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Kashmir Hill, Forbes Staff

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Yes That Legal Notice You Got From Facebook Is Real

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If you're a Facebook user, there's a good chance you've received an email over the last 48 hours with the subject: "Re: LEGAL SETTLEMENT OF CLASS ACTION SUIT NOT OF THE NIGERIAN RICHES V. FACEBOOK, INC." If it's only offering you up to \$10,000, it's legit.

The lawsuit stems from a lawsuit we've been covering exhaustively here at the Not-So Private Parts. "Fraley vs. Facebook" stems from Facebook's decision in 2011 to put users in

"Sponsored Story" ads based on things they had "Liked." The ads didn't always reflect the context in which

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was no way of opting out (beyond not Liking anything).



Facebook users will have more control over what kind of Sponsored Stories they appear in.

Within three months of the announcement, an enterprising group of plaintiffs led by seamstress Angel Fraley [sued Facebook in California](#) saying the company had violated the law by using their names and likenesses in ads without their permission and without paying them. (Lead plaintiff Fraley later [dropped out of the suit](#) citing Facebook lawyers' aggressive tactics, which basically consisted of digging up embarrassing material about her from her Facebook account.)

Why I Can't Claim My \$10 From Facebook In The 'Sponsored



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Stories' Settlement

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Facebook
and the
plaintiffs
settled the
suit in

[December](#) to the tune of \$20 million.

That \$20 million is covering the class action lawyers' fees; the rest is potentially going to be divvied up among Facebook users who appeared in Sponsored Stories ads — which is why you got that legal notice inviting you to [claim your up-to-\\$10 share](#) — or, if the demand is too great, the money will instead go to a bunch of non-profits that work on privacy issues. If the amount of money divided by the number of claimants comes out to less than \$4.99 each, the money goes to the non-profits.

According to [Social Bakers](#), Facebook has nearly 165 million American users; court filings suggest about 125 million of them got this notice. If they all wanted a piece of the full \$20 million pie, they'd get 16 cent slices. If more than 4 million people claim their share, that would mean less than \$5 each. And we can assume that the actual amount of money to be divvied up is going to be significantly reduced by the plaintiff's class action lawyers taking a cut. In the website about the settlement, the lawyers suggest the amount left over after their fees [is going to be \\$12 million](#). If 3 million people — or 2.4% of those that received the notice — apply for a piece of that amount, it'll take the per-person payment below the \$4.99 each threshold. Given that, it seems fairly likely this money is going to be split among non-profits — including the Center for Democracy and Technology, the Electronic Frontier Foundation, and the Berkman Center for Internet and Society ([full list here](#)) — rather than by users, meaning those 14 non-profits will get almost a \$1 million each. That's assuming that 99% of people who receive the email don't just delete it as spam.

But even if you don't get paid, there is an upside from the settlement. Facebook has to give all users “additional information about and control over the use of their names and profile pictures in Sponsored Stories.” Maybe that means Facebook will give you a better way to control this [than currently exists](#).

Here's the notice, in all of its legalese glory:

NOTICE OF PENDING CLASS ACTION AND NOTICE OF PROPOSED SETTLEMENT ANGEL FRALEY V. FACEBOOK, INC.

You are receiving this e-mail because you may have been featured in a “Sponsored Story” on Facebook prior to December 3, 2012.

A federal court authorized this Notice. This is not a solicitation from a lawyer.

Why did I get this notice? This Notice relates to a proposed settlement (“Settlement”) of a class action lawsuit (“Action”) filed against Facebook relating to a particular Facebook feature called “Sponsored Stories.” According to available records, you may be a “Class Member.”

What is the Action about? The Action claims that Facebook unlawfully used the names, profile pictures, photographs, likenesses, and identities of Facebook users in the [United States](#) to advertise or sell products and services through Sponsored Stories without obtaining those users' consent. Facebook denies any wrongdoing and any liability whatsoever. No court or other entity has made any judgment or other determination of any liability.

What is a Sponsored Story? Sponsored Stories are a form of advertising that typically contains posts which appeared on [facebook.com](#) about or from a Facebook user or entity that a business, organization, or individual has paid to promote so there is a better chance that the posts will be seen by the user or entity's chosen audience. Sponsored Stories may be displayed, for example, when a Facebook user interacts with the Facebook service (including sub-domains, international versions,



I'm a pragmatist, writing about the intersection of law, technology, social media and personal information. If you have story ideas or tips, e-mail me at khill@forbes.com. These days, I'm a senior online editor at Forbes.

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widgets, plug-ins, platform applications or games, and mobile applications) in certain ways, such as by clicking on the Facebook "Like" button on a business's, organization's, or individual's Facebook page. Sponsored Stories typically include a display of a Facebook user's Facebook name (i.e., the name the user has associated with his or her Facebook account) and/or profile picture (if the user has uploaded one) with a statement describing the user's interaction with the Facebook service, such as "John Smith likes UNICEF," "John Smith played Farmville," or "John Smith shared a link."

