitute a recognized public health concern requiring regulatory intervention. Peer-reviewed scholarship published in *Current Addiction Reports* (Xiao, Henderson, Nielsen & Newall, 2022) confirms that Crate expenditure has been found to be positively correlated with problem gambling severity across multiple countries and age groups, including adolescents, in studies conducted in the USA, Spain, Denmark, and Australia. The same research documents that Crates are pervasive — present in 36% of the highest-grossing PC Steam platform games in the UK in 2019, a figure that has since grown — and that 23% of young people aged 11 to 16 have spent real money purchasing them, compared to only 7% who have ever participated in traditional online gambling. (**Exhibit P-2**)

5. The *Criminal Code of Canada*, RSC 1985, C-46 (the "Code") prohibits gaming, betting, lotteries, and games of chance that are not lawfully licensed. Valve has, throughout the Class Period, operated its key-based Loot Box System across the Affected Titles without obtaining any such license, in contravention of the Code and applicable provincial gaming statutes.

6. This action is brought on behalf of Québec consumers who were subjected to the Defendant's unlawful scheme and who seek the return of monies paid, damages under the *Consumer Protection Act*, CQLR c P-40.1 (the “CPA”), and accountability for the Defendant's conduct.

7. For the purposes of this proposed class action, the following defined terms will be used:

- a) **Affected Title(s)** means the following Digital Games developed, published, and distributed by Valve on the Steam platform: (i) Counter-Strike: Global Offensive / Counter-Strike 2; (ii) Team Fortress 2 (iii) DOTA 2, and any other titles developed, published, and distributed by Valve during the Class Period that feature key-gated Crates and may become known to the Applicant.
- b) **Class Period** means the period from September 30, 2010, to the date this action is authorized as a class proceeding.
- c) **Code** means the *Criminal Code of Canada*, RSC 1985, c C-46.
- d) **Competition Act** means the *Competition Act*, RSC 1985, c C-34.
- e) **Consideration** means any money, property, or valuable thing paid, deposited, or staked by a player to secure the right to open a Crate, including the purchase price of a Key.
- f) **CPA** means the *Consumer Protection Act*, CQLR c P-40.1.
- g) **Crates** means all consumable virtual containers available in the Affected Titles that, upon the expenditure of Consideration, yield a randomized selection of virtual items of unknown identity and value to the player at the time of opening. The term Crates encompasses all such mechanisms across the Affected Titles regardless of their in-game designation, including but not limited to, and as further described in **Exhibit P-31** to this application:
 - i. Cases, as they are known in Counter-Strike: Global Offensive and Counter-Strike 2;
 - ii. Crates, as they are known in Team Fortress 2, including Mann Co. Supply Crates and all variant series; and
 - iii. Treasures, as they are known in Dota 2, including Immortal Treasures and all other key-gated containers available during the Class Period.
 - iv. Souvenir Cases and Sticker Capsules.
 - v. all other key-gated containers available in the Affected Titles during the Class Period.
- h) **Loot Box System** means the monetized randomized reward mechanism operated by Valve Corporation across the Affected Titles whereby players are required to expend Consideration in order to obtain a Key to open a Crate to receive a randomized virtual item of unknown identity and value at the time of opening.
- i) **Defendant** means Valve Corporation, which is the National-Class Defendant and the Quebec-Class Defendant, collectively.

- j) **Digital Games**, also known as video games, means interactive electronic games available for play on computers, game consoles, and/or mobile devices
- k) **Game** means a game of chance or mixed chance and skill as defined in section 197(1) of the Code.
- l) **Loot Box Key(s)** means the virtual “key” item(s) sold by Valve through the Steam platform, for any consideration in any currency, which is required to open a Crate in any of the Affected Titles.
- m) **Lotteries Act** means the *Act Respecting Lotteries and Amusement Machines*, CQLR c L-6.
- n) **Near-Miss Mechanic** means the slot machine-style spinning or scrolling animation employed by Valve in the Crate opening sequence, designed to create the visual impression that a rare or high-value item was nearly obtained, as further described herein.
- o) **Prize** means any virtual item, digital asset, advantage, or access to game content received upon opening a Crate, including but not limited to weapon skins, character cosmetics, rare collectible items, and any other virtual item that carries real-world monetary value by virtue of its tradability on the Steam Community Market or third-party platforms.
- p) **Scheme** means Valve's arrangement, plan, and operation of the key-based Loot Box System across the Affected Titles, which involves the payment of Consideration for a chance to win a Prize, where the outcome is determined by chance, constituting an unlicensed gaming and lottery scheme for the purposes of the Code and the Lotteries Act.
- q) **SSA** means Valve's Steam Subscriber Agreement, the standard-form terms of service governing the relationship between Valve and users of the Steam platform.
- r) **Steam or Steam Platform** means the digital distribution platform operated by Valve, through which the Affected Titles are distributed and through which Keys are sold to players.
- s) **Steam Community Market** means the in-platform marketplace operated by Valve through which users may buy, sell, and trade virtual items, including Prizes obtained from Crates, for real money.
- t) **Takings** means all amounts paid by the Applicant and Class Members to Valve for the purchase of Keys during the Class Period.
- u) **Underage Players** means all players of the Affected Titles who were under the age of majority at the time of their Key purchase or Crate opening during the Class Period.

- v) **Valve** means the Defendant, Valve Corporation, a company incorporated under the laws of the State of Washington, United States of America.
- w) **Variable Ratio Reinforcement** means the behavioural conditioning mechanism employed by Valve in the design and operation of its Loot Box System, whereby rewards are dispensed on an unpredictable and intermittent basis, constituting the same psychological mechanism that underlies the design of slot machines and other gambling devices.

II. PARTIES

A. THE APPLICANT

- 8. The Applicant, Julien Edmond Lapointe-Bellisle, is an individual residing in Québec.
- 9. During the Class Period, the Applicant maintained a Steam account on Valve's platform and took part in Valve's Loot Box System. He spent money to purchase Loot Box Keys from Valve to open Crates in at least one of the Affected Titles. He made these purchases for personal purposes. (**Exhibit P-30**).
- 10. During the Class Period, the Applicant lost money by purchasing Loot Box Keys to open Crates in Valve's Loot Box System.

B. THE DEFENDANT

- 11. Valve is a corporation, incorporated under the laws of the State of Washington, United States of America, with its principal place of business at 10400 NE 4th Street, Suite 1400, Bellevue, Washington, 98004, USA. (**Exhibit P-3**).
- 12. Valve develops and publishes video games, such as the Affected Titles which include Counter-Strike: Global Offensive ("**CS:GO**"), Counter-Strike 2 ("**CS2**"), Team Fortress 2 ("**TF2**"), and Dota 2.
- 13. Valve also operates the Steam platform, which serves as a leading digital distribution platform for PC desktop games worldwide.
- 14. Valve carries on business in Québec by, among other things: offering and providing residents of Québec with online accounts through the Steam platform; offering and selling video games, gaming equipment and Loot Box Keys to consumers in Québec; offering and selling virtual items to consumers in Québec through its Loot Box System; and enabling consumers in Québec to pay for chances to win virtual items through its Loot Box System.

C. THE CLASS

15. The Applicant seeks to institute a class action on behalf of the following group, of which he is a member, namely:

All persons in Québec who, between September 30, 2010 and the date this action is authorized as a class proceeding (the “Class Period”), purchased or otherwise paid directly or indirectly for Loot Box Keys or Crates in any of the Affected Titles.

(the “**Class**,” and “**Class Members**”)

III. FACTS

A. VALVE AND THE STEAM PLATFORM

16. Video games are played on computers, game consoles, and mobile devices. The majority of video games are playable over the internet. Given the variety of platforms and formats, and the diversity of gameplay and stories, these products are referred to herein as “Digital Games.”

17. Digital Games are a multi-billion-dollar industry. The global digital games market is worth hundreds of billions of dollars annually. Digital Games are especially popular with children under the age of majority (“Underage Players”).

18. Valve is a video game developer and distributor that operates Steam, the dominant platform for purchasing and playing PC desktop games, which as of January 2026 had an estimated 132 million monthly active users and 69 million daily users, and commanded an estimated 74% market share for PC game distribution. Valve’s three most popular franchises, the Counter-Strike series, Dota 2, and Team Fortress 2, have been played by hundreds of millions of people. Counter-Strike 2 alone had an estimated 24 million monthly active players as of mid-2025, with approximately 1.8 million users playing simultaneously during peak periods. DOTA 2 is currently estimated to have around 7-8 million monthly active players. Independent analysts estimated that Valve generated over \$1 billion from key sales for Counter Strike 2 in 2025 alone. (**Exhibit P-4**).

19. Valve operates the Steam platform, the dominant digital distribution marketplace for personal computer Digital Games worldwide. Steam has over 147 million monthly active users globally. Canada accounts for approximately 3% of Steam’s global user base, representing over 3 million Canadian users, a significant proportion of whom reside in Québec. (**Exhibit P-5**).

20. Through the Steam platform, Valve distributes Digital Games developed by Valve itself as well as by third-party developers. Valve also operates the Steam Community Market, an in-platform marketplace through which users can buy, sell, and trade virtual items using real money.

21. Among the most popular games available on Steam are titles developed and published by Valve itself, including Counter-Strike: Global Offensive (“CS:GO”), now rebranded Counter-Strike 2 (“CS2”), Team Fortress 2 (“TF2”), and Dota 2. These games are free to play. Valve monetizes these games primarily through the sale of keys to open Crates.

22. Valve was founded in 1996 as a developer and publisher of video games. In 2003, Valve launched the Steam platform, which enabled consumers to directly purchase and download Valve games. Valve later expanded Steam to allow the distribution and sale of PC desktop games published by other companies, collecting a 30% commission on the sale of most third-party games. Steam has grown to become the dominant platform for purchasing, maintaining, and playing PC desktop games, commanding an estimated 74% market share for the distribution of PC desktop games as of 2024.

