

IN THE IOWA DISTRICT COURT FOR POLK COUNTY

NICHOLAS BAVAS, Plaintiff, vs. DRAFTKINGS, INC., and CROWN IA GAMING LLC d/b/a DraftKings, Defendants.	Case No. _____ PETITION AT LAW AND JURY DEMAND
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1. COMES NOW Nicholas Bavas, by and through the undersigned attorneys and for his Petition at Law and Jury Demand states as follows:

PARTIES, JURISDICTION AND VENUE

2. Plaintiff Nicholas Bavas (“Bavas”) is, and at all relevant times, was, a resident of Dallas County, Iowa.

3. Defendant DraftKings, Inc. (“DraftKings”) is a Nevada corporation with its principal place of business in Massachusetts.

4. Defendant Crown IA Gaming LLC d/b/a Draftkings (“Crown IA”) is a Delaware corporation licensed by the Iowa Racing and Gaming Commission to conduct sports wagering within the State.

5. On information and belief, Crown IA is a wholly owned subsidiary of Crown Gaming, Inc., which is a wholly owned subsidiary of DK Crown Holdings, Inc., which is a wholly owned subsidiary of DraftKings Holdings, Inc. which is a

wholly owned subsidiary of DraftKings.

6. The amount of damages meets applicable jurisdictional requirements for the amount in controversy.

7. The acts that form the basis of these causes of action alleged herein occurred in Polk County, Iowa.

8. The Terms of Use applicable to this dispute provide:

The exclusive jurisdiction and venue for proceedings involving any and all disputes, claims or controversies arising out of or relating to this Agreement, the breach thereof, or any use of the Website (including all commercial transactions conducted through the Website) (“Claims”) shall be the courts of competent jurisdiction sitting within Des Moines, Iowa (the “Forum”).

FACTS

9. DraftKings owns and operates a sports gambling website at URL www.draftkings.com. The site is accessible via a web browser and a mobile version of the site is accessible via mobile web browser or via DraftKings mobile applications installed on smartphones.

10. According to the Iowa Racing and Gaming Commission, in 2023 alone, DraftKings took over \$838 million in bets from Iowa bettors and kept almost \$70 million in revenue for itself. <https://irgc.iowa.gov/media/318/download?inline=>

11. Internet sports gambling is easy and convenient, and DraftKings offers bettors a myriad of possible wagers in professional and college sporting events in both the real world and in “fantasy” sports.

12. The convenience and ease of placing a sports bet online masks a dizzying array of interlocking sets of rules that may or may not govern each bet depending on the type of wager placed, the specific event, and the particular sport on which the wager is placed.

13. DraftKings is the drafter of these rules and bettors have no opportunity to negotiate these rules with DraftKings.

14. These rules can and do lead bettors to sometimes place bets erroneously, or without full comprehension of the rules. Unforeseen events can also occur in any athletic contest, resulting in changes to the odds that bettors may not have anticipated when they placed their bets.

15. Unsurprisingly, DraftKings makes no allowance for such errors or unforeseen events. Once a bet is accepted by DraftKings, the money is theirs, subject to the obligation to pay out on a winning bet.

16. However, when DraftKings makes an error or accepts a bet it should not have, or when unforeseen events occur that require an unanticipated large pay out by DraftKings, then it seems different rules apply.

I. The 2024 AT&T Pebble Beach Pro-Am

17. The 2024 AT&T Pebble Beach Pro-Am (the “Tournament”) took place in Pebble Beach, California on February 1-3, 2024.

18. Play was concluded after 54 holes and three complete rounds due to

inclement weather.

19. Despite the threat of inclement weather, DraftKings was still accepting bets on the Tournament from Iowa bettors as late as February 4, 2024, at 12:01 AM CST.

II. The DraftKings Rules

20. As of February 3, 2024, as relevant to this dispute, the following “Rules” were hosted on the DraftKings <https://sportsbook.draftkings.com/> website and accessible through the DraftKings mobile application by registered Iowa DraftKings users/bettors: (i) The DraftKings “Terms of Use” (the “Terms”); (ii) the DraftKings “General Rules” (the “General Rules”); (iii) the DraftKings “Market Rules” (the “Market Rules”); and the (iv) DraftKings “Sport Rules” for “Golf” (the “Golf Rules”).

21. The Terms provided as follows:

WINNINGS/PRIZES

Subject to the Company (defined as “DraftKings”) verifying your compliance with the Terms, Rules and other conditions of participation, at the conclusion of each Game, the Company shall use commercially reasonable efforts to award the winnings/prizes within a reasonable amount of time.

III. DraftKings Accepts Bets by Bavas on the Tournament

22. On February 3, 2024, at 10:04 PM CST, Bavas placed a \$100.00 bet via the DraftKings mobile application on the Tournament, which DraftKings accepted under Ticket #DK638426162431822333 (“Bet #1”).

23. Bet #1 was a “Parlay.” As provided in the Market Rules, a “Parlay” is:

a bet where the customer chooses two (2) or more selections and requires every selection to be correct in order for the Parlay to win. In the event a Parlay contains a selection which is settled as void or push, then the individual selection will be excluded from the Parlay, and the odds of the Parlay will be recalculated to reflect the remaining selections in the Parlay.

24. Bet #1 was specifically a “20 Picks” Parlay in which Bavas was picking multiple Tournament finishers in multiple specific leading positions at the conclusion of the Tournament.

