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UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

____, Individually and on behalf of all others
similarly situated,

Plaintiff,

v.

LIGHT & WONDER, INC., MATTHEW R.
WILSON, and OLIVER CHOW,

Defendants.

No.

**CLASS ACTION COMPLAINT FOR
VIOLATIONS OF THE FEDERAL
SECURITIES LAWS**

CLASS ACTION

JURY TRIAL DEMANDED

1 Plaintiff (“Plaintiff”), individually and on behalf of all other persons similarly
2 situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s complaint against Defendants
3 (defined below), alleges the following based upon personal knowledge as to Plaintiff and
4 Plaintiff’s own acts, and information and belief as to all other matters, based upon, among other
5 things, the investigation conducted by and through Plaintiff’s attorneys, which included, among
6 other things, a review of the Defendants’ public documents, public filings, wire and press
7 releases published by and regarding Light & Wonder, Inc. (“Light & Wonder”, “L&W,” or the
8 “Company”), and information readily obtainable on the Internet. Plaintiff believes that
9 substantial evidentiary support will exist for the allegations set forth herein after a reasonable
10 opportunity for discovery.

11 **NATURE OF THE ACTION**

12 1. This is a class action on behalf of persons or entities who purchased or otherwise
13 acquired publicly traded Light & Wonder securities between May 9, 2024 and September 23,
14 2024, inclusive (the “Class Period”). Plaintiff seeks to recover compensable damages caused by
15 Defendants’ violations of the federal securities laws under the Securities Exchange Act of 1934
16 (the “Exchange Act”).

17 **JURISDICTION AND VENUE**

18 2. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a)
19 of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder
20 by the SEC (17 C.F.R. § 240.10b-5).

21 3. This Court has jurisdiction over the subject matter of this action pursuant to 28
22 U.S.C. § 1331, and Section 27 of the Exchange Act (15 U.S.C. §78aa).

23 4. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b) and
24 Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)) as the alleged misstatements entered and
25 the subsequent damages took place in this judicial district.

26 5. In connection with the acts, conduct and other wrongs alleged in this complaint,
27 Defendants (defined below), directly or indirectly, used the means and instrumentalities of
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1 interstate commerce, including but not limited to, the United States mails, interstate telephone
2 communications and the facilities of the national securities exchange.

3 **PARTIES**

4 6. Plaintiff, as set forth in the accompanying certification, incorporated by reference
5 herein, purchased Light & Wonder securities during the Class Period and was economically
6 damaged thereby.

7 7. Defendant Light & Wonder describes itself as follows:

8 We are a leading cross-platform global games company with a focus on content and
9 digital markets. Our portfolio of revenue-generating activities primarily includes
10 supplying game content and gaming machines, CMSs and table game products and
11 services to licensed gaming entities; providing social casino and other mobile games,
12 including casual gaming, to retail customers; and providing a comprehensive suite of
13 digital gaming content, distribution platforms and player account management systems,
14 as well as various other iGaming content and services. We report our results of operations
15 in three business segments—Gaming, SciPlay and iGaming—representing our different
16 products and services.

17 8. Light & Wonder is incorporated in Nevada and its principal executive offices are
18 located at 6601 Bermuda Road, Las Vegas, Nevada, 89119. The Company’s common stock
19 trades on the NASDAQ exchange under the ticker symbol “LNW.”

20 9. Defendant Matthew R. Wilson (“Wilson”) was the Company’s Chief Executive
21 Officer (“CEO”) throughout the Class Period.

22 10. Defendant Oliver Chow (“Chow”) was Chief Financial Officer (“CFO”)
23 throughout the Class Period.

24 11. Defendants Wilson and Chow are collectively referred to herein as the
25 “Individual Defendants.”

