



ORIGINAL FILED  
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CLERK OF SUPERIOR COURT  
SAN MATEO COUNTY, CALIFORNIA

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8 BREYER, DONALD E. GRAHAM, REED HASTINGS  
and PETER A. THIEL

E-filing

YGR

10 UNITED STATES DISTRICT COURT  
11 NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION

12 JENNIFER STOKES, Individually and On Behalf  
of All Others Similarly Situated,

CV CASE NO. 12 3203

San Mateo County Superior Court  
Case No. CIV-514107

13 Plaintiff,

14 v.

CLASS ACTION

**NOTICE OF REMOVAL OF STATE  
COURT ACTION**

15 FACEBOOK, INC., MARK ZUCKERBERG,  
16 DAVID A. EBERSMAN, DAVID M. SPILLANE,  
MARC L. ANDREESSEN, ERSKINE B.  
17 BOWLES, JAMES W. BREYER, DONALD E.  
GRAHAM, REED HASTINGS, PETER A. THIEL,  
18 MORGAN STANLEY & CO. LLC, J.P. MORGAN  
SECURITIES LLC, GOLDMAN, SACHS & CO.,  
19 MERRILL LYNCH, PIERCE, FENNER & SMITH  
INCORPORATED, BARCLAYS CAPITAL INC.,  
20 ALLEN & COMPANY LLC, CITIGROUP  
GLOBAL MARKETS INC., CREDIT SUISSE  
21 SECURITIES (USA) LLC, DEUTSCHE BANK  
SECURITIES INC., RBC CAPITAL MARKETS,  
22 LLC, BLAYLOCK ROBERT VAN LLC, BMO  
CAPITAL MARKETS CORP., C.L. KING &  
23 ASSOCIATES, INC., CABRERA CAPITAL  
MARKETS, LLC, CASTLEOAK SECURITIES,  
24 L.P., COWEN AND COMPANY, LLC., E\*TRADE  
SECURITIES LLC, ITAÚ BBA USA  
25 SECURITIES, INC., LAZARD CAPITAL  
MARKETS LLC, LEBENTHAL & CO., LLC,  
26 LOOP CAPITAL MARKETS LLC, M.R. BEAL &  
COMPANY, MACQUARIE CAPITAL (USA)  
27 INC., MURIEL SIEBERT & CO., INC.,  
OPPENHEIMER & CO. INC., PACIFIC CREST  
28 SECURITIES LLC, PIPER JAFFRAY & CO.,

NOTICE OF REMOVAL OF STATE  
COURT CIVIL ACTION

1 RAYMOND JAMES & ASSOCIATES, INC.,  
2 SAMUEL A. RAMIREZ & COMPANY, INC.,  
3 STIFEL, NICOLAUS & COMPANY,  
4 INCORPORATED, THE WILLIAMS CAPITAL  
5 GROUP, L.P., and WILLIAM BLAIR &  
6 COMPANY, L.L.C.,

7 Defendants.

8 Pursuant to 28 U.S.C. §§ 1331, 1441, and 1446, and 15 U.S.C. § 77v(a), defendants  
9 Facebook, Inc., Mark Zuckerberg, David A. Ebersman, David M. Spillane, Marc L. Andreessen,  
10 Erskine B. Bowles, James W. Breyer, Donald E. Graham, Reed Hastings, and Peter A. Thiel,  
11 (collectively, “Defendants”) hereby remove this case, and all claims and causes of action therein,  
12 from the Superior Court of the State of California for the County of San Mateo to the United States  
13 District Court for the Northern District of California. In support of this Notice of Removal,  
14 Defendants set forth the following grounds for removal:

15 1. On or about May 23, 2012, Plaintiff Jennifer Stokes commenced a civil action in the  
16 Superior Court of the State of California for the County of San Mateo, captioned *Stokes v. Facebook,  
17 Inc., et al.*, Case No. CIV-514107 (the “State Court Action”). True and accurate copies of the  
18 Summons and Complaint are attached as Exhibit A.

19 2. Defendants have not pled, answered, or otherwise appeared in the State Court Action.

20 3. This Notice of Removal is being filed before the expiration of 30 days after service of  
21 the Summons and Complaint, and is thus timely filed under 28 U.S.C. § 1446(b).

22 4. This action is within the original jurisdiction of this Court under 28 U.S.C. § 1331  
23 and 15 U.S.C. § 77v(a). The State Court Action is a putative nationwide class action brought against  
24 Facebook, certain officers and directors of Facebook, and certain underwriters of Facebook’s May  
25 18, 2012 initial public offering (“IPO”) on the NASDAQ stock exchange. The State Court Action  
26 alleges violations of the Securities Act of 1933 (the “Securities Act”).

27 5. There are at least 20 cases already pending in the federal district courts that allege  
28 claims under the Securities Act. Four are pending in the District Court for the Northern District of  
California; 16 are pending in the District Court for the Southern District of New York. The four

1 cases in the Northern District of California have been marked as related and are pending before the  
2 Honorable Maxine M. Chesney.

3 6. On June 18, 2012, Facebook, certain of its officers and directors, and certain of the  
4 underwriter defendants filed with the Judicial Panel on Multidistrict Litigation a Motion to Transfer  
5 Actions to the Southern District of New York Pursuant to 28 U.S.C. § 1407 for Coordinated and/or  
6 Consolidated Pretrial Proceedings (the “MDL Motion”).

7 7. This Court has jurisdiction over this case under two federal statutes: 28 U.S.C.  
8 § 1331 and Section 22(a) of the Securities Act, 15 U.S.C. § 77v(a). This case is therefore removable  
9 under 28 U.S.C. § 1441. Under 28 U.S.C. § 1441(a), “[e]xcept as otherwise expressly provided by  
10 Act of Congress, any civil action brought in a State court of which the district courts of the United  
11 States have original jurisdiction, may be removed ... to the district court of the United States ...  
12 embracing the place where such action is pending.”

13 **Section 22(a) Provides Exclusive Federal Jurisdiction Over Securities Act**  
14 **Claims Involving “Covered Class Actions.”**

15 8. Section 22(a) is the jurisdictional provision of the Securities Act. As originally  
16 written, Section 22(a) provided for concurrent jurisdiction between state and federal courts over  
17 Securities Act claims. 15 U.S.C. § 77v(a) (1933). The Securities Litigation Uniform Standards Act  
18 of 1998 (“SLUSA”), 15 U.S.C. § 77p(c), amended Section 22(a) to provide that there will be some  
19 claims or cases brought under the Securities Act over which a state court will no longer have  
20 concurrent jurisdiction:

21 The district courts of the United States ... shall have jurisdiction of offenses and  
22 violations under this subchapter and under the rules and regulations promulgated by  
23 the Commission in respect thereto, and, concurrent with State and Territorial courts,  
24 *except as provided in [Section 16] of this title with respect to covered class actions,*  
of all suits in equity and actions at law brought to enforce any liability or duty created  
by this subchapter.

25 15 U.S.C. § 77v(a) (emphasis added to SLUSA amendments). As amended, Section 22(a) deprives  
26 state courts of concurrent jurisdiction over “covered class actions” that raise Securities Act claims.  
27 *See Knox v. Agria Corp.*, 613 F. Supp. 2d 419, 425 (S.D.N.Y. 2009); *see also In re Fannie Mae*  
28 *2008 Sec. Litig.*, No. 08 Civ. 7831, 2009 WL 4067266, at \*2 (S.D.N.Y. Nov. 24, 2009); *Rovner v.*

1 *Vonage Holdings Corp.*, No. 07-178, 2007 WL 446658, at \*3-4 (D.N.J. Feb. 7, 2007).

2 9. Section 16(f) defines “covered class actions” as including

3 any single lawsuit in which ... one or more named parties seek to recover damages on  
4 a representative basis on behalf of themselves and other unnamed parties similarly  
5 situated, and questions of law or fact common to those persons or members of the  
6 prospective class predominate over any questions affecting only individual persons or  
7 members.

8 15 U.S.C. § 77p(f)(2)(A)(i)(II). Plaintiff is a named party seeking to recover damages on a  
9 representative basis on behalf of himself and other unnamed parties similarly situated, and common  
10 questions of law or fact allegedly predominate over individual questions. (*See Exhibit A.*) Plaintiff  
11 also is bringing claims under the Securities Act. This action therefore is a “covered class action”  
12 within the meaning of Section 16. Accordingly, state courts do not have jurisdiction over Plaintiff’s  
13 putative class action. Federal courts alone have jurisdiction to hear Plaintiff’s putative class action  
14 claims under the Securities Act. *See Knox*, 613 F. Supp. 2d at 423.

15 **Section 22(a)’s Removal Ban Does Not Apply.**

16 10. Section 22(a) of the Securities Act also includes an anti-removal provision, which  
17 originally prohibited the removal of any Securities Act cases that were brought in state court. As  
18 amended by SLUSA, however, Section 22(a) now provides as follows: “[e]xcept as provided in  
19 section [16(c)] of [the Securities Act], no case arising under [the Securities Act] and brought in any  
20 State court of competent jurisdiction shall be removed to any court of the United States.” 15 U.S.C.  
21 § 77v(a) (italics added to SLUSA amendments; underscoring added). This anti-removal provision  
22 does not apply here for two independent reasons.

23 11. The first is that Section 22(a)’s anti-removal provision only prohibits the removal of  
24 cases brought in a “State court of competent jurisdiction.” 15 U.S.C. § 77v(a). As discussed above,  
25 state courts no longer have jurisdiction to adjudicate a “covered class action” raising Securities Act  
26 claims and are therefore no longer courts of competent jurisdiction with respect to such claims. *See*  
27 *Knox*, 613 F. Supp. 2d at 423. Accordingly, Section 22(a)’s anti-removal provision does not apply  
28 to this action. *See id.* at 425.

