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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

SARA ISGUR, EDDIE EDWARDS, and RICHARD REPP individually and on behalf of themselves and all others similarly situated, Plaintiffs, v. META PLATFORMS, INC., Defendant	Case No. 3:24-cv-06559-WHO **THIRD AMENDED CLASS ACTION COMPLAINT**

Plaintiffs Sara Isgur, Eddie Edwards, and Richard Repp, individually and on behalf of all others similarly situated, hereby bring this Amended Class Action Complaint against Defendant Meta Platforms, Inc. ("Defendant" or "Meta") and, in support thereof, allege as follows:

PRELIMINARY STATEMENT

1. Plaintiffs licensed their personal information, including photos, stories and other posts to Meta in exchange for the right to use Meta's Facebook platform for their personal use. Meta then monetized that license and profited from it by using the licensed material to sell advertisements and to create and train new technologies and models such as artificial intelligence ("AI") models.

2. The problem in this case arose when Plaintiffs' accounts were hacked, and then Meta intentionally failed to afford Plaintiffs the ability to revoke Meta's license to their information, which Meta generates revenue from.

3. After Plaintiffs' and Class members' accounts were hacked, Meta did not restore access to the users to revoke the license to use their information and did not provide any other means to revoke the license to use their information. Meta also does not routinely suspend the hacked accounts. Instead, after accounts are lost to hacking, Meta continues to exploit and profit from the license Plaintiffs had given Meta in exchange for use of the platform. So, while Meta still has the benefit of the license over Plaintiffs' personal information and content posted by them on Facebook, Plaintiffs and users like them no longer have access to their personal information and posted content, no longer have the benefit of their bargain with Meta as they do not have use of their accounts on the Facebook platform, and cannot even gain entry to revoke or modify Meta's license over their information and content to exclude others from accessing their personal information.

4. With its intentional conduct of failing to provide the ability to revoke the licenses that were meant only to provide access to Facebook, Meta breaches the express terms Meta's Terms of Service ("TOS" or the Contract), which are contracts of adhesion. Meta's intentional conduct also breaches the covenant of good faith and fair dealing by frustrating the essential purpose of the service contract.

5. Specifically, Meta's adhesive TOS, which "govern [the] . . . access and use of Facebook," detail a clear and bargained for exchange between Meta and its consumer users: in

exchange for allowing Meta to use personal data that generates its income, Meta agrees to provide users with its service. Thus, under Meta's TOS, Plaintiffs and users pay Meta with their personal information for access to Facebook, which is worth millions to Meta:

> Instead of paying to use Facebook and the other products and services we offer, by using the Meta Products covered by these Terms, you agree that we can show you personalized ads and other commercial and sponsored content that businesses and organizations pay us to promote on and off Meta Company Products. We use your personal data, such as information about your activity and interests, to show you personalized ads and sponsored content that may be more relevant to you.

Terms of Service (rev. 07/26/2022) (available at http://bit.ly/4aBco47) (attached as Exhibit A) at 4 § 2; Terms of Service (rev. 01/01/2025) (available at https://perma.cc/Y2SQ-U2DA) (attached as Exhibit B) at 4 § 2.

6. Meta's license to use personal information is supposed to exist solely for the purpose of accessing and using the platform under the TOS: "[T]o provide our services we need you to give us some legal permissions (known as a 'license' to use this content. This is solely for the purposes of providing and improving our Products and services as described in Section 1 above." Ex. A at 6 § 3.3.1; Ex. B at 7 § 3.3.1.

7. In its TOS, Meta promised and promises Plaintiffs and Class members that they can revoke Meta's license to their information at any time:

> [W]hen you share, post, or upload content . . . you grant us a non-exclusive, transferable, sub-licensable, royalty-free, and worldwide license to host, use distribute, modify, run, copy, publicly perform or display, translate and create derivative works of your content. . . This license will end when your content is deleted from our system . . . ***You can delete individual content you share, post, and upload at any time*** . . . ***this license will continue until the content has been fully deleted***.

Ex. A at 6-7 § 3.3.1; Ex. B at 8 § 3.3.2 (emphasis added).

8. Underlining the terms of this promised ability to revoke the license, the TOS further specify that, once a user deletes content or once the account deletion process is completed, it may take up to 90 days to delete that content, and then another 90 days to remove that content from backups and disaster recovery systems. Ex. A at 7 §3.3.1; Ex. B at 8-9 § 3.3.3. If Meta had already

sub-licensed that content to a third party, the TOS specify that the content and accompanying license continue to apply until that third party deletes the user's content. *Id.*

9. Given that the TOS specify that a license can only be revoked by deletion, and Plaintiffs and Class members do not have access to the accounts to delete the licensed content, Meta gives itself discretion with respect to the continuation of the license instead of the user. Exercising this self-awarded discretion to its own benefit, Meta allows hackers to continue their access to misappropriated user accounts and does not provide users opportunities to revoke licenses and also does not itself suspend the majority of hacked accounts.

10. Despite its promises about the purpose of the license to provide users with access and users' ability to revoke it any time through deletion of content, after hackers accomplish an account takeover Meta intentionally does not provide its licensors the ability to delete the content or modify or revoke the license. In doing so, Meta harmed Plaintiffs by failing to afford Plaintiffs the ability to revoke Meta's license to their information, which interfered with and reduced their right to exclude others from their personal information.

11. Meta intentionally does not provide users with the ability to revoke the licenses after an account has been hacked and does not routinely suspend hacked accounts because Meta does not want to reduce ad dollars generated by accounts with active licenses that are being controlled by hackers. Instead, Meta intentionally defaults to maintaining the licenses to hacked accounts without providing a means to revoke the licenses or even suspending the hacked accounts itself to continue to benefit from revenue from the hacked accounts.

12. Meta intentionally maintains the licenses of hacked accounts despite their promise to allow deletion and revocation at any time because it does not want to decrease its platform size by the percentage of accounts that have been hacked. If Meta were to delete, or if Meta were to allow users to delete, the licenses connected with hacked accounts such deletion would result in a comparable percentage decrease in revenue and profits from ad content to its platform. In other words, Meta continues to maintain the licenses associated with hacked accounts because it makes no difference to Meta who is using the account, as—regardless of whether a hacker or the real user is operating the account—Meta makes money from ad dollars generated by the continued use of the

account's licensed information. As such, Meta intentionally does not suspend the licenses of hacked accounts to avoid a negative impact to its ad revenue—without concerning itself with who is operating the account, a hacker or the original user who provided a license to use their information that should have been possible to revoke at any time.

13. As a result of Meta's breach of its promises, Plaintiffs and Class members lost control over the licenses to their user-generated content, including photographs and posts, and their networks of "friends" and "followers" on their compromised personal Facebook accounts. Each of the Plaintiffs tried to engage Meta's customer service to regain access to their accounts, or at the very least, regain control over their personal content by having the ability to delete some or all of it, which they each preferred over their content being in the hands of hackers or simply inaccessible to them to manage, all while Meta profited from its license over the same. But, contrary to the promises made by Meta, Plaintiffs were unable to modify or terminate Meta's licenses over their accounts by deleting their content.

14. Plaintiffs and Class members reasonably expected they would either have access or the ability to delete the accounts—and did not expect their personal content to just be left in the hands of hackers without any suspension by Meta so that Meta could continue to profit from their personal information. Plaintiffs and the Class members would not have given Meta a broad license over their personal content if they knew that they would lose the ability to access Facebook—and consequentially, lose their ability to access to control the scope of Meta's license over their personal content. Meta's intentional conduct of failing to afford Plaintiffs and Class members like them the ability to modify or revoke the license interfered with Plaintiffs' and Class members' control over whether their Facebook content was licensed or distributed to third parties, and resulted in injury in fact by reducing their right to exclude others from their information.

15. Further, in an intentional effort to increase profitability by reducing costs while maintaining revenue from the closure of hacked accounts, Meta laid off thousands of employees concentrated in the customer service and support communities, abandoning users to ineffective automated systems that have already been shown to cause cascading harms to victims, leaving users with no recourse. In that regard, Meta decimated its customer support team in mass layoffs from late

2022 to early 2023 who were previously responsible for assisting in the return of hacked accounts. Critically, data reflects that hacking activity has increased dramatically following the time period during which these mass layoffs occurred. According to a letter sent by certain State Attorneys General to Meta on March 6, 2024, account takeover complaints rose almost threefold in just one year—in Pennsylvania and Vermont, the increase in account takeover complaints increased 270% and 740% respectively. With no reliable recourse available through customer support, users affected by hacking cannot regain access to their accounts, while hackers continue to use them. By gutting Facebook's customer support team, which it cut to increase its revenue at the same time it continues to realize revenue from hacked accounts now used by hackers, Meta only provides a circular process whereby Meta does not meaningfully investigate users' claims of being locked out of their accounts, effectively giving hackers the green light to maintain control of Plaintiffs' and Class members' accounts and provides no recourse for modification or revocation of Meta's license.

16. To make matters worse, as a result of Meta's continued failure to allow Plaintiffs and similarly situated users access to their accounts, users have been subjected to further harm by hackers posting inappropriate content, soliciting those in their social networks under false pretenses by masquerading as the users, and causing harm to users' goodwill and reputations.

17. Accordingly, Plaintiffs bring this action on behalf of themselves and other similarly situated Facebook users for Meta's breaches of the express terms in its adhesive Contract, seeking actual and/or nominal damages. Plaintiffs and the Class members also bring claims for Meta's breach of the covenant of good faith and fair dealing.

18. Plaintiffs and Class members also bring a claim for restitution under the "unlawful" and "unfair" prongs of California's Unfair Competition Law (the "UCL"), Bus. & Prof. Code §§ 17200 *et seq.* because, by denying Plaintiffs and Class members the ability to revoke Meta's license to use their information, Meta caused economic injury to Plaintiffs in the form of lost control over their content licenses and their personal information that they reasonably expected to remain in their control. The loss of the ability to restrict the use of personal information has economic value to Plaintiffs—as the amount consumers are will to pay to provide access to personal data can be monetized using a "Willingness to Accept" analysis as detailed below. Plaintiffs' and Class members'

control over personal data has value to them such that the harm Meta has caused here by intruding on their ability to restrict others from its use constitutes economic injury under three theories, explained in greater detail below, including (1) an unfair benefit-of-the-bargain, (2) a diminished value of personal information, and (3) a reduced right to exclude others from accessing their personal data.