26 12. Each of the Individual Defendants:

27 (a) directly participated in the management of the Company;

28 (b) was directly involved in the day-to-day operations of the Company at the highest
levels;

(c) was privy to confidential proprietary information concerning the Company and
its business and operations;

- 1 (d) was directly or indirectly involved in drafting, producing, reviewing and/or
2 disseminating the false and misleading statements and information alleged herein;
3 (e) was directly or indirectly involved in the oversight or implementation of the
4 Company’s internal controls;
5 (f) was aware of or recklessly disregarded the fact that the false and misleading
6 statements were being issued concerning the Company; and/or
7 (g) approved or ratified these statements in violation of the federal securities laws.

8 13. The Company is liable for the acts of the Individual Defendants and its employees
9 under the doctrine of *respondeat superior* and common law principles of agency because all of
10 the wrongful acts complained of herein were carried out within the scope of their employment.

11 14. The scienter of the Individual Defendants and other employees and agents of the
12 Company is similarly imputed to Light & Wonder under *respondeat superior* and agency
13 principles.

14 15. Defendant Light & Wonder and the Individual Defendants are collectively
15 referred to herein as “Defendants.”

16 **BACKGROUND**

17 16. On February 26, 2024, Aristocrat Technologies, Inc. and Aristocrat Technologies
18 Australia Pty Ltd. (collectively, “Aristocrat”, or “Aristocrat Technologies”) sued Light &
19 Wonder, Inc. in the United States District Court for the District of Nevada for trade secret
20 misappropriation, copyright infringement, trade dress infringement and unfair competition, and
21 deceptive trade practices. Aristocrat sought monetary damages and an injunction against Light
22 & Wonder, LWN Gaming, Inc. (a Light & Wonder subsidiary) and SciPlay Corporation (a Light
23 & Wonder subsidiary).

24 17. In Aristocrat’s complaint (the “Aristocrat Complaint”), it said that it brought the
25 action to “stop L&W from free-riding on the significant time, effort, and creativity Aristocrat
26 has devoted over many years to developing innovative and award-winning games that bring joy
27 to players around the world.

1 18. Of note, Aristocrat stated that one of its “most successful games” is Dragon Link.
2 The Aristocrat Complaint further stated the following:

3 Dragon Link combines innovative and exciting game mechanics, which operate based on
4 complex math models implemented at the code level to create a uniquely compelling
5 player experience, with visually striking imagery and audiovisual effects—centered
6 around an Asian theme—that consumers have come to associate with Dragon Link and
7 Aristocrat.

8 19. Aristocrat further noted in its complaint that it “*owns trade secrets* relating to the
9 development and operation of the game mechanics for Dragon Link and Lightning Link [(a
10 predecessor to Dragon Link)] *including the underlying math and implementing source code.*”
11 (Emphasis added). Further, Aristocrat noted that it “also owns copyrights in Dragon Link’s
12 original artwork, animations, and sounds, which help make Dragon Link unique and easily
13 identifiable to consumers.”

14 20. The Aristocrat Complaint then stated the following about the Company:
15 *Unwilling (or unable) to compete fairly with Aristocrat, L&W has engaged in a wide-
16 ranging campaign to copy Dragon Link that coincides with the hiring of multiple
17 former Aristocrat executives and game designers.*

18 (Emphasis added).

19 21. The Aristocrat Complaint noted that L&W had released a game called Jewel of
20 the Dragon “that copies Dragon Link’s original *audiovisual elements and distinctive trade
21 dress, resulting in a game whose artwork, animations and sounds are strikingly similar to
22 Dragon Link.*” (Emphasis added).

23 22. The Aristocrat Complaint noted that L&W’s intent was “clear: rather than try to
24 develop its own successful game, L&W sought to confuse players about whether L&W’s Jewel
25 of the Dragon game comes for or is related to Aristocrat, whose Dragon Link game consumers
26 know and enjoy.”

