Suite

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9:21am PT by Ashley Cullins

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



professional gamer known as Tfue,

says FaZe Clan is violating

earnings.

and trusting.

Uber Eats and Red Bull.

California law and the Talent Agency Act.



"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

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,

Tenney says he's missing out on those opportunities because

signed in April 2018 — and he only gets to keep 20 percent of

of FaZe Clan's unlawful activity in connection with a deal he

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

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

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

Tenney attempted to terminate the agreement in September

claiming FaZe Clan breached their deal. According to the

with an eighty percent (80%) finder's fee."

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

Meanwhile, Freedman argues Tenney's contract isn't just

anticompetitive — but the company also runs afoul of the

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

professional regulations. Its definition of "artist" includes a

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.

Talent Agency Act through its practice of procuring

licensed by the labor commissioner and conform to

catchall of "persons rendering professional services in

motion picture, theatrical, radio, television and other

entertainment enterprises."

FaZe Clan."

"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

Tenney suffered an injury to his arm while skateboarding

which resulted in permanent disfigurement."

work for him.

performing in videos," writes Freedman. "During one video,

Tenney's petition to the labor commissioner also claims FaZe

Clan signed an 11-year-old gamer and pressured the minor

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

"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

and his family to lie about his age. He's asking for a

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

him," it says. "Let us be clear that we have NEVER collected on

FaZe Clan could take 80% of a brand deal we introduce to

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

relationship claiming the company breached its end of their

improved contract with "a seven figure bonus" or FaZe Clan

address many of Tenney's claims — as well as the complaint

FaZe Clan's statement: "We're shocked and disappointed to see

the news of Tfue's press article and lawsuit. Over the course of

agreement - they've offered him several versions of an

Read FaZe Clan's full initial comments — which do not

share to FaZe Clan. The organization also says since

September — when Tenney attempted to end the

taking "zero percent," but they've been rejected.

and petition, below

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

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

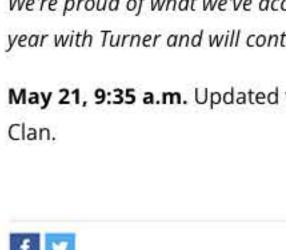
player. In Turner's case, neither of those have been collected by

tournament winnings as well as content revenue, with 80% to the

In fact, we have only collected a total of \$60,000 from our

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



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