12. The Court need not reach the second reason why Section 22(a)’s anti-removal  
provision does not apply, which is supplied by Section 16(c). Section 16(c) allows the removal of

1 “[a]ny covered class action brought in any State court involving a covered security, as set forth in  
2 subsection (b),” 15 U.S.C. § 77p(c), which subsection “makes some state-law claims nonactionable  
3 through the class-action device in federal as well as state court.” *Kircher v. Putnam Funds Trust*,  
4 547 U.S. 633, 637, n.1 (2006) (discussing Section 16(b), 15 U.S.C. § 77p(b)). District courts are  
5 divided on the question whether Section 16(c) provides a basis for removing covered class actions  
6 that raise only *federal* claims under the Securities Act. Some courts have interpreted Section 16(c)  
7 to allow the removal of “covered class actions” raising either state law claims or Securities Act  
8 claims. *See, e.g., Rubin v. Pixelplus Co.*, No. 06 Civ. 2964, 2007 WL 778485, at \*3-4 (E.D.N.Y.  
9 Mar. 13, 2007); *Brody v. Homestore, Inc.*, 240 F. Supp. 2d 1122, 1123-24 (C.D. Cal. 2003). Other  
10 courts, however, have interpreted Section 16(c) as permitting removal of “only those ‘covered class  
11 actions’ described in § 77p(b) alleging omission or deception based upon *state law* ....” *Young v.*  
12 *Pacific Biosciences of Cal., Inc.*, No. 11-cv-5668, 2012 WL 851509, at \*3-4 (N.D. Cal. Mar. 13,  
13 2012); *see also West Virginia Laborers Trust Fund v. STEC Inc.*, No. SACV 11-01171, 2011 WL  
14 6156945, at \*4 (C.D. Cal. Oct. 7, 2011) (discussing the different interpretations and holding that  
15 “subsection (c) only allows for removal of actions based on state law”).<sup>1</sup>

16 13. In any event, the Court need not address this division of authority over the scope of  
17 Section 16(c)’s exception to Section 22(a)’s anti-removal provision. That is because the logically  
18 prior question — which *Young* did not address — is whether Section 22(a)’s anti-removal provision  
19 applies to this case in the first instance. It does not. As discussed *supra*, Section 22(a) prohibits  
20 removal only of cases over which the state courts have “competent jurisdiction.” Because the state  
21 court had no jurisdiction over Plaintiff’s “covered class action,” as the result of SLUSA, Section  
22

23 <sup>1</sup> *Luther v. Countrywide Home Loans Servicing LP*, 533 F.3d 1031, 1032 (9th Cir. 2008), is  
24 inapposite. In *Luther*, the Ninth Circuit held that “the Class Action Fairness Act of 2005, which  
25 permits in general the removal to federal court of high-dollar class actions involving diverse parties,  
26 does not supersede § 22(a)’s *specific* bar against removal of cases arising under the [Securities] Act.”  
27 The court did not address whether the SLUSA amendments to Section 22(a) strip state courts of  
28 jurisdiction over class actions raising claims under the Securities Act. Nor did the court have  
occasion to address whether the SLUSA amendments to Section 22(a) create an exception to Section  
22(a)’s anti-removal provision because the parties agreed that the mortgage pass-through certificates  
at issue were not “covered securities.” *Id.* at 1033 n.1; *cf. Madden v. Cowen & Co.*, 576 F.3d 957,  
965 (9th Cir. 2009) (observing in the context of a removed state-law action that “any suit removable  
under SLUSA’s removal provision, § 77p(c), is precluded under SLUSA’s preclusion provision,  
§ 77p(b), and any suit not precluded is not removable”).

1 22(a)'s anti-removal provision does not apply and does not prohibit removal of this case. Removal  
2 is thus proper under 28 U.S.C. § 1441.

3 14. Defendants will promptly serve a copy of this Notice on counsel for Plaintiff and will  
4 file a copy of this Notice with the Clerk of the Superior Court of the State of California for the  
5 County of San Mateo, pursuant to 28 U.S.C. § 1446(d).

6 15. Undersigned counsel certify that all of the defendants in this action consent to  
7 removal.

8 **CONCLUSION**

9 16. WHEREFORE, pursuant to 28 U.S.C. §§ 1331, 1441, and 1446, and 15 U.S.C. §  
10 77v(a), Defendants remove this action in its entirety from the Superior Court of the State of  
11 California, County of San Mateo, to the United States District Court for the Northern District of  
12 California, San Francisco Division.

13  
14 DATED: June 20, 2012

15  
16 Andrew B. Clubok (*pro hac vice* forthcoming)  
17 Brant W. Bishop, P.C. (*pro hac vice*  
18 forthcoming)  
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21  
22  
23  
24  
25  
26 *Counsel for Facebook, Inc., Mark Zuckerberg, David A. Ebersman, David M. Spillane, Marc L.*  
27 *Andreessen, Erskine B. Bowles, James W. Breyer, Donald E. Graham, Reed Hastings and*  
28 *Peter A. Thiel*

1 **CERTIFICATE OF SERVICE**

2 I, Patrick Postolka, am employed in the County of San Francisco, State of California. I am  
3 over the age of 18 and not a party to the within action; my business address is 555 California Street,  
San Francisco, California 94104.

4 On June 20, 2012, I served a copy of the following document(s) described as:

5 **NOTICE OF REMOVAL OF STATE COURT CIVIL ACTION**

6 on the interested parties in this action as follows:

7  **By Facsimile**

8 By transmitting via facsimile, the document(s) listed above to the fax number set forth below  
9 on this date before 5:00 p.m. I am aware that service is presumed invalid unless the  
10 transmission machine properly issues a transmission report stating the transmission is  
complete and without error.

11  **By U.S. Mail**

12 By placing the document(s) listed above in a sealed envelope with postage thereon fully  
13 prepaid, in the United States mail at San Francisco, California, to the addressee(s) set forth  
below.

14 I am "readily familiar" with the firm's practice of collection and processing correspondence  
15 for mailing. Under that practice, it would be deposited with the U.S. postal service on that  
16 same day with postage thereon fully prepaid at San Francisco, California in the ordinary  
course of business. I am aware that on motion of the party served, service is presumed  
invalid if postal cancellation date or postage meter date is more than one day after date of  
deposit for mailing.

17  **By Overnight Mail**

18 By causing the document(s) listed above to be delivered to the addressee(s) set forth below  
19 on the following business morning by Federal Express Corporation or Express Mail.

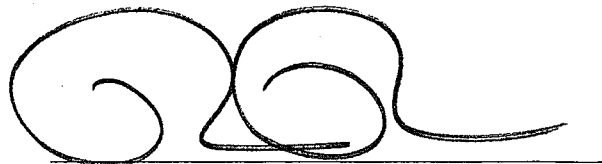
20  **By Personal or Messenger Service**

21 By causing the document(s) listed above to be personally served in such envelope by hand to  
22 the person at the address(s) set forth below:

23 **See Attached Service List**

24 I declare under penalty of perjury that the foregoing is true and correct.

25 Executed on June 20, 2012, at San Francisco, California.

26 

27 Patrick Postolka

SERVICE LIST

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Tina Wolfson  
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# **EXHIBIT A**

**SUMMONS  
(CITACION JUDICIAL)**

**NOTICE TO DEFENDANT:  
(AVISO AL DEMANDADO):**

See, Attachment 1 (attached hereto and incorporated herein)

**YOU ARE BEING SUED BY PLAINTIFF:  
(LO ESTÁ DEMANDANDO EL DEMANDANTE):**

**JENNIFER STOKES, Individually and On Behalf of All Others  
Similarly Situated,**

FOR COURT USE ONLY  
(SOLO PARA USO DE LA CORTE)

**FILED  
SAN MATEO COUNTY**

MAY 23 2012

Clerk of the Superior Court

By [Signature]  
DEPUTY CLERK

**NOTICE!** You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), or by contacting your local court or county bar association. **NOTE:** The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case. **¡AVISO!** Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

**Tiene 30 DÍAS DE CALENDARIO** después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), en el Centro de Ayuda de las Cortes de California, ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

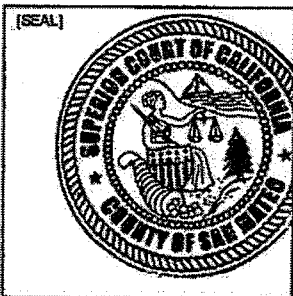
The name and address of the court is:  
(El nombre y dirección de la corte es): **San Mateo Superior Court**  
400 County Center, Redwood City, California 94063

CASE NUMBER:  
(Número del Caso) **CIV 51 4107**

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:  
(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):  
**Robert Ahdoot (csb172098), Ahdoot & Wolfson, 10850 Wilshire Blvd #370 LA CA 90024 (310)474-9111**

DATE: **MAY 23 2012** **JOHN C. FITTON** Clerk, by [Signature] Deputy  
(Fecha) (Secretario) (Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)  
(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).



**NOTICE TO THE PERSON SERVED: You are served**

1.  as an individual defendant.
2.  as the person sued under the fictitious name of (specify):
3.  on behalf of (specify):  
under:  CCP 416.10 (corporation)  CCP 416.60 (minor)  
 CCP 416.20 (defunct corporation)  CCP 416.70 (conservatee)  
 CCP 416.40 (association or partnership)  CCP 416.90 (authorized person)  
 other (specify):
4.  by personal delivery on (date):

SHORT TITLE: Jennifer Stokes v. Facebook, Inc. et al.	CASE NUMBER:
--	--------------

ATTACHMENT (Number): 1*(This Attachment may be used with any Judicial Council form.)*

FACEBOOK, INC., MARK ZUCKERBERG, DAVID A. EBERSMAN, DAVID M. SPILLANE, MARC L. ANDREESSEN, ERSKINE B. BOWLES, JAMES W. BREYER, DONALD E. GRAHAM, REED HASTINGS, PETER A. THIEL, MORGAN STANLEY & CO. LLC, J.P. MORGAN SECURITIES LLC, GOLDMAN, SACHS & CO., MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED, BARCLAYS CAPITAL INC., ALLEN & COMPANY LLC, CITIGROUP GLOBAL MARKETS INC., CREDIT SUISSE SECURITIES (USA) LLC, DEUTSCHE BANK SECURITIES INC., RBC CAPITAL MARKETS, LLC, BLAYLOCK ROBERT VAN LLC, BMO CAPITAL MARKETS CORP., C.L. KING & ASSOCIATES, INC., CABRERA CAPITAL MARKETS, LLC, CASTLEOAK SECURITIES, L.P., COWEN AND COMPANY, LLC., E\*TRADE SECURITIES LLC, ITAU BBA USA SECURITIES, INC., LAZARD CAPITAL MARKETS LLC, LEBENTHAL & CO., LLC, LOOP CAPITAL MARKETS LLC, M.R. BEAL & COMPANY, MACQUARIE CAPITAL (USA) INC., MURIEL SIEBERT & CO., INC., OPPENHEIMER & CO. INC., PACIFIC CREST SECURITIES LLC, PIPER JAFFRAY & CO., RAYMOND JAMES & ASSOCIATES, INC., SAMUEL A. RAMIREZ & COMPANY, INC., STIFEL, NICOLAUS & COMPANY, INCORPORATED, THE WILLIAMS CAPITAL GROUP, L.P., and WILLIAM BLAIR & COMPANY, L.L.C.,

Defendants.

*(If the item that this Attachment concerns is made under penalty of perjury, all statements in this Attachment are made under penalty of perjury.)*

Page 1 of 1*(Add pages as required)*

**FILED**  
SAN MATEO COUNTY

MAY 23 2012

Clerk of the Superior Court  
By [Signature]  
DEPUTY CLERK

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Attorneys for Plaintiff,  
JENNIFER STOKES

**SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
**FOR THE COUNTY OF SAN MATEO**

JENNIFER STOKES, Individually and On )  
Behalf of All Others Similarly Situated, )

Plaintiff,

v.