25. Bavas’s picks on Bet #1 were:

- a. One (1) pick for the Tournament winner, whom Bavas picked to be golfer Wyndham Clark;
- b. Four (4) picks for the golfers who would place among the top five Tournament finishers, whom Bavas picked to be Ludvig Aberg, Mark Hubbard, Matthieu Pavon, and Thomas Detry;
- c. Five (5) picks for the golfers who would place among the top 10 Tournament finishers, whom Bavas picked to be Jason Day, Justin Thomas, Sam Burns, Scottie Scheffler, and Tom Hoge;
- d. Ten (10) picks for the golfers who would place among the top 20 Tournament finishers, whom Bavas picked to be Beau Hossler, Collin Morikawa, Emiliano Grillo, Eric Cole, Erik Van Rooyen, Justin Rose, Keegan Bradley, Patrick Cantlay, Peter Malnati, and

Si Woo Kim.

26. At the time DraftKings accepted Bet #1, DraftKings promised to pay Bavas \$4,651,571.26 if every one of Bavas's picks were correct.



27. On February 3, 2024, at 11:22 PM CST, Bavas placed a \$50.00 bet via the DraftKings mobile application on the Tournament, which DraftKings accepted under Ticket #DK638426209743564733 ("Bet #2").

28. Apart from the time of day and the amount of the bet, Bet #2 was identical to Bet #1.

29. At the time DraftKings accepted Bet #2, DraftKings promised to pay Bavas \$2,325,785.63 if every one of Bavas's picks were correct.



30. On February 3, 2024, at 11:59 PM CST, Bavas placed a \$100.00 bet via the DraftKings mobile application on the Tournament, which DraftKings accepted under Ticket #DK638426231939772047 (“Bet #3”).

31. Apart from the time of day, Bet #3 was identical to Bet #1.

32. At the time DraftKings accepted Bet #3, DraftKings promised to pay Bavas \$4,651,571.26 if every one of Bavas’s picks were correct.



33. On February 4, 2024, at 12:01 AM CST, Bavas placed a \$50.00 bet via the DraftKings mobile application on the Tournament, which DraftKings accepted

under Ticket #DK638426233063912571 (“Bet #4”).

34. Apart from the date and time, Bet #4 was identical to Bet #2.

35. At the time DraftKings accepted Bet #4, DraftKings promised to pay Bavas \$2,325,785.63 if every one of Bavas’s picks were correct.



36. On February 3, 2024, at 10:18 PM CST, Bavas placed a \$25.00 bet via the DraftKings mobile application on the Tournament, which DraftKings accepted under Ticket # #DK638426170887420385 (“Bet #5”).

37. Bet #5 was a different type of Parlay. Bet #5 was specifically a “20 Pick” Parlay in which Bavas was simply picking 20 golfers to be the top 20 finishers in the Tournament in no particular order.

38. Bavas picked golfers Adam Scott, Beau Hossler, Cam Davis, Christiaan Bezuidenhout, Collin Morikawa, Emiliano Grillo, Eric Cole, Erik Van Rooyen, J.T. Poston, Jason Day, Justin Rose, Keegan Bradley, Mark Hubbard, Patrick Cantlay, Peter Malnati, Sahith Theegala, Sam Burns, Si Woo Kim, Thomas Detry, and Tom Hoge to be the top 20 finishers in the Tournament.

39. At the time DraftKings accepted Bet #5, DraftKings promised to pay Bavas \$250,067.99 if every one of Bavas's picks were correct.



IV. PGA Tour Referees Delay, Suspend and Then Declare the Tournament Completed

40. On February 4, 2024, PGA Tour referees continually delayed the start of the final round of the Tournament due to Monterey County, California experiencing historic rain and wind and continued to delay the final round of the Tournament throughout the day.

41. At 9:15 PM EST, the PGA Tour Rules Committees announced there would be no play on February 5, 2024, and “[t]herefore, in accordance with the PGA TOUR Regulations the tournament results will be final through the conclusion of 54 holes.”

