

February 11, 2013  
Prague/Kaliningrad/Hamburg

**An open letter from**  
**Amanita Design, Colibri Games and Daedalic Entertainment**

Dear colleagues:

This story may remind you of the Digital Jesters story from just a few years ago, because it is essentially the same: a number of studios signed up with a British publisher/distributor; the said British publisher/distributor has neither reported to the developers nor paid the guarantees and royalties under the contracts; and the studios fought back.

Today, we're going public with the story below as a warning to other studios: please learn from our experience and do not make the mistake of working with a group of people who are known for systematically not fulfilling their obligations towards development studios.

**CONTRACTS**

In November of 2009, Amanita Design signed a contract with Mamba Games Ltd., which allowed Mamba Games Ltd. to publish and distribute Amanita's **Machinarium** in certain territories on the condition of a minimum guarantee to be paid, followed quarterly reports and royalty payments.

In June of 2010, Daedalic Entertainment signed a contract with Lace Mamba Global Ltd., which allowed Lace Mamba Global Ltd. to publish and distribute Daedalic's **Deponia**, **The Whispered World**, **A New Beginning** and **Edna & Harvey: The Breakout** in certain territories on the condition of a minimum guarantee to be paid, followed quarterly reports and royalty payments.

In April of 2011, Colibri Games signed a contract with Lace Mamba Global Ltd., which allowed Lace Mamba Global Ltd. to publish and distribute Colibri's **The Tiny Bang Story** in certain territories on the condition of a minimum guarantee to be paid, followed quarterly reports and royalty payments.

**MISSING REPORTS & PAYMENTS, UNAUTHORIZED SALES**

Following the execution of the contracts and delivery of game masters to Lace Mamba Global Ltd., neither Colibri nor Daedalic have received the full amount of the minimum guarantees that Lace Mamba Global Ltd. agreed to pay in their contracts with the studios. At first, promises to pay were made by Jason Codd, LMG's European Managing Director; then Jason Codd completely disappeared from the correspondence and numerous reminders were ignored by him as well as by his colleagues.

At the same time, neither Amanita nor Colibri nor Daedalic received from Mamba Games Ltd. and Lace Mamba Global Ltd. the royalty reports that have been due under the contracts on a quarterly basis. We found ourselves in an uncomfortable position of having a third party exploit the results of our creative work in a totally uncontrolled manner where we did not know when, how and with what result our products were being manufactured and sold into the market.

Finally, in a meeting with industry colleagues during GDC 2012 in San Francisco both Amanita and Daedalic with a great surprise found out that their studio's products are without any agreement or authorization being distributed by Mamba Games Ltd. and Lace Mamba Global Ltd. in the territories

where no rights were granted to these companies. Moreover, in some instances Mamba Games Ltd. went so far as to sell to the local distributors the right to manufacture our games for a *flat fee*, not only collecting such revenue in breach of our rights, but also damaging our games with a model that we would have never agreed to in the first place, no matter who would be offering it.

## “LATER” BECOMES “NEVER”

After months of trying to resolve the issue of missing reports, payments and unauthorized sales via email, we decided to terminate our contracts with Mamba Games Ltd. and Lace Mamba Global Ltd. so that at least the company no longer has any rights to manufacture any more copies of our games. In July 2012 and in November 2012, Colibri Games and Daedalic Entertainment sent the official letters of termination to the address of Lace Mamba Global Ltd. specified in the contracts with the studios.

Around the same time Colibri Games also published a press release urging other studios not to work with Lace Mamba Global Ltd. due to the lack of reporting and payments on the side of that company (<http://www.mcvuk.com/press-releases/read/colibri-games-has-canceled-distribution-agreement-with-lace-mamba-global/0101615>).

It's worth noting that in later conversations with the representatives of Lace Mamba Global Ltd., they claimed that the letters – despite being delivered with confirmations of the receipt – were never seen, and that their email system was ‘malfunctioning’ exactly on the days when copies of the same termination letters were also forwarded to the company's email address – despite these emails being successfully delivered without any error messages in response.

## UNITED WE STAND

In January 2013, another developer – CBE Software – went public with the similar story: no reporting, no payments, no response from Lace Mamba Global after giving over the master of their game (<http://www.gamesindustry.biz/articles/2013-01-28-lace-mamba-responds-to-cbe-software-accusations>) – and our studios decided to make one last collective effort to resolve the mess created by Mamba Games Ltd. and Lace Mamba Global Ltd., contacting not only Jason Codd, who was the director that originally initiated all of the contracts, but also all the other people from Mamba Games and/or Lace Mamba Global whom we knew: Damian Finn, Adam Lacey and Campbell Lacey.