23. Users can fund their Steam accounts using credit cards, PayPal, or funds stored in a digital wallet called the Steam Wallet. Users can add funds to their Steam Wallet with credit cards or with digital or physical Steam gift cards, which are available at retail stores such as Best Buy. Every dollar deposited in a user’s Steam Wallet has the equivalent purchasing power of one dollar on the Steam platform. (**Exhibit P-6**).

B. VALVE’S FLAGSHIP VIDEO GAME FRANCHISES

24. Valve’s three most popular video game franchises are Counter-Strike, Team Fortress, and Dota. The Counter-Strike franchise is a series of realistic multiplayer first-person shooter games. The franchise experienced explosive growth in popularity with Counter-Strike: Global Offensive (“CS:GO”), released in 2012, which was succeeded by Counter-Strike 2 (“CS 2”) in 2023. As of mid-2025, CS 2 was estimated to have 24 million monthly active players, with approximately 1.8 million users playing simultaneously during peak periods. It is consistently the most-played game on the Steam platform.

25. Dota 2 is a multiplayer fantasy-themed battle game that Valve introduced in 2013. According to publicly available Steam data and third-party analysts, Dota 2 has an estimated 7 to 8 million monthly active players, with peak concurrent player counts regularly reaching 700,000 to 900,000.

26. Team Fortress 2 is a multiplayer first-person shooter game with a cartoon aesthetic, released in 2007. Despite being nearly two decades old, it still draws tens of thousands of simultaneous players daily and remains among the twenty most-played games on Steam. All three franchises are fixtures of esports competitions, many of which are sponsored by Valve, and have given rise to thousands of content creators who stream themselves playing the games on platforms such as YouTube and Twitch.

27. Critically, all three of Valve’s flagship games have been free to download and play for years. Valve’s primary method of monetizing these free games is through its Key sales system. That system is enormously profitable. Because Valve is a privately held corporation, it does not

publicly report its financial results. However, according to data compiled by CS2 Case Tracker, a third-party tracking service, more than 400 million Counter-Strike cases were opened in 2023. Independent analysts have estimated that Valve generated over \$1 billion from Counter-Strike Case key sales alone in 2023, and again in 2025—revenue that does not include the 15% commission Valve collects on every transaction in the Steam Community Market, or any revenue from Cases in Dota 2 or Team Fortress 2. In March 2025, Bloomberg reported that the market for Counter-Strike skins alone had surpassed \$4.3 billion USD. **(Exhibit P-7).**

C. VALVE'S LOOT BOX SYSTEM

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

29. To make money from its free-to-play games, Valve introduced decorative virtual items into Counter-Strike, Dota 2, and Team Fortress 2. In Counter-Strike, these items are called "skins"—they change the appearance of a player's weapons but have no effect on how the game is played. They are purely cosmetic, valued only for how they look and what they signal to other players about status and spending and are depicted below:



Figure 1: An AK-47, a weapon that players can use in Counter-Strike, without (left) and with (right) a cosmetic item ("skin") applied. **(Exhibit P-8)**

30. Initially, Valve sold some of these virtual items directly on Steam. Within a short time, however, Valve developed a more lucrative method of distribution: selling users a chance to win virtual items through Crates. A Crate, in Valve's games, is a virtual container that a user can "open" to receive a randomly-selected virtual item. Valve adopted this model for Counter-Strike, Dota 2, and Team Fortress 2.

31. Valve distributes Crates to players for free as they play its games. But the Crates themselves are useless without a key. To open a Crate, the player must buy a Loot Box Key from Valve— currently priced at \$2.49 USD plus tax. The player can purchase the Loot Box Key using a credit card, PayPal, or funds stored in their Steam Wallet. Loot Box Key purchases and Crate openings take place outside of actual gameplay—no skill is involved and no game is being played. The player simply clicks a button and pays:



Figure 2: A Counter-Strike Case (“Case”) (left) and the Key used to unlock it (right). (**Exhibit P-9**)

32. When a player opens a Crate, the system randomly selects one virtual item from a list of possible items. The odds of receiving each item are set entirely by Valve. Valve has structured those odds so that the vast majority of items awarded are common and nearly worthless, while a small number of rare items are awarded only a tiny fraction of the time. Players can see which items are possible and how they are grouped by rarity—but Valve does not disclose the actual odds of winning any particular item to users.

33. The figure below depicts an example of a Valve Crate that does not disclose the specific odds of winning any of the potential items that a user may win from the Crate: Crates are named based on the items available to users from opening them. The below Crate (upper right) is named the “Dreams & Nightmares Case.” Some of the items available from opening the Crate are shown as square images (left); all items available from opening the case are listed below the image of the case (bottom right). Each row of colored text under “Contains one of the following” represents an item—the text before the “|” is the weapon the cosmetic item is used for (e.g., “MAC-10”) and the text after the “|” is the name of the cosmetic item (e.g., “Ensnared”). Each listed item is colored based on rarity in descending order (at bottom being “an Exceedingly Rare Special Item!”), but the actual odds of winning each item are not disclosed.

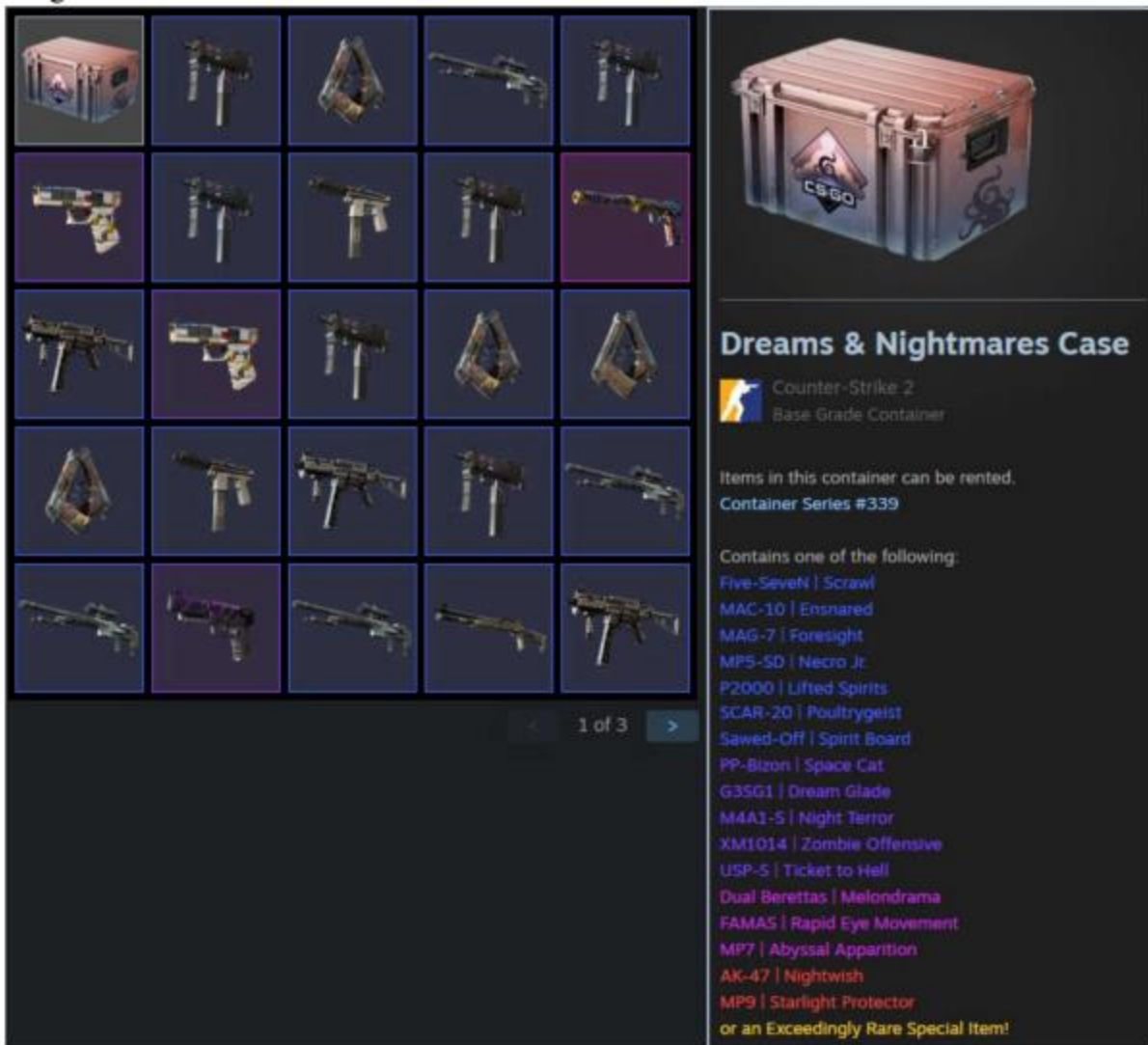


Figure 3: A Counter-Strike Case with the possible cosmetic items listed, with colors representing rarity. (**Exhibit P-10**)

34. Rare items are worth far more on the Steam Community Market and third-party marketplaces—in some cases thousands of dollars—than the commonly awarded items, which are typically worth only pennies. Nearly every user who buys a key and opens a Crate receives a common item worth far less than the \$2.49 spent on the key. According to one analysis, the odds of winning the most valuable item from one the Operation Riptide or Dreams and Nightmares Case—a Gamma Doppler Emerald Butterfly Knife worth over \$10,000—are 0.0002% per Operation Riptide Case. (**Exhibit P-11**).

35. Any user who actually wanted one of the commonly awarded items could obtain it far more cheaply by simply purchasing it on the Steam Community Market. Users purchase Loot Box Keys and open Crates for the same reason people play the lottery or a slot machine: the potential of winning a valuable prize.