42. The leaderboard of the top 20 golfers at the conclusion of play in the Tournament is not in dispute:

All Players

FEDEXCUP

POS	↑↓	PLAYER	TOTAL	THRU	ROUND	R1	R2	R3	STROKES	PROJ.	STARTING	↑↓
1	↑22	★ Wyndham Clark (PB)	<i>Tilburg</i> -17	F	-12	72	67	60	199	3	61	↑58
2	↓1	★ Ludvig Åberg (PB)	<i>Tilburg</i> -16	F	-5	68	65	67	200	6	41	↑35
3	↑2	★ Matthieu Pavon (PB)	<i>Tilburg</i> -15	F	-6	65	70	66	201	1	2	↑1
T4	↑6	★ Mark Hubbard (PB)	<i>Tilburg</i> -14	F	-7	69	68	65	202	17	66	↑49
T4	↓3	★ Thomas Detry (PB)	-14	F	-3	63	70	69	202	18	T84	↑66
T6	↑28	★ Jason Day (PB)	-13	F	-9	69	71	63	203	10	22	↑12
T6	↑4	★ Tom Hoge (PB)	<i>Tilburg</i> -13	F	-6	71	66	66	203	22	55	↑33
T6	↓1	★ Justin Thomas (PB)	<i>Tilburg</i> -13	F	-4	68	67	68	203	14	T29	↑15
T6	↓5	★ Scottie Scheffler (PB)	-13	F	-2	69	64	70	203	5	11	↑6
10	-	★ Sam Burns (PB)	-12	F	-5	68	69	67	204	24	37	↑13
T11	↑12	★ Justin Rose (PB)	<i>Tilburg</i> -11	F	-6	68	71	66	205	37	T101	↑64
T11	↓3	★ Keegan Bradley (PB)	-11	F	-3	70	66	69	205	11	14	↑3
T11	↓7	★ Patrick Cantlay (PB)	<i>Tilburg</i> -11	F	-1	64	70	71	205	21	26	↑5
T14	↑9	★ Eric Cole (PB)	<i>Tilburg</i> -10	F	-5	68	71	67	206	20	19	↓1
T14	↓4	★ Si Woo Kim (PB)	-10	F	-3	66	71	69	206	28	42	↑14
T14	↓4	★ Peter Malnati (PB)	<i>Tilburg</i> -10	F	-3	69	68	69	206	51	-	-
T14	↓4	★ Collin Morikawa (PB)	-10	F	-3	67	70	69	206	16	15	↓1
T14	↓6	★ Beau Hossler (PB)	<i>Tilburg</i> -10	F	-2	69	67	70	206	32	44	↑12
T14	↓9	★ Emiliano Grillo (PB)	-10	F	-1	66	69	71	206	26	31	↑5
T20	↑3	★ Adam Scott (PB)	<i>Tilburg</i> -9	F	-4	72	67	68	207	63	-	-
T20	↑3	★ Christiaan Bezuidenho... (PB)	<i>Tilburg</i> -9	F	-4	69	70	68	207	13	T9	↓4
T20	↑3	★ Erik van Rooyen (PB)	-9	F	-4	69	70	68	207	34	36	↑2
T20	↑3	★ Cam Davis (PB)	<i>Tilburg</i> -9	F	-4	70	69	68	207	49	98	↑49
T20	↓10	★ Sahith Theegala (PB)	<i>Tilburg</i> -9	F	-2	70	67	70	207	9	6	↓3
T20	↓2	★ J.T. Poston (PB)	<i>Tilburg</i> -9	F	-3	70	68	69	207	8	5	↓3

43. All of Bavas's Bets 1-5 were therefore winners.

V. DraftKings Voids Bavas's Bets 1-5.

44. On February 5, 2024, DraftKings unilaterally voided Bets 1, 2, 3, 4, and 5 and refunded the amounts wagered.

45. DraftKings cited its "Tournament Futures Winner" rule from its "Specific Market Rules" of its Golf Rules as its reason for voiding the bets. As of February 4, 2024, the rule was as follows:

Tournament Futures Winner - All futures bets are settled on the player/team winning the trophy. The result of playoffs is taken into account. All bets stand except for those placed on participants not competing in the first round. In the event that there is a change to or decrease in the booked number of rounds or openings played in the competition, wagers set on this market will stand if 36 holes of the tournament have been completed. If less than 36 holes have been completed, or futures bets were placed after the last shot of the previous completed round, bets will be void. [Golf Rules]

46. However, there is no mention in the "Tournament Futures Winner" rule of multiple players or multiple finishing positions in the same tournament, as in Bavas's Parlay bets. The rule speaks only of "Tournament Futures Winner" (*i.e.* "Winner" singular) and the "player/team winning the trophy."

47. Indeed, there is no indication in any the DraftKings rules that "Tournament Futures *Winner*" refers to golf tournament Parlay bets, such as those placed by Bavas, on *multiple players* finishing in a particular order in the same tournament, *in addition to the tournament winner*.

48. Had Bavas wanted to place a bet on only the single individual “player” who would “win the trophy” and become the “Tournament Winner,” he would have done so.

49. Instead, DraftKings has separate rules, including those also in the “Specific Market Rules” of its Golf Rules, that apply to Parlays, including, but not limited to:

Top Specified Finish - A Player to finish within the Top 4, Top 5, Top 6, Top 10 or Top 20 of a specific tournament. Dead Heat rules apply. Bets stand once the player has teed off the first hole. [Golf Rules].

50. Further, *the Parlay rule itself* provides:

[i]n the event a Parlay contains a selection which is settled as void or push, then the individual selection will be excluded from the Parlay, and the odds of the Parlay will be recalculated to reflect the remaining selections in the Parlay. [Market Rules]

51. The DraftKings rules for “Same Game Parlay” were also seemingly applicable to Bets 1-5 and the cancellation of the final round of the Tournament:

A “Same Game Parlay” is a single bet combining multiple selections from the same event and is dependent on all of those selections winning, with the exception of some selections which are settled as void or push. Further details for the settlement rules for Same Game Parlays are set forth in the Sport Rules for the relevant sport. [Market Rules]

52. Whether considered separately or combined, the meaning of these rules is that, even if DraftKings could “void” the portions of Bets 1-4 that selected the “Tournament Futures Winner” “player” as Windham Clark, that “individual selection [should have been] excluded from the Parlay, and the odds of the Parlay

[should have been] recalculated to reflect the remaining selections in the Parlay.”

53. Significantly, Bet #5 did not even include Tournament winner Wyndham Clark as one of Bavas’s chosen top 20 finishers, so the “Tournament Futures Winner” rule had no plausible application to that specific bet.

54. On February 20, 2024, DraftKings indicated that its decision to void Bets 1, 2, 3, 4, and 5 was final.

CLAIMS FOR RELIEF

COUNT I

(Breach of Contract on Bet #1)

55. Bavas repeats and realleges each and every allegation set forth above, as if fully set forth herein.

56. Bet #1 was a valid and enforceable written contract between Bavas and Defendants for which Bavas gave good and valuable consideration.

57. The terms and conditions of the Bet #1 Contract were the Terms; the General Rules; the Market Rules; and the Golf Rules posted on the DraftKings website and accessible through the DraftKings mobile application on February 3-4, 2024.