What relief does the Settlement provide? Facebook will pay \$20 million into a fund that can be used, in part, to pay claims of Class Members (including Minor Class Members) who appeared in a Sponsored Story. Each participating Class Member who submits a valid and timely claim form may be eligible to receive up to \$10. *The amount, if any, paid to each claimant depends upon the number of claims made and other factors detailed in the Settlement. No one knows in advance how much each claimant will receive, or whether any money will be paid directly to claimants.* If the number of claims made renders it economically infeasible to pay money to persons who make a timely and valid claim, payment will be made to the not-for-profit organizations identified on the Settlement website at www.fraleyfacebooksettlement.com (if clicking on the link does not work, copy and paste the website address into a web browser). These organizations are involved in educational outreach that teaches adults and children how to use social media technologies safely, or are involved in research of social media, with a focus on critical thinking around advertising and commercialization, and particularly with protecting the interests of children.

In addition to monetary relief, Facebook will (a) revise its terms of service (known as the "Statement of Rights and Responsibilities" or "SRR") to more fully explain the instances in which users agree to the display of their names and profile pictures in connection with Sponsored Stories; (b) create an easily accessible mechanism that enables users to view, on a going-forward basis, the subset of their interactions and other content on Facebook that have been displayed in Sponsored Stories (if any); (c) develop settings that will allow users to prevent particular items or categories of content or information related to them from being displayed in future Sponsored Stories; (d) revise its SRR to confirm that minors represent that their parent or legal guardian consents to the use of the minor's name and profile picture in connection with commercial, sponsored, or related content; (e) provide parents and legal guardians with additional information about how advertising works on Facebook in its Family Safety Center and provide parents and legal guardians with additional tools to control whether their children's names and profile pictures are displayed in connection with Sponsored Stories; and (f) add a control in minor users' profiles that enables each minor user to indicate that his or her parents are not Facebook users and, where a minor user indicates that his or her parents are not on Facebook, Facebook will make the minor ineligible to appear in Sponsored Stories until he or she reaches the age of 18, until the minor changes his or her setting to indicate that his or her parents are on Facebook, or until a confirmed parental relationship with the minor user is established.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM FORM	This is the only way to be eligible to receive a payment, if the Court orders payment to Class Members.	Deadline: May 2, 2013
EXCLUDE YOURSELF	This is the only option that allows you to retain the ability to file your own lawsuit about the legal claims in this case.	Deadline: May 2, 2013
OBJECT	Write to the Court about why you object to (i.e., don't like) the Settlement and think it shouldn't be approved.	Deadline: May 2, 2013
GO TO THE HEARING	The Court will hold a "Fairness Hearing" to consider the Settlement, the request for attorneys' fees and expenses of the lawyers who brought the Action ("Class Counsel"), and the class representatives' request for service awards for bringing the Action. You may, but are not required to, speak at the Fairness Hearing about any Objection you filed. If you intend to speak at the Fairness Hearing, you must follow the procedures stated on the Settlement website to notify the Court and parties of your intent when you serve your Objection.	Hearing Date: June 28, 2013 at 10:00 a.m.
DO NOTHING	You will not receive a payment, even if the Court orders payment to Class Members. You will also be giving up your right to bring your own lawsuit related to the claims in the Action. You may be eligible to receive the non-monetary benefits of the Settlement, if the Settlement is finally approved.	No deadline

To Parents and Guardians of Children on Facebook: The Settlement also involves the claims of minors featured in Sponsored Stories on Facebook. Please see the Settlement website for more information.

More information? For more information about the Settlement and how to take the actions



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described above, please visit www.fraleyfacebooksettlement.com (if clicking on the link does not work, copy and paste the website address into a web browser) or write to the Settlement Administrator at *Fraley v. Facebook, Inc.*, Settlement, c/o GCG, P.O. Box 35009, [Seattle](#), WA 98124-1009, or GCG@fraleyfacebooksettlement.com. You may also contact Class Counsel, Robert S. Arns of the Arns [Law](#) Firm, by calling [1-888-214-5125](tel:1-888-214-5125) or by emailing fb.settlement@arnslaw.com.

More on Forbes:

The Evolution Of Facebook



AP

The Evolution of Facebook

Facebook has come a long way since 2004. Here's a look back at some of the site's most notable redesigns and features.

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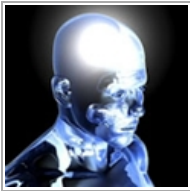
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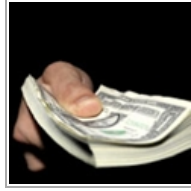
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doggy_style 1 week ago

Lawyers and cockroaches will be the only life forms which survive the apocalypse.