FACEBOOK, INC., MARK ZUCKERBERG, )  
DAVID A. EBERSMAN, DAVID M. )  
SPILLANE, MARC L. ANDREESSEN, )  
ERSKINE B. BOWLES, JAMES W. )  
BREYER, DONALD E. GRAHAM, REED )  
HASTINGS, PETER A. THIEL, MORGAN )  
STANLEY & CO. LLC, J.P. MORGAN )  
SECURITIES LLC, GOLDMAN, SACHS & )  
CO., MERRILL LYNCH, PIERCE, FENNER )  
& SMITH INCORPORATED, BARCLAYS )  
CAPITAL INC., ALLEN & COMPANY )  
LLC, CITIGROUP GLOBAL MARKETS )  
INC., CREDIT SUISSE SECURITIES (USA) )  
LLC, DEUTSCHE BANK SECURITIES )  
INC., RBC CAPITAL MARKETS, LLC, )  
BLAYLOCK ROBERT VAN LLC, BMO )  
CAPITAL MARKETS CORP., C.L. KING & )  
ASSOCIATES, INC., CABRERA CAPITAL )

CIV 51 4107

CLASS ACTION

COMPLAINT

DEMAND FOR JURY TRIAL

FILED BY FAX

1 MARKETS, LLC, CASTLEOAK )  
2 SECURITIES, L.P., COWEN AND )  
3 COMPANY, LLC., E\*TRADE SECURITIES )  
4 LLC, ITAÚ BBA USA SECURITIES, INC., )  
5 LAZARD CAPITAL MARKETS LLC, )  
6 LEBENTHAL & CO., LLC, LOOP )  
7 CAPITAL MARKETS LLC, M.R. BEAL & )  
8 COMPANY, MACQUARIE CAPITAL )  
9 (USA) INC., MURIEL SIEBERT & CO., )  
10 INC., OPPENHEIMER & CO. INC., )  
11 PACIFIC CREST SECURITIES LLC, PIPER )  
12 JAFFRAY & CO., RAYMOND JAMES & )  
13 ASSOCIATES, INC., SAMUEL A. )  
14 RAMIREZ & COMPANY, INC., STIFEL, )  
15 NICOLAUS & COMPANY, )  
16 INCORPORATED, THE WILLIAMS )  
17 CAPITAL GROUP, L.P., and WILLIAM )  
18 BLAIR & COMPANY, L.L.C., )  
19 )  
20 )  
21 )  
22 )  
23 )  
24 )  
25 )  
26 )  
27 )  
28 )

Defendants.



1 materially false and misleading statements and omitted material information in violation of  
2 Sections 11 and 15 of the Securities Act of 1933 (the "Securities Act"), 15 U.S.C. §§ 77k  
3 and 77o. , 15 USC  
4

#### 5 JURISDICTION AND VENUE

6 5. The claims asserted herein arise under and pursuant to Sections 11 and 15 of  
7 the Securities Act (15 U.S.C. §§ 77k and 77o). This Court has jurisdiction over the subject  
8 matter of this action pursuant to Section 22 of the Securities Act, 15 U.S.C. § 77v, which  
9 explicitly states that "[e]xcept as provided in section 16(c), no case arising under this title  
10 and brought *in any State court* of competent jurisdiction shall be removed to any court in the  
11 United States." Section 16(c) of the Securities Act refers to "covered class actions," which  
12 are defined as lawsuits brought as class actions or brought on behalf of more than 50 persons  
13 asserting claims *under state or common law*. This is an action asserting federal law claims.  
14 Thus, it does not fall within the definition of a "covered class action" under §16c) and  
15 therefore is not removable to federal court under the Securities Litigation Uniform Standards  
16 Act of 1998.  
17  
18  
19

20 6. Each Defendant has sufficient contacts with California, or otherwise  
21 purposefully avails itself of benefits from California or has property in California so as to  
22 render the exercise of jurisdiction over each by the California courts consistent with  
23 traditional notions of fair play and substantial justice.  
24

25 7. The amount in controversy exceeds the jurisdictional minimum of this Court,  
26 and the total amount of damages sought exceeds \$25,000.  
27

28 8. Venue is proper in this Court pursuant to Section 22 of the Securities Act, 15

1 U.S.C. § 77v. Defendant Facebook's principal executive offices are located within this  
2 County, the individual defendants conduct business in this County, and many of the acts and  
3 transactions alleged herein, including the preparation and dissemination of materially false  
4 and/or misleading information, occurred in substantial part in this County.  
5

6 **PARTIES**

7  
8 9. Plaintiff JENNIFER STOKES purchased Facebook securities pursuant and/or  
9 traceable to the Registration Statement issued in connection with the Company's IPO and  
10 has been damaged thereby.

11 10. Defendant Facebook is a Delaware corporation with its principal executive  
12 offices located at 1601 Willow Road, Menlo Park, California 94025.

13  
14 11. Defendant Mark Zuckerberg ("Zuckerberg") was, at all relevant times,  
15 Chairman and Chief Executive Officer ("CEO") of Facebook and signed or authorized the  
16 signing of the Company's Registration Statement filed with the SEC.

17  
18 12. Defendant David A. Ebersman ("Ebersman") was, at all relevant times Chief  
19 Financial Officer ("CFO") of Facebook and signed or authorized the signing of the  
20 Company's Registration Statement filed with the SEC.

21  
22 13. Defendant David M. Spillane ("Spillane") was, at all relevant times, Director  
23 of Accounting for Facebook and signed or authorized the signing of the Company's  
24 Registration Statement filed with the SEC.

25  
26 14. Defendant Marc L. Andreessen ("Andreessen") was, at all relevant times, a  
27 director of Facebook and signed or authorized the signing of the Company's Registration  
28 Statement filed with the SEC.



1           15. Defendant Erskine B. Bowles ("Bowles") was, at all relevant times, a director  
2 of Facebook and signed or authorized the signing of the Company's Registration Statement  
3 filed with the SEC.

4  
5           16. Defendant James W. Breyer ("Breyer") was, at all relevant times, a director of  
6 Facebook and signed or authorized the signing of the Company's Registration Statement  
7 filed with the SEC.

8  
9           17. Defendant Donald E. Graham ("Graham") was, at all relevant times, a director  
10 of Facebook and signed or authorized the signing of the Company's Registration Statement  
11 filed with the SEC.

12  
13           18. Defendant Reed Hastings ("Hastings") was, at all relevant times, a director of  
14 Facebook and signed or authorized the signing of the Company's Registration Statement  
15 filed with the SEC.

16  
17           19. Defendant Peter A. Thiel ("Thiel") was, at all relevant times, a director of  
18 Facebook and signed or authorized the signing of the Company's Registration Statement  
19 filed with the SEC.

20           20. Defendants Zuckerberg, Ebersman, Spillane, Andreessen, Bowles, Breyer,  
21 Graham, Hastings and Thiel, are collectively referred to hereinafter as the "Individual  
22 Defendants."

23  
24           21. Defendant Morgan Stanley & Co. LLC ("Morgan Stanley") served as an  
25 underwriter to Facebook in connection with the Offering.

26  
27           22. Defendant J.P. Morgan Securities LLC ("J.P. Morgan") served as an  
28 underwriter to Facebook in connection with the Offering.

1           23. Defendant Goldman, Sachs & Co. ("Goldman Sachs") served as an underwriter  
2 to Facebook in connection with the Offering.

3           24. Defendant Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill  
4 Lynch") served as an underwriter to Facebook in connection with the Offering.

5           25. Defendant Barclays Capital Inc. ("Barclays") served as an underwriter to  
6 Facebook in connection with the Offering.

7           26. Defendant Allen & Company LLC ("Allen") served as an underwriter to  
8 Facebook in connection with the Offering.

9           27. Defendant Citigroup Global Markets Inc. ("Citi") served as an underwriter to  
10 Facebook in connection with the Offering.

11           28. Defendant Credit Suisse Securities (USA) LLC ("Credit Suisse") served as an  
12 underwriter to Facebook in connection with the Offering.

13           29. Defendant Deutsche Bank Securities Inc. ("Deutsche") served as an  
14 underwriter to Facebook in connection with the Offering.

15           30. Defendant RBC Capital Markets, LLC ("RBC") served as an underwriter to  
16 Facebook in connection with the Offering.

17           31. Defendant Blaylock Robert Van LLC ("Blaylock") served as an underwriter to  
18 Facebook in connection with the Offering.

19           32. Defendant BMO Capital Markets Corp. ("BMO") served as an underwriter to  
20 Facebook in connection with the Offering.

21           33. Defendant C.L. King & Associates, Inc. ("C.L. King") served as an  
22 underwriter to Facebook in connection with the Offering.

1           34. Defendant Cabrera Capital Markets, LLC ("Cabrera") served as an underwriter  
2 to Facebook in connection with the Offering.

3           35. Defendant CastleOak Securities, L.P. ("CastleOak") served as an underwriter  
4 to Facebook in connection with the Offering.

5           36. Defendant Cowen and Company, LLC. ("Cowen") served as an underwriter to  
6 Facebook in connection with the Offering.

7           37. Defendant E\*TRADE Securities LLC ("E\*TRADE") served as an underwriter  
8 to Facebook in connection with the Offering.

9           38. Defendant Itau BBA USA Securities, Inc. ("Itau") served as an underwriter to  
10 Facebook in connection with the Offering.

11           39. Defendant Lazard Capital Markets LLC ("Lazard") served as an underwriter to  
12 Facebook in connection with the Offering.

13           40. Defendant Lebenthal & Co., LLC ("Lebenthal") served as an underwriter to  
14 Facebook in connection with the Offering.

15           41. Defendant Loop Capital Markets LLC ("Loop") served as an underwriter to  
16 Facebook in connection with the Offering.

17           42. Defendant M.R. Beal & Company ("M.R. Beal") served as an underwriter to  
18 Facebook in connection with the Offering.

19           43. Defendant Macquarie Capital (USA) Inc. ("Macquarie") served as an  
20 underwriter to Facebook in connection with the Offering.

21           44. Defendant Muriel Siebert & Co., Inc. ("Muriel") served as an underwriter to  
22 Facebook in connection with the Offering.

1           45. Defendant Oppenheimer & Co. Inc. ("Oppenheimer") served as an underwriter  
2 to Facebook in connection with the Offering.

3           46. Defendant Pacific Crest Securities LLC ("Pacific Crest") served as an  
4 underwriter to Facebook in connection with the Offering.

5           47. Defendant Piper Jaffray & Co. ("Piper Jaffray") served as an underwriter to  
6 Facebook in connection with the Offering.

7           48. Defendant Raymond James & Associates, Inc. ("Raymond James") served as  
8 an underwriter to Facebook in connection with the Offering.

9           49. Defendant Samuel A. Ramirez & Company, Inc. ("Ramirez") served as an  
10 underwriter to Facebook in connection with the Offering.

11           50. Defendant Stifel, Nicolaus & Company, Incorporated ("Stifel") served as an  
12 underwriter to Facebook in connection with the Offering.

13           51. Defendant The Williams Capital Group, L.P. ("Williams") served as an  
14 underwriter to Facebook in connection with the Offering.

15           52. Defendant William Blair & Company, L.L.C. ("William Blair") served as an  
16 underwriter to Facebook in connection with the Offering.