58. Defendants were the drafters of the terms and conditions of the Bet #1 Contract, and the contract was adhesive as to Bavas.

59. Bavas fully performed under the Bet #1 Contract by depositing

sufficient funds into his DraftKings account and placing a valid bet that was accepted by Defendants.

60. The Defendants, without legal excuse, breached the Bet #1 Contract by failing “to award the winnings/prizes” when the contracted for conditions occurred.

61. Bavas has suffered damages as a result of Defendants’ breach in an amount to be determined at trial plus prejudgment interest.

COUNT II

(Breach of the Implied Covenant of Good Faith and Fair Dealing on Bet #1)

62. Bavas repeats and realleges each and every allegation set forth above, as if fully set forth herein.

63. Iowa law recognizes an implied covenant of good faith and fair dealing in all contracts.

64. The implied covenant prevents one party from using technical compliance with a contract as a shield from liability when that party is acting for a purpose contrary to that for which the contract was made.

65. Defendants were the drafter of the terms and conditions of the Bet #1 Contract, and the contract was adhesive as to Bavas.

66. Here, Defendants breached the implied covenant by using rules that were not applicable to the Bet #1 Contract, rather than other, more applicable rules, in an attempt to avoid their obligation under the Bet #1 Contract “to award the

winnings/prizes.”

67. Bavas has suffered damages as a result of Defendants’ breach of the implied covenant in an amount to be determined at trial plus prejudgment interest.

COUNT III

(Action under I.C.A. § 714H.5 for Violation of I.C.A. § 714H.3 on Bet #1)

68. Bavas repeats and realleges each and every allegation set forth above, as if fully set forth herein.

69. Bavas is a “consumer” within the meaning of I.C.A. § 714H.2(3) and an online sports bet is “merchandise” within the meaning of I.C.A. § 714.16(e), made applicable to this proceeding by I.C.A. § 714H.2(6).

70. Defendants have engaged in prohibited practices and acts under I.C.A. § 714H.3 including acts and practices that were likely to mislead Bavas as to the material facts with regard to Bet #1 by failing to honor a bet accepted by Defendants according to the represented terms on the DraftKings website and accessible from the DraftKings mobile application.

71. Defendants advertised sports betting throughout Iowa by television, radio, digital advertising and print.

72. Defendants engaged in unfair practices and disseminated false, misleading and deceptive information in one or more of the following ways:

- a. Representing to consumers that winning bets accepted by

Defendants would be honored, and Defendants would “award the winnings/prizes”;

- b. Concealing or failing to disclose that Defendants would attempt to avoid paying winning bets;
- c. Engaging in the unfair practice of promising to pay winning bets when Defendants knew, or should have known, that they would not honor that promise;
- d. Asserting Defendants would conduct themselves in accordance with the terms, conditions and rules on the DraftKings website and accessible via the DraftKings mobile application when they would not;
- e. Otherwise failing to honor their promises and representations that they would pay valid, winning bets, regardless of subsequent events.

73. Bavas has suffered an ascertainable loss of money or property as a result of Defendants’ prohibited practices and acts in violation of I.C.A. § 714H with regard to Bet #1.

74. Bavas is entitled to recover actual damages as a result of Defendants’ violation of I.C.A. § 714H with regard to Bet #1, as provided in I.C.A. § 714H.5(1).

75. Bavas is entitled to reasonable attorneys’ fees as a result of Defendants’

violation of I.C.A. § 714H with regard to Bet #1, as provided in I.C.A. § 714H.5(2).

76. Defendants' violation of I.C.A. § 714H with regard to Bet #1 was in willful and wanton disregard for the rights of Bavas, entitling Bavas to statutory damages of up to three times the amount of actual damages, as provided in I.C.A. § 714H.5(4).

77. Pursuant to I.C.A. § 714H.6, Bavas is providing a copy of this Petition to the Iowa Attorney General.

COUNT IV

(Breach of Contract on Bet #2)

78. Bavas repeats and realleges each and every allegation set forth above, as if fully set forth herein.

79. Bet #2 was a valid and enforceable written contract between Bavas and Defendants for which Bavas gave good and valuable consideration.

80. The terms and conditions of the Bet #2 Contract were the Terms; the General Rules; the Market Rules; and the Golf Rules posted on the DraftKings website and accessible through the DraftKings mobile application on February 3-4, 2024.

81. Defendants were the drafters of the terms and conditions of the Bet #2 Contract, and the contract was adhesive as to Bavas.

82. Bavas fully performed under the Bet #2 Contract by depositing

sufficient funds into his DraftKings account and placing a valid bet that was accepted by Defendants.

83. The Defendants, without legal excuse, breached the Bet #2 Contract by failing “to award the winnings/prizes” when the contracted for conditions occurred.

84. Bavas has suffered damages as a result of Defendants’ breach in an amount to be determined at trial plus prejudgment interest.

COUNT V

(Breach of the Implied Covenant of Good Faith and Fair Dealing on Bet #2)

85. Bavas repeats and realleges each and every allegation set forth above, as if fully set forth herein.

86. Iowa law recognizes an implied covenant of good faith and fair dealing in all contracts.

87. The implied covenant prevents one party from using technical compliance with a contract as a shield from liability when that party is acting for a purpose contrary to that for which the contract was made.

88. Defendants were the drafters of the terms and conditions of the Bet #2 Contract, and the contract was adhesive as to Bavas.

89. Here, Defendants breached the implied covenant by using rules that were not applicable to the Bet #2 Contract, rather than other, more applicable rules, in an attempt to avoid their obligation under the Bet #2 Contract “to award the

winnings/prizes.”