19. Plaintiffs and Class members also continue to be harmed by Meta's failure to provide recourse for revoking licenses to hacked accounts as Plaintiffs and Class members continue to be victimized by hacking. As such, Plaintiffs and Class members also bring an action for injunctive relief under the UCL, Bus. & Prof. Code §§ 17200 *et seq.* to compel Meta to create a process for consumers to revoke the licenses of their Facebook content at any time.

20. Plaintiffs are entitled to actual damages and nominal damages for the breach of contract and breach of good faith and fair dealing and restitution and injunctive relief for the violations of the UCL.

PARTIES

21. Plaintiff Sara Isgur is, and at all relevant times was, a citizen of the State of California residing in San Diego. As set forth more fully in paragraphs 50-61, Plaintiff Isgur had a personal account on Facebook, and was a Facebook user for many years. As a result of a failure by Meta's security system, in June 2023, Plaintiff Isgur's longstanding personal Facebook account was compromised by hackers. Plaintiff Isgur tried to regain access and control of her account. If Plaintiff Isgur cannot regain access to and control over her account, she wants Meta to return her content or at least give her access to revoke or modify Meta's license over the same by deleting her content, and would have done so rather than have the account be run by hackers or be accessible to others while Meta continues to profit. Meta has not allowed her to do so.

22. Plaintiff Eddie Edwards is, and at all relevant times was, a citizen of the State of Alabama residing in Prattville. As set forth more fully in paragraphs 62-80, Plaintiff Edwards had a personal account on Facebook and was a Facebook user for many years. In March 2025, Plaintiff Edwards' longstanding personal Facebook account was compromised by hackers. Plaintiff Edwards tried to regain access to and control over his account during the time he was locked out. While Plaintiff Edwards was locked out, he would have preferred that Meta return his content or at least

give him access to revoke or modify Meta's license over the same by deleting his content, and would have done so rather than have the account be run by hackers or be accessible to others while Meta continues to profit. Meta did not allow him to do so.

23. Plaintiff Richard Repp is, and at all relevant times was, a citizen of the State of Washington residing in Spokane. As set forth more fully in paragraphs 81-94, Plaintiff Repp had a personal account on Facebook, and was a Facebook user for nearly 20 years. In September 2024, Plaintiff Repp's account was compromised by hackers. Plaintiff Repp tried to regain access and control of his account. If Plaintiff Repp cannot regain access to and control over his account, he wants Meta to return his content or at least give him access to revoke or modify Meta's license over the same by deleting his content, and would have done so rather than have the account be run by hackers or be accessible to others while Meta continues to profit. Meta has not allowed him to do so.

24. Defendant Meta is a California corporation with its principal place of business located at 1 Hacker Way, Menlo Park, CA 94025. Meta is a leading global social media and social networking company. Meta is a Fortune 500 company with an annual revenue of $134.9 billion in 2023, and market capitalization of $1.55 trillion as of January 2025. As part of its operations, Meta owns and operates the website www.facebook.com, and the associated Facebook application. At all relevant times, Meta was, and is, engaged in business in San Mateo County and throughout the United States and the world.

JURISDICTION AND VENUE

25. This Court has subject matter jurisdiction under the Class Action Fairness Act ("CAFA"), 28 U.S.C. § 1332(d)(2)(A) because there are 100 or more Class members, at least one Class member is a citizen of a state that is diverse from Defendant's citizenship, and the matter in controversy exceeds $5 million, exclusive of interest and costs.

26. This Court has personal jurisdiction over Meta because Meta is a corporation that resides in this District. Defendant operates, conducts, and engages in substantial business in this judicial district; Defendant caused injury to persons within this State; and a substantial portion of the actions giving rise to the claims took place in this State.

27. Venue is appropriate in this District pursuant to 28 U.S.C. § 1391(b)(2) because this is a judicial district in which a substantial part of the events or omissions giving rise to the claim occurred, or a substantial part of the property that is the subject of the action is situated, and pursuant to Meta's Terms which designate the Northern District of California as the appropriate venue for a federal action.[1]

FACTUAL ALLEGATIONS

A. Meta's vast Facebook platform is a routine target for hackers.

28. Facebook is amongst the most popular social media platforms in the world. For example, Meta's Facebook platform has roughly 3.07 billion monthly average users and 2.11 billion daily users. In fact, 54.33% of the world's active internet users access Facebook every month.[2] Meta does not want to decrease its monthly or daily users because the number of users it has helps generate its revenue through the sale of their information for targeted ad content. As a result, Meta intentionally turns a blind eye to hacking while also failing to allow users to revoke their licenses—because, if the accounts are suspended and permanently deleted by either Meta or Plaintiffs and the Class members, Meta's monthly and average user base would be reduced by millions of hacked accounts.

29. Because Meta encourages users to share information on its platforms—so it can profit from its license over that information—hackers routinely target and successfully access the valuable information Meta stores related to users' accounts, including by gaining access to user accounts themselves though account takeovers.

30. Hackers accomplish account takeovers in multiple ways, including gaining access to an account through password breaking (whereby a password is guessed), cookie theft, phishing, or impersonation of Meta support professionals. Once an account has been taken over, hackers will

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[1] *See* Ex. A at 10 § 4.4; Ex. B at 11 § 4.4 ("You and Meta each agree that any claim, cause of action, or dispute between us that arises out of or relates to these Terms or your access or use of Meta Products shall be resolved exclusively in the U.S. District Court for the Northern District of California or a state court located in San Mateo County.")

[2] *Facebook User & Growth Statistics,* BACKLINKO, https://backlinko.com/facebook-users (last updated Sep. 22, 2025).

change passwords, phone numbers, and email addresses, and add security keys and two-factor authentication to lock out the rightful owner. [3]

31. After an account takeover, a hacker can access and misuse private information, including users' full names, birth dates, and credit card information; read the users' private communications; make public posts to scam the user's contacts or the public at large; and take other nefarious actions.[4]

32. Indeed, compromised Meta accounts are so valuable that they can sell on the dark web for around$75.[5] These accounts also remain valuable to Meta as it can continue to direct ad content at hacked accounts or use hacked accounts in developing new technologies, while continuing to generate revenue regardless of whom is in control of the account.

33. After hackers stole Plaintiffs' and Class members' accounts with account takeovers, Meta breached and continues to breach its Contract by failing to provide a means to revoke Meta's license to information on hacked accounts that Meta routinely continues to profit from.

B. Meta promises in its Contract that it will provide Plaintiffs and the Class with the ability to revoke Meta's license to use their information at any time.

34. Meta is the unilateral author of its adhesive Contract, which Meta states governs the course of conduct between Facebook users and itself. In the Contract, Meta expressly details the value exchange between Meta and its users. Instead of paying cash to Meta to use Facebook, Plaintiffs and similarly situated Class members paid Meta with their personal information, which is worth millions to Meta, in exchange for use of Meta's Facebook service:

> Instead of paying to use Facebook and the other products and services we offer, by using the Meta Products, covered by these Terms, you agree that we can show you personalized ads and other commercial and sponsored content that businesses and organizations pay us to promote on and off Meta Company Products. We use your personal data such as information about your activity and interests, to show you personalized ads and sponsored content that may be more relevant to you.

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[3] Amanda Florian, *The anatomy of a Facebook account heist*, VOX, https://www.vox.com/technology/2023/9/28/23892964/facebook-account-hacked-theft-stolen-online-scams-meta (Sept. 29, 2023).
[4] *Id.*
[5] *Your Hacked Facebook Account Goes for $75 on the Dark Web*, BITDEFENDER, https://www.bitdefender.com/blog/hotforsecurity/your-hacked-facebook-account-goes-for-75-on-the-dark-web/ (June 18, 2020).

Ex. A at 4 § 2; Ex. B at 4 § 2.

35. Meta promises users the right to delete their content and thereby revoke the license at "any time":

> [W]hen you share, post, or upload content . . . you grant us a non-exclusive, transferable, sub-licensable, royalty-free, and worldwide license to host, use distribute, modify, run, copy, publicly perform or display, translate and create derivative works of your content. . . This license will end when your content is deleted from our system . . . ***You can delete individual content you share, post, and upload at any time*** . . . this license will continue until the content has been fully deleted.

Ex. A at 6-7 § 3.3.1; Ex. B at 8 § 3.3.2 (emphasis added).

36. Meta's license, which is supposed to be revokable by users through deletion at any time, is supposed to exist solely for the purpose of users having access to and use of the platform under the TOS: "[T]o provide our services we need you to give us some legal permissions (known as a 'license' to use this content. This is solely for the purposes of providing and improving our Products and services as described in Section 1 above." Ex. A at 6 3.3.1; Ex. B at 7 §3.3.1.

37. Thus, Facebook's users confer a benefit on Meta through permitting Meta to use their personal data and giving Meta an expansive license to the content they post or publish on Facebook, which Meta promises can be revoked at any time. In exchange, the users are permitted to use Facebook's platform.

38. The Contract also states that Meta "may disable or delete your account if after registration your account is not confirmed, your account is unused and remains inactive for an extended period of time, or if we detect someone may have used it without your permission and we are unable to confirm your ownership of the account. Learn more about how we disable and delete accounts." Following the link incorporated by reference in the phrase "Learn more," leads to another page where Meta states it "may disable or delete your account if it appears to have been hacked or compromised and we are unable to confirm ownership of the account after a year, or if the account

is unused and remains inactive for an extended period of time."[6] It further promises that, in such a case, there are "steps you can take to unlock your account."[7]

39. The terms of its Contract thus required Meta to suspend hacked accounts and then to provide steps to restore access to the real user and also required that Meta allow Plaintiffs to terminate Meta's license by deleting their content.