36. To illustrate: a player who pays \$2.49 to open a Counter-Strike weapons case will almost certainly receive an item worth a few cents—an item that could have been purchased directly on the Steam Community Market for far less than the price of the key. According to one analysis, roughly 96% of items awarded from Counter-Strike Cases are worth less than the key used to open the case. But on rare occasions, a player wins an item worth hundreds or even thousands of dollars. The odds of winning one of the rarest items from a single case opening have been estimated at approximately 0.0002%. It is this possibility—remote but tantalizing—that drives players to keep buying keys and opening Cases. As one Valve developer acknowledged early in the development of the Case system, Valve understood that users who spent \$2.49 on a key and received an item worth \$0.50 would feel they had “just lost \$2 of actual value.” Valve proceeded anyway.

37. The Case system works the same way across all three of Valve’s flagship games. In each game, users pay approximately \$2.50 USD to open a Case and receive a randomly selected cosmetic item, with Valve controlling the odds. The specific types of items differ across the games—ranging from weapon skins and attachments to character apparel—but the underlying mechanic is identical, as depicted below:

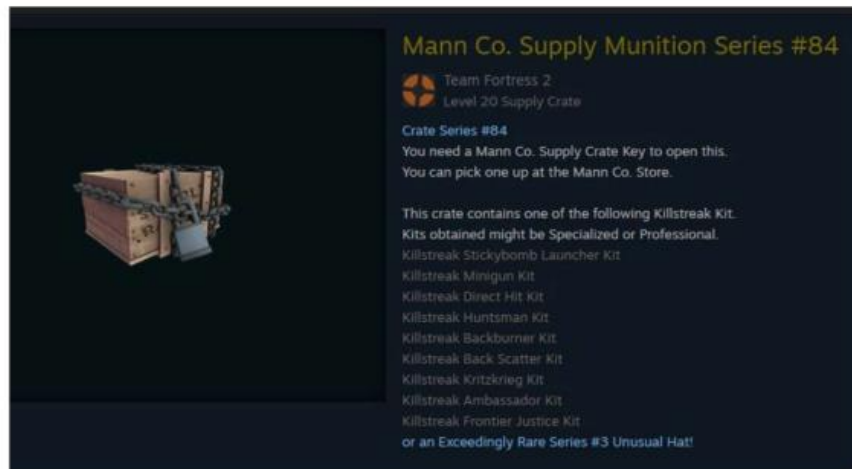


Figure 4: Team Fortress2 Crate with possible items listed, including “an Exceedingly Rare” item. (Exhibit P-12)



Figure 5: TF2 Crate opened (**Exhibit P-13**)

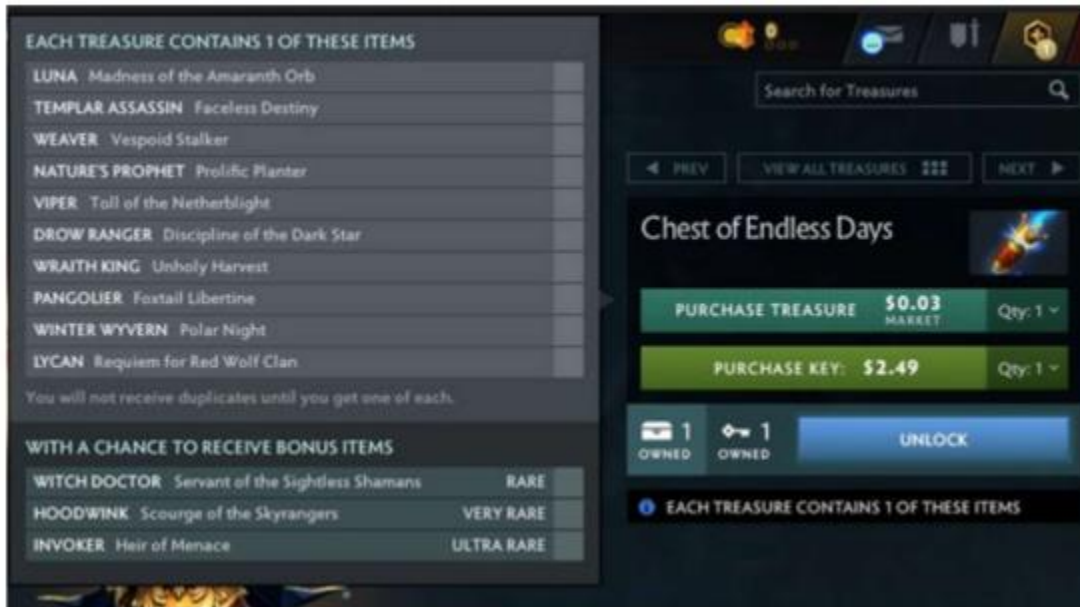


Figure 6: Dota 2 Crate (“Treasure Chest”) with possible items listed, including “a chance to receive bonus items. (**Exhibit P-14**).

D. VALVE DESIGNED ITS CASES TO MIMIC CASINO GAMBLING

38. Valve designed the experience of opening a Crate to resemble a virtual slot machine. In Counter-Strike, when a user opens a weapons case, an animation displays a simulated spinning wheel with images of the various possible items rotating across the display. Like a slot machine, the wheel spins rapidly at first and then gradually slows. When it finally stops, the item in the center of the display is awarded to the user as depicted below:



Figure 7: Counter-Strike Crate, with the possible items players can receive from opening the Crate listed below the Crate (the rectangular icons) (**Exhibit P-15**).

39. Also like a slot machine, Valve’s spinning wheel is designed to convey the illusion of a “near miss”—the wheel may come to rest immediately next to the icon for a rare and valuable item, giving users the impression they “almost” won, mimicking the visuals of a slot machine. In reality, the item awarded is determined by a random number generator on Valve’s server after the user clicks the button to open the case, and the visual animation has no bearing on the outcome as depicted:



Figure 8: Counter-Strike “wheel” of items. (**Exhibit P-16**)



Figure 9: Dota 2 “wheel” where items gradually disappear, leaving one item (**Exhibit P-17**)

40. None of Valve’s Crate games require or depend on any amount of skill to determine their outcomes—all outcomes are based entirely on chance. The user presses a button to open the Crate; no further action on the user’s part is required or possible. Valve’s servers execute algorithms that determine the outcome, and Valve adjusts the user’s account balance to reflect the result. Valve keeps records of each wager, outcome, win, and loss for every user.

41. Opening Crates has become a subject of interest distinct from playing Valve’s games. Popular streamers have created video channels dedicated solely to opening Crates, touting the cash value of valuable items won. This content generally includes no actual gameplay, consisting instead of users opening one Crate after another in rapid succession—indistinguishable in form and function from videos of casino slot machine sessions.

E. VALVE’S VIRTUAL ITEMS HAVE REAL MONETARY VALUE

42. The virtual items distributed through Valve’s Crates are not tokens with value only inside a game. They are items that can be bought and sold for real money. That is not an accident. Valve deliberately designed both its games and its platform to create and sustain a real-money market for these items.

1. The Steam Community Market

43. Valve built and operates the Steam Community Market, a marketplace where players buy and sell virtual items. The process is simple: a player selects an item, sets a price, and lists it for sale. Depicted below is a screen that Steam Market users see before listing an item for sale, which shows users the median sale prices of the item on the Steam Market (see Figure 12). Valve takes a 15% commission on every transaction. The buyer pays with Steam Wallet funds, which have the purchasing power of cash on the Steam platform—they can be used to buy any of the more than 146,000 games available on Steam, as well as hardware, Loot Box Keys, and other items.



Figure 10: A screen the user sees before putting an item on the Steam Market for sale, which includes graph showing the median sale price of that item on the Steam Market over time. **(Exhibit P-18).**

44. Players can also effectively convert their virtual items into real cash. Steam Wallet funds can be used to purchase physical goods through Steam—including gaming hardware like the Steam Deck—which can then be resold. More directly, players can sell their virtual items for cash on third-party marketplaces that Valve knowingly facilitates.

45. Valve has built market research tools directly into the Steam platform that allow players to track the price history of virtual items over time, view current buy and sell offers, and analyze price trends—tools that look and function like those found on stock trading platforms. These tools reinforce the monetary value of the items and encourage players to engage with the Case system as a form of speculation. Depicted below is a graph shown to Steam Market users when viewing an item. That graph shows median sale prices for that item on the Steam Market:



Figure 11: Data available to Steam users on Steam, here the median sale prices of the item. **(Exhibit P-19)**

2. Third-Party Marketplaces

46. Valve designed the Steam platform to facilitate the purchase and sale of virtual items on third-party marketplaces. Valve provides each Steam user with a “Trade URL” and instructs users that it can be shared “on third-party trading sites” (see Figure 14, below). Third-party marketplaces allow users to sell virtual items for cash—not merely Steam Wallet funds—and, unlike the Steam Community Market, do not cap transaction amounts, enabling users to sell rare items for tens of thousands of dollars.