90. Bavas has suffered damages as a result of Defendants’ breach of the implied covenant in an amount to be determined at trial plus prejudgment interest.

COUNT VI

(Action Under I.C.A. § 714H.5 for Violation of I.C.A. § 714H.3 on Bet #2)

91. Bavas repeats and realleges each and every allegation set forth above, as if fully set forth herein.

92. Bavas is a “consumer” within the meaning of I.C.A. § 714H.2(3) and an online sports bet is “merchandise” within the meaning of I.C.A. § 714.16(e), made applicable to this proceeding by I.C.A. § 714H.2(6).

93. Defendants have engaged in prohibited practices and acts under I.C.A. § 714H.3 including acts and practices that were likely to mislead Bavas as to the material facts with regard to Bet #2 by failing to honor a bet accepted by DraftKings according to the represented terms on the DraftKings website and accessible with the DraftKings mobile application.

94. Defendants advertised sports betting throughout Iowa by television, radio, digital advertising and print.

95. Defendants engaged in unfair practices and disseminated false, misleading and deceptive information in one or more of the following ways:

- a. Representing to consumers that winning bets accepted by

Defendants would be honored, and Defendants would “award the winnings/prizes”;

- b. Concealing or failing to disclose that Defendants would attempt to avoid paying winning bets;
- c. Engaging in the unfair practice of promising to pay winning bets when Defendants knew, or should have known, that they would not honor that promise;
- d. Asserting Defendants would conduct themselves in accordance with the terms, conditions and rules on the DraftKings website and accessible via the DraftKings mobile application when they would not;
- e. Otherwise failing to honor their promises and representations that they would pay valid, winning bets, regardless of subsequent events.

96. Bavas has suffered an ascertainable loss of money or property as a result of Defendants’ prohibited practices and acts in violation of I.C.A. § 714H with regard to Bet #2.

97. Bavas is entitled to recover actual damages as a result of Defendants’ violation of I.C.A. § 714H with regard to Bet #2, as provided in I.C.A. § 714H.5(1).

98. Bavas is entitled to reasonable attorneys’ fees as a result of Defendants’

violation of I.C.A. § 714H with regard to Bet #2, as provided in I.C.A. § 714H.5(2).

99. Defendants' violation of I.C.A. § 714H with regard to Bet #2 was in willful and wanton disregard for the rights of Bavas, entitling Bavas to statutory damages of up to three times the amount of actual damages, as provided in I.C.A. § 714H.5(4).

100. Pursuant to I.C.A. § 714H.6, Bavas is providing a copy of this Petition to the Iowa Attorney General.

COUNT VII

(Breach of Contract on Bet #3)

101. Bavas repeats and realleges each and every allegation set forth above, as if fully set forth herein.

102. Bet #3 was a valid and enforceable written contract between Bavas and Defendants for which Bavas gave good and valuable consideration.

103. The terms and conditions of the Bet #3 Contract were the Terms; the General Rules; the Market Rules; and the Golf Rules posted on the DraftKings website and accessible through the DraftKings mobile application on February 3-4, 2024.

104. Defendants were the drafters of the terms and conditions of the Bet #3 Contract, and the contract was adhesive as to Bavas.

105. Bavas fully performed under the Bet #3 Contract by depositing

sufficient funds into his DraftKings account and placing a valid bet that was accepted by Defendants.

106. The Defendants, without legal excuse, breached the Bet #3 Contract by failing “to award the winnings/prizes” when the contracted for conditions occurred.

107. Bavas has suffered damages as a result of Defendants’ breach in an amount to be determined at trial plus prejudgment interest.

COUNT VIII

(Breach of the Implied Covenant of Good Faith and Fair Dealing on Bet #3)

108. Bavas repeats and realleges each and every allegation set forth above, as if fully set forth herein.

109. Iowa law recognizes an implied covenant of good faith and fair dealing in all contracts.

110. The implied covenant prevents one party from using technical compliance with a contract as a shield from liability when that party is acting for a purpose contrary to that for which the contract was made.

111. Defendants were the drafters of the terms and conditions of the Bet #3 Contract, and the contract was adhesive as to Bavas.

112. Here, Defendants breached the implied covenant by using rules that were not applicable to the Bet #3 Contract, rather than other, more applicable rules, in an attempt to avoid their obligation under the Bet #3 Contract “to award the

winnings/prizes.”

113. Bavas has suffered damages as a result of Defendants’ breach of the implied covenant in an amount to be determined at trial plus prejudgment interest.

COUNT IX

(Action Under I.C.A. § 714H.5 for Violation of I.C.A. § 714H.3 on Bet #3)

114. Bavas repeats and realleges each and every allegation set forth above, as if fully set forth herein.

115. Bavas is a “consumer” within the meaning of I.C.A. § 714H.2(3) and an online sports bet is “merchandise” within the meaning of I.C.A. § 714.16(e), made applicable to this proceeding by I.C.A. § 714H.2(6).

116. Defendants have engaged in prohibited practices and acts under I.C.A. § 714H.3 including acts and practices that were likely to mislead Bavas as to the material facts with regard to Bet #3 by failing to honor a bet accepted by Defendants according to the represented terms on the DraftKings website and accessible with the DraftKings mobile application.