C. <u>Meta benefits from its breached promises to its users to allow the revocation of Meta's license over their personal information .</u>

40. Despite its promises to maintain a license only to provide a user access and use of their account and to allow the revocation of Meta's license at any time, after hackers accomplish an account takeover Meta does not allow users the ability to revoke Meta's license to use their personal information. Meta also routinely fails to take the action of suspending accounts. Even when Meta does occasionally suspend an account lost from hacking, Meta does not offer reasonable means to allow users to regain access to the suspended accounts. Instead, Meta allows hackers to continue their access to misappropriated user accounts while it intentionally acts to maintain and profit from the license to use Plaintiffs' and Class members' personal information. With its intentional acts, Meta acts in bad faith to prevent its users from revoking those licenses while also frustrating the Contract's benefits. As a result, locked out users are left vulnerable to hackers' nefarious use of their accounts and identities. Plaintiffs and Class members are harmed because they no longer have control over whether their content is licensed and distributed to third parties by Meta.

41. In violation of its contractual agreement to allow revocation, Meta intentionally failed to provide Plaintiffs and Class members the ability to revoke their licenses—instead abandoning users to victimization by hackers while at the same time avoiding a decrease in its own revenue that would result from the revocation of licenses associated with content on accounts now being used by hackers. In fact, Meta has actively taken steps to exacerbate this problem. Specifically, in late 2022, Meta laid off approximately 11,000 people, or about 13% of its workforce.[8] Then, in early 2023, after

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[6] *Facebook's policies on disabling or deleting hacked, unused or unconfirmed accounts,* META, https://www.facebook.com/help/3434203120011796 (last accessed February 25, 2026).

[7] *Id.*

[8] *Meta Lays Off More Than 11,000 Employees*, THE NEW YORK TIMES, https://www.nytimes.com/2022/11/09/technology/meta-layoffs-facebook.html (November 9,

declaring 2023 to be Meta's "year of efficiency," Meta laid off another 10,000 employees concentrated in the customer service and support communities, removing opportunities for human intervention and abandoning users to ineffective automated support systems that have already been shown to cause cascading harms to victims and their Facebook friends, leaving users with no recourse.[9] Following these massive layoffs, Meta did not provide sufficient customer support to assist users as they promised to do—by suspending hacked accounts and then providing steps for the real user to regain access. After these layoffs and a corresponding increase in hacking, Meta also did not provide its users the ability to revoke Meta's license to use their personal information for its profit in the event their accounts were hacked.

42. Meta's conduct—specifically the decision to terminate upwards of 20,000 customer service employees—was an intentional step towards increasing Meta's profit margins that would knowingly result in an increase in unresolved hacked accounts from which Meta would continue to be able to profit so long as Plaintiffs and Class members like them could not modify or revoke the license to use that information.

43. The results of Meta's customer service reduction were predictable and immediate—a substantial increase in the number of account takeover complaints was observed by 40 state attorneys general and the attorney general for the District of Columbia in the months following Meta's announced layoffs. For example, the New York Attorney General's office received 73 account takeover complaints in 2019 and that number grew to 783 in 2023. As of January 2024, New York had already received 128 complaints; Vermont reported a 740% increase in complaints from 2022 to

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2022) (discussing layoffs of approximately 11,000 people or 13% of its workforce in November 2022).

[9] *Meta to lay off 10,000 more workers after initial cuts in November*, CNBC, https://www.cnbc.com/2023/03/14/meta-layoffs-10000-more-workers-to-be-cut-in-restructuring.html (last updated March 14, 2023) (reporting that CEO Mark Zuckerberg communicated to analysts that Meta planned "on cutting projects that aren't performing or may no longer be crucial" and declaring 2023 to be a "year of efficiency"); *Meta's job cuts are gutting customer service, leaving influencers and businesses with nobody to call*, CNBC, https://www.cnbc.com/2023/04/05/meta-layoffs-gut-customer-service-leaving-influencers-without-reps.html (last updated April 5, 2023) (reporting additional layoffs of nearly 10,000 employees around March 13, 2023).

2023; North Carolina reported a 330% increase from 2022 to 2023; Pennsylvania reported a 270% increase from 2022 to 2023; and Illinois reported a 256% increase from 2022 to 2023.[10]

44. While Facebook users were met with diminished customer support options and no ability to revoke Meta's license to use their personal information, Meta's financials flourished as predicted. In an 8K filed contemporaneously with the public disclosure of the layoffs, Meta projected that its operating expenses would drop some $3 billion dollars for 2023.[11] Likewise, Meta's share price closed up 7% on the date of the disclosure of the additional layoffs.[12] Meta's "year of efficiency" paid off, after Q4 of 2023, Meta "tallied its most profitable quarter—and year—ever ."[13] Meta's inability to restore its users' accounts since the layoffs has been well-documented,[14] and Meta is aware of the same.

45. Because Meta did not terminate the licenses connected to hacked accounts, and did not provide Plaintiffs and Class members with the ability to modify or revoke the licenses either, Meta did not have to experience any decline in revenue resulting from the millions of accounts that would have been suspended due to hacking that would have stopped generating ad revenue. Indeed,

[10] Ltr. Re: *Meta Account Takeovers and Lockouts*, NAT'L ASS'N OF ATTORNEYS GENERAL, *available at* https://www.naag.org/wp-content/uploads/2024/03/Policy-Letter-to-Meta-on-Account-Takeover-2024-03-06.pdf (Mar. 5, 2024) ("State AG Ltr."), at 3.

[11] *Form 8K, Current Report Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934, Meta Platforms, Inc.*, United States Securities and Exchange Commission, https://www.sec.gov/ix?doc=/Archives/edgar/data/1326801/000132680123000035/meta-20230314.htm (Mar. 14, 2023).

[12] *Meta to lay off 10,000 more workers after initial cuts in November*, CNBC, https://www.cnbc.com/2023/03/14/meta-layoffs-10000-more-workers-to-be-cut-in-restructuring.html (Mar. 14, 2023).

[13] Derek Saul, FORBES, *Meta Earnings: Zuckerberg's 'Year of Efficiency' Nets Greatest Profits Ever* (Feb. 1, 2024), *available at* https://www.forbes.com/sites/dereksaul/2024/02/01/meta-earnings-zuckerbergs-year-of-efficiency-nets-greatest-profits-ever/.

[14] See, *e.g.*, State AG Ltr.; Rosa Marchitelli & Jean Blair, *Facebook account takeovers are targeting people you know, turning friendship into fraud*, CANADA BROAD. CORP. NEWS (May 27, 2024), https://www.cbc.ca/news/canada/new-brunswick/facebook-account-taken-over-friends-scam-1.7205356; Lauren Strapagiel & Tanya Chen, *Influencers Are Taking Desperate Measures To Recover Their Instagram Accounts*, BUZZFEED NEWS (Aug. 24, 2021); https://www.buzzfeednews.com/article/laurenstrapagiel/creators-instagram-dealers-restore-accounts; Anthony Schoettle, *Hackers Increasingly Target Instagram Accounts*, INDIANA CHAMBER OF COMMERCE (May 11, 2022), https://www.indianachamber.com/hackers-increasingly-target-instagram-accounts/.

in 2023, Meta's average revenue per user worldwide was $40.60[15], while the total revenue per Facebook user was $68.44 for users based in the United States and Canada[16], and Meta's advertisement revenue of approximately $131.95 billion accounted for approximately 98% of its revenue.[17] As a result, Meta's revenue from gutted customer service landed only in the plus column while Meta continued to generate revenue from licenses to hacked accounts. With its intentional conduct, Meta avoids a reduction of revenue that should have occurred as a result of the termination of licenses associated with the hacked accounts.

46. By slashing its customer service teams, and failing to suspend hacked accounts and then offer "steps you can take to unlock your account" that actually work, Meta has left its billions of users at risk of being unable to access basic support functions, including the ability to revoke the licenses to their information which may been taken over by nefarious actors. Meta's exercise of discretion of its license after Plaintiffs and Class members cannot gain access to delete the license as promised by themselves is in bad faith and impermissible because Meta exercises its discretion to frustrate the Contract and to instead benefit its bottom line.

47. Indeed, Meta still profits from the personal data of the users who are locked out, and still retains a license over the posted content of users who cannot modify or terminate that license by deleting the content, while its users are deprived of the ability to revoke the license as well as being deprived of the benefit of using the Facebook platform. Declining to suspend accounts and then restore access, or declining to provide the ability to revoke licenses to locked out users while

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[15] Stacy Jo Dixon, Average revenue per user (ARPU) of Meta Platforms from 2011 to 2023, STATISTA (Feb. 12, 2024), https://www.statista.com/statistics/234056/facebooks-average-advertising-revenue-per-user/#:~:text=In%202023%2C%20Meta's%20average%20revenue, from%2039.63%20USD%20in%202022.

[16] Gennaro Cuofano, *The Facebook ARPU Explained*, FOURWEEKMBA (Feb. 6, 2024), https://fourweekmba.com/facebook-arpu/.

[17] Stacy Jo Dixon, Annual revenue generated by Meta Platforms from 2009 to 2023, by segment, STATISTA (Feb. 12, 2024), https://www.statista.com/statistics/267031/facebooks-annual-revenue-by-segment/; Stacy Jo Dixon, Annual revenue and net income generated by Meta Platforms from 2007 to 2023, by segment, STATISTA (Mar. 4, 2024), https://www.statista.com/statistics/277229/facebooks-annual-revenue-and-net-income/(Meta's revenue in 2023 was over $134 billion).

simultaneously benefiting from their data and posted content frustrates the purpose of the contract and denies Plaintiffs and the Class of the benefit of the bargain.

48. Following the layoffs, those who have had their accounts compromised do not have clear, adequate recourse.[18] As the number of account takeovers increases, many victims left confused and frustrated by Meta's reporting systems are turning to lawmakers, state attorneys general, the Federal Trade Commission, and even the FBI[19] to restore their accounts, placing an unnecessary burden on these public resources.[20] Meta's decision to delegate customer support to an ineffective web form and alleged "support emails" that go unanswered has, in fact, allowed further hacking because it gives hackers the opportunity to pose as Meta employees in the gap left by Meta's deleted customer service operation.[21]

49. In short, Meta's decision to remove all pretense of customer support while at the same time maintaining the licenses associated with hacked accounts improved its bottom line.

D. Meta fails to provide Plaintiffs and the Class the ability to modify or revoke Meta's license over their personal information.