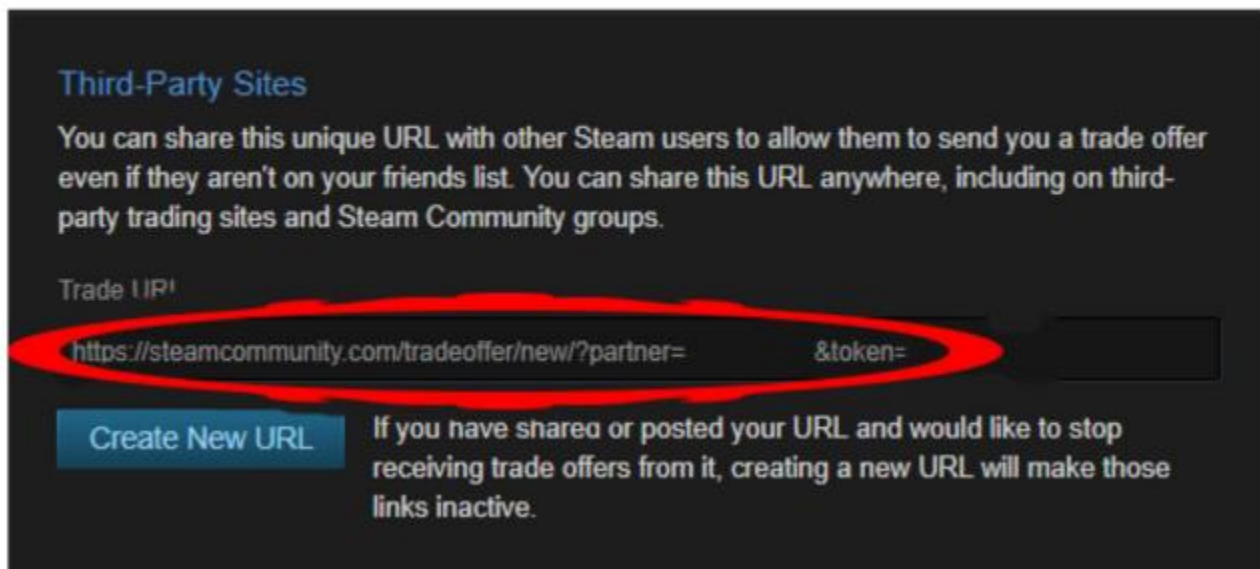


Figure 12: Steam provides users with a link they can paste elsewhere; others can use this link to find the user and trade with them. Users are told by Steam that they can paste this link onto

thirdparty trading sites—presumably, the payment for the item is made on the third-party trading site and the payee clicks the link to convey the item to the payor on Steam. (**Exhibit P-20**).

47. On information and belief, Valve has at all relevant times been aware of and facilitated the operation of third-party marketplaces for its virtual items. While Valve has occasionally acted against skins gambling sites, it has not enforced its terms of service against cash marketplace sites. A senior Valve employee stated publicly in 2017 that Valve does not “fundamentally have an opinion on other uses that people have for their inventories.” On information and belief, Valve has expressly exempted marketplace sites from enforcement campaigns, restored their accounts when inadvertently suspended, and assisted marketplace operators in maintaining access to Steam’s trading infrastructure.

48. The result of Valve’s deliberate design choices is a virtual economy of staggering scale. Industry analysts have described these items as “a distinct investment class.” Bloomberg has reported on the Counter-Strike skin market alongside coverage of stocks, bitcoin, and other financial assets. Individual skins have sold for over \$1 million. The high value and easy liquidation of these items have made them targets for theft—Valve has acknowledged receiving approximately 77,000 reports of hijacked accounts per month and has implemented multiple security measures specifically to combat the theft of virtual items. (**Exhibit P 21**).

F. VALVE’S CASES EMPLOY THE SAME PSYCHOLOGICAL MECHANISMS AS CASINO GAMBLING

49. Valve’s Loot Box System is not just gambling in a legal sense. It is designed to work like gambling—using the same psychological techniques that casino game manufacturers have refined over decades to keep people spending money. (see **Exhibit P-22**)

Unpredictable reward schedules. Slot machines are addictive in large part because they deliver rewards on unpredictable schedules—a mechanism psychologists call variable ratio reinforcement. Valve’s Loot Box System uses the same technique. The player never knows when a valuable item might appear, which is precisely what keeps them buying the next key.

Slot-machine sensory design. The spinning display and accompanying sounds that play when a user opens a Valve Crate are designed to mimic the sensory experience of a slot machine—the same visual and audio cues that slot machine manufacturers use to hold players’ attention and encourage continued play. (**Exhibit P-22**).

Near-miss illusions. Valve’s spinning wheel periodically comes to rest immediately next to a rare, valuable item, giving the player the impression that they “almost” won. This is a well-documented technique used in slot machines called a “near miss”—and it is effective at encouraging players to try again, even though the outcome was determined by a random number generator before the wheel ever started spinning.

Chasing losses. Nearly every Case opening results in an item worth less than the price of the key. Players who have already spent money on Loot Box Keys and received low-value items are driven to keep spending in the hope of winning something valuable enough to justify their earlier losses—the same cycle that characterizes problem gambling in casinos.

Around-the-clock availability. Unlike a physical casino, Valve’s Loot Box System is available 24 hours a day, seven days a week, from any computer or device with an internet connection. There is no closing time and no one checking IDs at the door.

50. The gambling nature of Valve’s Loot Box System is visible in the culture that has grown up around them. Popular streamers on platforms like YouTube and Twitch have built audiences of millions by filming themselves opening Crates in rapid succession—not playing the games, but simply opening one case after another and reacting to the results. These videos prominently display the cash value of any valuable items won.

51. Valve’s Loot Box System and gambling are not coincidental similarities. Peer-reviewed research applying a public health framework to Crate regulation has concluded that Crates share the defining psychological and structural features of gambling products, including randomised reward delivery, variable reinforcement schedules, and sensory design elements drawn directly from casino game engineering. (**Exhibit P-23**, p. 163.) The same scholarship documents that harm-reducing alternatives — including fairer reward structures, expenditure limits, and transparent probability disclosure — were available to developers and were adopted in responsible regulatory regimes, but were not meaningfully implemented by Valve. (**Exhibit P-23**, p. 164.) Valve did not stumble into a gambling-like product design by accident. It made deliberate choices to replicate, feature by feature, the psychological architecture of the slot machine — and it did so while regulators in most jurisdictions, including Québec, had yet to act. (Exhibit P-23, p. 164.) The resulting harm to consumers was not only foreseeable — it was, on this record, intended.

G. THE STEAM SUBSCRIBER AGREEMENT

52. To use Steam—and therefore to play Counter-Strike, Dota 2, or Team Fortress 2, or to buy or sell items on the Steam Community Market—a person must first create a Steam account. Creating an account requires the person to agree to Valve’s Steam Subscriber Agreement (the “Subscriber Agreement”), a standard-form contract drafted entirely by Valve. (**Exhibit P- 24**).

53. The Subscriber Agreement provides that, for all subscribers outside the European Union and the United Kingdom, Washington law “governs all disputes and claims arising out of or relating to (i) any aspect of the relationship between us; (ii) this Agreement; or (iii) your use of Steam, your Account or the Content and Services.” The agreement further provides that “all disputes and claims between you and Valve ... shall be commenced and maintained exclusively in any state or federal court located in King County, Washington.” (**Exhibit P- 24**).

H. VALVE'S MANDATORY ARBITRATION CLAUSE AND ITS REMOVAL

54. Throughout the Class Period, and until September 2024, Valve maintained a mandatory arbitration clause and class action waiver within its Steam Subscriber Agreement (the "SSA"). The mandatory arbitration clause required all disputes between Valve and its users to be resolved through individual arbitration and expressly prohibited consumers from commencing or participating in class proceedings. **(Exhibit P- 24)**.

55. By operation of this clause, Class Members were effectively barred from seeking redress through the courts for the losses they suffered as a result of Valve's unlawful Crate scheme. The arbitration clause was not a neutral dispute resolution mechanism; it was a deliberate barrier designed to insulate Valve from accountability to the very consumers it was exploiting.

56. The Applicant and Class Members plead that any such arbitration clause or class action waiver is in any event void and of no force or effect pursuant to section 11.1 of the CPA, which invalidates any stipulation that restricts a consumer's right to go before a court or requires a dispute to be referred to arbitration.

57. The mandatory arbitration clause was universally removed for all users on November 1, 2024.

I. VALVE'S LOOT BOX SYSTEM CAUSES REAL HARM, PARTICULARLY TO CHILDREN

58. The connection between Valve's Loot Box System and gambling is not a matter of opinion. It has been the subject of sustained academic study, and the results are consistent and alarming. In 2018, researchers David Zendle and Paul Cairns published a large-scale survey of 7,422 gamers and found a significant link between the amount individuals spent on Crates and the severity of their problem gambling. **(Exhibit P- 25)**

59. Critically, this link was specific to Crates—it was far stronger than the relationship between problem gambling and spending on other types of in-game purchases, suggesting that it is the gambling-like features of Crates, not simply the act of spending money in a game, that drive the relationship. These findings were replicated in a second independent study in 2019. Subsequent meta-analyses have confirmed a significant positive correlation between Crate spending and problem gambling symptoms across the literature. **(Exhibit P- 26)**

60. The research on children is worse. In 2019, Zendle, Meyer, and Over published the first study specifically examining Crate spending and problem gambling in adolescents, surveying 1,155 young people aged 16 to 18.¹ The results showed that the link between Crate spending and problem gambling was not just present in adolescents—it was substantially stronger than the relationship previously observed in adults. The researchers concluded that Crates either

cause problem gambling in adolescents, allow game companies to profit from adolescents with gambling problems, or both. **(Exhibit P- 27)**.

61. These findings are consistent with what public health officials and researchers have long understood about young people and gambling. A 2021 report commissioned by GambleAware—a leading UK public health body—identified several reasons why adolescents are especially vulnerable to game mechanics: neurodevelopmental immaturity linked to reduced impulse control; a lack of effective coping strategies for the challenges of adolescence, leading to greater urges for the kind of “escape” that gambling provides; and heightened susceptibility to peer pressure, where social networks normalize high-risk spending behavior. The Massachusetts Department of Public Health has warned that children introduced to gambling by age 12 are four times more likely to develop problem gambling later in life. **(Exhibit P- 28)**.

62. The consequences of problem gambling are devastating at any age, but for children they can be life-altering. According to the American Psychiatric Association, gambling disorder carries the highest suicide risk of any substance use or addictive disorder.

63. Health officials have documented that gambling disorders are associated with severe financial consequences—including debt, asset loss, and bankruptcy—as well as anxiety, depression, insomnia, substance use disorders, and suicidal ideation.⁹ A 2025 study in a peer-reviewed journal concluded that problem gambling during adolescence “most likely leads to depression, self-injury, and further addictive behaviors, which ultimately ruin adolescents’ lives.” **(Exhibit P- 29)**.