27 23. Further, the Aristocrat Complaint noted that Light & Wonder released a game in
28 2023 called Dragon Train. It then stated the following about Dragon Train:

1 L&W’s lead developer for Dragon Train was a former Aristocrat game designer, Emma
2 Charles, who had worked on Dragon Link and Lightning Link and was intimately
3 familiar with the math models on which those games are based. On information and
4 belief, L&W developed Dragon Train using Ms. Charles’s knowledge about how Dragon
5 Link and Lightning Link work. The game provides a very similar gameplay experience
6 as Dragon Link and appears to have significant similarities to the Dragon Link math—
7 similarities that seemingly cannot be explained by any legitimate reverse engineering.
8 Dragon Train has enjoyed considerable success in Australia, and, on information and
9 belief, L&W plans to launch the game in the United States in the coming months, in an
10 attempt to harm Aristocrat’s strong market position as well as its reputation as an
11 innovator.

12 SUBSTANTIVE ALLEGATIONS

13 Materially False and Misleading Statements Issued During the Class Period

14 24. On May 8, 2024, after market hours, Light & Wonder filed with the SEC its
15 quarterly report on Form 10-Q for the period ended March 31, 2024 (the “1Q24 Report”).
16 Attached to the 1Q24 Report were certifications pursuant to the Sarbanes-Oxley Act of 2002
17 (“SOX”) signed by Defendants Wilson and Chow attesting to the accuracy of financial reporting,
18 the disclosure of any material changes to the Company’s internal control over financial reporting
19 and the disclosure of all fraud.

20 25. The 1Q23 Report stated the following regarding Aristocrat’s litigation against the
21 Company and its subsidiaries:

22 On February 26, 2024, Aristocrat Technologies, Inc. and Aristocrat Technologies
23 Australia Pty Limited brought a civil action in the United States District Court for the
24 District of Nevada against L&W, LNW Gaming, Inc. and SciPlay Corporation. Plaintiffs
25 assert claims for alleged trade secret misappropriation, copyright infringement, trade
26 dress infringement and unfair competition, and deceptive trade practices, relating to
27 defendants’ Dragon Train and Jewel of the Dragon games. Plaintiffs’ complaint seeks
28 preliminary and permanent injunctive relief, unspecified damages, the award of
reasonable attorneys’ fees and costs, pre-judgment and post-judgment interest, and
declaratory relief. Simultaneously with the filing of the complaint on February 26, 2024,
the plaintiffs filed a motion to expedite discovery, which the court granted in part and
denied in part on March 26, 2024. On April 9, 2024, defendants filed a motion to dismiss
plaintiffs’ complaint, which is pending. We are currently unable to determine the
likelihood of an outcome or estimate a range of reasonably possible losses, if any. ***We
believe that the claims in the lawsuit are without merit, and intend to vigorously defend
against them.***

(Emphasis added).

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2 26. The statement in ¶ 25 was materially false and misleading at the time it was made
3 because the Company, by characterizing Aristocrat’s claims as “without merit,” materially
4 understated its litigation risk.

5 27. On August 7, 2024, the Company filed with the SEC its quarterly report on Form
6 10-Q for the period ended June 30, 2024 (the “2Q24 Report”). Attached to the 2Q24 Report were
7 certifications pursuant to SOX signed by Defendants Wilson and Chow attesting to the accuracy
8 of financial reporting, the disclosure of any material changes to the Company’s internal control
9 over financial reporting and the disclosure of all fraud.

10 28. The 2Q24 Report stated the following regarding Aristocrat’s litigation against the
11 Company and its subsidiaries:

12 On February 26, 2024, Aristocrat Technologies, Inc. and Aristocrat Technologies
13 Australia Pty Limited brought a civil action in the United States District Court for the
14 District of Nevada against L&W, LNW Gaming, Inc. and SciPlay Corporation. Plaintiffs
15 assert claims for alleged trade secret misappropriation, copyright infringement, trade
16 dress infringement and unfair competition, and deceptive trade practices, relating to
17 defendants’ *DRAGON TRAITM* and *JEWEL OF THE DRAGON®* games. Plaintiffs’
18 complaint seeks preliminary and permanent injunctive relief, unspecified damages, the
19 award of reasonable attorneys’ fees and costs, pre-judgment and post-judgment interest,
20 and declaratory relief. Simultaneously with the filing of the complaint on February 26,
21 2024, the plaintiffs filed a motion to expedite discovery, which the court granted in part
22 and denied in part on March 26, 2024. On April 9, 2024, defendants filed a motion to
23 dismiss plaintiffs’ complaint, which the court granted in part and denied in part on June
24 24, 2024. On May 22, 2024, the plaintiffs filed a motion for a preliminary injunction,
25 which is pending. On July 15, 2024, the plaintiffs filed a First Amended Complaint. We
26 are currently unable to determine the likelihood of an outcome or estimate a range of
27 reasonably possible losses, if any. ***We believe that the claims in the lawsuit are without
28 merit, and intend to vigorously defend against them.***