Plaintiff Isgur's Experience

50. After hackers took over Plaintiff Isgur's non-commercial Facebook account, Meta failed to restore her access to that account and she lost the ability to revoke Meta's license to use her personal information as well as access to years of photos, posts, personal messages, business and personal connections, and more. Meta still benefits from the unauthorized use of her account.

51. Plaintiff Isgur had previously used Facebook for many years.

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[18] Florian, *supra* note 3.
[19] *Id.*
[20] State AG Ltr. at 3.
[21] *See id.* ("In the absence of help from Meta, thousands of victims of account theft have come together in Facebook groups, on X, and in reddit threads, where they share tips and information about the hacks. The groups are filled with concerned users, but they're also filled with even more hackers hiding behind AI-generated photos and stock images."); *see also* Adi Robertson, *Meta reportedly punished dozens of employees for offering an inside line to account recovery*, THE VERGE (Nov. 17, 2022), https://www.theverge.com/2022/11/17/23464297/meta-allegedly-fired-contractors-employees-oops-account-recovery-abuse; Strapagiel & Chen, *supra* note 14.

52. On the evening of June 21, 2023 Plaintiff Isgur's Facebook and Instagram accounts were hacked by an unknown user. The hacker immediately changed the password, mobile phone number, and email address associated with her accounts.

53. Plaintiff Isgur received a notification from Facebook that the email and phone number associated with her account had been changed; she tried to log in and was unable to do so.

54. Because Plaintiff Isgur's Facebook account was so swiftly compromised, she lost access to the online account reporting menu features that Meta's platform users can access through the platform when logged in. That same evening, Plaintiff Isgur used the automated support options that were available to her without having a logged in account, including submitting a copy of her driver's license to confirm her identity, but none of these measures were successful at restoring Plaintiff Isgur's access to her account and, thus, she could not even obtain access to delete Meta's license despite her efforts. The day after her account was hacked, Plaintiff Isgur used her partner's account to report that her account had been hacked in violation of Meta's Terms; however, neither she nor her partner ever received a response from Meta.

55. Realizing that she could not access automated user support because it was only accessible through the account she no longer had access to, Plaintiff Isgur called a Facebook Headquarters phone number she found on the internet by searching "how to contact Facebook," and left a message asking for help retrieving her hacked account. She did not receive a response. Next, Plaintiff Isgur sent a letter to Meta's Headquarters at 1 Hacker Way in Menlo Park, again asking for assistance with her hacked account. She did not receive a response.

56. Approximately a week after she was hacked, Plaintiff Isgur received a phone call from a friend, who reported that the hacker had posted a link on Plaintiff Isgur's Facebook page pretending to be Plaintiff Isgur, and that the friend had provided the hacker with her own email, phone number, and list of contacts through the link. It was only when the hacker requested Plaintiff Isgur's friend's social security number that the friend realized that she was not communicating with Plaintiff Isgur and that this was part of a financial scam.

57. Soon after Plaintiff Isgur's account was hacked, other friends notified her that the hacker posted a financial scam using Plaintiff Isgur's account. Plaintiff Isgur encouraged her friends

to report the hacked account using Facebook's user support system. Plaintiff Isgur's friends reported the post as violating Meta's Terms, but like Plaintiff Isgur and her partner, never received a response from Facebook. The hacker or hackers posted a financial scam using Plaintiff Isgur's account at least two more times after the hacked account had been reported to Facebook by Plaintiff Isgur's friends.

58. In late October 2023, Plaintiff Isgur learned that her cousin, with whom she maintained a close connection by communicating on the Facebook platform, had died on October 6, 2023. Because news of her cousin's death and of the memorial service was only shared on Facebook and was thus inaccessible to Plaintiff Isgur who was locked out of her account, Plaintiff Isgur not only learned of her cousin's death after some time, but also missed the memorial service. The memorial service had been held quickly after her cousin's death, following Jewish religious practices, so timely notification of his passing was vitally important. Plaintiff Isgur was devastated at the belated news of her cousin's death and that she had missed the chance to honor his passing.

59. In November 2023, frustrated with the inability to even remove content from her Facebook profile, as well as with the lack of assistance or even a response from Facebook to her account hacking, Plaintiff Isgur contacted the Office of California's Attorney General and used their online Consumer Complaint system to submit a complaint about Meta's failure to protect user accounts from hacking. Plaintiff Isgur also contacted the FBI to report the Facebook account hacking.

60. Plaintiff Isgur's inability to access her account means she cannot modify or revoke Meta's license over her personal content by deleting the content. Meta did not give Plaintiff Isgur support in accessing her account or modifying or revoking the license as promised and did not itself act to revoke its license when she was locked out either.

61. Plaintiff Isgur primarily wants to regain access and control over her Facebook account, but if that is not possible, Plaintiff Isgur would prefer for Meta to return her personal content and provide Plaintiff Isgur with the ability to delete it from Meta's systems rather than let it be controlled by an unauthorized third party while Meta continues to profit from the license. Plaintiff Isgur would not have given Meta a license over her personal content—which was given in exchange for her use

of the Facebook platform—if she knew that she would lose the ability to control that license as promised and lose access to the Facebook platform.

Plaintiff Edwards' Experience

62. After hackers took over Plaintiff Edwards' non-commercial Facebook account, Meta failed to restore his access to that account and he lost access to his ability to revoke the license to use his personal information as well as access to years of photos, posts, personal messages, business and personal connections, and more, while Meta still benefited from the unauthorized use of his account.

63. Plaintiff Edwards had previously used Facebook for many years.

64. On March 5, 2025 at around 3:20AM CST, Plaintiff Edwards' Facebook account was hacked by an unknown user.

65. The unknown user set up a business account connected to Plaintiff Edwards' personal account. Plaintiff Edwards did not previously have a business account.

66. That unknown user also enrolled the business account into "Meta Verified" and Plaintiff Edwards' personal account into "Facebook Protect." Plaintiff Edwards was not previously enrolled in either of these services.

67. Minutes later, Plaintiff Edwards received an email from Meta's notification@facebookmail.com email address with text in Vietnamese and English asking him to confirm that his personal email address should be the new updated email address for a business page called "Ballers Baseball."

68. At 3:25AM CST, Plaintiff Edwards received an email from Meta's security@facebookmail.com email address asking him if he added the email "jordtoharaqg@outlook.com" to his Facebook account. That email said "If this wasn't you, we're here to help you take some simple steps to secure your account." The email said that the request to change the email address came from New York, NEW YORK US on Wednesday, March 5, 2025 at 4:24PM, despite the fact that the email was sent at 3:25AM that same day.

69. At 3:36AM CST, Plaintiff Edwards received an email from Meta's security@facebookmail.com account transmitting a code in response to a request the unauthorized user made to change his password. The email said "If you got this email but aren't trying to reset

your password, let us know. You don't need to take any further steps, as long as you don't share this code with anyone."

70. Seconds later, Plaintiff Edwards received a security alert email from Meta's security@facebookmail.com account stating that his password has been changed. The email said that the password was changed from the location New York, NEW YORK US on Wednesday, March 5, 2025 at 4:36PM, despite the fact that the email was sent at 3:36AM. The email further stated "if this wasn't you, we're here to help you take some simple steps to secure your account."

71. Plaintiff Edwards was asleep, and despite Meta's representation that Plaintiff Edwards would not need to take any action to secure his account as long as he and did not make the request to change the code or share the code with anyone, he still lost access to his personal Facebook account in a matter of minutes.

72. Plaintiff Edwards attempted to use the support options alluded in the emails sent to him when he woke up and learned that his account was compromised. These support options required him to take actions including uploading a picture of his driver's license and a selfie video to confirm his identification.

73. Despite completing the steps multiple times and receiving messages that his identity had been "verified" and thanking him for letting Meta know the changes in his account were not made by him, the recovery links provided by Meta were nonfunctional, as were the temporary passwords provided. During his multiple attempts to complete these steps he received error messages. In one instance, Plaintiff Edwards was asked to confirm his telephone number, but the field for the telephone number did not populate.

74. Because Plaintiff Edwards was still logged into his Facebook account on his cell phone's Safari browser, he was able to see the actions being taken from his account but could not change the password set by the hacker, or remove the hacker's contact information associated with his personal account, because the hacker set up multifactor authentication. Plaintiff Edwards saw that the hacker was adding acquaintances from Plaintiff Edwards' "suggested friends," and that the hacker made a post on Plaintiff Edwards' personal Facebook page pretending to be Plaintiff Edwards and complaining about how it is hard to be a business person.

75. Plaintiff Edwards was concerned that the hacker was preparing to scam his friends and family through solicitations on Plaintiff Edwards' personal Facebook account, so he asked his wife to report the post and leave a comment on the post alerting Plaintiff Edwards' Facebook friends that he did not make the post. Meta did not remove the post and notified his wife that it did not violate their community standards.

76. Through the Safari browser on his phone, Plaintiff Edwards could see that the business account opened by the hacker was restricted from running ads or "us[ing] or shar[ing] audiences" after using an automation that does not abide by Meta's rules. Plaintiff Edwards is deeply concerned with the actions this hacker may be taking in his name and reputational harm from the same.

77. Meta did not give Plaintiff Edwards support in accessing his account or modifying or revoking Meta's license as promised and did not itself act to revoke its license when he was locked out either.

78. In or around September 2025, Plaintiff Edwards attempted to log in to his Facebook account again with the password saved on his iPhone, which did not work. Plaintiff Edwards again completed the prompt to reset a forgotten password, and unlike prior attempts, this one sent the recovery code to his mobile device instead of going to the hacker's devices or email accounts. Plaintiff Edwards set up multifactor authentication through Google, logged in with his new password, and logged out of all other locations.

79. While Plaintiff Edwards has since regained control of his personal account, he is unable to remove the business page that the hacker opened bearing his name and tied to his personal account because the hacker's email address is tied to that account. In attempting to remove it, Plaintiff Edwards was met with another circular process in which he could not delete the business account because it was, and remains, tied to the hacker's email address, and he cannot change the email address without the hacker's email address authorizing the request.