17           53. Defendants Morgan Stanley, J.P. Morgan, Goldman Sachs, Merrill Lynch,  
18 Barclays, Allen, Citigroup, Credit Suisse, Deutsche, RBC, Blaylock, BMO, C.L. King,  
19 Cabrera, CastleOak, Cowen, E\*Trade, Itaú, Lazard, Lebenthal, Loop, M.R. Beal, Macquarie,  
20 Muriel, Oppenheimer, Pacific Crest, Piper Jaffray, Raymond James, Ramirez, Stifel,  
21 Williams, and William Blair, are collectively referred to hereinafter as the "Underwriter  
22 Defendants."  
23  
24  
25  
26  
27  
28

**CLASS ACTION ALLEGATIONS**

1  
2           **54. Plaintiff brings this action as a class action pursuant to California Code of Civil**  
3  
4 **Procedure Section 382 on behalf of a Class, consisting of all persons and/or entities who**  
5 **purchased or otherwise acquired the common stock of Facebook pursuant and/or traceable to**  
6 **the Company's false and/or misleading Registration Statement and Prospectus issued in**  
7 **connection with the Company's IPO, and who were damaged thereby (the "Class").**  
8  
9 **Excluded from the Class are Defendants, the officers and directors of the Company, at all**  
10 **relevant times, members of their immediate families and their legal representatives, heirs,**  
11 **successors or assigns and any entity in which Defendants have or had a controlling interest.**

12           **55. The members of the Class are so numerous that joinder of all members is**  
13 **impracticable. During the relevant period, Facebook's securities were actively traded on the**  
14 **NASDAQ Stock Exchange (the "NASDAQ"). While the exact number of Class members is**  
15 **unknown to Plaintiff at this time and can only be ascertained through appropriate discovery,**  
16 **Plaintiff believes that there are hundreds or thousands of members in the proposed Class.**  
17  
18 **The Company offered more than 420 million shares of common stock in the IPO. Moreover,**  
19 **record owners and other members of the Class may be identified from records maintained by**  
20 **Facebook or its transfer agent and may be notified of the pendency of this action by mail,**  
21 **using the form of notice similar to that customarily used in securities class actions.**  
22  
23

24           **56. Plaintiff's claims are typical of the claims of the members of the Class as all**  
25 **members of the Class are similarly affected by Defendants' wrongful conduct in violation of**  
26 **federal law that is complained of herein.**  
27

28           **57. Plaintiff will fairly and adequately protect the interests of the members of the**

1 Class and have retained counsel competent and experienced in class and securities litigation.

2 58. Common questions of law and fact exist as to all members of the Class and  
3 predominate over any questions solely affecting individual members of the Class. Among  
4 the questions of law and fact common to the Class are:  
5

6 (a) whether the Securities Act was violated by Defendants' acts as alleged  
7 herein;

8 (b) whether statements made by Defendants to the investing public in  
9 connection with the Company's IPO omitted and/or misrepresented material facts about the  
10 business, operations, and prospects of Facebook; and  
11

12 (c) to what extent the members of the Class have sustained damages and the  
13 proper measure of damages.  
14

15 59. A class action is superior to all other available methods for the fair and  
16 efficient adjudication of this controversy since joinder of all members is impracticable.  
17 Furthermore, as the damages suffered by individual Class members may be relatively small,  
18 the expense and burden of individual litigation make it impossible for members of the Class  
19 to individually redress the wrongs done to them. There will be no difficulty in the  
20 management of this action as a class action.  
21

## 22 BACKGROUND

23 60. Facebook operates as a social networking company worldwide.

24 61. On or about February 1, 2012, Facebook filed a registration statement with the  
25 SEC on Form S-1. Thereafter, the Company repeatedly amended the Form S-1, including on  
26 or about May 16, 2012, when Facebook filed with the SEC the final Form S-1/A  
27  
28

1 (collectively, the "Registration Statement") for the IPO.

2 62. On or around May 18, 2012, the Company filed with the SEC its IPO  
3 Prospectus (the "Prospectus"), which forms part of the "Registration Statement" that was  
4 declared effective on May 17, 2018.  
5

6 63. In the IPO, the Company offered for sale 421,233,615 shares of common stock  
7 at a price of \$38.00 per share, of which 180,000,000 shares of Class A common were offered  
8 by the Company and 241,233,615 shares of Class A common stock were offered by existing  
9 stockholders. According to the Company, it expected to receive net proceeds of  
10 approximately \$6.8 billion from its IPO after deducting underwriting discounts and  
11 commissions, and offering expenses.  
12

13  
14 **FACEBOOK'S FALSE AND/OR MISLEADING REGISTRATION**  
15 **STATEMENT AND PROSPECTUS**

16 64. Under applicable SEC rules and regulations, the Registration Statement was  
17 required to disclose known trends, events or uncertainties that were having, and were  
18 reasonably likely to have, an impact on the Company's continuing operations.

19 65. However, the Registration Statement failed to disclose that during the IPO  
20 roadshow, the lead underwriters, including, Defendants Morgan Stanley, J.P. Morgan, and  
21 Goldman Sachs, all cut their earnings forecasts and that news of the estimate cut was passed  
22 on only to a handful of large investor clients, not to the public. Therefore, the Registration  
23 Statement was negligently prepared and, as a result, contained untrue statements of material  
24 facts or omitted to state other facts necessary to make the statements made not misleading,  
25 and was not prepared in accordance with the rules and regulations governing their  
26  
27  
28

1 preparation.

2 66. On May 19, 2012, Henry Blodget published an article entitled, "If This Really  
3 Happened During The Facebook IPO, Buyers Should Be Mad As Hell..." Therein, the  
4 article, in relevant part, stated:  
5

6 Part way through the Facebook IPO roadshow, scattered reports appeared that  
7 Facebook had reduced the earnings guidance it was giving research analysts.  
8 This seemed bizarre on a number of levels.

9 First, I was unaware that Facebook had ever *issued* any earnings guidance—to  
10 research analysts or anyone else.

11 Earnings guidance is *highly material information* (meaning that any investor  
12 considering an investment decision would want to know it). It represents a  
13 future forecast made by the company. Any time any company gives any sort of  
14 forecast, stocks move—because the forecast offers a very well informed view of  
the future by those who have the most up-to-date information about a  
company's business.

15 So if Facebook had issued any sort of guidance, even quietly, this should have  
16 been made very public by the company and its bankers—especially because  
millions of individual investors were thinking of buying the stock.

17 Second, if Facebook really had "reduced guidance" mid-way through a series  
18 of meetings designed for the sole purpose of selling the stock this would have  
19 been *even more highly material information*.

20 Why?

21 Because such a late change in guidance would mean that Facebook's business  
22 was deteriorating rapidly—between the start of the roadshow and the middle of  
the roadshow.

23 Any time a business outlook deteriorates that rapidly, alarm bells start going  
24 off on Wall Street, and stocks plunge.

25 So the report that Facebook had "reduced earnings guidance" during the  
26 roadshow just seemed like a typical misunderstanding between Wall Street and  
27 the public—something lost in translation between what a reporter was hearing  
28 from sources and what actually made it into print.



1 But now Reuters has just reported the same thing again. Here's a sentence from  
2 a story Reuters just published on the IPO:

3 Facebook also altered its guidance for research earnings last week, during the  
4 road show, a rare and disruptive move.

5 Hmmm.

6 If this really happened, anyone who placed an order for Facebook who was  
7 unaware that 1) Facebook had issued any sort of earnings guidance, and 2)  
8 reduced that guidance during the roadshow, has every right to be furious.

9 Because this would have been highly material information that some investors  
10 had and others didn't—the exact sort of unfair asymmetry that securities laws  
11 are designed to prevent.

12 This seems so obvious that I'm still very skeptical of the report. I'll now look  
13 into it. In the meantime, if anyone knows what Facebook did and didn't tell  
14 analysts, I'd be grateful for your help.

15 67. On this news, shares of the Company's stock declined \$4.20 per share, or  
16 10.99%, to close on May 21, 2012, at \$34.03 per share, on unusually heavy trading volume.

17 68. On May 22, 2012, Henry Blodget published an article entitled, "Facebook  
18 Bankers Secretly Cut Facebook's Revenue Estimates in Middle of IPO Roadshow." Therein,  
19 the article, in relevant part, stated:

20 And now comes some news about the Facebook (FB) IPO that buyers deserve  
21 to be outraged about.

22 Reuters' Alistair Barr is reporting that Facebook's lead underwriters, Morgan  
23 Stanley (MS), JP Morgan (JPM), and Goldman Sachs (GS) all cut their  
24 earnings forecasts for the company in the middle of the IPO roadshow.

25 This by itself is highly unusual (I've never seen it during 20 years in and  
26 around the tech IPO business).

27 But, just as important, news of the estimate cut was passed on only to a handful  
28 of big investor clients, not everyone else who was considering an investment in  
Facebook.

1 This is a huge problem, for one big reason:

- 2
- 3 • Selective dissemination. Earnings forecasts are material  
4 information, especially when they are prepared by analysts who have  
5 had privileged access to company management. As lead underwriters on  
6 the IPO, these analysts would have had much better information about  
7 the company than anyone else. So the fact that these analysts suddenly  
8 all cut their earnings forecasts at the same time, during the roadshow,  
9 and then this information was not passed on to the broader public, is a  
10 huge problem.

11 Any investor considering an investment in Facebook would consider an  
12 estimate cut from the underwriters' analysts "material information."

13 What's more, it's likely that news of these estimate cuts dampened interest in  
14 the IPO among those who heard about them. (Reuters reported exactly this--  
15 that some institutions were "freaked out" by the estimate cuts, as anyone would  
16 have been.)

17 In other words, during the marketing of the Facebook IPO, investors who did  
18 not hear about these underwriter estimate cuts were placed at a meaningful and  
19 unfair information disadvantage. They did not know what a lot of other  
20 investors knew, and they suffered for it.

21 Selective dissemination of this sort could be a direct violation of securities  
22 laws. Irrespective of its legality, it is also grossly unfair. The SEC should  
23 investigate this immediately.

24 We first heard rumblings about this last week, and we were so startled that we  
25 assumed the reports were wrong. Then, over the weekend, when Reuters  
26 reported the basic story again, we said that if it was true, Facebook IPO buyers  
27 deserved to be "mad as hell" about it. And now Reuters has the details, and  
28 they sound as bad as we had feared.

There are a couple of possibilities for what happened.

The first one is bad news for Morgan Stanley and the other lead underwriters  
on the deal.

The second is also bad news for Facebook.

According to Reuters, the underwriter analysts cut their estimates after  
Facebook issued an amended IPO prospectus in which the company

1 mentioned, vaguely, that recent trends in which users were growing faster than  
2 revenue had continued into the second quarter.

3 To those experienced in reading financial statements, this language was  
4 unnerving, because its mere existence could have been taken to mean that  
5 Facebook's revenue in the second quarter wasn't coming in as strong as  
6 Facebook had hoped (why else would the language have suddenly been added  
7 at the 11th hour?)

7 To those who aren't experienced at reading filings, however, the real meaning  
8 of this language could easily have been missed. Facebook's users have been  
9 growing faster than revenue for a while, so why would it be news that this was  
10 continuing?