(Emphasis added).

29 29. The statement in ¶ 28 was materially false and misleading at the time it was made
30 because the Company, by characterizing Aristocrat’s claims as “without merit,” materially
31 understated its litigation risk.

1 U.S. District Court of Nevada Judge Gloria Navarro on Friday granted Aristocrat
2 Technologies Inc.’s request for a preliminary injunction in its trade-secret and copyright
3 infringement lawsuit against Light & Wonder. The order prohibits L&W from the
4 “continued or planned sale, leasing, or other commercialization of Dragon Train,” which
Aristocrat claims uses intellectual property developed for its Dragon Link and Lightning
Link games.

5 *In the Sept. 20 ruling, Navarro noted that Australian-based Aristocrat is “extremely*
6 *likely to succeed in demonstrating L&W misappropriated Aristocrat’s trade secrets” in*
the development of Dragon Train.

7 Matthew Primmer, Aristocrat’s chief product officer, said the gaming company was
8 “extremely pleased” with the court’s decision.

9 *“This ruling underscores the value of our intellectual property and reaffirms our*
10 *commitment to protecting the integrity of our business,”* Primmer said in a press release
11 following the court’s ruling. *“We will continue to innovate and invest in cutting-edge*
solutions, knowing that the law protects our creative efforts.”

12 * * *

13 On Monday, Aristocrat said it will continue pursuing its case against L&W in the United
14 States, and “will seek all appropriate remedies to address the harm caused by L&W’s
15 actions.” *The company also said it continues to consider legal options in Australia,*
16 *where, earlier this year, the Federal Court of Australia granted Aristocrat pre-suit*
discovery against L&W.

17 (Emphasis added).

18 33. On this news, the price of Light & Wonder common stock fell by \$21.97 per
19 share, or 19.49%, to close at \$90.71 on September 24, 2024.

20 34. As a result of Defendants’ wrongful acts and omissions, and the precipitous
21 decline in the market value of the Company’s common shares, Plaintiff and other Class members
22 have suffered significant losses and damages.

23 **PLAINTIFF’S CLASS ACTION ALLEGATIONS**

24 35. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil
25 Procedure 23(a) and (b)(3) on behalf of a class consisting of all persons other than defendants
26 who acquired the Company’s securities publicly traded on NASDAQ during the Class Period,
27 and who were damaged thereby (the “Class”). Excluded from the Class are Defendants, the
28 officers and directors of the Company, members of the Individual Defendants’ immediate

1 families and their legal representatives, heirs, successors or assigns and any entity in which
2 Defendants have or had a controlling interest.

3 36. The members of the Class are so numerous that joinder of all members is
4 impracticable. Throughout the Class Period, the Company's securities were actively traded on
5 NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and
6 can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds,
7 if not thousands of members in the proposed Class.

8 37. Plaintiff's claims are typical of the claims of the members of the Class as all
9 members of the Class are similarly affected by Defendants' wrongful conduct in violation of
10 federal law that is complained of herein.

11 38. Plaintiff will fairly and adequately protect the interests of the members of the
12 Class and has retained counsel competent and experienced in class and securities litigation.
13 Plaintiff has no interests antagonistic to or in conflict with those of the Class.