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**Michael Schroeder** 1 week ago

Like most class action settlements, only the lawyers get (over)paid.

Called-out comment

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**Photorider** 1 week ago

I hope enough people file claims (though I can't imagine many people chasing \$10) so that the money goes to the nonprofits. That way these organizations can continue to hold Facebook to the scrutiny it deserves. Facebook's Sponsored Stories is not the company's only assault on users' privacy.

Called-out comment

[Reply](#)

**medialawguy** 1 week ago

I was one of the tens of millions who recently received an emailed notice of the proposed settlement. I intend to submit a claim, not because I need the ten bucks, but because I hope the number of claimants will be so large that the amount to be distributed will be less than \$5.00, thus insuring the bulk of the settlement fund will be paid to the privacy advocacy groups. This will provide consumers with a far more significant and long term benefit than a few dollars. I am encouraging my students who also received settlement notices to do likewise.

I have three observations about the terms of the settlement.

First, the most meaningful relief stemming from this proposed settlement is not monetary. Indeed, both the \$20 million paid by Facebook and the amount any claimant may receive is chump change. The non-monetary relief, however, is significant, but one needs to read the actual proposed settlement agreement to fully appreciate that fact. You may access the actual settlement agreement (which has received preliminary approval by the Court) by going to <http://www.fraleyfacebooksettlement.com/court> and clicking on "Amended Settlement Agreement & Release." Basically, Facebook agrees to amend its terms of use within six months to better describe its Sponsored Stories program and to provide Facebook users with the power to control when, how, and even block the use of their name or image in the Sponsored Stories program. Equally important, are provisions that mandate these changes remain in effect for at least two years and provide for the Court to order a compliance audit, at Facebook's expense. The Court's retention of jurisdiction to insure compliance means the non-monetary relief will actually be implemented.

Second, Facebook also receives substantial benefits from this settlement. Not only does Facebook obtain a get-out-of-jail-card for any of its past sins relating to the Sponsored Stories program, it also obtains that same benefit for any person or company who PAID for a Sponsored Story ad. This is a great service to Facebook's advertisers and shows they had their best interests in mind, as well as it's own. Moreover, Facebook essentially obtains a legal blessing for the program going forward. I expect the market demand for Sponsored Stories will grow now that the legal cloud has been removed.

Third, my only criticism of the settlement is that the three named class plaintiffs will only receive \$12,500 each. Although I don't know how much time they actually spent on the case (often class action plaintiffs are nothing more than figureheads) the sum seems inadequate for essentially opening up their lives to the invasiveness of the discovery process. This process apparently caused one of the original class plaintiffs to withdraw from the suit.

Many interested parties besides Facebook—including the class lawyers who will receive \$7.5 million in fees and the privacy advocates who could receive even more and Facebook advertisers—are eagerly looking forward to the June "fairness hearing" where the settlement will either be approved or rejected by the Court.

Called-out comment

[Reply](#)

**Angela Penny** 1 week ago

I got this email and they said they were giving me \$10. I deleted it but am thinking twice about that decision.

Called-out comment

[Reply](#)**Mark Hughes**, Contributor 1 week ago

But if I convince everyone else not to bother signing up, then I get \$20 million?

Think, Mark, THINK...!

Called-out comment

[Reply](#)**doggy_style** 1 week ago

Time for a new verb:

zuck:

verb

1. to relentlessly commercialize one's privacy for profit

Called-out comment

[Reply](#)**Susannah Breslin**, Contributor 1 week ago

I felt really special when I got mine until I got to the \$10 part.

Called-out comment

[Reply](#)**Alexis Suggs** 1 week ago

Even though the amount per facebook user is so small that it hardly makes a difference to users it is nice to see that facebook is being made to be accountable for what it is doing with users information. So for me this isn't about the money but rather about facebook being forced to be more open about what it is doing with your name and information. Also this brings relief for me because I recently went on a deleting spree of everything that I had previously liked and was worried that I could have been featured without knowing (since there really isn't a way to search for sponsored stories containing your name), but since I didn't receive an email about the settlement I know that I was never featured. *whew*

Called-out comment

[Reply](#)**Lindsay Gilson** 1 week ago

I was confused as well when I got the email, but after reading this article I'm wondering if instead.... the advertising companies would just pay me! I'd be happy to promote something I like to my thousands of Facebook friends if they'll seek my permission and pay me for it. That way, I could probably make more than \$10...

Called-out comment

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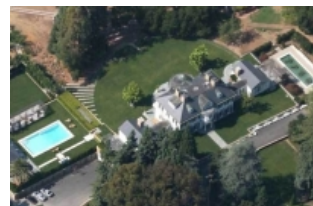


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