

# Facebook Fair Fund

## Frequently Asked Questions

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### Background

#### 1. What are the details of the SEC’s settlement with Facebook, Inc.?

On July 24, 2019, the U.S. Securities and Exchange Commission (“SEC” or “Commission”) filed a Complaint against Facebook, Inc. in which the SEC alleged, among other things, that Facebook made misleading statements in its public filings from 2016 until mid-March 2018 about the misuse of users’ data. On August 22, 2019, the Court entered a final judgment ordering Facebook to pay a civil money penalty in the amount of \$100,000,000.

On August 17, 2020, the Court entered an Order establishing a Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002 (the “Facebook Fair Fund”) to be used to distribute the penalty to investors harmed by the alleged misconduct in accordance with the terms of the Distribution Plan approved by the Commission on April 25, 2022.

### Eligibility

#### 2. Who is eligible to participate in the distribution of the Fair Fund?

You may be eligible for compensation from the Facebook Fair Fund if you purchased Facebook Common Stock during the period from January 28, 2016 until the market close on March 19, 2018.

#### 3. What securities must have I purchased to be eligible to participate in the recovery?

Facebook common stock is the only security eligible for recovery under the terms of the Distribution Plan:

Security	Symbol	CUSIP
Facebook Common Stock	FB	30303M102

#### 4. Who is not eligible to participate in the distribution of the Facebook Fair Fund?

You are not eligible to participate in the distribution of the Fair Fund if you are or were:

- a. The Defendant;
- b. Any Person who served at any time from January 1, 2015 through the end of the Relevant Period as an officer or director;
- c. Any employee or former employee of the Defendant or any of its affiliates who has been terminated for cause or has otherwise resigned, in connection with the conduct detailed in the Complaint;
- d. Any Person who, as of the Claims Bar Date, has been the subject of criminal charges related to the conduct detailed in the Complaint or any related Commission action;
- e. any assigns, creditors, heirs, distributees, spouses, parents, dependent children or controlled entities of any of the foregoing persons or entities in paragraph (a)-(d) above;
- f. Any firm, trust, corporation, officer, or other entity in which Defendant has or had a controlling interest;
- g. The Distribution Agent, its employees, and those persons assisting the Distribution Agent in its role as the Distribution Agent; or
- h. Any purchaser or assignee of another Person's right to obtain a recovery from the Fair Fund for value; provided, however, that this provision shall not be construed to exclude those Persons who obtained such a right by gift, inheritance or devise.

**5. I was a Facebook employee and acquired Facebook through an employee benefit program. Do these shares qualify me for a payment?**

Some employees received Facebook common stock through the conversion of restricted stock units ("RSUs"). The acquisition of Facebook common stock through an RSU is potentially eligible for a recovery from the Facebook Fair Fund. However, both the grant of the RSUs, as well as the conversion of the RSUs to shares of Facebook common stock must have occurred during the Relevant Period. Please submit include information and documentation regarding the date of the grant and conversion of the RSUs with your claim.

If you believe you otherwise purchased or acquired shares of Facebook common stock through participation in a Facebook employee benefit program during the Relevant Period, you may submit a claim and we can determine the eligibility of the transactions after the claim has been fully reviewed.

Any participants that held shares of Facebook common stock directly (outside of an employee plan) must file a separate claim relating to those shares.

**6. Do shares purchased by reinvesting dividends qualify for recovery?**

Yes, shares purchased by reinvesting dividends are potentially eligible for recovery. Note that you must provide an account statement or other documentation for each purchase, including the date of purchase and the number of shares.

## **7. What is considered my official date of purchase (or sale) of my shares?**

The “trade date” or “contract date” is the official date to use as the date of your transaction for purchases and/or sales. Many broker transaction statements provide both a “trade date” and a “settlement date”. The trade date is the correct date to use for purposes of completing a claim form. All fees and commissions are excluded.

## **8. I inherited (or received as a gift) shares of Facebook common stock. Am I eligible to file a claim?**

The eligibility of a claim is dependent upon when the shares of Facebook common stock were originally purchased. The receipt of shares of Facebook common stock by gift or inheritance, for example, does not constitute a purchase for purposes of determining eligibility. If the original owner of the Facebook common stock purchased the shares during the relevant period, you may be eligible to recover for those inherited or gifted shares.