117. Defendants advertised sports betting throughout Iowa by television, radio, digital advertising and print.

118. Defendants engaged in unfair practices and disseminated false, misleading and deceptive information in one or more of the following ways:

- a. Representing to consumers that winning bets accepted by

Defendants would be honored, and Defendants would “award the winnings/prizes”;

- b. Concealing or failing to disclose that Defendants would attempt to avoid paying winning bets;
- c. Engaging in the unfair practice of promising to pay winning bets when Defendants knew, or should have known, that they would not honor that promise;
- d. Asserting Defendants would conduct themselves in accordance with the terms, conditions and rules on the DraftKings website and accessible via the DraftKings mobile application when they would not;
- e. Otherwise failing to honor their promises and representations that they would pay valid, winning bets, regardless of subsequent events.

119. Bavas has suffered an ascertainable loss of money or property as a result of Defendants’ prohibited practices and acts in violation of I.C.A. § 714H with regard to Bet #3.

120. Bavas is entitled to recover actual damages as a result of Defendants’ violation of I.C.A. § 714H with regard to Bet #3, as provided in I.C.A. § 714H.5(1).

121. Bavas is entitled to reasonable attorneys’ fees as a result of Defendants’

violation of I.C.A. § 714H with regard to Bet #3, as provided in I.C.A. § 714H.5(2).

122. Defendants' violation of I.C.A. § 714H with regard to Bet #3 was in willful and wanton disregard for the rights of Bavas, entitling Bavas to statutory damages of up to three times the amount of actual damages, as provided in I.C.A. § 714H.5(4).

123. Pursuant to I.C.A. § 714H.6, Bavas is providing a copy of this Petition to the Iowa Attorney General.

COUNT X

(Breach of Contract on Bet #4)

124. Bavas repeats and realleges each and every allegation set forth above, as if fully set forth herein.

125. Bet #4 was a valid and enforceable written contract between Bavas and Defendants for which Bavas gave good and valuable consideration.

126. The terms and conditions of the Bet #4 Contract were the Terms; the General Rules; the Market Rules; and the Golf Rules posted on the DraftKings website and accessible through the DraftKings mobile application on February 3-4, 2024.

127. Defendants were the drafters of the terms and conditions of the Bet #4 Contract, and the contract was adhesive as to Bavas.

128. Bavas fully performed under the Bet #4 Contract by depositing

sufficient funds into his DraftKings account and placing a valid bet that was accepted by Defendants.

129. The Defendants, without legal excuse, breached the Bet #4 Contract by failing “to award the winnings/prizes” when the contracted for conditions occurred.

130. Bavas has suffered damages as a result of Defendants’ breach in an amount to be determined at trial plus prejudgment interest.

COUNT XI

(Breach of the Implied Covenant of Good Faith and Fair Dealing on Bet #4)

131. Bavas repeats and realleges each and every allegation set forth above, as if fully set forth herein.

132. Iowa law recognizes an implied covenant of good faith and fair dealing in all contracts.

133. The implied covenant prevents one party from using technical compliance with a contract as a shield from liability when that party is acting for a purpose contrary to that for which the contract was made.

134. Defendants were the drafters of the terms and conditions of the Bet #4 Contract, and the contract was adhesive as to Bavas.

135. Here, Defendants breached the implied covenant by using rules that were not applicable to the Bet #4 Contract, rather than other, more applicable rules, in an attempt to avoid their obligation under the Bet #4 Contract “to award the

winnings/prizes.”

136. Bavas has suffered damages as a result of Defendants’ breach of the implied covenant in an amount to be determined at trial plus prejudgment interest.

COUNT XII

(Action Under I.C.A. § 714H.5 for Violation of I.C.A. § 714H.3 on Bet #4)

137. Bavas repeats and realleges each and every allegation set forth above, as if fully set forth herein.

138. Bavas is a “consumer” within the meaning of I.C.A. § 714H.2(3) and an online sports bet is “merchandise” within the meaning of I.C.A. § 714.16(e), made applicable to this proceeding by I.C.A. § 714H.2(6).

139. Defendants have engaged in prohibited practices and acts under I.C.A. § 714H.3 including acts and practices that were likely to mislead Bavas as to the material facts with regard to Bet #4 by failing to honor a bet accepted by DraftKings according to the represented terms on the DraftKings website and accessible with the DraftKings mobile application.

140. Defendants advertised sports betting throughout Iowa by television, radio, digital advertising and print.

141. Defendants engaged in unfair practices and disseminated false, misleading and deceptive information in one or more of the following ways:

- a. Representing to consumers that winning bets accepted by

Defendants would be honored, and Defendants would “award the winnings/prizes”;

- b. Concealing or failing to disclose that Defendants would attempt to avoid paying winning bets;
- c. Engaging in the unfair practice of promising to pay winning bets when Defendants knew, or should have known, that they would not honor that promise;
- d. Asserting Defendants would conduct themselves in accordance with the terms, conditions and rules on the DraftKings website and accessible via the DraftKings mobile application when they would not;
- e. Otherwise failing to honor their promises and representations that they would pay valid, winning bets, regardless of subsequent events.

142. Bavas has suffered an ascertainable loss of money or property as a result of Defendants’ prohibited practices and acts in violation of I.C.A. § 714H with regard to Bet #4.

143. Bavas is entitled to recover actual damages as a result of Defendants’ violation of I.C.A. § 714H with regard to Bet #4, as provided in I.C.A. § 714H.5(1).

144. Bavas is entitled to reasonable attorneys’ fees as a result of Defendants’

violation of I.C.A. § 714H with regard to Bet #4, as provided in I.C.A. § 714H.5(2).

145. Defendants' violation of I.C.A. § 714H with regard to Bet #4 was in willful and wanton disregard for the rights of Bavas, entitling Bavas to statutory damages of up to three times the amount of actual damages, as provided in I.C.A. § 714H.5(4).