64. Despite all of this, Valve does nothing meaningful to keep children away from its Loot Box System. To create a Steam account, a user need only click a checkbox next to a statement that they are 13 or older. There is no age verification. There is no parental consent mechanism. There is nothing stopping a child from spending hundreds of dollars on Loot Box Keys with a parent’s stored credit card or a Steam gift card purchased at a retail store for cash. Valve knows that children and teenagers are among its most dedicated players—teenage boys are a core audience for Counter Strike. Valve has chosen to profit from a gambling system it knows children use, while doing nothing to protect them from it.

J. THE REGULATION OF GAMING IN QUÉBEC

65. The *Criminal Code of Canada*, RSC 1985, c C-46, Part VII, prohibits unlawful gaming, betting, lotteries, and games of chance.

66. Gaming in Québec is regulated by the *Act Respecting Lotteries and Amusement Machines*, CQLR c L-6 (the “Lotteries Act”), and regulations thereunder including the *Regulation respecting amusement machines*, CQLR c L-6, r 1, the *Lottery Schemes Regulation*, CQLR c L-6, r 11, and the *Rules respecting video lottery machines*, CQLR c L-6, r 3. No person may operate a lottery, gaming activity, or game of chance in Québec without a licence issued under the

Lotteries Act or by the authority delegated to Loto-Québec pursuant to the *Act Respecting the Société des loteries du Québec*, CQLR c S-13.1.

67. Gaming operations must be licensed at the provincial level to offer their services to the public. There is no exception for online gaming operations, whether inside or outside Québec.

68. The Defendant is not licensed in Québec or any other Canadian province or territory to operate gambling, gaming, or lottery businesses.

69. Regulatory authorities worldwide have condemned and, in many cases, taken enforcement action against Loot Box System mechanics of the type employed by Valve, including: (a) the Netherlands Gaming Authority and the Belgian Gaming Commission, which determined in 2018 that Crates of the type at issue herein constitute unlawful gambling; (b) the United Kingdom Gambling Commission, which has repeatedly called for legislative action to regulate Crates as gambling products; and (c) regulatory and legislative bodies in Australia, the United States, and across the European Union, which have initiated inquiries and enforcement proceedings regarding Crate mechanics.

IV. LEGAL BASIS OF THE APPLICATION

A. CONDUCT CONTRARY TO THE CRIMINAL CODE OF CANADA

70. Part VII of the Code prohibits unlawful gaming schemes, including inter alia betting, lotteries, and games of chance that involve the staking of consideration for the chance to win a prize.

71. By making available Crates that players pay for Loot Box Keys to access, the Defendant has engaged in unlawful gaming in breach of Part VII of the Code. The Defendant's Crates are "games"; the purchase of a key and the opening of a Crate is a "bet"; the Steam platform's computer infrastructure and the Affected Titles, alone or in combination, are "gaming equipment"; and the Defendant is a "keeper" who operates "common betting houses" or "gaming houses" at its physical and online offices and facilities, being "places" wherein Crate transactions are recorded, processed, and proceeds collected, all as defined in section 197 of the Code.

72. The Defendant's conduct in selling keys to open Crates in the Affected Titles constitutes the keeping of gaming or betting houses contrary to section 201(1) of the Code, particularly as concerns the Defendant's establishment and operation of offices, computer facilities, and other physical or online infrastructure for the receipt and processing of payments for keys in the Affected Titles.

73. Further and in the alternative, the Defendant's conduct contravenes the prohibition on betting, pool-selling, book-making, and similar conduct enumerated in section 202(1) of the Code. In particular, the Defendant:

- a. uses or knowingly allows places under its control — including the Steam platform, its servers, offices, and computer facilities — to be used for the purpose of recording bets;
- b. employs devices and apparatus, including the Steam platform’s servers and Crate opening systems, for the purpose of recording or registering bets and for gambling and betting;
- c. has under its control money and other property relating to transactions in breach of section 202, including the proceeds from the sale of Loot Box Keys in real and virtual currency;
- d. records and registers bets in respect of the Crates in the Affected Titles;
- e. is in the business of betting; and
- f. willfully sends, transmits, delivers, and receives messages conveying information relating to betting, including advertisements of Crates and Loot Box Key sales both in-game and through the Steam platform.

74. Further and in the alternative, the Defendant’s conduct constitutes a scheme for the disposition of property by lot or chance, contrary to sections 206(1)(a) to (d) of the Code, and constitutes the operation of a “lottery scheme” contrary to section 207 of the Code.

75. Further and in the alternative, the Defendant’s conduct constitutes the disposition of goods, wares, or merchandise by a game of chance in which the contestant or competitor pays money or other valuable consideration, contrary to section 206(1)(f) of the Code.

76. By operating and offering for sale Crates and Loot Box Keys to the public in Québec, the Defendant has conducted gaming and lottery activities without the licence required under the Lotteries Act, as required under section 207 of the Code.

77. The senior officers and directors of the Defendant were at all material times fully aware of the unlawful nature of their enterprise and took active steps to carry it out. In the alternative, the senior officers and directors of the Defendant were reckless or willfully blind to the unlawful nature of their enterprise.

B. CONDUCT CONTRARY TO THE CONSUMER PROTECTION ACT

78. The *Consumer Protection Act*, CQLR c P-40.1 (the “CPA”) applies to every contract for goods or services entered into between a consumer and a merchant in the course of the merchant’s business.

79. The Applicant and Class Members purchased Loot Box Keys and opened Crates in the Affected Titles for purposes that are primarily personal, family, or household, and are

“consumers” within the meaning of section 1(e) of the CPA. The Defendant is a “merchant” within the meaning of subsection 1(2) of the CPA. The Affected Titles, the Loot Box Keys, and the Crates are “goods” within the meaning of the CPA, and the sale and supply of Crates to Class Members in Québec constitutes a consumer contract within the meaning of section 2 of the CPA.

80. By their conduct set out herein, including but not limited to:

- a. offering and operating the Loot Box System in the Affected Titles in breach of the Code, Part VII, and the Lotteries Act, CQLR c L-6;
- b. concealing the true odds of receiving particular items from Crates in the Affected Titles throughout the majority of the Class Period, or providing disclosure of odds in a manner insufficient for Class Members to know with any meaningful certainty the likelihood of receiving particular virtual items or even particular classes of virtual items;
- c. employing near-miss mechanics, slot machine-style animations, and variable ratio reinforcement schedules to exploit the psychology of consumers, including Underage Players, to drive compulsive key purchases;
- d. failing to implement any meaningful age-verification system to prevent Underage Players from participating in what is, in substance, an unlicensed gambling product; and
- e. marketing and promoting the Loot Box System as a legitimate gaming feature without disclosing its true nature as a game of chance or the statistical expected value of a key purchase;

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

82. In particular, the Defendant has violated the following provisions of the CPA:

- a. Section 219, which prohibits a merchant from making, by any means whatsoever, false or misleading representations to a consumer, by offering the Loot Box System as a legitimate gaming feature when it is in substance an unlawful and unregulated game of chance, and by failing to disclose the true odds of Crate outcomes;
- b. Section 220, which prohibits false representation as to the nature, characteristics, uses, or benefits of goods or services, by representing the Loot Box System as entertainment when it constitutes gambling and by concealing the statistical expected value of a key purchase; and

- c. Section 228, which prohibits a merchant from failing to mention an important fact, the omission of which would likely mislead the consumer, by omitting the odds of each Crate outcome, the statistical expected value of a key purchase, and the unlicensed and unlawful nature of the Loot Box System.

83. There exists, throughout the Class Period, a cognitive asymmetry between the Defendant and the proposed Class Members as to the terms and conditions of the transaction for Crates and Keys. This imbalance flows from the total control by the Defendant over all circumstances surrounding Crate transactions versus the proposed Class Members' complete ignorance of the design, function, and operation of the Crates. In particular, Class Members could not understand or appreciate: (a) the low probability of obtaining rare and/or high value items through the purchase of Crates; and (b) that the contents of a Crate are almost always worth less than the cost to open the Crate. (**Exhibit P-30**).

84. As a result of the Defendant's violations of the CPA, Class Members in Québec are entitled pursuant to section 272 of the CPA to: (a) recovery of the damage suffered; (b) reduction of their obligations; (c) nullity of the contract; (d) restoration of the amounts paid; and (e) punitive damages, which are warranted given the Defendant's intentional and deliberate conduct.

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

C. CONDUCT CONTRARY TO THE COMPETITION ACT

86. The *Competition Act*, RSC 1985, c C-34, applies to business transacted in Canada, including over the internet.

87. By the conduct set out herein, the Defendant has breached sections 52 and 52.01 of the *Competition Act* and has made false or misleading representations and omissions, including by:

- a. offering the Crate key system to the public and Class Members as though it were a legitimate gaming feature when it is in substance an unlawful game of chance;
- b. failing to disclose the odds of receiving items from Crates;
- c. employing slot machine-style animations and near-miss mechanics designed to mislead users about the nature and likelihood of their outcomes; and
- d. failing to take appropriate steps to protect minors.

88. As a result of the Defendant's breaches of the *Competition Act*, the Applicant and Class Members have suffered loss and damage in the form of the amounts paid for Loot Box Keys, and are entitled to recover from the Defendant an amount equal to the loss or damage suffered, under section 36 of the *Competition Act*, as well as the costs of investigation.

D. UNJUST ENRICHMENT

89. As set out above, the Defendant has been enriched by the collection of amounts paid by the Applicant and Class Members for keys to open Crates (the “Takings”).

90. The Applicant and Class Members have been correspondingly impoverished through the payment of the Takings to the Defendant.

91. There is no juridical reason why the Defendant should have received or should retain this benefit. The Defendant’s violations of the Code, Part VII, the Lotteries Act, the CPA, the Competition Act, and the principle of illegality negate any juridical reason why the Defendant should have received or should retain this benefit. Any purported contract by which the Defendant obtained these benefits is null and unenforceable as contrary to public order. The Applicant and Class Members are entitled to restitution of the Takings pursuant to articles 1493 to 1496 of the Civil Code of Québec, CQLR c CCQ-1991 (the “C.C.Q.”).

