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# THQ faces second uDraw class-action lawsuit

By Rachel Weber

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## Law firm Levi and Korsinsky commence suit on behalf of THQ shareholders

New York law firm Levi and Korsinsky has filed a class action lawsuit against troubled publisher THQ, claiming it misled shareholders over its uDraw peripheral.

"The complaint alleges that THQ and certain of its executive officers issued false or misleading statements concerning the Company," said documents the documents filed by the firm.

"Specifically, it is alleged that defendants misrepresented or failed to disclose that: (a) the Company's uDraw GameTablet ("uDraw") for Microsoft Xbox 360 and Sony PlayStation 3 was not being purchased by owners of those gaming systems; (b) because demand for uDraw was below internal expectations, the Company would have to take back, or provide price protection, on hundreds of thousands of units that it had sold; and (c) as a result of the foregoing, defendants lacked a reasonable basis for their positive statements about the Company and its prospects."

The lawsuit is open, at no fee, to any stockholders who bought THQ stock between May 3, 2011 and February 3, 2012.

THQ is already facing a similar class-action lawsuit from shareholder rights firm Robbins Umeda LLP, accusing it of "materially false and misleading statements."



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### About the author

**Rachel Weber**  
 Rachel Weber has been with GamesIndustry since 2011 and specialises in news-writing and investigative journalism. She has more than five years of consumer experience, having previously worked for Future Publishing in the UK.



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### 10 Comments

**Tynan Muddle** Jesus... why don't they just sue the customers for not buying it? #1



Writer

You invest in something at your own risk. You didn't have to blindly believe their hype. Hate this kind of crap.

Posted: 8 months ago

#2



Andrew Goodchild

Wait. If the shareholders sue, assuming they still hold shares, won't the shares be further destroyed, and if THQ goes under as a result, won't the shareholders lose all their money? Effectively as owners of the company, are they not suing themselves if they are suing the company, rather than an individual?

Posted: 8 months ago



Terence Gage  
Freelance writer

Investors invest, don't earn back any money from it so decide to sue the company they invested in. Brilliant; it's like an Eddie Izzard sketch.

Posted: 8 months ago

#3



Jim Webb  
Executive  
Editor/Community  
Director

We need a new Internet meme reaction. Facepalming just doesn't do it here.

Posted: 8 months ago

#4



Greg Wilcox  
Creator, Destroy All  
Fanboys!

Hmmm. SOLUTION: Maybe shareholders in any company should be forced to buy and use any product they invest in? Or hell, perhaps share some interest in the damn thing the company is making before throwing money into that investment? Idiots.

Posted: 8 months ago

#5



James Verity

I must have been on another planet for a holiday, I didn't know this product was out... not that I would have bought it... lol

Posted: 8 months ago

#6



Greg Wilcox  
Creator, Destroy All  
Fanboys!

Well, frankly... it's not a BAD product as far as the original Wii version went. It's not supposed to be a Wacom tablet or iPad at all, so parents with kids or folks who wanted to dabble in digital art could do so and not pay what a more expensive (and yes, more feature packed) device costs.

THQ was pretty obviously expecting the sales of the PS3 and 360 versions of uDraw to be as good as or better than the Wii model, but even more obviously, core as well as casual users avoided the thing like the plague.

I've seen the PS3 uDraw tablet at around \$30 or under with a pack in game, so it's probably worth a purchase if you don't mind an oddball bit of game history that was rendered obsolete by more expensive devices. The funny thing is, you could abuse the uDraw a lot more than you could an iPad. Ever see the look on a parent's face when their kid drops that device? Priceless.

Hell, I'd bet if some of the damned investors were able to use the product, they may have even picked one up and (a perhaps a console to go with it, as I'd bet most of these folks suing haven't touched a game in years, if ever...)

Posted: 8 months ago

#7



Bill Young  
Managing Director, EA  
Ready

Electronic Arts

in almost all of these suits, only a few major shareholders will recoup anything significant. The average individual investor's return from a class action will be hardly worth the trip to the ATM to deposit the check. The law firm however...they do quite well.

Posted: 8 months ago

#8

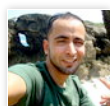


Joshua Moore  
Freelance Writer,  
Engineer

I wrote an article on Gaming Bus about it, but they are NOT facing two lawsuits. This is misinformation.

Posted: 8 months ago

#9



Rick Lopez  
illustrator, designer, DJ

Its easy to kick someone when they are down. Hopefully THQ will get back on there feet. I like what they are doing now. I absolutly loved saints row 3 and darksiders. And if they are doing something smart is following up on the success of those games. I also like the fact that even in these financial troubles

#10



they are not rushing their products. They are back to creating games. So i expect good things from them. So they have my money when the next iterations of these products come out.

Posted: 8 months ago

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