146. Pursuant to I.C.A. § 714H.6, Bavas is providing a copy of this Petition to the Iowa Attorney General.

COUNT XIII

(Breach of Contract on Bet #5)

147. Bavas repeats and realleges each and every allegation set forth above, as if fully set forth herein.

148. Bet #5 was a valid and enforceable written contract between Bavas and Defendants for which Bavas gave good and valuable consideration.

149. The terms and conditions of the Bet #5 Contract were the Terms; the General Rules; the Market Rules; and the Golf Rules posted on the DraftKings website and accessible through the DraftKings mobile application on February 3-4, 2024.

150. Defendants were the drafters of the terms and conditions of the Bet #5 Contract, and the contract was adhesive as to Bavas.

151. Bavas fully performed under the Bet #5 Contract by depositing

sufficient funds into his DraftKings account and placing a valid bet that was accepted by Defendants.

152. The Defendants, without legal excuse, breached the Bet #5 Contract by failing “to award the winnings/prizes” when the contracted for conditions occurred.

153. Bavas has suffered damages as a result of Defendants’ breach in the amount of \$250,067.99 plus prejudgment interest.

COUNT XIV

(Breach of the Implied Covenant of Good Faith and Fair Dealing on Bet #5)

154. Bavas repeats and realleges each and every allegation set forth above, as if fully set forth herein.

155. Iowa law recognizes an implied covenant of good faith and fair dealing in all contracts.

156. The implied covenant prevents one party from using technical compliance with a contract as a shield from liability when that party is acting for a purpose contrary to that for which the contract was made.

157. Defendants were the drafters of the terms and conditions of the Bet #5 Contract, and the contract was adhesive as to Bavas.

158. Here, Defendants breached the implied covenant by using rules that were not applicable to the Bet #5 Contract, rather than other, more applicable rules, in an attempt to avoid their obligation under the Bet #5 Contract “to award the

winnings/prizes.”

159. Bavas has suffered damages as a result of Defendants’ breach of the implied covenant in the amount of \$250,067.99 plus prejudgment interest.

COUNT XV

(Action Under I.C.A. § 714H.5 for Violation of I.C.A. § 714H.3 on Bet #5)

160. Bavas repeats and realleges each and every allegation set forth above, as if fully set forth herein.

161. Bavas is a “consumer” within the meaning of I.C.A. § 714H.2(3) and an online sports bet is “merchandise” within the meaning of I.C.A. § 714.16(e), made applicable to this proceeding by I.C.A. § 714H.2(6).

162. Defendants have engaged in prohibited practices and acts under I.C.A. § 714H.3 including acts and practices that were likely to mislead Bavas as to the material facts with regard to Bet #5 by failing to honor a bet accepted by Defendants according to the represented terms on the DraftKings website and accessible with the DraftKings mobile application.

163. Defendants advertised sports betting throughout Iowa by television, radio, digital advertising and print.

164. Defendants engaged in unfair practices and disseminated false, misleading and deceptive information in one or more of the following ways:

- a. Representing to consumers that winning bets accepted by

Defendants would be honored, and Defendants would “award the winnings/prizes”;

- b. Concealing or failing to disclose that Defendants would attempt to avoid paying winning bets;
- c. Engaging in the unfair practice of purporting to promise to pay winning bets when Defendants knew, or should have known, that they would not honor that promise;
- d. Asserting Defendants would conduct themselves in accordance with the terms, conditions and rules on the DraftKings website and accessible via the DraftKings mobile application when they would not;
- e. Otherwise failing to honor their promises and representations that they would pay valid, winning bets, regardless of subsequent events.

165. Bavas has suffered an ascertainable loss of money or property as a result of Defendants’ prohibited practices and acts in violation of I.C.A. § 714H with regard to Bet #5.

166. Bavas is entitled to recover actual damages as a result of Defendants’ violation of I.C.A. § 714H with regard to Bet #5, as provided in I.C.A. § 714H.5(1) in the amount of \$250,067.99 plus prejudgment interest.

167. Bavas is entitled to reasonable attorneys' fees as a result of Defendants' violation of I.C.A. § 714H with regard to Bet #5, as provided in I.C.A. § 714H.5(2).

168. Defendants' violation of I.C.A. § 714H with regard to Bet #5 was in willful and wanton disregard for the rights of Bavas, entitling Bavas to statutory damages of up to three times the amount of actual damages, as provided in I.C.A. § 714H.5(4).

169. Pursuant to I.C.A. § 714H.6, Bavas is providing a copy of this Petition to the Iowa Attorney General.

JURY DEMAND

Plaintiff demands a trial by jury of all claims and issues raised in this Petition.

WHEREFORE, Plaintiff Nicholas Bavas prays for judgment against Defendants DraftKings, Inc., and Crown IA Gaming LLC d/b/a DraftKings for actual and compensatory damages in a fair and reasonable amount as is set forth herein; treble damages, attorney fees, costs of this action, interest at the legal rate and such other and further relief as is consistent with the allegations in this Petition and otherwise deemed just and equitable by the Court.