E. CONTRACTS WITH MINORS

92. Persons under the age of majority are afforded special protection under the Civil Code of Quebec (C.C.Q.). Pursuant to article 163 C.C.Q., a minor may not be held to perform obligations arising from a contract, and such contracts are annulable at the instance of the minor or their tutor. Pursuant to article 164 C.C.Q., a minor who annuls a contract is bound to restore the prestations received only to the extent of enrichment of the Defendant.

93. The Defendant failed to implement any meaningful age-verification system and thereby allowed, facilitated, and profited from the participation of Underage Players in its unlicensed gambling scheme. The agreements by which the Defendant collected money from Underage Players for the purchase of keys in the Affected Titles are annulable pursuant to articles 163 and 164 C.C.Q.

V. FACTS GIVING RISE TO INDIVIDUAL ACTION BY THE APPLICANT

94. The Applicant, Julian Edmond Lapointe-Bellisle, is 19 years old as of the date of filing. He is currently a student, and he is currently studying biopharmaceutical sciences at the University of Ottawa.

95. The Applicant is a resident of the Province of Québec, residing in the Cantley, Québec.

96. During the Class Period, the Applicant spent money to purchase Loot Box Keys to open Crates in one or more of the Affected Titles distributed by the Defendant on the Steam platform. He purchased the Loot Box Keys for personal purposes.

97. The Applicant did not know the exact contents of the Crates prior to opening them, as the contents were completely random. He was not informed of the true odds of receiving particular

items, nor was he informed that the Defendant's Loot Box System constituted an unlicensed game of chance.

98. The Applicant was a minor when he was first introduced to the practice of purchasing in-game Loot Box Keys within the Counter Strike 2 title, distributed by the Defendant. The Applicant submits that this exposure served as a gateway to significantly greater spending on in-game cosmetic items, commonly referred to as "skins."

99. Between August 18, 2020, to the date of filing, the Applicant purchased multiple Loot Box Keys while playing one of the Affected Titles (the "Key Purchases"). The Applicant's Steam purchase history documents an extensive and recurring pattern of Counter-Strike 2 Loot Box Key purchases spanning multiple years. The Loot Box Keys purchased include, among others, Fracture, Clutch, Gamma 2, Revolution, Recoil, Prisma, Danger Zone, Operation Broken Fang, Dreams & Nightmares, Snakebite, Revolver, CS20, Chroma 3, and Kilowatt case keys — purchased both individually and in bulk quantities of up to 20 at a time. (**Exhibit P-30**).

100. Many of the Loot Box Key Purchases occurred when the Applicant was a minor.

VI. FACTS GIVING RISE TO AN INDIVIDUAL ACTION BY ALL CLASS MEMBERS

101. Class Members have been playing Digital Games and spending money on the Loot Box Keys in the Affected Titles during the Class Period.

102. Class Members have spent significant sums of money purchasing Loot Box Keys to open Crates in the Affected Titles, and have been subjected to the same unlawful conduct by the Defendant as described herein.

103. All Crates in the Affected Titles are unlawful. They are contrary to the Criminal Code of Canada and the Lotteries Act, CQLR c L-6. The Defendant never obtained the provincial government licence required to operate them.

104. The Defendant willfully concealed the unlawful nature of its Loot Box System from the Applicant and Class Members, including by failing to disclose the true odds of Crate outcomes and the nature of its activities as unlicensed gambling.

VII. REMEDIES SOUGHT

A. Declaratory Relief: *Criminal Code* and *Lotteries Act*

105. The Applicant and Class Members seek a declaration that the Defendant's operation of its key-based Loot Box System constitutes unlicensed gaming and lottery activity in contravention of Part VII of the Criminal Code of Canada and the Act Respecting Lotteries and Amusement Machines, CQLR c L-6, throughout the Class Period. The Defendant has at no time held the provincial licence required to operate a lottery scheme or gaming activity in Québec, and no exemption applies to its conduct. This declaration is sought as a foundation for the

monetary and injunctive remedies claimed herein and as a matter of public interest in the proper regulation of gaming activities directed at Québec consumers.

B. Injunctive Relief

106. The Applicant and Class Members further seek orders requiring the Defendant to:

- a. prominently disclose the true statistical odds of all Crate outcomes prior to the point of Key purchase;
- b. permanently cease employing near-miss mechanics and slot machine-style animations in its Crate opening systems; and
- c. implement effective age-verification measures to prevent Underage Players from purchasing Keys or opening Crates. These prospective remedies are necessary to bring the Defendant into compliance with applicable law and to prevent the continuation of harm to Québec consumers.

C. Annulment of Contracts with Underage Players and Restitution

107. Pursuant to articles 163 and 164 C.C.Q., contracts entered into between the Defendant and Class Members who were minors at the time of their Key purchases are annulable. Having made no effort to verify user ages, the Defendant is not entitled to retain amounts collected from Underage Players. The Applicant seeks an order annulling all such contracts and condemning the Defendant to restore to each Underage Player Class Member the full amounts paid, together with interest from the date of each transaction. Alternatively, the Applicant seeks and an order disgorging all of the Takings retained as a result of contracting with Underage Players.

D. Compensatory Damages and Reduction of Obligations under the Consumer Protection Act

108. Pursuant to section 272 of the CPA, the Applicant and Class Members are entitled to recover all damages suffered as a result of the Defendant's prohibited practices, including amounts paid for Keys that yielded items worth less than their cost, and harm flowing from the Defendant's concealment of true odds, its use of manipulative mechanics, and its failure to implement age verification. In the alternative, Class Members are entitled to a reduction of their obligations or nullity of the relevant contracts. The Court is respectfully requested to assess and allocate these damages collectively in accordance with articles 595 to 598 of the Code of Civil Procedure.

E. Damages under the Competition Act

109. Pursuant to section 36 of the Competition Act, RSC 1985, c C-34, the Applicant and Class Members are entitled to recover an amount equal to the loss or damage suffered as a result of the Defendant's false and misleading representations contrary to sections 52 and 52.01 of that Act, together with the costs of investigation.

F. Punitive Damages

110. The Defendant's conduct was knowing, deliberate, and sustained throughout the Class Period. It was aware of the scientific evidence linking its Crate mechanics to problem gambling — including among adolescents — yet continued to conceal true odds, deploy deceptive animations, and maintain an arbitration clause designed to block access to the courts. This conduct constitutes a deliberate disregard for the rights of Québec consumers and warrants punitive damages under section 272 of the CPA at a level sufficient to strip the Defendant of the economic benefit of its unlawful conduct and deter similar conduct in the future.

G. Restitution of the Takings

111. The Applicant and Class Members are entitled to full restitution of all Takings pursuant to articles 1493 to 1496 C.C.Q., together with interest and the additional indemnity under articles 1617 and 1619 C.C.Q. from the date of each transaction. Because the Defendant's Loot Box System contravenes the Criminal Code of Canada and the Act Respecting Lotteries and Amusement Machines, CQLR c L-6, all contracts by which the Defendant collected the Takings are null and void as contrary to public order. The Defendant has been unjustly enriched at the direct expense of the Applicant and Class Members, and there is no judicial reason to permit it to retain those amounts.

H. Collective Recovery

112. Given the size of the Class and the nature of the claims, the Applicant requests that damages be assessed and recovered collectively pursuant to articles 595 to 598 of the Code of Civil Procedure. The individual amounts paid by Class Members for Loot Box Keys, while significant in the aggregate, are modest on a per-member basis and would not in most cases justify individual litigation. Collective recovery is accordingly the only mechanism that can practically and efficiently give effect to the rights of all Class Members, and the Applicant requests that the Court fix the terms of distribution following judgment.

VIII. CONDITIONS REQUIRED FOR AUTHORISATION

A. COMMON QUESTIONS OF FACT AND LAW (s. 575(1) CCP)

113. The Applicant seeks to have the following questions of fact and law, which are identical, similar or related for each Class Member, decided through a class action:

i. Fact-related issues

- e. Do the Defendant's games in the Affected Titles contain Crates operated through a key-based system? If so, which games and during what periods?
- f. Did the Defendant disclose the odds of its Loot Box System in the Affected Titles? If so, how and during what time periods? If not, in which Affected Titles and during what time periods?

ii. Liability-related Issues

- g. Are the Defendant's Crates contrary to the Criminal Code of Canada, Part VII?
- h. Are the Defendant's Crates subject to provincial gaming regulation requirements under the Lotteries Act? If so, did the Defendant comply with those requirements?
- i. Does the Defendant's conduct constitute a prohibited practice under the Consumer Protection Act, including under sections 219, 220, and 228?
- j. Has the Defendant made false or misleading representations in breach of sections 52 and 52.01 of the Competition Act?
- k. Has the Defendant been unjustly enriched at the expense of Class Members?
- l. Are contracts between the Defendant and Underage Player Class Members annulable pursuant to articles 163 and 164 of the Civil Code of Québec?

iii. Damage-related Issues

- m. Are the Applicant and Class Members entitled to compensatory damages, restitution, or reduction of their obligations?
- n. Are the Applicant and Class Members entitled to punitive damages?

B. THE FACTS APPEAR TO JUSTIFY THE CONCLUSIONS SOUGHT (s. 576(2) CCP)

114. The Applicant alleges that the facts appear to justify the conclusions sought and refers to paragraphs 1 to 99 of the present application.

C. THE COMPOSITION OF THE CLASS (s. 575(3) CCP)

115. The composition of the Class makes it difficult or impracticable to apply the rules for mandates to take part in judicial proceedings on behalf of others or for consolidation of proceedings, with respect to provision 575(3) of the *CCP*, for the following reasons:

- (a) Class Members are numerous and are scattered across Québec estimated to be in the thousands;
- (b) The applicant is unaware of how many persons throughout Québec have published works contained in the RedPajama and Books3 datasets;
- (c) The names and addresses of the Class Members are not known to the Applicant;
- (d) Given the costs and risks inherent in an action before the courts, many people will hesitate to institute an individual action against the Defendants. Even if the Class

Members themselves could afford such individual litigation, the Court system could not as it would be overloaded;

- (e) Further, individual litigation of the factual and legal issues raised by the conduct of the Defendants would increase delay and expense to all parties and to the Court system;
- (f) A multitude of actions risks having contradictory judgments on questions of fact and law that are similar or related to all Class Members;
- (g) These facts demonstrate that it would be impractical, if not impossible, to contact each and every Class Member to obtain mandates and to join them in one action; and
- (h) In these circumstances, a class action is the only appropriate procedure for all of the Class Members to effectively pursue their respective rights and have access to justice.