You must include copies of broker statements or other documentation evidencing the original purchase of the Facebook common stock with your claim. In addition, you must provide documentation of the transfer of the shares to you, such as the broker statements for the period in which the transfer occurred. In the case of an inheritance, you should attach copies (please do not send originals) of any legal documentation showing you are the legal recipient of these shares.

If the original owner purchased the shares of Facebook common stock outside of the relevant period, the shares would not be eligible for recovery.

## **9. The Plan of Allocation includes something called the Market Loss Limitation. What does that mean?**

The Plan of Allocation (“POA”) requires us to not only identify the amount of claimant’s Recognized Loss in accordance with the calculation detailed in the POA, but also to identify what a claimant actually lost from their transactions in Facebook common stock on a cash-in, cash-out basis during the Relevant Period. This is the Market Loss Limitation.

If the amount a claimant actually lost from their transactions in Facebook common stock during the Relevant Period on a cash-in, cash-out basis is less than the amount of their Recognized Loss as determined in accordance with the POA, then the amount of the claim will be equal to the amount of the actual loss (or gain).

For example, if a claimant realized a market gain from their transactions in Facebook common stock during the Relevant Period, the claimant would not be eligible for compensation because they did not suffer a loss (even if the calculation of Recognized Loss under the POA shows a loss).

Generally, the Market Loss Limitation is intended to help direct the recoveries from the Fair Fund to compensate those investors that actually suffered out of pocket losses as a result of their transactions in Facebook common stock.

**10. The Distribution Plan provides that the Relevant Period for purposes of eligibility is January 28, 2016 through March 19, 2018. Why does the Claim Form require me to list purchases and sales through and including June 15, 2018?**

The POA in this case requires that in determining a claimant's eligibility we must look at all transactions that occurred during the Relevant Period, as well as all transactions that took place during the 90-day period that extends after the end of the Relevant Period (March 20, 2018 through June 15, 2018).

While an eligible claimant must have purchased Facebook common stock during the Relevant Period, the POA requires that all sales until June 15, 2018 be considered in determining eligible losses. By taking into account any sales that occurred during the 90-day period, we are able to account for the proceeds of any sales during the period. Accounting for these sales will enable us to determine the actual losses for each claimant.

This is yet another measure that is implemented to try to ensure that recoveries from the Fair Fund are directed to compensate those investors that actually suffered an out of pocket loss as a result of trading during the Relevant Period when the misinformation was in the marketplace.

If you would like more information, please see the Plan of Allocation that can be found as Exhibit A to the Distribution Plan.

### **The Claim Form**

**11. How do I apply to participate in the Facebook Fair Fund? How do I file a claim?**

If you would like to apply to participate in the Facebook Fair Fund, you must submit a completed claim form that is postmarked on or before October 26, 2022. You may submit your claim form in one of the following ways:

- a. You can file your claim using our online claims system here. You will enter all of your information directly into the online claim form, scan your supporting documentation, and upload the supporting documentation to your claim form. If you are unable to scan your

supporting documentation, you can mail the supporting documentation directly to the Distribution Agent at the address provided herein. If mailing supporting documentation, you will be directed to print off a cover sheet from the website to include with your mailing. This will ensure your documentation is included with the appropriate claim.

b. If you prefer to complete and mail a paper claim form, you can download and print one here. Read and complete all required fields in the claim form, attach all necessary supporting documentation and mail the completed to:

Facebook Fair Fund P.O. Box 6975 Syracuse, NY 13217-6975

You can ask the Distribution Agent to mail you a claim form by calling toll free (866) 578-3658, sending an email request to [info@fbfairfund.com](mailto:info@fbfairfund.com) or by writing to the address included above. Remember to provide your complete name and mailing address. Upon receipt, read and complete all required fields in the claim form, attach all necessary supporting documentation and mail the completed claim form to the Distribution Agent.

## **12. What is the deadline for submitting the claim form?**

The claim form must be postmarked on or before October 26, 2022.

## **13. Do I need to submit supporting documents with my claim form?**

Yes. You must provide with your completed claim form documentation of (a) the number of shares you held as of the opening of trading on January 28, 2016 if any; (b) all purchases and sales of Facebook common stock between January 28, 2016 through and including June 15, 2018; (c) the number of shares you held as of March 20, 2018, if any; and (d), and the number of shares you held as of June 15, 2018, if any. Please be sure the documentation confirms the details provided in your claim form.