80. During the period Plaintiff Edwards was locked out of his Facebook account, Meta did not give Plaintiff Edwards access to modify or revoke the license given in exchange for access to the Facebook platform. Plaintiff Edwards primarily wanted to regain access and control over his

Facebook account, but if that was not possible, he would have preferred that Meta return his personal content and provide him with the ability to delete it from Meta's systems rather than let it be controlled by an unauthorized third party while Meta continued to profit from the license. Plaintiff Edwards would not have given Meta a license over his personal content—which was given in exchange for his use of the Facebook platform—if he knew he would lose the ability to control that license as promised and lose access to the Facebook platform.

Plaintiff Repp's Experience

81. After hackers took over Plaintiff Repp's personal Facebook account, Meta failed to restore his access to that account and he lost access to his ability to control Meta's license to use his information as well as access to years of photos, posts, personal messages and connections, and more, while Meta and the unauthorized user or users who accessed his account benefit unabated from his account.

82. Prior to being locked out of his account, Plaintiff Repp used Facebook for many years.

83. On September 19, 2024, while Plaintiff Repp was sleeping, an unknown user changed Plaintiff Repp's personal Facebook account information by adding the email address islenamangu@hotmail.com to his account. That account modification was made from Ho Chi Minh City.

84. The unknown user also added a new telephone number to Plaintiff Repp's personal Facebook account, 562-620-9164. That change was made from Iwaya, Nigeria.

85. The unknown user also paid $13.07 to Facebook for Meta Verified (Payment ID 8302841273162844), using a card that belonged to Plaintiff Repp. While this charge was recognized as fraudulent, Meta still refused to assist Plaintiff Repp in recovering his compromised account.

86. On September 22, 2024, Plaintiff Repp realized that he could not access his Facebook account, and that it was hidden from public view.

87. Plaintiff Repp attempted to follow the automated account recovery options available to him from Facebook's log in page, but was unable to regain access to his account and could not revoke the license to use his information either. Plaintiff Repp logged into his email account, and saw emails from Meta's security@facebookmail.com account stating that Plaintiff Repp's account

information was changed as described above. Plaintiff Repp then attempted to use the account recovery options included in the emails from Meta.

88. Plaintiff Repp used each of the automated support options that were available to him on Facebook's log in page and from the emails, including logging into his account on a device that he previously used to access his personal Facebook account with an old password.

89. While Facebook recognized his device as familiar and recognized his password as one he previously used, his account could not be restored because Facebook requires users to receive an email or text message, but the contact information associated with his account had been changed to that of the hacker's. Upon information and belief, sometime between September 19 and September 22, 2024, the hacker changed the email address associated with Plaintiff Repp's account to d*****k@gmail.com.

90. Plaintiff Repp also attempted to recover his account through submission of identification documents. Plaintiff Repp received an error code from Facebook in response to his attempt to upload identification documents that stated "Sorry, something went wrong…. We're sorry, there's a technical problem with this feature. We're working on getting it fixed."

91. Plaintiff Repp further attempted to use the account recovery links provided to him, but by the time he had accessed them, the links were either invalid or expired or otherwise nonfunctional. Plaintiff Repp emailed Meta's security@facebookmail.com account seeking assistance but never received a response.

92. Plaintiff Repp subsequently attempted to complete these steps several times, and after some time, the account recovery process was no longer available to him and he thus was foiled in his efforts to regain access and control over his Facebook account and the valuable content therein.

93. Plaintiff Repp engaged an identity recovery service and two different IT support firms after failing to receive any support or response from Meta, but was unable to regain access to his account.

94. Meta did not give Plaintiff Repp support in accessing his account or modifying or revoking the license as promised and did not itself act to revoke its license when he was locked out either. Plaintiff Repp primarily wants to regain access and control over his Facebook account, but if

that is not possible, he would prefer for Meta to return his personal content and provide him with the ability to delete it from Meta's systems rather than let it be controlled by an unauthorized third party while Meta continues to profit from the license. Plaintiff Repp would not have given Meta a license over his personal content—which was given in exchange for his use of the Facebook platform—if he knew he would lose the ability to control that license as promised and lose access to the Facebook platform.

95. All Plaintiffs spent countless hours trying to navigate Defendant's support mechanisms to regain access or to at least revoke Meta's license to use their information, with no success whatsoever. Plaintiffs eventually learned that Facebook had functionally eliminated its customer support team. Defendant continues to deny Plaintiffs and Class members the ability to revoke the license in connection to their accounts causing them harm while Meta continues to profit from the information collected from Plaintiffs' use of their Facebook accounts.

96. Likewise, Meta retains its "non-exclusive, transferable, sub-licensable, royalty-free, and worldwide license to host, use, distribute, modify, run, copy, publicly perform or display, translate, and create derivative works of [Plaintiffs'] content (consistent with [Plaintiffs'] privacy and application settings)" that Plaintiffs cannot end because Plaintiffs cannot delete any content from Meta's systems without access to their accounts.

E. The loss of the ability to control access to their personal information by revoking the license has economic value to Plaintiffs and Class members.

97. Personal user accounts are of immense value to Meta even if users do not pay Meta a dollar amount for account access.

98. Plaintiffs and Class members' privacy interests, including their right to exclude others from their personal data, also have value to Class members. While Plaintiffs and the Class are locked out of their accounts, they are deprived of the right to control the use and dissemination of their personal information that is subject to Meta's license and royalty to sublicense that information, which is a discrete injury to their property rights to control the access and exclude others from access to that information.

99. Plaintiffs and Class members have all lost control of their ability to revoke Meta's licenses to use their personal information and have also lost access to their accounts, including photos, posts, personal messages, business and personal connections, and more, while Meta along with the hackers benefit unabated from the continued use of their accounts. For example, Plaintiff Isgur has lost control of Meta's license to use her personal information in addition to losing access to the online repository of her memories, including her friends list, photos and records of her communications with friends and family, including a deceased loved one, and has missed a memorial service for that loved one, as well as lost a means of communicating with friends and family members who rely on Facebook to keep in touch. For other people, loss of access to their Facebook accounts has resulted in consequences including loss of evidence contained in messages for a custody dispute and losing access to photos of deceased loved ones.

100. Plaintiffs and Class members are also harmed because they are left vulnerable to nefarious uses of their identity and information as hackers operate their accounts. For example, hackers often use stolen accounts to publicize scams and to prey on users' contacts by impersonating the user.

101. While Plaintiffs and the Class are unable to control the license to use their personal information and cannot access the Facebook platform, Meta retains a broad license to use content published or uploaded to Facebook by Plaintiffs and the Class, including to further its own products and services, such as its new AI tools, conferring a benefit on Meta. Plaintiffs and the Class are unable to limit that license by deleting information they posted to Facebook, as contemplated in the Terms, because Meta will not or did not at the applicable time period, restore Plaintiffs' and the Class's access to the platform.

102. While Meta's decision to remove all pretense of customer support improved its bottom line,[22] Plaintiffs and Class members have paid the price because Meta's refusal to allow users to regain access to accounts where their personal information is stored in order toto modify or revoke Meta's license to use their information—including *inter alia* full names, dates of birth, credit card

[22] Derek Saul, FORBES, Meta Earnings: Zuckerberg's 'Year of Efficiency' Nets Greatest Profits Ever (Feb. 1, 2024) (following Q4 of 2023, Meta "tallied its most profitable quarter—and year—ever").

numbers, biological information, education information, and job history—results in users' continued victimization by hacking, puts them at risk for additional fraud as that information could be used to gain access to the victim's other accounts, and totally frustrates the purpose of the Contract between Meta and its users. This loss of control over whether their content is licensed and distributed to third parties by Meta resulted in injury in fact to Plaintiffs and Class members like them.

103. In other words, as a result of these breaches of Contract and its included covenant of good faith and fair dealing, as well as through Meta's violations of the UCL, Plaintiffs and Class members have been harmed by the loss of their personal data and the ability to control that personal data as they lost control over the license that Meta is granted, and have suffered a reduced right to exclude others from accessing personal data.

104. Plaintiffs have suffered a tangible monetary loss with the loss of the right to exclude others from accessing personal data that stems from the loss of the ability to revoke Meta's license to use their information. In the simplest terms, consumers would not willingly surrender control over their right to exclude others from accessing personal data. They would require compensation to do so. Requiring compensation to surrender control over personal data establishes the devaluation of that data once it escapes the user's control.

105. One way that economists assess consumers' valuation of some items is by estimating their *Willingness to Accept* ("WTA") its loss. WTA is the compensation that would have to be paid for an individual to give up the item in question. In their 2020 paper, "How Much is Privacy Valued Around the World and Across Platforms,"[23] Jeffrey Prince and Scott Wallsten studied this question specifically in regard to US consumers' valuation of data and privacy control on the Facebook platform. They found that respondents would require monthly compensation (WTA) of $4.91 to

[23] Jeffrey T. Prince & Scott Wallsten, *How Much is Privacy Valued Around the World and Across Platforms*, Technology Policy Institute (2020), https://techpolicyinstitute.org/wp-content/uploads/2020/02/Prince_Wallsten_How-Much-is-Privacy-Worth-Around-the-World-and-Across-Platforms.pdf; *see also* Jeffrey T. Prince & Scott Wallsten, *How Much is Privacy Valued Around the World and Across Platforms*, *The Journal of Economics and Management Strategy* (2022), https://www.researchgate.net/publication/360590866_How_much_is_privacy_worth_around_the_world_and_across_platforms/link/65e0b3d0adc608480af1dfe0/download?_tp=eyJjb250ZXh0Ijp7ImZpcnN0UGFnZSI6InB1YmxpY2F0aW9uIiwicGFnZSI6InB1YmxpY2F0aW9uIn19.

allow access to content from texts, $2.87 to share information about their networks, and $3.55 to share their contacts.[24] Google Scholar identifies 122 citations to Prince and Wallsten's published work.

106. Users provided a license to use their personal data for the sole purpose of gaining access to Meta's platforms. By reducing their right to exclude others from accessing personal data by providing no means for revoking that license after hacking, Plaintiffs and Class members were forced to surrender control of the personal data. That forced surrender of control—which stems from the users' inability to exclude others from accessing their personal data—can be monetized. Based on Prince et al., to give an example, that monetary amount could be approximately $11 (*i.e.* $4.91 to allow access to content from texts, $2.87 to share information about their networks, and $3.55 to share their contacts) as the WTA analysis confirms that the ability to restrict access to personal information thus does have economic value to Plaintiffs.