14 39. Common questions of law and fact exist as to all members of the Class and
15 predominate over any questions solely affecting individual members of the Class. Among the
16 questions of law and fact common to the Class are:

- 17 • whether the Exchange Act was violated by Defendants' acts as alleged herein;
- 18 • whether statements made by Defendants to the investing public during the Class
19 Period misrepresented material facts about the business and financial condition of the
20 Company;
- 21 • whether Defendants' public statements to the investing public during the Class
22 Period omitted material facts necessary to make the statements made, in light of the
23 circumstances under which they were made, not misleading;
- 24 • whether the Defendants caused the Company to issue false and misleading filings
25 during the Class Period;
- 26 • whether Defendants acted knowingly or recklessly in issuing false filings;
- 27 • whether the prices of the Company securities during the Class Period were
28 artificially inflated because of the Defendants' conduct complained of herein; and

1 • whether the members of the Class have sustained damages and, if so, what is the
2 proper measure of damages.

3 40. A class action is superior to all other available methods for the fair and efficient
4 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as
5 the damages suffered by individual Class members may be relatively small, the expense and
6 burden of individual litigation make it impossible for members of the Class to individually
7 redress the wrongs done to them. There will be no difficulty in the management of this action as
8 a class action.

9 41. Plaintiff will rely, in part, upon the presumption of reliance established by the
10 fraud-on-the-market doctrine in that:

- 11 • the Company's shares met the requirements for listing, and were listed and actively
12 traded on NASDAQ, an efficient market;
- 13 • as a public issuer, the Company filed periodic public reports;
- 14 • the Company regularly communicated with public investors via established market
15 communication mechanisms, including through the regular dissemination of press
16 releases via major newswire services and through other wide-ranging public disclosures,
17 such as communications with the financial press and other similar reporting services;
- 18 • the Company's securities were liquid and traded with moderate to heavy volume
19 during the Class Period; and
- 20 • the Company was followed by a number of securities analysts employed by major
21 brokerage firms who wrote reports that were widely distributed and publicly available.

22 42. Based on the foregoing, the market for the Company's securities promptly
23 digested current information regarding the Company from all publicly available sources and
24 reflected such information in the prices of the shares, and Plaintiff and the members of the Class
25 are entitled to a presumption of reliance upon the integrity of the market.

26 43. Alternatively, Plaintiff and the members of the Class are entitled to the
27 presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State*

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1 of *Utah v. United States*, 406 U.S. 128 (1972), as Defendants omitted material information in
2 their Class Period statements in violation of a duty to disclose such information as detailed above.

3 **COUNT I**

4 **For Violations of Section 10(b) And Rule 10b-5 Promulgated Thereunder**

5 **Against All Defendants**

6 44. Plaintiff repeats and realleges each and every allegation contained above as if
7 fully set forth herein.

8 45. This Count is asserted against Defendants is based upon Section 10(b) of the
9 Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

10 46. During the Class Period, Defendants, individually and in concert, directly or
11 indirectly, disseminated or approved the false statements specified above, which they knew or
12 deliberately disregarded were misleading in that they contained misrepresentations and failed to
13 disclose material facts necessary in order to make the statements made, in light of the
14 circumstances under which they were made, not misleading.

15 47. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they:

- 16 • employed devices, schemes and artifices to defraud;
- 17 • made untrue statements of material facts or omitted to state material facts
18 necessary in order to make the statements made, in light of the circumstances under which
19 they were made, not misleading; or
- 20 • engaged in acts, practices and a course of business that operated as a fraud or deceit
21 upon plaintiff and others similarly situated in connection with their purchases of the
22 Company's securities during the Class Period.

23 48. Defendants acted with scienter in that they knew that the public documents and
24 statements issued or disseminated in the name of the Company were materially false and
25 misleading; knew that such statements or documents would be issued or disseminated to the
26 investing public; and knowingly and substantially participated, or acquiesced in the issuance or
27 dissemination of such statements or documents as primary violations of the securities laws.
28 These defendants by virtue of their receipt of information reflecting the true facts of the

1 Company, their control over, and/or receipt and/or modification of the Company's allegedly
2 materially misleading statements, and/or their associations with the Company which made them
3 privy to confidential proprietary information concerning the Company, participated in the
4 fraudulent scheme alleged herein.