All documentation must include adequate identifying information (*i.e.*, your name and account number must appear on all documentation submitted). Handwritten modifications to the documentation or self-generated schedules or statements will not be accepted. Please do not send the originals of your supporting documentation; be sure to provide copies. Documentation should list the security, type of transaction, date of transaction, number of shares, and total amount of the transaction.

The types of documents that should be submitted to support your claim include:

- monthly brokerage or other investment account statements;
- trade confirmation slips; or

- a signed letter from your broker on firm letterhead verifying the information you have provided in the claim form.

If you do not submit documents with your claim form to verify your holdings and transactions in Facebook common stock during the Relevant Period, we will be unable to validate your claim. Notices detailing any deficiencies in your claim will be mailed at a later date and you will have an opportunity to submit additional supporting documentation at that time.

#### **14. What if I cannot provide all the supporting documents with my claim form?**

It is very important that you provide documentation in support of the holdings and transactions listed on your claim form. Failure to do so may invalidate your claim. If you cannot locate these documents within your personal records, contact your broker or other account representative and request copies of the documents you need.

#### **15. Will my information be kept confidential?**

Yes. The Distribution Agent will use its best efforts to protect the privacy of the information you provide, and the Distribution Agent will not use the information in your claim form and supporting documents other than for the purpose of processing your claim. For more information, see our Privacy Policy located on this website.

#### **16. Why does the claim form ask for my phone number and email address?**

The Distribution Agent will likely need more information in order to process your claim form. The claim form asks for your phone number and email address so you can be contacted promptly if additional information is needed. The Distribution Agent will not voluntarily release this information to any person or entity not involved with the Fair Fund.

#### **17. Why does the claim form ask for my Social Security Number (“SSN”), Tax Identification Number (“EIN”) or Passport ID Number?**

The Distribution Agent needs this information to administer your claim during the claim administration process. These identifying items are necessary for a number of reasons, including enabling the Distribution Agent to ensure payments from the Fair Fund are not directed to prohibited participants listed on the U.S. Treasury’s Office of Foreign Asset Control’s (OFAC) records.

We recognize the importance of keeping your personal information secure, and we do everything under our control to ensure this data is protected. This personal information will only be used as necessary to administer your claim during the claim administration process.

**18. I purchased shares of Facebook common stock, but they were held in my broker’s name. Who should complete the claim form?**

The beneficial owner of the shares of Facebook common stock should complete the claim form. If you purchased the shares but they were registered in your broker’s name, you are the beneficial owner.

**19. I held shares of Facebook common stock in more than one account. Should I file a separate claim form for each account?**

You should include all of your transactions in Facebook common stock during the Relevant Period in one claim form, even if they were purchased or held using different brokerages or representatives. However, if you held shares of Facebook common stock in accounts that were different account types or held under different legal capacities (e.g., an individual account and a partnership account), you should complete a separate claim form for each.

**20. If I was a co-owner of Facebook common stock, do we both need to sign the claim form?**

Yes, all owners must sign. However, if your co-owner is deceased, please read the next question below.

**21. What should I do if the investor has died? How should the claim form be completed?**

If the beneficial owner of the shares of Facebook common stock has died, and would have otherwise met the eligibility requirements of the Facebook Fair Fund, the estate or the legal heirs may be eligible for a distribution. The executor or administrator of the estate should sign and submit the claim form denoting his or her title (for example, “Executor of the Estate of John Doe”) on the signature page.

If no estate was opened, or if the estate is now closed, all the legal heirs of the investor should sign their names on the claim form, and add the word “Heir”. In either circumstance, you must attach copies (please do not send originals) of any legal documentation providing evidence you are the executor or Distribution Agent of the estate, or the legal heir of the deceased.

If you had a co-owner of the shares of Facebook common stock who has died, you should sign the claim form yourself, and send copies of documents that show:

- |    |   |
|----|---|
| a. | The co-owner has died (for example, a copy of the death certificate); and                   |
| b. | You are legally entitled to the co-owner’s interest in the shares of Facebook common stock. |

## After Your Claim Form Is Submitted

### **22. Will I be notified whether my claim was received by the Distribution Agent?**

If you submit your claim using the on-line claim filing option, you will receive an electronic confirmation and corresponding claim ID immediately.