10 In response to the amendment, meanwhile, all three lead underwriter analysts  
11 suddenly cut their estimates.

11 Now, regardless of why the analysts cut their estimates (and this will be  
12 important), estimate cuts of any sort are material information, so if this news  
13 was given to some institutional clients, it also obviously should have been  
14 given to everyone.

14 That's the first problem.

15  
16 The second potential question and problem is whether Facebook told the  
17 underwriters to cut their estimates—either by directly telling them to, or, more  
18 likely, by "suggesting" that the analysts might want to revisit their estimates in  
19 light of the new disclosures in the prospectus.

19 If there was any communication at all between Facebook and its underwriters  
20 regarding the analysts' estimates, Facebook will likely be on the hook for this,  
21 too.

21 Speaking as a former analyst, it seems highly unlikely to me that the vague  
22 language in the final IPO amendment would prompt all three underwriter  
23 analysts to immediately cut estimates without some sort of nod and wink from  
24 someone who knew how Facebook's second quarter was progressing. (To get  
25 this message from the language, you really have to read between the lines). But  
26 even if this is what happened, it is still unfair that news of the estimate cut  
27 wasn't disseminated quickly and clearly to everyone considering buying  
28 Facebook's IPO.

26 The bottom line is that, even if dissemination laws were followed to the letter  
27 (which frankly seems unlikely), the selective disclosure here was grossly  
28 unfair.



1 possessed reasonable grounds for the belief that the statements contained in the Registration  
2 Statement were true and without omissions of any material facts and were not misleading.

3  
4 76. By reasons of the conduct herein alleged, each Defendant violated, and/or  
5 controlled a person who violated Section 11 of the Securities Act.

6 77. Plaintiff acquired Facebook shares pursuant and/or traceable to the  
7 Registration Statement for the IPO.

8  
9 78. Plaintiff and the Class have sustained damages. The value of Facebook  
10 common stock has declined substantially subsequent to and due to Defendants' violations.

11 **SECOND CLAIM**  
12 **Violation of Section 15 of The Securities Act**  
13 **(Against the Individual Defendants)**

14 79. Plaintiff repeats and realleges each and every allegation contained above,  
15 except any allegation of fraud, recklessness or intentional misconduct.

16 80. This count is asserted against the Individual Defendants and is based upon  
17 Section 15 of the Securities Act.

18  
19 81. Individual Defendants, by virtue of their offices, directorship and specific acts  
20 were, at the time of the wrongs alleged herein and as set forth herein, controlling persons of  
21 Facebook within the meaning of Section 15 of the Securities Act. The Individual Defendants  
22 had the power and influence and exercised the same to cause Facebook to engage in the acts  
23 described herein.

24  
25 82. Individual Defendants' positions made them privy to and provided them with  
26 actual knowledge of the material facts concealed from Plaintiff and the Class.

27  
28 83. By virtue of the conduct alleged herein, the Individual Defendants are liable

1 for the aforesaid wrongful conduct and are liable to Plaintiff and the Class for damages  
2 suffered.

3

4 WHEREFORE, Plaintiff prays for relief and judgment, as follows:

5 (a) Determining that this action is a proper class action under California Code of  
6 Civil Procedure Section 382;

7

8 (b) Awarding compensatory damages in favor of Plaintiff and the other Class  
9 members against all Defendants, jointly and severally, for all damages sustained as a result  
10 of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

11

12 (c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred  
13 in this action, including counsel fees and expert fees;

14

(d) Awarding rescission or a rescissory measure of damages; and

15

(e) Such other and further relief as the Court may deem just and proper.

16

**JURY TRIAL DEMANDED**

17

18 Plaintiff hereby demands a trial by jury.

19

Dated: May 23, 2012

20

AHDOOT & WOLFSON, P.C.

21

By: 

22

Robert Ahdoot

23

Tina Wolfson

24

Theodore Maya

25

Bradley King

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Los Angeles, California 90024

28

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JENNIFER STOKES

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ROBERT AHDOOT, csb# 172098  
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10850 WILSHIRE BOULEVARD, SUITE 370  
LOS ANGELES, CALIFORNIA 90024  
TELEPHONE NO.: 310-474-9111 FAX NO.: 310-474-8585  
ATTORNEY FOR (Name): Plaintiff, Jennifer Stokes

FOR COURT USE ONLY

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SAN MATEO COUNTY

SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN MATEO  
STREET ADDRESS: 400 County Center  
MAILING ADDRESS:  
CITY AND ZIP CODE: Redwood City, California 94063  
BRANCH NAME: Southern Branch

CASE NAME:  
Jennifer Stokes vs. Facebook, Inc, et al.

**CIVIL CASE COVER SHEET**  
 Unlimited (Amount demanded exceeds \$25,000)  Limited (Amount demanded is \$25,000 or less)

Complex Case Designation  
 Counter  Joinder  
Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)

CASE NUMBER: CIV 51 4107  
JUDGE:  
DEPT:

Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

<p><b>Auto Tort</b></p> <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) <p><b>Other PIPD/W (Personal Injury/Property Damage/Wrongful Death) Tort</b></p> <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PIPD/W (23) <p><b>Non-PIP/W (Other) Tort</b></p> <input type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PIP/W tort (35) <p><b>Employment</b></p> <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	<p><b>Contract</b></p> <input type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Rule 3,740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) <p><b>Real Property</b></p> <input type="checkbox"/> Eminent domain/inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (26) <p><b>Unlawful Detainer</b></p> <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) <p><b>Judicial Review</b></p> <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	<p><b>Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403)</b></p> <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input checked="" type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) <p><b>Enforcement of Judgment</b></p> <input type="checkbox"/> Enforcement of judgment (20) <p><b>Miscellaneous Civil Complaint</b></p> <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) <p><b>Miscellaneous Civil Petition</b></p> <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)
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2. This case  is  is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
- |   |   |
|---|---|
| a. <input checked="" type="checkbox"/> Large number of separately represented parties   | d. <input checked="" type="checkbox"/> Large number of witnesses  |
| b. <input checked="" type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve | e. <input checked="" type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court |
| c. <input checked="" type="checkbox"/> Substantial amount of documentary evidence   | f. <input type="checkbox"/> Substantial postjudgment judicial supervision   |
3. Remedies sought (check all that apply): a.  monetary b.  nonmonetary; declaratory or injunctive relief c.  punitive
4. Number of causes of action (specify): Two (2) - Sections 11 & 15 of the Securities Act of 1933
5. This case  is  is not a class action suit.
6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: May 23, 2012  
ROBERT AHDOOT

*Robert Ahdoot*  
(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

**NOTICE**

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

FILED BY FAX

## INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

**To Plaintiffs and Others Filing First Papers.** If you are filing a first paper (for example, a complaint) in a civil case, you must complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check one box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the primary cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

**To Parties in Rule 3.740 Collections Cases.** A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

**To Parties in Complex Cases.** In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

## CASE TYPES AND EXAMPLES

<p><b>Auto Tort</b></p> <ul style="list-style-type: none"> <li>Auto (22)—Personal Injury/Property Damage/Wrongful Death</li> <li>Uninsured Motorist (46) <i>(if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto)</i></li> </ul> <p><b>Other PIPD/WD (Personal Injury/Property Damage/Wrongful Death) Tort</b></p> <ul style="list-style-type: none"> <li>Asbestos (04)</li> <li>Asbestos Property Damage</li> <li>Asbestos Personal Injury/Wrongful Death</li> <li>Product Liability <i>(not asbestos or toxic/environmental)</i> (24)</li> <li>Medical Malpractice (45)</li> <li>Medical Malpractice—Physicians &amp; Surgeons</li> <li>Other Professional Health Care Malpractice</li> <li>Other PUPD/WD (23)</li> <li>Premises Liability (e.g., slip and fall)</li> <li>Intentional Bodily Injury/PI/WD (e.g., assault, vandalism)</li> <li>Intentional Infliction of Emotional Distress</li> <li>Negligent Infliction of Emotional Distress</li> <li>Other PI/WD/WD</li> </ul> <p><b>Non-PIP/WD (Other) Tort</b></p> <ul style="list-style-type: none"> <li>Business Tort/Unfair Business Practice (07)</li> <li>Civil Rights (e.g., discrimination, false arrest) <i>(not civil harassment)</i> (08)</li> <li>Defamation (e.g., slander, libel) (13)</li> <li>Fraud (16)</li> <li>Intellectual Property (19)</li> <li>Professional Negligence (25)</li> <li>Legal Malpractice</li> <li>Other Professional Malpractice <i>(not medical or legal)</i></li> <li>Other Non-PIP/WD Tort (35)</li> </ul> <p><b>Employment</b></p> <ul style="list-style-type: none"> <li>Wrongful Termination (36)</li> <li>Other Employment (15)</li> </ul>	<p><b>Contract</b></p> <ul style="list-style-type: none"> <li>Breach of Contract/Warranty (06)</li> <li>Breach of Rental/Lease</li> <li>Contract <i>(not unlawful detainer or wrongful eviction)</i></li> <li>Contract/Warranty Breach—Seller Plaintiff <i>(not fraud or negligence)</i></li> <li>Negligent Breach of Contract/Warranty</li> <li>Other Breach of Contract/Warranty</li> <li>Collections (e.g., money owed, open book accounts) (09)</li> <li>Collection Case—Seller Plaintiff</li> <li>Other Promissory Note/Collections Case</li> <li>Insurance Coverage <i>(not provisionally complex)</i> (18)</li> <li>Auto Subrogation</li> <li>Other Coverage</li> <li>Other Contract (37)</li> <li>Contractual Fraud</li> <li>Other Contract Dispute</li> </ul> <p><b>Real Property</b></p> <ul style="list-style-type: none"> <li>Eminent Domain/Inverse Condemnation (14)</li> <li>Wrongful Eviction (33)</li> <li>Other Real Property (e.g., quiet title) (26)</li> <li>Writ of Possession of Real Property</li> <li>Mortgage Foreclosure</li> <li>Quiet Title</li> <li>Other Real Property <i>(not eminent domain, landlord/tenant, or foreclosure)</i></li> </ul> <p><b>Unlawful Detainer</b></p> <ul style="list-style-type: none"> <li>Commercial (31)</li> <li>Residential (32)</li> <li>Drugs (38) <i>(if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential)</i></li> </ul> <p><b>Judicial Review</b></p> <ul style="list-style-type: none"> <li>Asset Forfeiture (05)</li> <li>Petition For Arbitration Award (11)</li> <li>Writ of Mandate (02)</li> <li>Writ—Administrative Mandamus</li> <li>Writ—Mandamus on Limited Court Case Matter</li> <li>Writ—Other Limited Court Case Review</li> <li>Other Judicial Review (39)</li> <li>Review of Health Officer Order</li> <li>Notice of Appeal—Labor Commissioner Appeals</li> </ul>	<p><b>Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400–3.403)</b></p> <ul style="list-style-type: none"> <li>Antitrust/Trade Regulation (03)</li> <li>Construction Defect (10)</li> <li>Claims Involving Mass Tort (40)</li> <li>Securities Litigation (28)</li> <li>Environmental/Toxic Tort (30)</li> <li>Insurance Coverage Claims <i>(arising from provisionally complex case type listed above)</i> (41)</li> </ul> <p><b>Enforcement of Judgment</b></p> <ul style="list-style-type: none"> <li>Enforcement of Judgment (20)</li> <li>Abstract of Judgment (Out of County)</li> <li>Confession of Judgment <i>(non-domestic relations)</i></li> <li>Sister State Judgment</li> <li>Administrative Agency Award <i>(not unpaid taxes)</i></li> <li>Petition/Certification of Entry of Judgment on Unpaid Taxes</li> <li>Other Enforcement of Judgment Case</li> </ul> <p><b>Miscellaneous Civil Complaint</b></p> <ul style="list-style-type: none"> <li>RICO (27)</li> <li>Other Complaint <i>(not specified above)</i> (42)</li> <li>Declaratory Relief Only</li> <li>Injunctive Relief Only <i>(non-harassment)</i></li> <li>Mechanics Lien</li> <li>Other Commercial Complaint Case <i>(non-tort/non-complex)</i></li> <li>Other Civil Complaint <i>(non-tort/non-complex)</i></li> </ul> <p><b>Miscellaneous Civil Petition</b></p> <ul style="list-style-type: none"> <li>Partnership and Corporate Governance (21)</li> <li>Other Petition <i>(not specified above)</i> (43)</li> <li>Civil Harassment</li> <li>Workplace Violence</li> <li>Elder/Dependent Adult Abuse</li> <li>Election Contest</li> <li>Petition for Name Change</li> <li>Petition for Relief From Late Claim</li> <li>Other Civil Petition</li> </ul>
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Superior Court of California  
County of San Mateo  
Civil Department  
400 County Center  
Redwood City, CA 94063-1655  
(650)363-4599  
www.sanmateocourt.org