107. By surrendering this information without the ability to revoke the license that was intended to provide them access, while not making direct monetary payments to Meta, they did sacrifice something of value, *i.e.*, the surrender of the ability to control and restrict others from private personal data that they provided as an item of value to Meta in exchange for services. Exchanging something of value to gain something else of value constitutes participation in a market for personal information. For consumers who cannot access their accounts to revoke the license to use their information, Meta retains value from what users provided without providing the access to Meta platforms for which users transacted. At the same time, users who cannot revoke the license suffered a loss of the ability to control access to their own content. Indeed, Meta profited from hacked accounts and increased its revenue by decimating customer support required to meet the obligation to suspend the hacked accounts and restore access and to provide users control over the license to use their personal information such that they could revoke it any time as promised.

108. Plaintiffs and the Class are entitled to monetary relief because the loss of the ability to restrict access to personal information by revoking the license had economic value to Plaintiffs and

[24] *See* Prince & Wallston (2020) *supra* n. 23, at 33 Table 1d (survey variable descriptions), 38 Table 2d (summary of WTA amounts by country and category).

Class members that was lost due to Meta's breaches of the TOS, the covenant of good faith and fair dealing, and Meta's violations of the UCL. Plaintiffs and Class members are thus entitled to actual damages and/or nominal damages and/or restitutionary relief to the extent legal remedies do not provide complete relief.

109. Plaintiffs also seek injunctive relief to have hacked accounts suspended and then steps provided to restore their access, and to ensure Meta provides users the means to control and revoke their licenses at any time regardless of whether a hacker or the user is in control of the account.

F. Forty State Attorney Generals Demand a Conversation with Meta

110. On March 5, 2024, the issues described herein were recognized by a group of 40 state attorneys general and the attorney general for the District of Columbia in a letter to Meta detailing their concern with the sharp increase in complaints regarding Facebook account takeovers and lockouts (the "State AG Letter").

111. The State AG Letter emphasized the utter panic of consumers in their states, noting that "[u]sers spend years building their personal and professional lives on [Meta's] platforms, posting intimate thoughts, and sharing persona details, locations, and photos of family and friends. To have it taken away from them through no fault of their own can be traumatizing. Connections they made and friendships that they forged become threatened."[25]

112. The State AG Letter also focused on the increased risk of financial harm to those users whose accounts were taken over and to their contacts. [26]

113. The State AG Letter acknowledged that the sharp uptick in consumer complaints to their offices happened around the time Defendant laid off 11,000 employees concentrated in the security and privacy and integrity sector in 2022.[27]

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[25] State AG Ltr. at 1.

[26] *Id.* at 1-2.

[27] Catherine Thorbecke, *Facebook parent company Meta will lay off 11,000 employees*, CNN BUS., https://www.cnn.com/2022/11/09/tech/meta-facebook-layoffs/index.html (last updated November 9, 2022).

114. These attorneys general requested that Defendant "take immediate action and substantially increase its investment in account mitigation tactics, as well as responding to users whose accounts were taken over . . . [p]roper investment in response and mitigation is mandatory."[28]

115. The attorneys general further noted the substantial resource burdens that is being placed on their offices in having to respond to the large (and increasingly) volume of user complaints and underscored their "refus[al] to operate as the customer service representatives of [Meta]."[29]

NO ADEQUATE REMEDY AT LAW

116. Plaintiffs and Class members have suffered an injury in fact resulting in the loss of property as a proximate cause of the violations of law and wrongful conduct by Meta alleged herein. No remedy at law is available that will remedy Plaintiffs' and Class members' ongoing harm from Meta's continued failure to provide them restored access to their personal information and their account, or to even allow them to delete their account and end Meta's ability to profit from their information. If an injunction is not issued requiring Meta to comply with the UCL, Plaintiffs and Class members will suffer irreparable injury.

117. Legal remedies available to Plaintiffs and Class members are inadequate because they are not equally prompt and certain and in other ways efficient as equitable relief. Damages are not equally certain as restitution because the standard that governs restitution is different than the standard that governs damages. Hence, the Court may award restitution even if it determines that Plaintiffs and Class members fail to sufficiently adduce evidence to support an award of damages. Damages and restitution are not the same amount. Equitable relief, including restitution, entitles a plaintiff to recover all profits from the wrongdoing. Legal claims for damages are not equally certain as restitution, because damages depend on interpretation of Meta's Contract. In short, significant differences in proof and certainty establish that any potential legal claim cannot serve as an adequate remedy at law.

118. Equitable relief in the form of an injunction is appropriate because legal remedies cannot address future harm.

[28] State AG Ltr. at 3.
[29] *Id.* at 3.

119. Equitable relief in the form of restitution may be appropriate because Plaintiffs may lack an adequate remedy at law for breach of contract. Thus, even if legal remedies may be available, Plaintiffs seek restitution as an equitable remedy in the alternative to legal remedies which are as of yet uncertain.

CLASS ALLEGATIONS

120. Plaintiffs seek certification of the following class:

> **Nationwide Class:** All persons subject to Meta's Facebook Terms of Service who lost access to their personal Facebook account used for personal or non-commercial purposes through an account takeover and did not have the ability to revoke or modify Meta's license to that account during the relevant time period.

121. Excluded from the Class is the Defendant, any entities in which Defendant has a controlling interest, the Defendant's employees, any Judge to whom this action is assigned, and any member of such Judge's staff and immediate family.

122. Plaintiffs reserve the right to amend or modify the Class definition after having an opportunity to conduct discovery.

123. California law applies to a nationwide Class because Meta's Terms contain a choice of law clause designating California law.[30]

124. The Class meets the criteria for certification under Rule 23(a), (b)(2), (b)(3), and (c)(4). Plaintiffs and all members of the Class have been harmed by the acts of the Defendant. Class-wide adjudication of Plaintiffs' claims is appropriate because Plaintiffs can prove the elements of their claims on a class-wide basis using the same evidence as would be used to prove those elements in individual actions asserting the same claims.

125. **Numerosity (Fed. R. Civ. P 23(a)(1)).** The members of the Class are so numerous that individual joinder of all Class members is impracticable. Hundreds of thousands, if not millions, of Class members' accounts have been taken over by hackers while Meta systematically fails to provide any recourse for re-gaining access such that the Class is so numerous that joinder of all members of the Class is impracticable.

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[30] Ex. A at 10 ("You also agree . . . that the laws of the State of California will govern these terms and any claim, cause of action, or dispute without regard to conflict of law provisions.")

126. **Commonality and Predominance (Fed. R. Civ. P. 23(a)(2) and (b)(3)).** Common questions of law and fact exist as to all members of the putative Class that will drive the litigation and predominate over any questions affecting only individual Class members. Common questions include, but are not limited to:

127. Whether Meta promised to Plaintiffs and Class members the ability to revoke its license to use their information at "any time."

128. Whether Meta breached its Contract when it failed to give Plaintiffs and Class members the ability to revoke its license to use their information when their accounts were hacked.

129. Whether Plaintiffs and Class members suffered harm as a result of Meta's breach of its Contract, including whether Plaintiffs and Class members suffered harm when they no longer had control over whether their content is licensed and distributed to third parties by Meta;

130. Whether Meta breached the covenant of good faith and fair dealing by frustrating the purpose of the Contract;

131. Whether Plaintiffs and Class members suffered harm as a result of Meta's breach of the covenant of good faith and fair dealing;

132. Whether Meta owes actual and/or nominal damages for its breach of Contract;

133. Whether Meta's conduct violates the Unfair Competition Law;

134. Whether Plaintiffs and Class members are entitled to an injunction;

135. Whether Plaintiffs and Class members are entitled to restitution; and

136. Whether Plaintiffs and Class members are entitled to other appropriate remedies.

137. **Typicality (Fed. R. Civ. P. 23(a)(3)).** Plaintiffs' claims are typical of the claims of each putative Class member and are based on the same facts and legal theories as each of the Class members. Plaintiffs, like all members of the Class, had their Facebook account hacked and taken over. Plaintiffs, like all Class members, were unable to regain access to their Facebook accounts because Meta does not facilitate their users' ability to regain control of their accounts. Plaintiffs are entitled to relief under the same causes of action as the other members of the putative Class.

138. **Adequacy of Representation (Fed. R. Civ. P. 23(a)(4)).** Plaintiffs are adequate representatives of the putative Class because their interests coincide with, and are not antagonistic

to, the interests of the members of the Class that they seek to represent. Plaintiffs have retained counsel competent and highly experienced in complex consumer class action litigation, who intend to prosecute the action vigorously. Plaintiffs and their counsel will fairly and adequately protect the interests of the members of the Class.

139. **Superiority (Fed. R. Civ. P. 23(b)(3)).** A class action is superior to other available methods for fair and efficient adjudication of the controversy. The amounts sought by each member are such that individual prosecution would prove burdensome and expensive. It would be virtually impossible for members of the Class individually to effectively redress the wrongs done to them. Even if the members of the Class themselves could afford such individual litigation, it would be an unnecessary burden on the Courts. Furthermore, individualized litigation presents a potential for inconsistent or contradictory judgments and increases the delay and expense to all parties and to the court system presented by the legal and factual issues raised by Defendant's conduct. By contrast, the class action device will result in substantial benefits to the litigants and the Court by allowing the Court to resolve numerous individual claims based upon a single set of proof. Plaintiffs are not aware of any other current pending litigation against Defendant to which any Class member is a party involving the subject matter of this suit, and the Action presents no difficulties that will impede its management by the Court as a class action.

140. **Injunctive Relief Appropriate for the Class (Fed. R. Civ. P. 23(b)(2)).** Class certification is appropriate because Defendant acted on grounds generally applicable to the Class, thereby making appropriate injunctive relief and/or corresponding declaratory relief with respect to Plaintiffs and putative Class members. The prosecution of separate actions by individual Class members would create the risk of inconsistent or varying adjudications with respect to individual Class members that could establish incompatible standards of conduct for Defendant. Injunctive relief is necessary to prevent further fraudulent and unfair business practices by Defendant.

COUNT I
Breach of Contract
By all Plaintiffs on behalf of a Nationwide Class of Meta account users.