If you mail a claim form directly to the Distribution Agent, you will not receive confirmation of receipt from the Distribution Agent. We would encourage you to either use the online claim filing option, or to utilize a mailing option or courier service that will provide you with proof of delivery and receipt of the claim form by the Distribution Agent. The burden to prove receipt of the claim by the Distribution Agent will be upon the potential claimant.

### **23. Will I be notified whether my claim is accepted, rejected or deficient?**

Yes. A claim status notice will be mailed to all claimants that filed a claim form. The claim status notice will provide each claimant with the status of their claim: approved, deficient or ineligible. If your claim is deficient, we will provide an explanation of the deficiency and an instruction regarding what is required to cure the deficiency. If your claim is determined to be ineligible, the notice will provide the reason for such denial. All information submitted in response to a claim status notice, either attempting to cure a deficient claim or requesting reconsideration of a rejected claim, must be postmarked no more than 30 days after the date of your claim status notice.

### **24. How much will I be paid if I am eligible?**

Until all claims have been fully processed, it is not possible to determine the amount of any individual payment because the amount will depend on a variety of factors; including, the number of eligible claims processed, the total dollar amount of the eligible claims, and the eligible loss amount of your Facebook common stock transactions.

If you are determined to be eligible, the amount of your recovery will be based on the plan of allocation loss methodology that was approved by the Commission. Your eligible loss will be calculated in accordance with the plan of allocation. Please note that your eligible losses will be used to determine the amount of your distribution payment from the Facebook Fair Fund; however, if the aggregate losses of all claimants exceeds the value of the Facebook Fair Fund, the Facebook Fair Fund will be distributed to eligible claimants proportionately based upon the ratio of the eligible losses of each claimant to the aggregate eligible losses of all eligible claimants.



You can read a more detailed explanation of the plan of allocation and how distribution payments are calculated, including examples showing the application of the methodology, in the Distribution Plan which is available on this website.

**25. Will I have to pay taxes on my payment?**

We cannot provide tax or other legal advice on this matter. It is your responsibility to determine and pay any federal, state or other taxes you may owe on recoveries you receive from the Facebook Fair Fund. Therefore, we recommend that you consult your tax advisor.

**26. What should I do if I move after I submit my claim form?**

If you move after you file your claim form, please be sure to provide your new address to ensure that we are able to contact you in the event you are eligible to receive a distribution payment. You can update your address by calling (866) 578-3658, sending an email to [info@fbfairfund.com](mailto:info@fbfairfund.com), or writing to:

Facebook Fair Fund  
P.O. Box 6975  
Syracuse, NY 13217-6975

**Effect of Submitting a Claim**

**27. Am I giving up any legal rights by filing a claim form?**

No. By submitting a claim form, you are not forfeiting any rights or claims you may have against Facebook (n/k/a Meta Platforms, Inc.), its past and present directors, officers, advisors or agents.

**28. Is this case a class action?**

No. This Fair Fund settlement is the result of an enforcement action brought by the U.S. Securities and Exchange Commission.

**Institutional Filers**

**29. I am an institutional filer; may I file my claim electronically?**

Yes. The Distribution Agent has established a procedure to enable institutional filers to submit claims electronically. The electronic filing template is available [here](#).

**30. Will the Distribution Agent ship blank claim forms to an institutional filer in bulk so that the institutional filer can mail them directly to clients?**

No. The Distribution Agent will not mail bulk quantities of blank claim forms or other materials to an institutional filer. The claim form and all other relevant material can be downloaded directly from the Facebook Fair Fund website [here](#), or you may direct your clients to submit their claim using the online claim filing option available [here](#).

**Getting More Information**

**31. I still have some questions. Who can I contact?**

If you have additional questions, you may:

- Call toll-free (866) 578-3658 (Domestic) or (315) 671-5779 (International), Monday through Friday between 8:30am and 5:00pm, Eastern Standard Time;
- Send an email to us at [info@fbfairfund.com](mailto:info@fbfairfund.com); or
- Write to:

Facebook Fair Fund  
P.O. Box 6975  
Syracuse, NY 13217-6975