JENNIFER STOKES Plaintiff(s)  vs. FACEBOOK, INC. Defendant(s)	<b>Notice of Complex Case Status Conference</b>  Case No.: CIV 514107      Date: 07/25/12 Time: 9:00 AM Dept. 3
Title: JENNIFER STOKES VS FACEBOOK, INC. ET AL	

You are hereby given notice of your Complex Case Status Conference. The date, time and department have been written above. At this conference, the Presiding Judge will decide whether this action is a complex case within the meaning of California Rules of Court ("CRC"), Rule 3.400, subdivision (a) and whether it should be assigned to a single judge for all purposes.

1. In accordance with applicable San Mateo County Local Rule 2.30, you are hereby ordered to:
  - a. Serve copies of this notice, your Civil Case Cover Sheet, and your Certificate Re: Complex Case Designation on all named parties in this action no later than service of your first appearance pleadings.
  - b. Give reasonable notice of the Complex Case Status Conference to all named parties in this action, even if they have not yet made a first appearance or been formally served with the documents listed in subdivision (a). Such notice shall be given in the same manner as required for an ex parte application pursuant to CRC 3.1203.

**2. If you fail to follow the orders above, you are ordered to show cause why you should not be sanctioned. The Order To Show Cause hearing will be at the same time as the Complex Case Status Conference. Sanctions may include monetary, evidentiary or issue sanctions as well as striking pleadings and/or dismissal.**

3. An action is provisionally a complex case if it involves one or more of the following types of claims: (1) antitrust or trade regulation claims; (2) construction defect claims involving many parties or structures; (3) securities claims or investment losses involving many parties; (4) environmental or toxic tort claims involving many parties; (5) claims involving massive torts; (6) claims involving class actions; or (7) insurance coverage claims arising out of any of the claims listed in subdivisions (1) through (6). The Court shall treat a provisionally complex action as a complex case until the Presiding Judge has the opportunity to decide whether the action meets the definition in CRC 3.400(a).

4. Any party who files either a Civil Case Cover Sheet (pursuant to CRC 3.401) or a counter or joinder Civil Case Cover Sheet (pursuant to CRC 3.402, subdivision (b) or (c)), designating an action as a complex case in Items 1, 2 and/or 5, must also file an accompanying Certificate Re: Complex Case Designation in the form prescribed by the Court. The certificate must include supporting information showing a reasonable basis for the complex case designation being sought. Such supporting information may include, without limitation, a brief description of the following factors as they pertain to the particular action: (1) management of a large number of

separately represented parties; (2) complexity of anticipated factual and/or legal issues; (3) numerous pretrial motions that will be time-consuming to resolve; (4) management of a large number of witnesses or a substantial amount of documentary evidence; (5) coordination with related actions pending in one or more courts in other counties, states or countries or in a federal court; (6) whether or not certification of a putative class action will in fact be pursued; and (7) substantial post-judgment judicial supervision.

For further information regarding case management policies and procedures, see the court website at [www.sanmateocourt.org](http://www.sanmateocourt.org)

\* Telephonic appearances at Complex Case Status Conference are available by contacting CourtCall, LLC, an independent vendor, at least 5 business days prior to the scheduled conference.

### CLERK'S CERTIFICATE OF MAILING

I hereby certify that I am the clerk of this Court, not a party to this cause; that I served a copy of this notice on the below date, by placing a copy thereof in separate sealed envelopes addressed to the address shown by the records of this Court, and by then sealing said envelopes and depositing same, with postage fully pre-paid thereon, in the United States Mail at Redwood City, California.

Date: 05/24/12

John C. Fitton,  
Court Executive Officer/Clerk

By: GRACIELA MARQUEZ  
Deputy Clerk

Copies mailed to:

ROBERT AHDOOT  
10850 WILSHIRE BLVD. #370  
LOS ANGELES CA 90024

**FILED**  
NOTICE OF CASE MANAGEMENT CONFERENCE  
SAN MATEO COUNTY

Jennifer Stokes

MAY 23 2012

Clerk of the Superior Court  
By [Signature]  
DEPUTY CLERK

Case No. CIV 51 4107

Date: 10/4/12

vs.

Time: 9:00 a.m.

Facebook, Inc, et al

Dept 21 on Tuesday & Thursday  
on Wednesday & Friday

You are hereby given notice of your Case Management Conference. The date, time and department have been written above.

1. In accordance with applicable California Rules of Court and Local Rules 2.3(d)1-4 and 2.3(m), you are hereby ordered to:
  - a. Serve all named defendants and file proofs of service on those defendants with the court within 60 days of filing the complaint (CRC 201'7).
  - b. Serve a copy of this notice, Case Management Statement and ADR Information Sheet on all named parties in this action.
  - c. File and serve a completed Case Management Statement at least 15 days before the Case Management Conference [CRC 212(g)]. Failure to do so may result in monetary sanctions.
  - d. Meet and confer, in person or by telephone, to consider each of the issues identified in CRC 212(f) no later than 30 days before the date set for the Case Management Conference.

2. If you fail to follow the orders above, you are ordered to show cause why you should not be sanctioned. The Order To Show Cause hearing will be at the same time as the Case Management Conference hearing. Sanctions may include monetary, evidentiary or issue sanctions as well as striking pleadings and/or dismissal.

3. Continuances of case management conferences are highly disfavored unless good cause is shown.
4. Parties may proceed to an appropriate dispute resolution process ("ADR") by filing a Stipulation To ADR and Proposed Order (see attached form.). If plaintiff files a Stipulation To ADR and Proposed Order electing to proceed to judicial arbitration, the Case Management Conference will be taken off the court calendar and the case will be referred to the Arbitration Administrator. If plaintiffs and defendants file a completed stipulation to another ADR process (e.g., mediation) 10 days prior to the first scheduled case management conference, the case management conference will be continued for 90 days to allow parties time to complete their ADR session. The court will notify parties of their new case management conference date.
5. If you have filed a default or a judgment has been entered, your case is not automatically taken off the Case Management Conference Calendar. If "Does", "Roes", etc. are named in your complaint, they must be dismissed in order to close the case. If any party is in bankruptcy, the case is stayed only as to that named party.
6. You are further ordered to appear in person\* (or through your attorney of record) at the Case Management Conference noticed above. You must be thoroughly familiar with the case and fully authorized to proceed.
7. The Case Management judge will issue orders at the conclusion of the conference that may include:
  - a. Referring parties to voluntary ADR and setting an ADR completion date;
  - b. Dismissing or severing claims or parties;
  - c. Setting a trial date.
8. The Case Management judge may be the trial judge in this case.

For further information regarding case management policies and procedures, see the court website at [www.sanmateocourt.org](http://www.sanmateocourt.org).

\* Telephonic appearances at case management conferences are available.

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**FILED**  
SAN MATEO COUNTY

JUN 18 2012

Clerk of the Superior Court  
By *Debra J. Lewis*  
DEPUTY CLERK

E

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF SAN MATEO

DARRYL LAZAR, Individually and On Behalf  
of All Others Similarly Situated,

Lead Case No. CIV514065

Plaintiff,

Case CIV 514107

v.

**[PROPOSED] ORDER GRANTING  
PLAINTIFFS' MOTION TO  
CONSOLIDATE ALL RELATED  
ACTIONS**

FACEBOOK, INC., MARK ZUCKERBERG,  
DAVID A. EBERSMAN, DAVID M.  
SPILLANE, MARC L. ANDREESSEN,  
ERSKINE B. BOWLES, JAMES W. BREYER,  
DONALD E. GRAHAM, REED HASTINGS,  
PETER A. THIEL, MORGAN STANLEY &  
CO. LLC, J.P. MORGAN SECURITIES LLC,  
GOLDMAN, SACHS & CO., MERRILL  
LYNCH, PIERCE, FENNER & SMITH  
INCORPORATED, BARCLAYS CAPITAL  
INC., ALLEN & COMPANY LLC,  
CITIGROUP GLOBAL MARKETS INC.,  
CREDIT SUISSE SECURITIES (USA) LLC,  
DEUTSCHE BANK SECURITIES INC., RBC  
CAPITAL MARKETS, LLC, BLAYLOCK  
ROBERT VAN LLC, BMO CAPITAL  
MARKETS CORP., C.L. KING &  
ASSOCIATES, INC., CABRERA CAPITAL  
MARKETS, LLC, CASTLEOAK  
SECURITIES, L.P., COWEN AND  
COMPANY, LLC., E\*TRADE SECURITIES  
LLC, ITAÚ BBA USA SECURITIES, INC.,  
LAZARD CAPITAL MARKETS LLC,  
LEBENTHAL & CO., LLC, LOOP CAPITAL  
MARKETS LLC, M.R. BEAL & COMPANY,  
MACQUARIE CAPITAL (USA) INC.,  
MURIEL SIEBERT & CO., INC.,

**[PROPOSED] ORDER GRANTING PLAINTIFFS' MOTION TO CONSOLIDATE ALL RELATED ACTIONS**

CONFIDENTIAL  
SUPERIOR COURT  
JUN 1 2 2012

**RECEIVED**  
JUN 1 2 2012  
SUPERIOR COURT  
CIVIL DIVISION

1 OPPENHEIMER & CO. INC., PACIFIC  
2 CREST SECURITIES LLC, PIPER JAFFRAY  
& CO., RAYMOND JAMES & ASSOCIATES,  
3 INC., SAMUEL A. RAMIREZ & COMPANY,  
INC., STIFEL, NICOLAUS & COMPANY,  
4 INCORPORATED, THE WILLIAMS  
CAPITAL GROUP, L.P., and WILLIAM  
5 BLAIR & COMPANY, L.L.C.,

6 Defendants.

7 JENNIFER STOKES , Individually and On  
Behalf of All Others Similarly Situated,

8 Plaintiff,

9 v.