141. Plaintiffs hereby repeat, reallege, and incorporate by reference each and every allegation contained above as though the same were fully set forth herein.

142. Defendant's TOS provide that the laws of California will apply to any disputes between users, including Plaintiffs and Class members, and Defendant.

143. Defendant Meta, in its agreements with users, provides users with access to its Facebook platform. Users agree to the conditions of Defendant's TOS to use or continue to use Defendant's Facebook platforms.

144. Meta's Terms also award it a broad transferrable, worldwide and royalty-free license to use content its users create and share on the platform. This license can only be terminated if the content is deleted.

145. Meta represents in its Terms of Service that instead of collecting monetary payment for its services from users, Meta collects their personal data worth millions to it in ad dollars in exchange for providing its services. *See* Ex. A at 4 § 2; Ex. B at 4 § 2 ("Instead of paying to use Facebook …, by using the Meta Products covered by these Terms, you agree that we can show you personalized ads and other commercial and sponsored content that businesses and organizations pay us to promote on and off Meta Company Products. . . . We collect and use your personal data in order to provide the services described above to you.").

146. 40. Meta promises users the right to delete their content and thereby revoke the license at "any time":

> [W]hen you share, post, or upload content . . . you grant us a non-exclusive, transferable, sub-licensable, royalty-free, and worldwide license to host, use distribute, modify, run, copy, publicly perform or display, translate and create derivative works of your content. . . This license will end when your content is deleted from our system . . . You can delete individual content you share, post, and upload at any time . . . this license will continue until the content has been fully deleted.

Ex. A at 6-7, § 3.3.1; Ex. B at 8 § 3.3.2.

147. Meta's license, which is supposed to be revokable through deletion at any time, is supposed to exist solely for the purpose of having access to and use of the platform under the TOS:

"[T]o provide our services we need you to give us some legal permissions (known as a 'license' to use this content. This is solely for the purposes of providing and improving our Products and services as described in Section 1 above." Ex. A at 6 § 3.3.1; Ex. B at 7 § 3.3.1.

148. By failing to provide the promised ability to revoke in full or modify the license at any time while hackers absconded with their account, Meta breached these promises.

149. Defendant Meta profits from using information in hacked accounts while users cannot revoke Meta's license to use their information because they cannot gain access to effect revocation of the license by deleting their content.

150. Even though Plaintiffs and the Class are unable or were unable to access their accounts and therefore, the Facebook platform, to revoke Meta's license to use their information, Meta retains access to the personal data posted on Facebook. Meta maintains a license over the content posted or published to Facebook that Plaintiffs and the Class cannot modify or effectively revoke without access to their accounts.

151. Meta intentionally does not provide users the ability to modify or revoke the licenses, because reducing the number of accounts on its platform that are in use by hackers would result in a proportional decrease of its ad revenue as a result of the removal of accounts operated by hackers. It makes no difference to Meta's bottom line if a hacker or the real user has use of an account and thus Meta intentionally does not suspend accounts or allow license modification or revocation because it does not want its ad revenue to decrease with the millions of account suspensions that would have to occur to eliminate hacker use.

152. While Meta does not suffer the reduction in ad dollars that it should if their permitted the account licenses to be modified or revoked per the TOS, it further promoted its bottom line by gutting spending on customer support previously responsible for addressing hacking behavior. Meta acted intentionally in doing so.

153. Plaintiffs and Class members have suffered actual damages including, for example, an amount owed for depriving them of their personal information and control over the ability to restrict access to that personal information that occurred when Meta allowed itself and hackers to access their personal information, while at the same time depriving Plaintiffs and Class members the ability

to revoke the license through deletion includes. That amount could be calculated, for example, as the cost to Plaintiffs and Class members of losing the ability to restrict access to their personal information using a Willingness to Accept analysis, which would be a dollar value to be proven at trial, that is estimated to be a little over ten dollars per month, as discussed above. Meta's violations continue to this day. As a direct and proximate result of Meta's breach of contract, Plaintiffs have suffered injury in fact from the lost control over whether their content is licensed and distributed to third parties by Meta and thus seek actual and/or nominal damages for Meta's breach of Contract both for themselves and similarly situated Class members.

COUNT II
Breach of the Covenant of Good Faith and Fair Dealing
By all Plaintiffs on behalf of a Nationwide Class of Meta account users.

154. Plaintiffs hereby repeat, reallege, and incorporate by reference each and every allegation contained above as though the same were fully set forth herein.

155. Meta's conduct of keeping the license to monetize user information while no longer providing users with Facebook access, or even the ability to modify or completely revoke the license, in return frustrates the contract and is not accordance with good faith as Meta still profits though Plaintiffs and Class members no longer have the benefit of the bargain. In breach of the implied covenant, Meta frustrates the purpose of the contract—the exchange of the customer's right to use the platform in exchange for Meta's license. Under California law, the covenant prevents a party from acting in bad faith like Meta does here by intentionally maintaining a license to promote its bottom line while frustrating the contract's actual benefits.

156. Under the laws of California, within every contract is a duty of good faith and fair dealing that applies to each party. Good faith and fair dealing, in connection with executing contracts and discharging performance and other duties according to their terms, requires preserving the spirit—not merely the letter—of the bargain. In other words, the parties to a contract are mutually obligated to comply with the substance of the contract in addition to the form. Evading the spirit of the bargain and abusing the power to specify terms constitute examples of bad faith in the

performance of contracts. Bad faith encompasses both overt acts and inaction, and fair dealing is not satisfied by mere honesty.

157. The obligation of good faith and fair dealing is violated as it relates to contract performance where a party exercises discretion reserved to it solely in its favor and contrary to the benefit of the other party, exercises discretion with a bad motive or dishonestly, or otherwise exercises discretion in bad faith. Doing so exploits discretion to a party's benefit, particularly when, as here, the party exercising discretion drafted the contract—thus reserving the discretion to itself—and consistently exercises that discretion against the benefit of the less sophisticated party, in this case Plaintiffs and the Class.

158. Per the express terms of the Contract that Meta unilaterally drafted, Meta is the sole party that can restore access to users who are locked out of their Facebook accounts.

159. Meta likewise violated the covenant of good faith and fair dealing by retaining a license over content that belongs to Plaintiffs and the Class, per express terms of the Contract, while Plaintiffs and the Class lost the ability to modify or end such license. Meta frustrated the purpose of the TOS to allow Plaintiffs to use the platform in exchange for Meta's license to monetize their personal information by maintaining a license to monetize Plaintiffs' and putative Class members' personal information while Plaintiffs and Class members do not have use of the service and could not even access the service to revoke Meta's license to their information.

160. Per the express terms of the adhesive TOS that Meta drafted, Meta is awarded a "non-exclusive, transferrable, sub-licensable, royalty-free, and worldwide license to host, use, distribute, modify, publicly perform or display, translate, and create derivative works of [a user's] content." This license only ends when the user's content is deleted. Users locked out of their accounts cannot modify or end the license.

161. Since Meta's Contract required access to delete the license users gave in exchange for account use, and Plaintiffs and Class members could not get access after hacking, Meta left itself with control over and discretion to revoke the license. Meta exercised this discretion in bad faith to promote their own revenue generated by the hacked accounts by gutting its customer service, failing

to suspend hacked accounts and restore access, and by failing to provide Plaintiffs and Class members the ability to delete the license to use their information.

162. Stated otherwise, as users require access to delete their accounts and eliminate Meta's use of their personal information, Meta is also the sole party that can delete the account or terminate Meta's license provided by the TOS to use the personal information with respect to locked out users like Plaintiffs and the Class. By affording itself a license to use personal information in the Terms that can only be ended with deletion of the content within the account or full account deletion, Meta acts unreasonably in the exercise of its discretion to terminate the account or to keep using personal information. Meta has a duty of good faith and fair dealing to perform the foregoing obligations because it is within Meta's sole discretion to do so.

163. Meta exercises its discretion to suspend the license or return access (which would have allowed Plaintiffs and Class members to suspend the license) in bad faith in a manner that frustrated the purpose of the bargain between the parties while at the same time inuring to Meta's benefit from reduced customer support costs and no corresponding reduction of account users lost to hacking.

164. By laying off droves of its existing customer service team members, Meta increased its bottom line while decimating its own ability to restore account access to locked out users like Plaintiffs and the Class as contemplated in multiple parts of the Contract, depriving them of both use of the accounts and the ability to modify or completely revoke Meta's license to use their information.

165. Upon information and belief, Meta is, and was at all applicable times, aware that its users' abilities to regain access to their accounts would be significantly impaired, if not totally destroyed by the stark reduction in its customer service staffing and adoption of a largely, if not totally, ineffective account recovery process that also did not provide recourse through the ability to modify or revoke Meta's license to use their personal information.

166. Meta nonetheless has not, and did not, adopt steps or procedures for users who are locked out of their accounts to take to regain access or to modify or revoke the license to user personal information associated with hacked accounts, despite having sole discretion over suspending accounts or returning a user's access after hacking. This is supported by data compiled

by the state attorneys general of 40 states and the District of Columbia set forth in the State AG Letter, explaining that account takeover complaints rose in various jurisdictions anywhere from 256% to 740% following the gutting of Facebook's customer service team.

167. Meta has further failed to, at the very least, provide the ability to delete the content it maintains a license over for accounts taken over by hackers. By exercising its discretion in this manner, Meta retains its license to users' profitable personal content. In short, Meta engaged in intentional acts to maintain its license over content posted by locked out users like Plaintiffs and the class, while depriving them of the ability to modify or revoke that same license. Plaintiffs allege that this is an act in bad faith that frustrates the Contract's benefits.

168. Meta's exercise of its discretion unquestionably frustrated the purpose of the Contract between Meta and Plaintiffs, and Meta and the Class, which was namely the "access and use" of the Facebook platform. Such purpose is frustrated where Plaintiffs and the Class cannot access and use their Facebook accounts—or even access them to delete the entire account to terminate Meta's license to use their information or specific content to modify the scope of such license. Meta is and was at all applicable times, aware of this, but nonetheless acted in disregard to the rights and expectations of Plaintiffs and the Class.