D. THE APPLICANT IS IN A POSITION TO ADEQUATELY REPRESENT CLASS MEMBERS (s. 575(4) CCP)

116. The Applicant requests that they be appointed the status of representative Applicant for the following main reasons:

- (a) They are a member of the Class and have a personal interest in seeking the conclusions that they propose herein;
- (b) They are competent, in that they have the potential to be the mandatary of the action if it had proceeded under article 91 of the CCP; and
- (c) Their interests are not antagonistic to those of other Class Members.

117. Additionally, the Applicant respectfully adds that:

- (a) They contacted and mandated their attorneys to file the present application for the sole purpose of having their rights, as well as the rights of other Class Members, recognized and protected so that they may be compensated for the damages that they have suffered as a consequence of the Defendants' failures in their legal obligations and so that the Defendants can be held accountable;
- (b) They are aware of several other Class Members in the same situation as them;
- (c) They have the time, energy, will and determination to assume all the responsibilities incumbent upon them in order to diligently carry out the action;

- (d) They cooperate and will continue to fully cooperate with their attorneys, who have experience in intellectual property-related class actions; and
- (e) They understand the nature of the action.

IX. IT IS APPROPRIATE TO AUTHORIZE A CLASS ACTION ON BEHALF OF CLASS MEMBERS FOR THE FOLLOWING REASONS

118. Only the institution of a class action will provide Class Members with reasonable access to justice. The cost of bringing individual actions would disproportionately exceed the amount sought by individual Class Members.

119. The sheer number of individual claims, if brought separately, would lead to a multitude of actions instituted in multiple jurisdictions against the Defendant, potentially leading to contradictory rulings on questions of fact and law that are for all intents and purposes identical for all Class Members. The class action remedy herein would eliminate unnecessary burden on the judicial system.

120. The facts alleged appear to justify the conclusions sought. The claims of Class Members raise identical, similar, or related questions of law and fact as described above. The Applicant is in a position to properly represent the members of the Class.

X. NATURE OF THE ACTION AND CONCLUSIONS SOUGHT

121. The nature of the class action that the Applicant intends to bring on behalf of the Class Members is an action in declaratory relief, injunctive relief, as well as in compensatory, punitive and other damages.

122. The conclusions that the Applicant seeks are the following:

GRANT the Applicant's application to institute proceedings;

DECLARE that the Defendants have breached the *Criminal Code of Canada*, breached the CPA, and failed to comply with provincial gaming regulations;

DECLARE that contracts between the defendant and underage player class members are annulable and order restitution of amounts paid by underage players;

ORDER the Defendant to pay the Applicant damages to be assessed by the Court with interest from the date of service of this application as well as the additional indemnity provided for in Article 1619 CCQ;

ORDER the Defendant to pay the Applicant punitive and exemplary damages to be assessed by the Court;

DECLARE that the Defendant has been unjustly enriched by the amount of revenue earned as a result of the sale of Lock Box Keys to the Applicant and ORDER the indemnification of the Applicant for all such revenue;

ORDER the Defendant to pay to each of the Class Members damages and interest to be assessed by the Court, with interest from the date of transaction, as well as the additional indemnity provided for in Article 1619 C.C.Q;

ORDER the Defendant to pay to each of the Class Members punitive and exemplary damages to be assessed by the Court;

DECLARE that the Defendant has been unjustly enriched by the amount of revenue earned as a result of the sale of Lock Box Keys to the Class Members and ORDER the indemnification of the Class Members for all such revenue;

ORDER the defendant to: (a) prominently disclose the true odds of all crate outcomes prior to the point of key purchase; (b) cease employing near-miss mechanics and slot machine-style animations in its crate opening systems; and (c) implement effective age-verification measures to prevent underage players from purchasing keys or opening crates;

ORDER that the aforementioned damages be subject to collective compensation, in accordance with the provisions of sections 595 to 598 of the CCP;

CONDEMN the Defendant to any other appropriate remedy deemed fair and reasonable.

THE WHOLE with costs, including costs of all experts, notices and expenses of the administrator, as well as any and all fees relating to administering the plan of distribution of the recovery in this action, if any.

XI. PRESCRIPTION

123. On November 1, 2024, Valve's mandatory arbitration clause and class action waiver were universally removed from the SSA for all users. By operation of this clause, the Applicant and Class Members were legally barred from commencing or maintaining a court proceeding in respect of the claims set out herein until the clause was removed. The Applicant and Class Members plead that this clause constituted an obstacle to the exercise of their rights within the meaning of article 2904 C.C.Q., and that prescription was accordingly suspended for the duration of its operation.

124. The Defendant willfully concealed the unlawful nature of its Loot Box System from the Applicant and Class Members, including by failing to disclose the true odds of Crate outcomes and the nature of its activities as unlicensed gambling. The Applicant and Class Members invoke the doctrine of fraudulent concealment to postpone the running of any prescription period.

125. Pursuant to article 2905 C.C.Q., prescription does not run against minors. Class Members who were Underage Players during the Class Period plead and rely upon this provision in support of the postponement of the running of any prescription period until three years after the date on which each such Class Member reached the age of majority.

126. The Applicant and Class Members plead and rely on articles 2880 to 2933 of the C.C.Q. and on article 305 of the Code of Civil Procedure, CQLR c C-25.01.

XII. JURISDICTION

127. The Applicant suggests that the Superior Court of Quebec has jurisdiction since the Class Members reside in the Province of Québec and because the application relates to the Defendant's activities in Quebec, the faults were committed in whole or in part in Quebec, and the Class Members have suffered and are suffering harm in Quebec.

128. The Defendant carries on business in Québec, including by marketing and distributing the Affected Titles and collecting payments from Québec consumers.

129. The Applicant proposes that this class action be brought in the judicial district of Montréal since the Applicant and a significant number of the Class Members are domiciled there, and the undersigned lawyers whose services have been retained by the Applicant have a principal place of business in the judicial district of Montreal.

130. The present application for authorization to institute a class action is well founded in fact and in law.

131. The interests of justice weigh in favour of this application being granted in accordance with its conclusions.

FOR THESE MOTIVES, MAY IT PLEASE THE COURT:

GRANT the present application;

AUTHORIZE the class action the nature of which is an action in declaratory relief, compensatory, punitive, and other damages;

APPOINT the Applicant the status of representative Applicant of the persons included in the class herein described as:

All persons in Québec who, between September 30, 2010 and the date this action is authorized as a class proceeding (the "Class Period"), purchased or otherwise paid directly or indirectly for Loot Box Keys or Crates in any of the Affected Titles.

(the "**Class**", "**Class Members**")

IDENTIFY the Class Period as September 30, 2010, to the date this Application is authorised as a Class Proceeding;

IDENTIFY as follows the principal questions of fact and law to be determined collectively:

- a. Do the Defendant's games in the Affected Titles contain Crates operated through a key-based system? If so, which games and during what periods?
- b. Did the Defendant disclose the odds of its Loot Box System? If so, how and during what time periods?
- c. Are the Defendant's Crates contrary to the Criminal Code of Canada, Part VII?
- d. Are the Defendant's Crates subject to provincial gaming regulation under the Lotteries Act, CQLR c L-6? If so, did the Defendant comply?
- e. Does the Defendant's conduct breach the Consumer Protection Act, CQLR c P-40.1?
- f. Does the Defendant's conduct breach the Competition Act, RSC 1985, c C-34?
- g. Has the Defendant been unjustly enriched at the expense of Class Members contrary to the Civil Code of Québec?
- h. Are the Applicant and Class Members entitled to restitution, compensatory, or other damages? If so, can the damages be assessed collectively?
- i. Are the Applicant and Class Members entitled to punitive damages?

IDENTIFY as follows the conclusions sought in relation thereof:

GRANT the Applicant's application to institute proceedings;

DECLARE that the Defendants have breached the *Criminal Code of Canada*, breached the CPA, and failed to comply with provincial gaming regulations;

DECLARE that contracts between the defendant and underage player class members are annulable and order restitution of amounts paid by underage players;

ORDER the Defendant to pay the Applicant damages to be assessed by the Court with interest from the date of transaction as well as the additional indemnity provided for in Article 1619 CCQ;

ORDER the Defendant to pay the Applicant punitive and exemplary damages to be assessed by the Court;

DECLARE that the Defendant has been unjustly enriched by the amount of revenue earned as a result of the sale of Lock Box Keys to the Applicant and **ORDER** the indemnification of the Applicant for all such revenue;

ORDER the Defendant to pay to each of the Class Members damages and interest to be assessed by the Court, with interest from the date of service of the present application, as well as the additional indemnity provided for in Article 1619 C.C.Q;

ORDER the Defendant to pay to each of the Class Members punitive and exemplary damages to be assessed by the Court;

DECLARE that the Defendant has been unjustly enriched by the amount of revenue earned as a result of the sale of Lock Box Keys to the Class Members and **ORDER** the indemnification of the Class Members for all such revenue;

ORDER the defendant to: (a) prominently disclose the true odds of all crate outcomes prior to the point of key purchase; (b) cease employing near-miss mechanics and slot machine-style animations in its crate opening systems; and (c) implement effective age-verification measures to prevent underage players from purchasing keys or opening crates;

ORDER that the aforementioned damages be subject to collective compensation, in accordance with the provisions of sections 595 to 598 of the CCP;

CONDEMN the Defendant to any other appropriate remedy deemed fair and reasonable.