Such collective action bore fruit, and we advise other developers in similar situation to resort to the same strategy, joining forces to defend your rights together: after a week of heated discussions involving such entertaining topics as Crown Prosecution Service and possible imprisonment for organized piracy, Mamba Games Ltd. and Lace Mamba Global Ltd. provided Daedalic, Colibri, CBE and Amanita with a work-in-progress ad hoc royalty report.

Moreover, as of February 11, 2013, Lace Mamba Global Ltd. has paid all of its outstanding debts to CBE and Daedalic Entertainment and also paid to Colibri the remaining part of the minimum guarantee that has been due for many months before, signing with Colibri an additional written agreement to pay the remaining debts by March 15, 2013. Finally, Lace Mamba Global Ltd. delivered to Colibri the unsold units of Colibri's game that were in its possession, and promised to deliver the same to Daedalic.

We were also informed that Jason Codd, the person who negotiated all of the original contracts and who was the main point of contact for our studios on the side of Mamba Games Ltd. and Lace Mamba Global Ltd. , has been ‘fired’ from his directorship of Lace Mamba Global Ltd. (<http://www.gamesindustry.biz/articles/2013-02-07-lace-mamba-globals-european-md-resigns>).

## NOW YOU SEE IT, NOW YOU DON'T

At the time of writing of this open letter, Daedalic has no outstanding financial issues with Lace Mamba Global Ltd., its contract with Lace Mamba Global Ltd. has been terminated earlier in 2012 and Lace Mamba Global Ltd. now recognizes this termination. Lace Mamba Global Ltd. also recognized the termination by Colibri Games, from 2012, and the companies now have a newly signed agreement according to which the remaining debts will hopefully be paid shortly and the mix-up with the rights will be cleared in a matter of days. With a collective sigh we are so very happy to put this case away and to focus once again on the creative process.

However, a radically different approach was applied by the representatives of Mamba Games Ltd. to the resolution of their issues with Amanita Design: after years of missing reports and lack of due payments, and after selling Amanita's *Machinarium* in countries and to companies where and to whom Mamba Games Ltd. had no right to sell the game, Adam Lacey – the CEO of Lace Mamba Global, a company *whose logo is clearly displayed on the retail boxes of Machinarium*, told Amanita that in fact Mamba Games Ltd. and Lace Mamba Global Ltd. are two different companies, and that Lace Mamba Global Ltd. is not responsible for reporting and payments due on the side of Mamba Games Ltd., which is said to be fully owned by the same Jason Codd who was just a few days ago a director of both of these companies, and who completely disappeared from the radar, nor responding neither to emails nor to phone calls.

Interestingly, Mr. Lacey sometimes signs his emails as the CEO of Lace Mamba Global Ltd., and sometimes as Managing Director of Lace Group (whatever that means), while his colleagues involved in the dispute with our studios use emails from domains such as @mamba-games, @lace-mamba, and @lacegroup. Moreover, Mr. Lacey writes that Jason Codd has been the director of Lace Mamba Global Ltd. while Jason Codd himself writes that he was never officially the director of neither Mamba Games Ltd. nor Lace Mamba Global Ltd., even though he sometimes signed as a European Managing Director of Lace Mamba Global Ltd. (but not of Mamba Games Ltd.). Also, it was Mamba Games Ltd. which wired some of the payments due under the contract with Lace Mamba Global Ltd.

Of significant interest is also the fact that the boxes of Amanita's *Machinarium*, illegally and without any approval released in retail in Poland and in Sweden, bear the logo of Lace Mamba Global – even though Mr. Lacey claims that Lace Mamba Global is “just a sub-distributor” of the game, while Mamba Games Ltd. is the original publisher. Mr. Lacey could not explain the reasons as to why Mamba Games Ltd., a publisher, would not place its logo on the box of the game, but would rather place a logo of its sub-distributor – both of these entities conveniently headed by the same person.

## THE WAY FORWARD

It seems that the only way of defending the rights of Amanita is to engage a professional law firm that would be able to take the issue to the British courts in order to establish the precise relationship of Lace Mamba Global, Lace Group and Mamba Games, as well as the positions and responsibilities of these companies and their management as far as Amanita's contract and breach of such contract are concerned. It is a long and windy road but the studio is willing to take it to establish the truth, so that other studios are prevented from being harmed in a similar way in the future.

As for now, we kindly ask you to distribute this open letter throughout the industry so that at least in the short term, fellow developers pay more attention as to whom they sign with, and whom they send the masters of their games to – as one the master is out of ones hands, unexpected things may happen. We stay united in our disapproval of the business practices described above and we hope that our experience prevents other developers from making similar mistakes.

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Andrey Arutyunyan, Managing Director of Colibri Games  
Sergei Klimov, Director of International Publishing of Daedalic Entertainment