10 FACEBOOK, INC., MARK ZUCKERBERG,  
11 DAVID A. EBERSMAN, DAVID M.  
12 SPILLANE, MARC L. ANDREESSEN,  
13 ERSKINE B. BOWLES, JAMES W. BREYER,  
DONALD E. GRAHAM, REED HASTINGS,  
14 PETER A. THIEL, MORGAN STANLEY & CO.  
LLC, J.P. MORGAN SECURITIES LLC,  
15 GOLDMAN, SACHS & CO., MERRILL  
LYNCH, PIERCE, FENNER & SMITH  
16 INCORPORATED, BARCLAYS CAPITAL  
INC., ALLEN & COMPANY LLC, CITIGROUP  
17 GLOBAL MARKETS INC., CREDIT SUISSE  
SECURITIES (USA) LLC, DEUTSCHE BANK  
18 SECURITIES INC., RBC CAPITAL MARKETS,  
LLC, BLAYLOCK ROBERT VAN LLC, BMO  
19 CAPITAL MARKETS CORP., C.L. KING &  
ASSOCIATES, INC., CABRERA CAPITAL  
20 MARKETS, LLC, CASTLEOAK SECURITIES,  
L.P., COWEN AND COMPANY, LLC.,  
21 E\*TRADE SECURITIES LLC, ITAÚ BBA USA  
SECURITIES, INC., LAZARD CAPITAL  
22 MARKETS LLC, LEBENTHAL & CO., LLC,  
23 LOOP CAPITAL MARKETS LLC, M.R. BEAL  
& COMPANY, MACQUARIE CAPITAL (USA)  
24 INC., MURIEL SIEBERT & CO., INC.,  
25 OPPENHEIMER & CO. INC., PACIFIC CREST  
SECURITIES LLC, PIPER JAFFRAY & CO.,  
26 RAYMOND JAMES & ASSOCIATES, INC.,  
SAMUEL A. RAMIREZ & COMPANY, INC.,  
27 STIFEL, NICOLAUS & COMPANY,  
INCORPORATED, THE WILLIAMS CAPITAL  
28 GROUP, L.P., and WILLIAM BLAIR &

Case No. CIV514107

Date Filed: May 23, 2012

1 COMPANY, L.L.C.,

2 Defendants.

3  
4 MATTHEW PILGRAM, Individually and On  
5 Behalf of All Others Similarly Situated,

6 Plaintiff,

7 v.

8 FACEBOOK, INC., MARK ZUCKERBERG,  
9 DAVID A. EBERSMAN, DAVID M.  
10 SPILLANE, MARC L. ANDREESSEN,  
11 ERSKINE B. BOWLES, JAMES W. BREYER,  
12 DONALD E. GRAHAM, REED HASTINGS,  
13 PETER A. THIEL, MORGAN STANLEY & CO.  
14 LLC, BARCLAYS CAPITAL INC., ALLEN &  
15 COMPANY LLC, CITIGROUP GLOBAL  
16 MARKETS INC., CREDIT SUISSE  
17 SECURITIES (USA) LLC, DEUTSCHE BANK  
18 SECURITIES INC., RBC CAPITAL MARKETS,  
19 LLC, BLAYLOCK ROBERT VAN LLC, BMO  
20 CAPITAL MARKETS CORP., C.L. KING &  
21 ASSOCIATES, INC., CABRERA CAPITAL  
22 MARKETS, LLC, CASTLEOAK SECURITIES,  
23 L.P., COWEN AND COMPANY, LLC.,  
24 E\*TRADE SECURITIES LLC, ITAÚ BBA USA  
25 SECURITIES, INC., LAZARD CAPITAL  
26 MARKETS LLC, LEBENTHAL & CO., LLC,  
27 LOOP CAPITAL MARKETS LLC, M.R. BEAL  
& COMPANY, MACQUARIE CAPITAL (USA)  
28 INC., MURIEL SIEBERT & CO., INC.,  
OPPENHEIMER & CO. INC., PACIFIC CREST  
SECURITIES LLC, PIPER JAFFRAY & CO.,  
RAYMOND JAMES & ASSOCIATES, INC.,  
SAMUEL A. RAMIREZ & COMPANY, INC.,  
STIFEL, NICOLAUS & COMPANY,  
INCORPORATED, THE WILLIAMS CAPITAL  
GROUP, L.P., and WILLIAM BLAIR &  
COMPANY, L.L.C.,

26 Defendants.

Case No. CIV514111

Date Filed: May 23, 2012

1 VERNON R. DeMOIS JR., Individually and on  
2 Behalf of All Others Similarly Situated,  
3 Plaintiff

Case No. CIV514163  
Date Filed: May 25, 2012

4 v.

5 FACEBOOK, INC., MARK ZUCKERBERG,  
6 DAVID A. EBERSMAN, DAVID M. SPILLANE,  
7 MARC L. ANDREESSEN, ERSKINE B.  
8 BOWLES, JAMES W. BREYER, DONALD E.  
9 GRAHAM, REED HASTINGS, PETER A.  
10 THIEL, AND MORGAN STANLEY & CO. LLC.

11 Defendants.

12 ELBITA ALFONSO, Individually and on Behalf  
13 of All Others Similarly Situated,  
14 Plaintiff

Case No. CIV514171  
Date Filed: May 25, 2012

15 v.

16 FACEBOOK, INC., MARK ZUCKERBERG,  
17 DAVID A. EBERSMAN, DAVID M. SPILLANE,  
18 MARC L. ANDREESSEN, ERSKINE B.  
19 BOWLES, JAMES W. BREYER, DONALD E.  
20 GRAHAM, REED HASTINGS, PETER A.  
21 THIEL, MORGAN STANLEY & CO. LLC, J.P.  
22 MORGAN SECURITIES LLC, GOLDMAN,  
23 SACHS & CO., MERRILL LYNCH, PIERCE,  
24 FENNER & SMITH INCORPORATED,  
25 BARCLAYS CAPITAL INC., ALLEN &  
26 COMPANY LLC, CITIGROUP GLOBAL  
27 MARKETS INC.C, REDIT SUISSE  
28 SECURITIES (USA) LLC, DEUTSCHE BANK  
SECURITIES INC., RBC CAPITAL MARKETS,  
LLC, and WELLS FARGO SECURITIES, LLC,

Defendants.



1 EDWARD J. SHIERRY, Individually and On  
2 Behalf of All Others Similarly Situated,

Case No. CIV514172  
Date Filed: May 25, 2012

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Plaintiff,

v.

FACEBOOK, INC., MARK ZUCKERBERG,  
DAVID E. EBERSMAN, DAVID M.  
SPILLANE, MARC L. ANDREESSEN,  
ERSKINE B. BOWLES, JAMES W. BREYER,  
DONALD E. GRAHAM, REED HASTINGS,  
PETER A. THIEL, MORGAN STANLEY & CO.  
LLC, GOLDMAN, SACHS & CO.,  
BARCLAYS CAPITAL INC., ALLEN &  
COMPANY LLC, CITIGROUP GLOBAL  
MARKETS INC., CREDIT SUISSE  
SECURITIES (USA) LLC, DEUTSCHE  
BANK SECURITIES INC., RBC CAPITAL  
MARKETS, LLC, BLAYLOCK  
ROBERT VAN LLC, BMO CAPITAL  
MARKETS CORP., C.L. KING &  
ASSOCIATES, INC., CABRERA CAPITAL  
MARKETS, LLC, CASTLEOAK SECURITIES,  
L.P., COWEN AND COMPANY, LLC.,  
E\*TRADE SECURITIES, LLC, ITAU  
BBA USA SECURITIES, INC., LAZARD  
CAPITAL MARKETS LLC, LEBENTHAL &  
CO., LLC, LOOP CAPITAL MARKETS LLC,  
M.R. BEAL & COMPANY, MACQUARIE  
CAPITAL(USA) INC., MURIEL SIEBERT &  
CO., INC., OPPENHEIMER & CO. INC.,  
PACIFIC CREST SECURITIES LLC,  
PIPER JAFFRA Y & CO., RAYMOND JAMES  
& ASSOCIATES, INC., SAMUEL  
A. RAMIREZ & COMPANY, INC., STIFEL,  
NICOLAUS & COMPANY, INCORPORATED,  
THE WILLIAMS CAPITAL GROUP, L.P., and  
WILLIAM BLAIR & COMPANY, L.L.C.,

Defendants.

26 MICHAEL LIEBER, Individually and On Behalf  
27 of All Others Similarly Situated,

Case No. CIV514193  
Date Filed: May 29, 2012

28  
Plaintiff,

v.

[PROPOSED] ORDER GRANTING PLAINTIFFS' MOTION TO CONSOLIDATE ALL RELATED ACTIONS

1 FACEBOOK INC.; MARK  
2 ZUCKERBURG; DONALD E. GRAHAM;  
3 DAVID A. EBERSMAN; JAMES W.  
4 BREYER; DAVID M. SPILLANE; PETER  
5 A. THIEL; MARC L. ANDREESSEN;  
6 REED HASTINGS; ERSKINE B. BOWLES;  
7 MORGAN STANLEY & CO.  
8 LLC; J.P. MORGAN SECURITIES LLC;  
9 GOLDMAN, SACHS & CO.; MERRILL  
10 LYNCH; E \*TRADE SECURITIES LLC;  
11 OPPENHEIMER & CO., INC.;

12 BARCLAYS CAPITAL INC.;

13 CITIGROUP GLOBAL MARKETS INC.;

14 CREDIT SUISSE SECURITIES (USA)  
15 LLC; PIERCE, FENNER & SMITH  
16 INCORPORATED; ALLEN &  
17 FACEBOOK LLC; DEUTSCHE BANK  
18 SECURITIES INC.; RBC CAPITAL  
19 MARKETS, LLC; MURIEL SIEBERT & CO.,  
20 INC.; CABRERA CAPITAL  
21 MARKETS, LLC; BMO CAPITAL  
22 MARKETS CORP.; CASTLEOAK  
23 SECURITIES, LP.; LAZARD CAPITAL  
24 MARKETS LLC; PACIFIC CREST  
25 SECURITIES LLC; LOOP CAPITAL  
26 MARKETS LLC; ITAU BBA USA  
27 SECURITIES, INC.; WILLIAM BLAIR &  
28 FACEBOOK, L.L.C.; BLAYLOCK  
ROBERT VAN LLC; LEBENTHAL & CO.  
LLC; M.R. BEAL & FACEBOOK;  
MACQUARIE CAPITAL (USA) INC.;

PIPER JAFFRAY & CO.; COWEN AND  
FACEBOOK, LLC; RAYMOND JAMES  
ASSOCIATES, INC.; STIFEL,  
NICOLAUS & FACEBOOK,  
INCORPORATED; C.L. KING &  
ASSOCIATES, INC.; SAMUEL A.  
RAMIREZ & FACEBOOK, INC.; COWEN  
AND FACEBOOK, LLC; THE WILLIAMS  
CAPITAL GROUP, LP; and Does 1  
through 100, inclusive,

Defendants.