5 49. Individual Defendants, who are the senior officers of the Company, had actual
6 knowledge of the material omissions and/or the falsity of the material statements set forth above,
7 and intended to deceive Plaintiff and the other members of the Class, or, in the alternative, acted
8 with reckless disregard for the truth when they failed to ascertain and disclose the true facts in
9 the statements made by them or any other of the Company's personnel to members of the
10 investing public, including Plaintiff and the Class.

11 50. As a result of the foregoing, the market price of the Company's securities was
12 artificially inflated during the Class Period. In ignorance of the falsity of Defendants' statements,
13 Plaintiff and the other members of the Class relied on the statements described above and/or the
14 integrity of the market price of the Company's securities during the Class Period in purchasing
15 the Company's securities at prices that were artificially inflated as a result of Defendants' false
16 and misleading statements.

17 51. Had Plaintiff and the other members of the Class been aware that the market price
18 of the Company's securities had been artificially and falsely inflated by Defendants' misleading
19 statements and by the material adverse information which Defendants did not disclose, they
20 would not have purchased the Company's securities at the artificially inflated prices that they
21 did, or at all.

22 52. As a result of the wrongful conduct alleged herein, Plaintiff and other members
23 of the Class have suffered damages in an amount to be established at trial.

24 53. By reason of the foregoing, Defendants have violated Section 10(b) of the 1934
25 Act and Rule 10b-5 promulgated thereunder and are liable to the plaintiff and the other members
26 of the Class for substantial damages which they suffered in connection with their purchase of the
27 Company's securities during the Class Period.

28 **COUNT II**

Violations of Section 20(a) of the Exchange Act
Against the Individual Defendants

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3 54. Plaintiff repeats and realleges each and every allegation contained in the
4 foregoing paragraphs as if fully set forth herein.

5 55. During the Class Period, the Individual Defendants participated in the operation
6 and management of the Company, and conducted and participated, directly and indirectly, in the
7 conduct of the Company's business affairs. Because of their senior positions, they knew the
8 adverse non-public information about the Company's false financial statements.

9 56. As officers of a publicly owned company, the Individual Defendants had a duty
10 to disseminate accurate and truthful information with respect to the Company's' financial
11 condition and results of operations, and to correct promptly any public statements issued by the
12 Company which had become materially false or misleading.

13 57. Because of their positions of control and authority as senior officers, the
14 Individual Defendants were able to, and did, control the contents of the various reports, press
15 releases and public filings which the Company disseminated in the marketplace during the Class
16 Period concerning the Company's results of operations. Throughout the Class Period, the
17 Individual Defendants exercised their power and authority to cause the Company to engage in
18 the wrongful acts complained of herein. The Individual Defendants therefore, were "controlling
19 persons" of the Company within the meaning of Section 20(a) of the Exchange Act. In this
20 capacity, they participated in the unlawful conduct alleged which artificially inflated the market
21 price of the Company's securities.

22 58. By reason of the above conduct, the Individual Defendants are liable pursuant to
23 Section 20(a) of the Exchange Act for the violations committed by the Company.

PRAYER FOR RELIEF

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25 **WHEREFORE**, Plaintiff, on behalf of himself and the Class, prays for judgment and
26 relief as follows:
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- 1 (a) declaring this action to be a proper class action, designating Plaintiff as Lead
2 Plaintiff and certifying Plaintiff as a class representative under Rule 23 of the Federal Rules of
3 Civil Procedure and designating Plaintiff's counsel as Lead Counsel;
- 4 (b) awarding damages in favor of Plaintiff and the other Class members against all
5 Defendants, jointly and severally, together with interest thereon;
- 6 (c) awarding Plaintiff and the Class reasonable costs and expenses incurred in this
7 action, including counsel fees and expert fees; and
- 8 (d) awarding Plaintiff and other members of the Class such other and further relief as
9 the Court may deem just and proper.

10 **JURY TRIAL DEMANDED**

11 Plaintiff hereby demands a trial by jury.

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13 Dated:
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