DECLARE that all Class Members that have not requested their exclusion from the Class in the prescribed delay to be bound by any judgment to be rendered on the class action to be instituted ;

FIX the delay of exclusion at thirty (30) days from the date of the publication of the notice to the Class Members, date upon which the members of the class that have not exercised their means of exclusion will be bound by any judgment to be rendered herein;

ORDER the publication of a notice to the Class Members in accordance with section 579 of the *CCP*, within sixty (60) days from the judgement to be rendered herein pursuant to a further Order of the Court, and **ORDER** Defendants to pay for said publication costs;

RENDER any other order that this Honourable Court shall determine;

REFER the present file to the Chief Justice for determination of the district in which the class action should be brought and to designate the Judge who shall preside over the hearing;

THE WHOLE with costs, including costs of all experts, notices and expenses of the administrator, as well as any and all fees relating to administering the plan of distribution of the recovery in this action, if any.

Montréal, 22 May, 2026

Michael Simkin

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ATTORNEYS FOR THE APPLICANT

SUMMONS

(Articles 145 and following C.C.P.)

Filing of a judicial application

Take notice that the Applicant has filed this Application for Authorization to Institute a Class Action and to Obtain the Status of Representative Applicant in the office of the Superior Court in the judicial district of Montreal.

Defendant's answer

You must answer the application in writing, personally or through a lawyer, at the courthouse of Montreal situated at 1 Rue Notre-Dame Est, Montréal, Québec, H2Y 1B6, within 15 days of service of the Application or, if you have no domicile, residence or establishment in Québec, within 30 days. The answer must be notified to the Applicant's lawyer.

Failure to answer

If you fail to answer within the applicable time limit, a default judgment may be rendered against you without further notice and you may, according to the circumstances, be required to pay the legal costs.

Content of answer

In your answer, you must state your intention to:

- negotiate a settlement;
- propose mediation to resolve the dispute;
- defend the application and, in the case required by the Code, cooperate with the Applicant in preparing the case protocol that is to govern the conduct of the proceeding. The protocol must be filed with the court office within 45 days after service of the summons; or
- propose a settlement conference.

The answer to the summons must include your contact information and, if you are represented by a lawyer, the lawyer's name and contact information.

Change of judicial district

You may ask the court to refer the originating Application to the district of your domicile or residence, or of your elected domicile or the district designated by an agreement with the Applicant.

If the application pertains to an employment contract, consumer contract or insurance contract, or to the exercise of a hypothecary right on an immovable serving as your main residence, and if you are the employee, consumer, insured person, beneficiary of the insurance contract or hypothecary debtor, you may ask for a referral to the district of your domicile or residence or the district where the immovable is situated or the loss occurred. The request must be filed with the special clerk of the district of territorial jurisdiction after it has been notified to the other parties and to the office of the court already seized of the originating application.

Transfer of application to Small Claims Division

If you qualify to act as a Applicant under the rules governing the recovery of small claims, you may also contact the clerk of the court to request that the application be processed according to those rules. If you make this request, the Applicant's legal costs will not exceed those prescribed for the recovery of small claims.

Calling to a case management conference

Within 20 days after the case protocol mentioned above is files, the court may call you to a case management conference to ensure the orderly progress of the proceeding. Failing this, the protocol is presumed to be accepted.

Exhibits supporting the application

In support of the *Application for authorization to Institute a Class Action*, the Applicant relies on the following exhibits:

- Exhibit P-1 Zendle, D., & Cairns, P. (2019). Cratees are again linked to problem gambling: Results of a replication study. *PLOS ONE*, 14(3), e0213194. <https://doi.org/10.1371/journal.pone.0213194>;
- Exhibit P-2 Xiao, L. Y., Henderson, L. L., Nielsen, R. K. L., & Newall, P. W. S. (2022). Regulating gambling-like video game Cratees: A public health framework comparing industry self-regulation, existing national legal approaches, and other potential approaches. *Current Addiction Reports*, 9, 307–319. <https://doi.org/10.1007/s40429-022-00424-5>;
- Exhibit P-3 Copy of Washington Corporate Search for Defendant;
- Exhibit P-4 Steam platform user statistics, market share data, and independent analyst revenue estimates for CS2 key sales;
- Exhibit P-5 Steam global monthly active user figures and Canadian user base breakdown;
- Exhibit P-6 Documentation of Steam Wallet funding methods including credit cards, PayPal, and gift cards;

- Exhibit P-7 CS2 Case Tracker third-party data and Bloomberg reporting on the Counter-Strike skin market valuation;
- Exhibit P-8 Screenshot showing an AK-47 weapon in Counter-Strike without and with a cosmetic skin applied (Figure 1 in Application);
- Exhibit P-9 Screenshot of a Counter-Strike Case and the Key required to open it (Figure 2 in Application);
- Exhibit P-10 Screenshot of a Counter-Strike Case showing possible cosmetic items listed by rarity color with no odds disclosed (Figure 3 in Application);
- Exhibit P-11 Third-party analysis of the statistical odds of winning high-value items from Counter-Strike Cases;
- Exhibit P-12 Screenshot of a Team Fortress 2 Supply Crate with possible items listed, including an "Exceedingly Rare" item tier (Figure 4 in Application);
- Exhibit P-13 Screenshot of a Team Fortress 2 Case at the moment of opening (Figure 5 in Application);
- Exhibit P-14 Screenshot of a Dota 2 Treasure Chest showing possible items and bonus item chance (Figure 6);
- Exhibit P-15 Screenshot of Counter-Strike Case opening screen showing the full list of possible item icons below the Case (Figure 7 in Application);
- Exhibit P-16 Screenshot of the Counter-Strike spinning "wheel" animation displayed during a Case opening (Figure 8 in Application);
- Exhibit P-17 Screenshot of the Dota 2 spinning "wheel" animation where items gradually disappear leaving one result (Figure 9 in Application);
- Exhibit P-18 Screenshot of the Steam Market pre-listing screen showing median historical sale prices for a virtual item (Figure 10 in Application);
- Exhibit P-19 Screenshot of Steam Market price history graph showing median sale prices over time for a virtual item (Figure 11 in Application);
- Exhibit P-20 Screenshot of Steam's Trade URL feature with instructions directing users to share it on third-party trading sites (Figure 12 in Application);
- Exhibit P-21 Kamen, M. (2015, December 10). Steam is 'hijacked' 77,000 times a month. *Wired*. <https://www.wired.com>;
- Exhibit P-22 Hing, N., Rockloff, M., Russell, A. M. T., Browne, M., Newall, P., Greer, N., King, D. L., & Thorne, H. (2022). Crate purchasing is linked to problem gambling in

- adolescents when controlling for monetary gambling participation. *Journal of Behavioral Addictions*, 11(2), 411–421. <https://doi.org/10.1556/2006.2022.00019>;
- Exhibit P-23 Xiao, L. Y., Henderson, L. L., Nielsen, R. K. L., & Newall, P. W. S. (2022). Regulating gambling-like video game Crates: A public health framework comparing industry self-regulation, existing national legal approaches, and other potential approaches. *Current Addiction Reports*, 9, 307–319. <https://doi.org/10.1007/s40429-022-00424-5>;
- Exhibit P-24 Valve's Steam Subscriber Agreement, including choice of law, mandatory arbitration clause, and class action waiver provisions;
- Exhibit P-25 Zendle, D., & Cairns, P. (2018). Video game Crates are linked to problem gambling: Results of a large-scale survey. *PLOS ONE*, 13(11), e0206767. <https://doi.org/10.1371/journal.pone.0206767>;
- Exhibit P-26 Zendle, D., & Cairns, P. (2019). Crates are again linked to problem gambling: Results of a replication study. *PLOS ONE*, 14(3), e0213194. <https://doi.org/10.1371/journal.pone.0213194>;
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- Exhibit P-29 Lee, & Lee, G. (2025). Pathways to understanding problem gambling among adolescents. *BMC Public Health*, 25, 2144. <https://doi.org/10.1186/s12889-025-23213-1>;
- Exhibit P-30 The Applicant's Key Purchases.
- Exhibit P-31 Types of Crates Relating to Class.

NOTICE OF PRESENTATION
(Articles 146 and 574 C.C.P.)

TO:

VALVE CORPORATION, legal person duly constituted, having its address for service at 10400 NE 4th Street, Suite 1400, Bellevue, Washington, 98004, USA

TAKE NOTICE that the Applicant's Application for Authorization to Institute a Class Action and to Obtain the Status of Representative Applicant will be presented before the Superior Court at 1 Rue Notre-Dame Est, Montréal, Québec, H2Y 1B6, on the date set by the coordinator of the Class Action Chamber.

GOVERN YOURSELF ACCORDINGLY.

Montréal, 22 May, 2026

Michael Simkin

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ATTORNEYS FOR THE APPLICANT

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

**SUPERIOR COURT
(CLASS ACTION)**

No: 500-06-000032-264

JULIAN EDMOND LAPOINTE-BELLISLE

Applicant

v.

VALVE CORPORATION

Defendant

LIST OF EXHIBITS

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Montréal, 22 May, 2026

Michael Simkin

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ATTORNEYS FOR THE APPLICANT

NO: 500-06-000032-264

**SUPERIOR COURT
DISTRICT OF MONTRÉAL
(Class Action)**

JULIAN EDMOND LAPOINTE-BELLISLE

Applicant

v.

VALVE CORPORATION

Defendant

APPLICATION FOR AUTHORIZATION TO
INSTITUTE A CLASS ACTION AND TO OBTAIN
THE STATUS OF REPRESENTATIVE,
LIST OF EXHIBITS P-1 TO P-31

ORIGINAL

Nature : Class Action

Mon dossier : 0060-004 AS0NB7



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NO: 500-06-000032-264

**SUPERIOR COURT
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COURT COPY

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**SUPERIOR COURT
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DEFENDANT COPY

Nature : Class Action

Mon dossier : 0060-004 AS0NB7



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