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Esports Pro Sues Gaming Organization FaZe Clan Over "Oppressive" Contract



Getty Images

Turner Tenney, known as Tfue.



Turner Tenney, a 21-year-old professional gamer known as Tfue, says FaZe Clan is violating California law and the Talent Agency Act.

One of the world's top professional esports players is suing his gaming organization for allegedly restraining his business opportunities — and taking up to 80 percent of his earnings — in a complaint that argues esports players' representatives should be regulated like agents of film and TV stars.

Turner Tenney, a 21-year-old professional gamer known as Tfue, on Monday sued FaZe Clan for allegedly limiting his ability to pursue his profession in violation of California law, passing on a lucrative brand deal because of a conflict of interest, and failing to pay him his share of sponsorship earnings.

"In no uncertain terms, these gamers are artists, entertainers and content creators — they perform, they act, they direct, they edit and they stream," writes attorney Bryan Freedman of Freedman + Taitelman in the complaint. Unlike traditional entertainment, esports is a new industry, and Freedman argues there is "little to no regulation or oversight," and no unions or guilds to protect the players who are often young and trusting.

There's a lot of money up for grabs. Top esports player Tyler Blevins, known as Ninja, in December [told CNN](#) he brought in \$10 million last year playing *Fortnite*. He boasts more than 20 million subscribers on YouTube and has racked up more than 450 million views on Twitch. His sponsors include Samsung, Uber Eats and Red Bull.

Tenney says he's missing out on those opportunities because of FaZe Clan's unlawful activity in connection with a deal he signed in April 2018 — and he only gets to keep 20 percent of the revenue from any branded videos that are published on Twitch, YouTube or social media and half of his revenue from touring and appearances. His Twitch streams have been viewed more than 120 million times, and he has more than 10 million YouTube subscribers and 5.5 million Instagram followers.

"That Gamer Agreement is grossly oppressive, onerous, and one-sided," writes Freedman. "Faze Clan uses its illegal Gamer Contracts to limit Tenney to deals sourced exclusively by Faze Clan and to prevent Tenney from exploring deals presented by others; deals that are potentially superior to deals procured by Faze Clan; and deals that are not saddled with an eighty percent (80%) finder's fee."

Tenney attempted to terminate the agreement in September claiming FaZe Clan breached their deal. According to the complaint, the group rejected Tenney's termination and contends he's still bound by their contract. Tenney is asking the court for a declaration that the gamer agreement is terminated, and is seeking fair payment for his services and disgorgement of FaZe Clan's profits as well as punitive damages.

FaZe Clan on Monday afternoon sent *THR* a statement in response to the complaint. "We're shocked and disappointed to see the news of Tfue's press article and lawsuit," it reads in part. "We have only collected a total of \$60,000 from our partnership, while Tfue has earned millions as a member of FaZe Clan."

Meanwhile, Freedman argues Tenney's contract isn't just anticompetitive — but the company also runs afoul of the Talent Agency Act through its practice of procuring engagements and employment for gamers. The state law requires that any person or company "who engages in the occupation of procuring, offering, promising, or attempting to procure employment or engagements for an artist" must be licensed by the labor commissioner and conform to professional regulations. Its definition of "artist" includes a catchall of "persons rendering professional services in motion picture, theatrical, radio, television and other entertainment enterprises."

On March 15, Freedman took Tfue's TAA violation claim to the California Labor Commissioner — and Tenney claims FaZe Clan's contracts may be the least of its problems.

"Not only does Faze Clan take advantage of these young artists, it jeopardizes their health, safety and welfare," writes Freedman in the petition to determine controversy. Tenney says FaZe Clan pressured him to live in one of its homes in the Hollywood Hills with other young YouTubers, where he says he was given alcohol before turning 21 and encouraged to illegally gamble.

"Faze Clan also continuously pressured and encouraged Tenney and others to undertake dangerous stunts while performing in videos," writes Freedman. "During one video, Tenney suffered an injury to his arm while skateboarding which resulted in permanent disfigurement."

Tenney's petition to the labor commissioner also claims FaZe Clan signed an 11-year-old gamer and pressured the minor and his family to lie about his age. He's asking for a determination that FaZe Clan has violated the TAA, that his gamer agreement is unenforceable and that the company must repay him all revenue it has collected as a result of its work for him.

"Tfue and my law firm are sending a message," Freedman said in a statement to *THR*. "The time is now for content creators, gamers and streamers to stop being taken advantage of through oppressive, unfair and illegal agreements. The significant legal actions taken today will be a wake up call that this behavior will no longer be tolerated. The gaming community deserves a safe environment that allows gamers the freedom to control their own careers."

FaZe Clan's first statement, which claims it takes a maximum of 20 percent in tournament winnings and content revenue, was met with backlash on social media from users who noticed that it did not address brand deals — which is central to Tenney's complaint. The gaming organization later issued a second [statement on Twitter](#) in response to that community feedback. "There is a clause in Tfue's original contract where FaZe Clan could take 80% of a brand deal we introduce to him," it says. "Let us be clear that we have NEVER collected on that clause from Tfue or any other FaZe Clan member."

The statement also says it was a "previous legal team" that drafted the gamer agreement at issue, and every contract since last summer has provided for a maximum 20 percent share to FaZe Clan. The organization also says since September — when Tenney attempted to end the relationship claiming the company breached its end of their agreement — they've offered him several versions of an improved contract with "a seven figure bonus" or FaZe Clan taking "zero percent," but they've been rejected.

Read FaZe Clan's full initial comments — which do not address many of Tenney's claims — as well as the complaint and petition, below

FaZe Clan's statement: *"We're shocked and disappointed to see the news of Tfue's press article and lawsuit. Over the course of our partnership with him, which began in April 2018, FaZe Clan has collected:*

- \$0 - Tournament Winnings
- \$0 - Twitch Revenue
- \$0 - YouTube Revenue
- \$0 - from any social platform

In fact, we have only collected a total of \$60,000 from our partnership, while Tfue has earned millions as a member of FaZe Clan. While contracts are different with each player, all of them - including Tfue's - have a maximum of 20% to FaZe Clan in both tournament winnings as well as content revenue, with 80% to the player. In Turner's case, neither of those have been collected by FaZe Clan.

We're proud of what we've accomplished together of the past year with Turner and will continue to support him."

May 21, 9:35 a.m. Updated with both statements from FaZe Clan.

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