1 KAREN CUKER and BRIAN GRALNICK,  
2 Individually and On Behalf of All Others Similarly  
3 Situated,

4  
5 Plaintiffs,

6 v.

7 FACEBOOK, INC., MARK ZUCKERBERG,  
8 DAVID A. EBERSMAN, DAVID M. SPILLANE,  
9 MARC L. ANDREESSEN, ERSKINE B.  
10 BOWLES, JAMES W. BREYER, DONALD E.  
11 GRAHAM, REED HASTINGS, PETER A.  
12 THIEL, MORGAN STANLEY & CO. LLC, J.P.  
13 MORGAN SECURITIES LLC, GOLDMAN,  
14 SACHS & CO., MERRILL LYNCH, PIERCE,  
15 FENNER & SMITH INCORPORATED,  
16 BARCLAYS CAPITAL INC., ALLEN &  
17 COMPANY LLC, CITIGROUP GLOBAL  
18 MARKETS INC., CREDIT SUISSE  
19 SECURITIES (USA) LLC, DEUTSCHE BANK  
20 SECURITIES INC., RBC CAPITAL MARKETS,  
21 LLC, WELLS FARGO SECURITIES, LLC,  
22 BLAYLOCK ROBERT VAN LLC, BMO  
23 CAPITAL MARKETS CORP., C.L. KING &  
24 ASSOCIATES, INC., CABRERA CAPITAL  
25 MARKETS, LLC, CASTLEOAK SECURITIES,  
26 L.P., COWEN AND COMPANY, LLC.,  
27 E\*TRADE SECURITIES LLC, ITAÚ BBA USA  
28 SECURITIES, INC., LAZARD CAPITAL  
MARKETS LLC, LEBENTHAL & CO., LLC,  
LOOP CAPITAL MARKETS LLC, M.R. BEAL  
& COMPANY, MACQUARIE CAPITAL (USA)  
INC., MURIEL SIEBERT & CO., INC.,  
OPPENHEIMER & CO. INC., PACIFIC CREST  
SECURITIES LLC, PIPER JAFFRAY & CO.,  
RAYMOND JAMES & ASSOCIATES, INC.,  
SAMUEL A. RAMIREZ & COMPANY, INC.,  
STIFEL, NICOLAUS & COMPANY,  
INCORPORATED, THE WILLIAMS CAPITAL  
GROUP, L.P., and WILLIAM BLAIR &  
COMPANY, L.L.C.,

Defendants.

Case No. CIV514238

Date Filed: May 30, 2012

1 HARVEY LAPIN, Individually and On Behalf of  
All Others Similarly Situated,

Case No. CIV514240  
Date Filed: May 30, 2012

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3  
4 Plaintiff,

5 v.

6 FACEBOOK, INC., MARK ZUCKERBERG,  
7 DAVID A. EBERSMAN, DAVID M. SPILLANE,  
8 MARC L. ANDREESSEN, ERSKINE B.  
9 BOWLES, JAMES W. BREYER, DONALD E.  
10 GRAHAM, REED HASTINGS, PETER A.  
11 THIEL, MORGAN STANLEY & CO. LLC, J.P.  
12 MORGAN SECURITIES LLC, GOLDMAN,  
13 SACHS & CO., MERRILL LYNCH, PIERCE,  
14 FENNER & SMITH INCORPORATED,  
15 BARCLAYS CAPITAL INC., ALLEN &  
16 COMPANY LLC, CITIGROUP GLOBAL  
17 MARKETS INC., CREDIT SUISSE  
18 SECURITIES (USA) LLC, DEUTSCHE BANK  
19 SECURITIES INC., RBC CAPITAL MARKETS,  
20 LLC, BLAYLOCK ROBERT VAN LLC, BMO  
21 CAPITAL MARKETS CORP., C.L. KING &  
22 ASSOCIATES, INC., CABRERA CAPITAL  
23 MARKETS, LLC, CASTLEOAK SECURITIES,  
24 L.P., COWEN AND COMPANY, LLC.,  
25 E\*TRADE SECURITIES LLC, ITAÚ BBA USA  
26 SECURITIES, INC., LAZARD CAPITAL  
27 MARKETS LLC, LEBENTHAL & CO., LLC,  
28 LOOP CAPITAL MARKETS LLC, M.R. BEAL  
& COMPANY, MACQUARIE CAPITAL (USA)  
INC., MURIEL SIEBERT & CO., INC.,  
OPPENHEIMER & CO. INC., PACIFIC CREST  
SECURITIES LLC, PIPER JAFFRAY & CO.,  
RAYMOND JAMES & ASSOCIATES, INC.,  
SAMUEL A. RAMIREZ & COMPANY, INC.,  
STIFEL, NICOLAUS & COMPANY,  
INCORPORATED, THE WILLIAMS CAPITAL  
GROUP, L.P., and WILLIAM BLAIR &  
COMPANY, L.L.C.,

Defendants.

1 Upon Plaintiffs Darryl Lazar, Jennifer Stokes, Matthew Pilgram, Vernon R. Demois Jr.,  
2 Elbita Alfonso, Edward J. Shierry, Michael Lieber, Karen Cuker, Brian Gralnick and Harvey  
3 Lapin (collectively "Movants"). *Ex Parte* Application for Approval of Consolidation of Related  
4 Cases and Appointment of Co-Lead Class Counsel, or Alternatively, for an Order Shortening  
5 Time for Hearing Such Motion, and following consideration of the relevant papers and  
6 arguments of counsel, and good cause appearing:

7 **IT IS HEREBY ORDERED** that:

8 The following actions are hereby consolidated for all purposes, including pretrial  
9 proceedings and trial, pursuant to Section 1048 of the *California Code of Civil Procedure*:

<u>Abbreviated Case Name</u>	<u>Case Number</u>	<u>Date Filed</u>
<i>Darryl Lazar v. Facebook, Inc. et al.</i> ,	CIV514065	May 22, 2012
<i>Jennifer Stokes v. Facebook, Inc. et al</i>	CIV514107	May 23, 2012
<i>Matthew Pilgram v. Facebook, Inc. et al</i>	CIV514111	May 23, 2012
<i>Vernon R. DeMois, Jr., v. Facebook, Inc., et al.</i>	CIV514163	May 25, 2012
<i>Elbita Alfonso, v. Facebook, Inc., et al,</i>	CIV514171	May 25, 2012
<i>Edward J. Shierry, v. Facebook, Inc., et al.</i>	CIV514172	May 25, 2012
<i>Michael Lieber v. Facebook, Inc., et al.</i>	CIV514193	May 29, 2012
<i>Karen Cuker and Brian Gralnick v. Facebook, Inc., et al.</i>	CIV514238	May 30, 2012
<i>Harvey Lapin v. Facebook, Inc., et al.</i>	CIV514240	May 30, 2012

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22 Counsel shall promptly notify the Court of any new related cases filed before this Court  
23 and if counsel wish to consolidate such cases, they shall file and serve an appropriate motion or  
24 application.

25 Every pleading filed in these consolidated actions, or in any separate action included  
26 herein, shall bear the following caption:

27  
28 [PROPOSED] ORDER GRANTING PLAINTIFFS' MOTION TO CONSOLIDATE ALL RELATED ACTIONS

1 DARRYL LAZAR, Individually and On Behalf  
of All Others Similarly Situated,

2 Plaintiff,

3  
4 v.

5 FACEBOOK, INC., MARK ZUCKERBERG,  
6 DAVID A. EBERSMAN, DAVID M.  
7 SPILLANE, MARC L. ANDREESSEN,  
8 ERSKINE B. BOWLES, JAMES W. BREYER,  
9 DONALD E. GRAHAM, REED HASTINGS,  
10 PETER A. THIEL, MORGAN STANLEY &  
11 CO. LLC, J.P. MORGAN SECURITIES LLC,  
12 GOLDMAN, SACHS & CO., MERRILL  
13 LYNCH, PIERCE, FENNER & SMITH  
14 INCORPORATED, BARCLAYS CAPITAL  
15 INC., ALLEN & COMPANY LLC,  
16 CITIGROUP GLOBAL MARKETS INC.,  
17 CREDIT SUISSE SECURITIES (USA) LLC,  
18 DEUTSCHE BANK SECURITIES INC., RBC  
19 CAPITAL MARKETS, LLC, BLAYLOCK  
20 ROBERT VAN LLC, BMO CAPITAL  
21 MARKETS CORP., C.L. KING &  
22 ASSOCIATES, INC., CABRERA CAPITAL  
23 MARKETS, LLC, CASTLEOAK  
24 SECURITIES, L.P., COWEN AND  
COMPANY, LLC., E\*TRADE SECURITIES  
LLC, ITAÚ BBA USA SECURITIES, INC.,  
LAZARD CAPITAL MARKETS LLC,  
LEBENTHAL & CO., LLC, LOOP CAPITAL  
MARKETS LLC, M.R. BEAL & COMPANY,  
MACQUARIE CAPITAL (USA) INC.,  
MURIEL SIEBERT & CO., INC.,  
OPPENHEIMER & CO. INC., PACIFIC  
CREST SECURITIES LLC, PIPER JAFFRAY  
& CO., RAYMOND JAMES & ASSOCIATES,  
INC., SAMUEL A. RAMIREZ & COMPANY,  
INC., STIFEL, NICOLAUS & COMPANY,  
INCORPORATED, THE WILLIAMS  
CAPITAL GROUP, L.P., and WILLIAM  
BLAIR & COMPANY, L.L.C.,

25 Defendants.

Lead Case No. CIV514065

(Consolidated with Case Nos:  
CIV514107, CIV514111,  
CIV514163, CIV514171,  
CIV514172, CIV514193,  
CIV514238, CIV514240)

CLASS ACTION

1 The files of these consolidated actions shall be maintained in one file under Lead Case  
2 No. CIV514065.

3 ~~This Order shall apply to each case, arising out of the same or substantially the same~~  
4 ~~transactions or events as these cases, which is subsequently filed in, removed to or transferred to~~  
5 ~~this Court, including cases transferred to this Court.~~ *RL*

6 When a case which properly belongs as part of *Darryl Lazar v. Facebook, Inc. et al.*,  
7 Lead Case No. CIV514065, is hereafter filed in the Court or transferred here from another court,  
8 this Court requests the assistance of counsel in calling to the attention of the Clerk of the Court  
9 the filing or transfer of any case which might properly be consolidated as part of the lead case,  
10 and counsel are to assist in assuring that counsel in subsequent actions receive notice of this  
11 Order.

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DATED: JUN 14 2012

*Beth L. Freeman*  
HON. BETH L. FREEMAN