Respectfully submitted,

BEN LYNCH LAW, P.L.C.
8550 Hickman Road
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F: (515) 276-2634
Email: ben@benlynchlaw.com

By: /s/ Ben Lynch AT0013089

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Darren T. Kaplan

(To be admitted *pro hac vice*)

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2727 Paces Ferry Road SE

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Email: dkaplan@kaplangore.com

Attorney Number: 172670 (Georgia Bar)

AFFIDAVIT OF SERVICE

Case: CVCV069026	Court: IN THE IOWA DISTRICT COURT	County: FOR POLK COUNTY	Job: 13144169
Plaintiff / Petitioner: NICHOLAS BAVAS		Defendant / Respondent: DRAFTKINGS, INC., and CROWN IA GAMING LLC d/b/a DraftKings	
Received by: Iowa Process Service		For: Ben Lynch Law	
To be served upon: Crown IA Gaming LLC d/b/a DraftKings c/o CT Corporation System, Registered Agent			

I, Halee Loftis, being duly sworn, depose and say: I am over the age of 18 years and not a party to this action, and that within the boundaries of the state where service was effected, I was authorized by law to make service of the documents and informed said person of the contents herein

Recipient Name / Address: Joel Kissel, Owner for Crown IA Gaming LLC d/b/a DraftKings c/o CT Corporation System, Registered Agent, 400 East Court Avenue, Des Moines, IA 50309

Manner of Service: Authorized, May 9, 2025, 2:27 pm CDT

Documents: Original Notice; Petition at Law and Jury Demand (Received Apr 21, 2025 at 11:04am CDT)

Additional Comments:

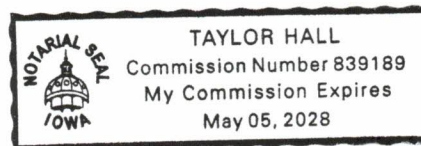
1) Served: May 9, 2025, 2:27 pm CDT at 400 East Court Avenue, Des Moines, IA 50309 received by Joel Kissel, Owner for Crown IA Gaming LLC d/b/a DraftKings c/o CT Corporation System, Registered Agent. Age: 50; Ethnicity: Caucasian; Gender: Male; Weight: 180; Height: 6'2"; Hair: Brown;

/s/ Halee Loftis 05/12/2025
Halee Loftis Date

Iowa Process Service
P.O. Box 1
Winterset, IA 50273

Subscribed and sworn to before me by the affiant who is personally known to me.

Taylor Hall
Notary Public
05/12/25 May 5, 2028
Date Commission Expires



AFFIDAVIT OF SERVICE

Case: CVCV069026	Court: IN THE IOWA DISTRICT COURT	County: FOR POLK COUNTY	Job: 13144175
Plaintiff / Petitioner: NICHOLAS BAVAS		Defendant / Respondent: DRAFTKINGS, INC., and CROWN IA GAMING LLC d/b/a DraftKings	
Received by: Iowa Process Service		For: Ben Lynch Law	
To be served upon: DRAFTKINGS INC. C/O C T CORPORATION SYSTEM			

I, Erik Kelliher, being duly sworn, depose and say: I am over the age of 18 years and not a party to this action, and that within the boundaries of the state where service was effected, I was authorized by law to make service of the documents and informed said person of the contents herein


Recipient Name / Address: Ana Gomes, Intake Specialist for DRAFTKINGS INC. C/O C T Corporation System, Registered Agent, REGISTERED AGENT: C T CORPORATION SYSTEM: 701 S CARSON ST SUITE 200, CARSON CITY, NV 89701

Manner of Service: Authorized, Apr 24, 2025, 2:51 pm PDT

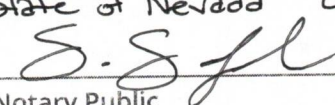
Documents: ORIGINAL NOTICE AND PETITION AT LAW AND JURY DEMAND (Received Apr 21, 2025 at 11:04am CDT)

Additional Comments:

1) Served: Apr 24, 2025, 2:51 pm PDT at REGISTERED AGENT: C T CORPORATION SYSTEM: 701 S CARSON ST SUITE 200, CARSON CITY, NV 89701 received by Ana Gomes, Intake Specialist for DRAFTKINGS INC. C/O C T Corporation System, Registered Agent. Age: 30's; Ethnicity: Caucasian; Gender: Female; Weight: 230; Height: 5'7"; Hair: Brown;

 5/14/25
Erik Kelliher Date
R-2024-10753

Iowa Process Service
P.O. Box 1
Winterset, IA 50273

Subscribed and sworn to before me by the affiant who is personally known to me.
State of Nevada County of Washoe

Notary Public
5/14/25 7/1/28
Date Commission Expires



**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF IOWA**

NICHOLAS BAVAS,

Plaintiff,

v.

DRAFTKINGS INC., and CROWN IA
GAMING LLC d/b/a/ DraftKings,

Defendants.

Case No. _____

(Removed from the Iowa District Court for
Polk County),

Case No: CVCV069026)

**DECLARATION OF PAUL LIBERMAN IN SUPPORT OF DEFENDANTS
DRAFTKINGS INC. AND CROWN IA GAMING LLC'S NOTICE OF REMOVAL**

I, Paul Liberman declare as follows:

1. I am the President and Chief Executive Officer for Crown IA Gaming LLC. I submit this declaration in support of Defendants DraftKings Inc. and Crown IA Gaming LLC's Notice of Removal.

2. Crown IA Gaming LLC is a limited liability company organized and existing under the laws of Delaware with its principal place of business in Boston, Massachusetts.

3. The sole member of Crown IA Gaming LLC is Crown Gaming Inc., which is a corporation organized and existing under the laws of Delaware with its principal place of business in Boston, Massachusetts.

I declare under penalty of perjury under the laws of the United States of America that the foregoing facts are true and correct to the best of my knowledge and belief based on my personal knowledge, the books and records at DraftKings, or information reported to me in the regular course of business by other individuals in the organization with personal knowledge of such facts.

Executed on the 23rd day of May, 2025, in Sharon, Massachusetts.

Signed by:

PAUL LIBERMAN

02ED17463556405...

Paul Liberman