

# *Ohio Public Employees Retirement System v. Meta Platforms, Inc. f/k/a Facebook, Inc.*

**COURT:** United States District Court for the Northern District of California  
**CASE NUMBER:** 3:21-cv-08812  
**CLASS PERIOD:** 04/29/2021 - 10/21/2021  
**CASE LEADERS:** Hannah Ross, Avi Josefson, Jonathan D. Uslaner, Scott R. Foglietta

On November 12, 2021, Bernstein Litowitz Berger & Grossmann LLP (“BLB&G”) filed a class action lawsuit for violations of the federal securities laws in the U.S. District Court for the Northern District of California against Meta Platforms, Inc. f/k/a Facebook, Inc. (“Facebook” or the “Company”) and certain of the Company’s senior executives (collectively, “Defendants”) on behalf of investors that incurred damages on their purchases of Facebook Class A common stock between April 29, 2021 and October 21, 2021, inclusive (the “Class Period”).

BLB&G filed this action on behalf of its client, Ohio Public Employees Retirement System, and the case is captioned *Ohio Public Employees Retirement System v. Meta Platforms, Inc. f/k/a Facebook, Inc.*, No. 3:21-cv-08812 (N.D. Cal.). The complaint is based on an extensive investigation and a careful evaluation of the merits of this case. To view the complaint, see the Case Documents section of this page.

## **Facebook’s Alleged Fraud**

Facebook operates the world’s largest family of social networks, enabling its more than three billion users worldwide to connect and share content through mobile devices, personal computers, and virtual reality headsets. The Company’s products include, among others, its flagship social network, Facebook, as well as Instagram, a community for sharing photos, videos, and messages. The Company generated the vast majority of its \$86 billion in revenue in 2020 by selling advertisement placements to marketers which Facebook then shows to its users.

The complaint alleges that, throughout the Class Period, Facebook repeatedly assured investors that it has “robust” content policies, which it applies evenly across all users, and that it had taken aggressive steps to ensure the safety and security of its users by preventing the spread of misinformation and harmful content on its platforms. In reality, Defendants knew that Facebook’s products and systems are riddled with flaws that sow dissension, facilitate illegal activity and violent extremism, and cause significant harm to users, but Facebook lacked the will or ability to correct these issues. Defendants also knew that certain of Facebook’s user metrics were unreliable because of the large number of duplicate accounts created by users. As a result of Defendants’ misrepresentations, Facebook stock traded at artificially inflated prices during the Class Period.

The truth began to emerge on September 13, 2021, when *The Wall Street Journal* published the first of a series of articles, referred to as “The Facebook Files.” Those articles, citing a trove of internal Company documents obtained from a whistleblower, demonstrated the extent to which Facebook knows its platforms contain flaws that cause significant harm to users, but which the Company makes minimal or ineffectual efforts to address. The September 13 article reported that, despite the Company’s public assurances that Facebook applies its standards of behavior equally to all users, internal documents show that the Company’s favoritism towards millions of high-profile users is widespread and that Facebook was “not actually doing what we say we do publicly.”

On each of the next four days, *The Wall Street Journal* published an additional installment of “The Facebook Files,” each of which detailed a distinct problem with Facebook’s platforms. The September 14 installment reported that, despite the Company publicly downplaying the harmful effects of Instagram on children, Facebook’s own research found that “[w]e make body image issues worse for one in three teen girls” many of whom “blame Instagram for increases in the rate of anxiety and depression” and have linked suicidal thoughts and eating disorders to their experiences on Instagram. The September 15 installment reported that the Company’s 2018 change to its content algorithm was described internally as having “unhealthy side effects” on important content and led to “[m]isinformation, toxicity, and violent content” becoming “inordinately prevalent.” The September 16 installment revealed that Facebook has weak and ineffective responses to the use of its platforms by drug cartels and human traffickers to facilitate their criminal enterprises. The September 17 installment revealed that, even for topics on which Facebook committed itself to representing a specific message, the Company was unable or unwilling to manage content on its platforms in line with its own representations.

On September 28, 2021, the day after Facebook halted its development of a version of Instagram for children, *The Wall Street Journal* revealed that Facebook has made significant efforts to monetize the use of its products by pre-teens ages 10 to 12 because, according to the Company, they represent “a valuable but untapped audience.”

On October 3, 2021, the whistleblower disclosed her identity as former Facebook product manager, Frances Haugen, during an interview on the CBS News program, *60 Minutes*, in which she revealed that Facebook repeatedly “chooses profit over safety.” The next day, CBS News revealed the eight complaints that Ms. Haugen has filed with the SEC, alleging that Facebook has misled the public and investors.

Then, on October 21, 2021, after the market closed, *The Wall Street Journal* raised concerns about the accuracy and reliability of some of Facebook’s reported user metrics, citing internal Company documents that show the use of duplicate accounts by users is “very prevalent” and could render Facebook’s daily active user metrics inherently “less trustable.” As a result of these disclosures, the price of Facebook stock declined precipitously.

The filing of this action does not alter the previously established deadline to seek appointment as Lead Plaintiff. Pursuant to the October 27, 2021 notice published in connection with the previously filed securities class action pending against Facebook captioned *Ngian v. Facebook, Inc.*, No. 1:21-cv-05976 (E.D.N.Y.), under the Private Securities Litigation Reform Act of 1995, investors who purchased or otherwise acquired Facebook stock during the Class Period may, no later than December 27, 2021, seek to be appointed as Lead Plaintiff for the Class. Any member of the proposed Class may seek to serve as Lead Plaintiff through counsel of their choice, or may choose to do nothing and remain a member of the proposed Class.

If you wish to discuss this action or have any questions concerning this notice or your rights or interests, please contact Scott R. Foglietta of BLB&G at 212-554-1903, or via e-mail at [scott.foglietta@blbglaw.com](mailto:scott.foglietta@blbglaw.com).

## Case Documents

- November 16, 2021 - PSLRA Notice
- November 12, 2021 - Initial Complaint