169. Rather than use the Contract's discretion to provide relief to Facebook users like Plaintiffs and the Class, Meta instead exercises its discretion in its own favor for the benefit of its bottom line. In doing so, Meta unfairly interfered with Plaintiffs' and the Class's right to receive the benefits of the Contract.

170. Meta's failure to exercise its discretion to restore Plaintiffs' and the Class's access to the Facebook platform, or to at least disable the hacked accounts, while receiving the benefits of Plaintiffs' and the Class's performance was done in bad faith.

171. Plaintiffs and the Class have performed all, or substantially all, of the obligations imposed on them under the Contract.

172. Based on representations in the Contract, Plaintiffs and the Class legitimately expected that Meta would restore access to their accounts or, at least, disable them if stolen by hackers.

Plaintiffs and the Class legitimately believed that Meta would provide steps to regain account access that actually work for locked out users, as contemplated in the Contract.

173. Defendant's violations continue to this day. As a direct and proximate result of Meta's breach of the covenant of good faith and fair dealing, Plaintiffs and Class members have suffered actual damages including, for example, an amount owed for depriving them of their personal information and control over the ability to restrict access to that personal information that occurred when Meta allowed itself and hackers to access their personal information, while at the same time depriving Plaintiffs and Class members of the ability to revoke the license through deletion. The amount of damaged incurred by Plaintiffs and Class members as a result of Meta's breach of the covenant of good faith and fair dealing could be calculated, for example, by looking to the cost to Plaintiffs and Class members of losing the ability to restrict access to their personal information using a Willingness to Accept analysis, which will be a dollar value to be proven at trial. The estimated value is expected to be a little over ten dollars per month, as discussed above. Plaintiffs and Class members are also entitled to nominal damage for Meta's breach of the covenant of good faith and fair dealing.

COUNT III
Violation of California's Unfair Competition Law ("UCL") -
(Cal. Bus. & Prof. Code § 17200, et seq.)
By All Plaintiffs on behalf of a nationwide Class of Meta account users.

174. Plaintiffs hereby repeat, reallege, and incorporate by reference each and every allegation contained above as though the same were fully set forth herein.

175. Defendant's Facebook Terms of Service provide that the laws of California will apply to any disputes between users, including Plaintiffs and Class members, and Defendant.

176. Defendant is a "person" as defined by Cal. Bus. & Prof. Code § 1720.

177. By reason of the conduct alleged herein, Defendant engaged in unfair practices within the meaning of the UCL. The conduct alleged herein is a "business practice" within the meaning of the UCL.

178. Defendant violates the "unlawful" prong, which incorporates other violations of law by reference, by violating California contract law as alleged above.

179. Defendant further violates the "unfair" prong of the UCL. The "unfair" prong of the UCL is "intentionally broad." *See S. Bay Chevrolet v. Gen. Motors Acceptance Corp.*, 72 Cal. App. 4th 861, 886, 85 Cal.Rptr.2d 301 (1999). Unlike the fraudulent prong of the UCL, no reliance on a representation or omission is required to state a claim under the "unfair" prong.

180. Meta violates the "unfair" prong of the UCL on an ongoing basis by engaging in unfair business practices under the "balancing test" because the harm caused by intentional acts with respect to the license to use Plaintiffs' and Class members' personal information, as described in detail *supra*, greatly outweigh any perceived utility. Indeed, here, Meta harmed Plaintiffs and the Class members in violation of the UCL by reducing their right to exclude others from accessing personal data when it did not provide Plaintiffs and the Class members the ability to modify or fully revoke the licenses to use their personal information as described herein. Meta's failure to return access, suspend the accounts, or give Plaintiffs and Class members the ability to revoke their licenses cannot be said to have had any utility at all, beyond that of an unfair financial benefit to Meta at the expense of Plaintiffs and Class members who were harmed by the reduced right to exclude others from accessing their personal data as a result of Meta's intentional acts of maintaining the licenses of hacked accounts for profit.

181. Defendant engages in unfair business practices under the "tethering test" because their actions in decimating customer support that caused an increase of hacking, then maintaining licenses of hacked accounts instead of suspending them and returning access to real users or giving users the ability to revoke those licenses, as described in detail *supra*, violated fundamental public policies related to the reasonable expectation of privacy and the reasonable expectation of the ability to be able to exclude others from personal information expressed by the California Legislature and the Federal Trade Commission. In that regard, "California courts have ... acknowledged that users have a property interest in their personal information," *Calhoun v. Google LLC*, 526 F. Supp. 3d 605, 635 (N.D. Cal. 2021) (collecting cases), so certain kinds of personal data may directly constitute property under the UCL. And "[o]ne of the main rights attaching to property is the right to exclude others." *People v. Stewart*, 113 Cal. App. 4th 242, 250, 6 Cal.Rptr.3d 249 (2003); see 2 William Blackstone, Commentaries 2 (1766) *1025 ("There is nothing which so generally strikes the imagination, and

engages the affections of mankind, as the right of property; or that sole and despotic dominion which one man claims and exercises over the external things of the world, in total exclusion of the right of any other individual in the universe.").

182. In challenging the unlawful and unfair disclosure of their sensitive financial information to Meta, Plaintiffs effectively contend that they were deprived of their right to exclude from their intangible property Meta and any others to whom it may sub-license Plaintiffs' and the Class members' information.

183. Meta's actions caused damage to and loss of Plaintiffs' and Class members' property right to control the dissemination and use of their personally identifiable financial and personal data and communications. Each Plaintiff also suffered economic injury by the loss of their personal information to Meta with no consent or disclosure. Meta's actions caused damage to and loss of Plaintiffs' and Class members' property rights to control the dissemination and use of their personally identifiable communications.

184. Plaintiffs also suffered an economic injury in the form of surrendering more or acquiring less in a transaction than they otherwise would have. In other words, Plaintiffs and the Class were deprived the benefit of the bargain they made with Meta when they gave Meta a broad license to their information in exchange for use of the Facebook platform. While Plaintiffs and the Class were locked out of their accounts, Meta had—and in many cases continues to have—its valuable license over virtually all content Plaintiffs and the Class shared with Meta, all while Plaintiffs and the Class members were unable to modify or revoke that license by deleting content.

185. Plaintiffs and the class surrendered more than they otherwise would have in their User Agreements with Meta, because they would not have agreed to give Meta a broad license over their valuable personal information without anything (here, the ability to use Facebook) in return. Plaintiffs and the Class also received less than they would have (the ability to use Facebook in exchange for the license) under the transactions had Meta performed as promised.

186. Meta's violations of the UCL continue to this day. As a direct and proximate result of Defendant's violations of the UCL, Plaintiffs and Class members have suffered harm, *inter alia*, as detailed herein, including the reduced right to exclude others from accessing their personal data and

by failing to receive the benefit of the bargain. Privacy harms involving personal data can constitute an injury to money or property sufficient to provide standing under the UCL. And even though the users did not pay money or expend money in their dealings with Meta, they have suffered losses as the result of an unfair benefit-of-the-bargain. This is underlined by the WTA analysis discussed *supra*, which demonstrates the value of users surrendering some control of their data and privacy in order to gain access to Meta's platforms. While not making direct monetary payments to Meta, users did sacrifice something of value (the surrender of some privacy and data control) and provided that item of value to Meta in exchange for services. Exchanging something of value to gain something else of value is clear participation in a market for personal information.

187. For Meta's violation of the UCL's "unfair" prong, in the alternative to contract damages, Plaintiffs also seek restitutionary relief on behalf of themselves and the Class members. For example, in 2023, the average revenue that Meta generated per Facebook user based in the United States and Canada by using personal data to target sponsored advertising was $68.44. Meta generated this revenue at the expense of Plaintiffs and Class members who suffered a reduced right to exclude others from accessing personal data.

188. Plaintiffs and Class members have an ongoing property and privacy interest in their personal information, which has been lost as a result of Defendant's conduct. Meta's failure to allow modification or revocation of the license Meta maintains over the content in hacked accounts while profiting from the same continues to result in a reduced right of users to exclude others from accessing their personal data. Plaintiffs and Class members lack an adequate remedy at law to address the future and ongoing harm described herein and are thus entitled to seek injunctive relief. Unless restrained and enjoined, Defendant will continue to profit from hacked accounts while Plaintiffs and Class members lack the ability to modify or revoke the licenses to use their information—resulting in a harmful reduced right to exclude others from accessing personal information on a going forward basis. Due to the ongoing nature of the harm, damages will be insufficient to address it.

189. Plaintiffs and the Class members are entitled to restitution. Plaintiffs and Class members have suffered an economic injury by the loss of the ability to control their personal information, which can be monetized to a dollar amount using a WTA analysis, while Meta still

unfairly gets the benefit of the profit generated from leveraging Plaintiffs' and Class members' user-generated information with advertisers and for other commercial purposes. Plaintiffs and the Class are entitled to the disgorgement of the amount that Meta profits from its licenses over their information.

190. Plaintiffs and the Class members are also entitled to injunctive relief.

191. No remedy at law can remedy the future harm addressed by injunctive relief. The continued risk to Plaintiffs and the Class members from the reduced right to exclude others from accessing their personal data can only be addressed by injunctive relief.

192. Accordingly, pursuant to § 17203 of the UCL, Plaintiffs and the other Class members seek an order that requires Defendant to:

a. modify Defendant's practices in a manner that allows users to modify or revoke the license to use their personal information if they lose access to their accounts;

b. modify Defendant's practices to default to suspension of hacked accounts followed by steps to return access for the user;

c. in the alternative, disable or terminate stolen accounts, while returning personal information to users where possible in the form of downloads, and end license to personal data;

d. pay restitution in amounts to be determined; and

e. pay attorney fees and costs incurred by counsel for Plaintiffs and the proposed Class in accordance with the California Code of Civil Procedure § 1021.5.

PRAYER FOR RELIEF

Wherefore, Plaintiffs pray for a judgment:

a. Certifying the Class as requested herein;

b. Awarding actual damages and/or nominal damages for breach of contract and breach of the duty of good faith and fair dealing;

c. Entering an injunction that requires Meta to comply with the UCL;

d. Providing restitution if the damages remedies are inadequate;

e. Awarding attorneys' fees and costs; and

f. Providing such further relief as may be just and proper.

Dated: February 25, 2026

Respectfully submitted,

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